

**MALAYAN BANKING BERHAD**  
(Co. Reg. No.: 196001000142)  
(Incorporated in Malaysia)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

<u>Group</u>	Note	Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Interest income	A21	4,491,077	6,138,608	14,963,362	18,192,354
Interest expense	A22	(1,793,182)	(2,978,597)	(6,656,448)	(9,181,241)
Net interest income		2,697,895	3,160,011	8,306,914	9,011,113
Income from Islamic Banking Scheme operations	A40a	1,589,986	1,494,563	4,462,383	4,394,121
Net earned insurance premiums	A23	2,990,262	1,749,070	6,676,083	4,999,459
Other operating income	A25	2,036,510	2,148,514	5,797,041	5,806,175
Total operating income		9,314,653	8,552,158	25,242,421	24,210,868
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A26	(3,236,869)	(2,053,990)	(6,791,921)	(5,962,932)
Net operating income		6,077,784	6,498,168	18,450,500	18,247,936
Overhead expenses	A27	(2,704,406)	(2,963,569)	(8,352,752)	(8,592,827)
Operating profit before impairment losses		3,373,378	3,534,599	10,097,748	9,655,109
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(804,357)	(957,984)	(3,505,291)	(1,953,622)
(Allowances for)/writeback of impairment losses on financial investments, net	A29	(1,449)	32,088	(45,366)	(16,433)
Allowances for impairment losses on other financial assets, net	A30	(80)	(8,988)	(20,236)	(54,451)
Operating profit		2,567,492	2,599,715	6,526,855	7,630,603
Share of profits in associates and joint ventures		43,833	48,542	137,971	119,673
<b>Profit before taxation and zakat</b>		<b>2,611,325</b>	<b>2,648,257</b>	<b>6,664,826</b>	<b>7,750,276</b>
Taxation and zakat	B5	(601,714)	(603,370)	(1,586,687)	(1,842,491)
<b>Profit for the financial period</b>		<b>2,009,611</b>	<b>2,044,887</b>	<b>5,078,139</b>	<b>5,907,785</b>
<b>Attributable to:</b>					
Equity holders of the Bank		1,952,432	1,998,809	4,943,814	5,748,944
Non-controlling interests		57,179	46,078	134,325	158,841
		2,009,611	2,044,887	5,078,139	5,907,785
<b>Earnings per share attributable to equity holders of the Bank</b>					
Basic/diluted	B12	17.37 sen	17.78 sen	43.98 sen	51.63 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 2019 and the accompanying explanatory notes attached to these financial statements)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Profit for the financial period</b>	<b>2,009,611</b>	2,044,887	<b>5,078,139</b>	5,907,785
<b>Other comprehensive income/(loss):</b>				
<b><i>Items that will not be reclassified subsequently to profit or loss:</i></b>				
Defined benefit plan actuarial gain/(loss)	913	(1,015)	(5,315)	2,896
Income tax effect	53	-	(702)	147
Net (loss)/gain from change in fair value on equity instruments at fair value through other comprehensive income	(184)	1,283	43,081	15,457
	<b>782</b>	268	<b>37,064</b>	18,500
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>				
Net gain on debt instruments at fair value through other comprehensive income	465,946	603,131	1,598,459	2,780,898
- Net gain from change in fair value	596,914	816,186	1,635,338	3,366,268
- Changes in expected credit losses	10,163	(13,460)	317,829	223,279
- Income tax effect	(141,131)	(199,595)	(354,708)	(808,649)
Net (loss)/gain on foreign exchange translation	(1,229,315)	8,493	(562,076)	466,496
Net loss on cash flow hedge	(1)	(217)	-	(368)
Net gain/(loss) on net investment hedge	4,820	(2,011)	(2,334)	(2,068)
Net (loss)/gain on fair value hedge	(3,609)	825	17,025	7,211
Net loss on capital reserve	(118)	-	(1,080)	-
Share of change in associates' reserve	(1,041)	81,208	32,934	(201,768)
	<b>(763,318)</b>	691,429	<b>1,082,928</b>	3,050,401
Other comprehensive (loss)/income for the financial period, net of tax	<b>(762,536)</b>	691,697	<b>1,119,992</b>	3,068,901
<b>Total comprehensive income for the financial period</b>	<b>1,247,075</b>	2,736,584	<b>6,198,131</b>	8,976,686
<b>Other comprehensive income for the financial period, attributable to:</b>				
Equity holders of the Bank	(758,476)	669,834	1,118,707	3,012,355
Non-controlling interests	(4,060)	21,863	1,285	56,546
	<b>(762,536)</b>	691,697	<b>1,119,992</b>	3,068,901
<b>Total comprehensive income for the financial period, attributable to:</b>				
Equity holders of the Bank	1,193,956	2,668,643	6,062,521	8,761,299
Non-controlling interests	53,119	67,941	135,610	215,387
	<b>1,247,075</b>	2,736,584	<b>6,198,131</b>	8,976,686

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

<u>Bank</u>	Note	Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Interest income	A21	2,980,659	4,050,018	10,023,465	12,160,291
Interest expense	A22	(1,101,833)	(2,019,541)	(4,355,213)	(6,379,205)
Net interest income		1,878,826	2,030,477	5,668,252	5,781,086
Dividends from subsidiaries and associates	A24	216,812	1,368,157	2,296,120	3,103,320
Other operating income	A25	921,125	1,200,828	3,452,740	2,920,530
		1,137,937	2,568,985	5,748,860	6,023,850
Net operating income		3,016,763	4,599,462	11,417,112	11,804,936
Overhead expenses	A27	(1,158,095)	(1,242,023)	(3,442,456)	(3,537,367)
Operating profit before impairment losses		1,858,668	3,357,439	7,974,656	8,267,569
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(580,821)	(688,670)	(2,315,645)	(1,415,874)
Writeback of/(allowances for) impairment losses on financial investments, net	A29	2,856	42,575	(21,135)	(5,634)
Writeback of/(allowances for) impairment losses on other financial assets, net	A30	8,510	(2,764)	(2,334)	(20,131)
<b>Profit before taxation and zakat</b>		1,289,213	2,708,580	5,635,542	6,825,930
Taxation and zakat	B5	(250,225)	(307,128)	(792,315)	(873,576)
<b>Profit for the financial period</b>		1,038,988	2,401,452	4,843,227	5,952,354

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**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

<u>Bank</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Profit for the financial period</b>	<b>1,038,988</b>	2,401,452	<b>4,843,227</b>	5,952,354
<b>Other comprehensive income/(loss):</b>				
<b><i>Items that will not be reclassified subsequently to profit or loss:</i></b>				
Net gain/(loss) from change in fair value on equity instruments at fair value through other comprehensive income	157	61	46,927	(3,902)
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>				
Net gain on debt instruments at fair value through other comprehensive income	309,645	405,771	1,135,099	2,198,929
- Net gain from change in fair value	405,155	557,815	1,083,248	2,597,845
- Changes in expected credit losses	1,717	(17,858)	305,617	224,900
- Income tax effect	(97,227)	(134,186)	(253,766)	(623,816)
Net (loss)/gain on foreign exchange translation	(154,267)	(9,637)	40,167	26,311
Net (loss)/gain on fair value hedge	(3,609)	825	17,025	7,211
	<b>151,769</b>	396,959	<b>1,192,291</b>	2,232,451
Other comprehensive income for the financial period, net of tax	151,926	397,020	1,239,218	2,228,549
<b>Total comprehensive income for the financial period</b>	<b>1,190,914</b>	2,798,472	<b>6,082,445</b>	8,180,903

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

	Note	Group		Bank	
		30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
<b>ASSETS</b>					
Cash and short-term funds		55,644,908	46,469,074	30,074,822	19,040,534
Deposits and placements with financial institutions		11,724,407	14,093,218	11,826,067	28,287,338
Financial assets purchased under resale agreements		16,458,652	13,639,082	11,157,960	11,297,036
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	14,023,906	14,323,303	-	-
Financial investments at fair value through profit or loss	A10(ii)	24,052,696	20,370,865	16,216,301	12,912,823
Financial investments at fair value through other comprehensive income	A10(iii)	130,598,655	123,351,533	79,747,019	80,798,700
Financial investments at amortised cost	A10(iv)	45,457,773	34,784,476	38,576,788	32,574,918
Loans, advances and financing to financial institutions	A11(i)	891,501	1,128,618	29,866,044	19,400,239
Loans, advances and financing to customers	A11(ii)	509,888,836	512,291,092	198,991,048	207,188,981
Derivative assets	A37	20,201,322	10,335,629	19,879,153	10,002,003
Reinsurance/retakaful assets and other insurance receivables	A12	5,271,506	4,232,089	-	-
Other assets	A13	16,332,284	9,479,084	8,841,181	4,943,190
Investment properties		922,341	921,471	-	-
Statutory deposits with central banks		7,174,032	15,052,752	1,819,407	4,100,932
Investment in subsidiaries		-	-	31,093,757	31,559,247
Interest in associates and joint ventures		2,624,963	2,490,548	440,730	440,730
Property, plant and equipment		2,220,569	2,335,798	953,555	1,014,286
Right-of-use assets		1,426,505	1,548,208	441,920	438,254
Intangible assets		6,526,212	6,836,463	356,936	361,135
Deferred tax assets		771,711	729,712	-	-
<b>TOTAL ASSETS</b>		<b>872,212,779</b>	<b>834,413,015</b>	<b>480,282,688</b>	<b>464,360,346</b>
<b>LIABILITIES</b>					
Customers' funding:					
- Deposits from customers	A14	569,754,969	544,530,912	254,440,975	242,757,617
- Investment accounts of customers <sup>1</sup>	A40g	23,475,675	20,737,670	-	-
Deposits and placements from financial institutions	A15	31,033,436	43,557,209	47,511,221	51,354,535
Obligations on financial assets sold under repurchase agreements		8,995,559	13,978,744	13,035,780	28,293,032
Derivative liabilities	A37	19,556,525	11,182,307	19,041,156	10,588,278
Financial liabilities at fair value through profit or loss	A16	9,734,347	6,530,753	9,734,347	6,530,753
Bills and acceptances payable		1,145,094	1,291,814	420,276	479,662
Insurance/takaful contract liabilities and other insurance payables	A18	35,700,950	30,885,630	-	-
Other liabilities	A19	26,820,649	21,569,527	14,459,615	7,952,408
Recourse obligation on loans and financing sold to Cagamas		-	1,526,225	-	1,526,225
Provision for taxation and zakat		478,148	187,061	182,746	-
Deferred tax liabilities		1,787,628	878,276	590,385	185,495
Borrowings	A17(i)	42,727,605	41,339,415	34,057,708	32,645,025
Subordinated obligations	A17(ii)	12,363,080	9,321,125	12,207,569	9,156,816
Capital securities	A17(iii)	2,798,634	2,827,123	2,798,634	2,827,123
<b>TOTAL LIABILITIES</b>		<b>786,372,299</b>	<b>750,343,791</b>	<b>408,480,412</b>	<b>394,296,969</b>

<sup>1</sup> Investment accounts of customers are used to fund financing and advances as disclosed in Note A40e(ii).

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

	Note	Group		Bank	
		30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>					
Share capital		48,280,355	48,280,355	48,280,355	48,280,355
Retained profits		28,344,519	27,162,899	16,073,136	15,223,022
Reserves		6,665,039	6,127,684	7,448,785	6,560,000
		<b>83,289,913</b>	81,570,938	<b>71,802,276</b>	70,063,377
<b>Non-controlling interests</b>		<b>2,550,567</b>	2,498,286	-	-
		<b>85,840,480</b>	84,069,224	<b>71,802,276</b>	70,063,377
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		<b>872,212,779</b>	834,413,015	<b>480,282,688</b>	464,360,346
<b>COMMITMENTS AND CONTINGENCIES</b>	A35	<b>1,377,847,975</b>	1,208,622,674	<b>1,295,898,585</b>	1,125,439,598
<b><u>CAPITAL ADEQUACY</u></b>					
	A36				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		15.343%	15.729%	15.713%	15.314%
Tier 1 Capital Ratio		16.094%	16.486%	16.521%	16.120%
Total Capital Ratio		18.953%	19.387%	19.125%	19.387%
Net assets per share attributable to equity holders of the Bank					
		<b>RM7.41</b>	RM7.26	<b>RM6.39</b>	RM6.23

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

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

<u>Group</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 <sup>1</sup> Reserves RM'000	Retained <sup>2</sup> Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>At 1 January 2020</b>	<b>48,280,355</b>	<b>279,355</b>	<b>2,771,806</b>	<b>2,973,151</b>	<b>399,826</b>	<b>37,195</b>	<b>(333,649)</b>	<b>27,162,899</b>	<b>81,570,938</b>	<b>2,498,286</b>	<b>84,069,224</b>
Profit for the financial period	-	-	-	-	-	-	-	4,943,814	4,943,814	134,325	5,078,139
Other comprehensive income/(loss)	-	-	-	1,740,247	(629,157)	-	7,617	-	1,118,707	1,285	1,119,992
Defined benefit plan actuarial (loss)/gain	-	-	-	-	-	-	(6,062)	-	(6,062)	45	(6,017)
Share of associates' reserve	-	-	-	109,966	(77,032)	-	-	-	32,934	-	32,934
Net loss on foreign exchange translation	-	-	-	-	(552,125)	-	-	-	(552,125)	(9,951)	(562,076)
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,630,281	-	-	-	-	1,630,281	11,259	1,641,540
Net loss on net investment hedge	-	-	-	-	-	-	(2,334)	-	(2,334)	-	(2,334)
Net gain on fair value hedge	-	-	-	-	-	-	17,025	-	17,025	-	17,025
Net loss on capital reserve	-	-	-	-	-	-	(1,012)	-	(1,012)	(68)	(1,080)
<b>Total comprehensive income/(loss) for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,740,247</b>	<b>(629,157)</b>	<b>-</b>	<b>7,617</b>	<b>4,943,814</b>	<b>6,062,521</b>	<b>135,610</b>	<b>6,198,131</b>
<b>Carried forward</b>	<b>48,280,355</b>	<b>279,355</b>	<b>2,771,806</b>	<b>4,713,398</b>	<b>(229,331)</b>	<b>37,195</b>	<b>(326,032)</b>	<b>32,106,713</b>	<b>87,633,459</b>	<b>2,633,896</b>	<b>90,267,355</b>

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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

<===== 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 <sup>1</sup> RM'000	Retained Profits <sup>2</sup> RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Brought forward</b>	48,280,355	279,355	2,771,806	4,713,398	(229,331)	37,195	(326,032)	32,106,713	87,633,459	2,633,896	90,267,355
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(1,126)	-	-	-	1,126	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	40,585	-	-	40,585	-	40,585
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	5,981	5,981
Transfer to statutory reserve	-	35,289	-	-	-	-	-	(35,289)	-	-	-
Transfer from regulatory reserve	-	-	(656,100)	-	-	-	-	656,100	-	-	-
Dividends paid (Note A9(a) & (b))	-	-	-	-	-	-	-	(4,384,131)	(4,384,131)	(89,310)	(4,473,441)
<b>Total transactions with shareholders/ other equity movements</b>	-	35,289	(656,100)	(1,126)	-	40,585	-	(3,762,194)	(4,343,546)	(83,329)	(4,426,875)
<b>At 30 September 2020</b>	<b>48,280,355</b>	<b>314,644</b>	<b>2,115,706</b>	<b>4,712,272</b>	<b>(229,331)</b>	<b>77,780</b>	<b>(326,032)</b>	<b>28,344,519</b>	<b>83,289,913</b>	<b>2,550,567</b>	<b>85,840,480</b>

<sup>1</sup> The further breakdown and movement of other reserves are disclosed in Note A20.

<sup>2</sup> The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM611.6 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

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

<u>Group</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 <sup>1</sup> RM'000	Retained Profits <sup>2</sup> RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>At 1 January 2019</b>	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 financial period	-	-	-	-	-	-	-	5,748,944	5,748,944	158,841	5,907,785
Other comprehensive income	-	-	-	2,732,781	272,620	-	6,954	-	3,012,355	56,546	3,068,901
Defined benefit plan actuarial gain	-	-	-	-	-	-	2,179	-	2,179	864	3,043
Share of associates' reserve	-	-	-	(18,585)	(183,183)	-	-	-	(201,768)	-	(201,768)
Net gain on foreign exchange translation	-	-	-	-	455,803	-	-	-	455,803	10,693	466,496
Net gain on financial investments at fair value through other comprehensive income	-	-	-	2,751,366	-	-	-	-	2,751,366	44,989	2,796,355
Net loss on net investment hedge	-	-	-	-	-	-	(2,068)	-	(2,068)	-	(2,068)
Net loss on cash flow hedge	-	-	-	-	-	-	(368)	-	(368)	-	(368)
Net gain on fair value hedge	-	-	-	-	-	-	7,211	-	7,211	-	7,211
<b>Total comprehensive income for the financial period</b>	-	-	-	2,732,781	272,620	-	6,954	5,748,944	8,761,299	215,387	8,976,686
<b>Carried forward</b>	46,747,442	239,009	2,127,290	3,189,826	386,130	-	(332,798)	31,734,527	84,091,426	2,622,520	86,713,946

**MALAYAN BANKING BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

<===== 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 <sup>1</sup> RM'000	Retained Profits <sup>2</sup> RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Brought forward</b>	46,747,442	239,009	2,127,290	3,189,826	386,130	-	(332,798)	31,734,527	84,091,426	2,622,520	86,713,946
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(10,594)	-	-	-	10,594	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	22,841	-	-	22,841	-	22,841
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	226,029	226,029
Transfer to statutory reserve	-	37,557	-	-	-	-	-	(37,557)	-	-	-
Transfer to regulatory reserve	-	-	532,605	-	-	-	-	(532,605)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	1,532,913	-	-	-	-	-	-	-	1,532,913	-	1,532,913
Dividends paid	-	-	-	-	-	-	-	(3,535,899)	(3,535,899)	(110,632)	(3,646,531)
Dividends payable	-	-	-	-	-	-	-	(2,810,341)	(2,810,341)	-	(2,810,341)
<b>Total transactions with shareholders/ other equity movements</b>	<b>1,532,913</b>	<b>37,557</b>	<b>532,605</b>	<b>(10,594)</b>	<b>-</b>	<b>22,841</b>	<b>-</b>	<b>(6,905,808)</b>	<b>(4,790,486)</b>	<b>115,397</b>	<b>(4,675,089)</b>
<b>At 30 September 2019</b>	<b>48,280,355</b>	<b>276,566</b>	<b>2,659,895</b>	<b>3,179,232</b>	<b>386,130</b>	<b>22,841</b>	<b>(332,798)</b>	<b>24,828,719</b>	<b>79,300,940</b>	<b>2,737,917</b>	<b>82,038,857</b>

<sup>1</sup> The further breakdown and movement of other reserves are disclosed in Note A20.

<sup>2</sup> The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM753.0 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 2019 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 THIRD QUARTER ENDED 30 SEPTEMBER 2020

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

	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	Fair Value Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
<b>Bank</b>									
<b>At 1 January 2020</b>	48,280,355	59,502	1,894,921	2,260,271	2,308,456	37,195	(345)	15,223,022	70,063,377
Profit for the financial period	-	-	-	-	-	-	-	4,843,227	4,843,227
Other comprehensive income	-	-	-	1,182,026	40,167	-	17,025	-	1,239,218
Net gain on foreign exchange translation	-	-	-	-	40,167	-	-	-	40,167
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,182,026	-	-	-	-	1,182,026
Net gain on fair value hedge	-	-	-	-	-	-	17,025	-	17,025
<b>Total comprehensive income for the financial period</b>	-	-	-	1,182,026	40,167	-	17,025	4,843,227	6,082,445
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	40,585	-	-	40,585
Transfer to statutory reserve	-	8,403	-	-	-	-	-	(8,403)	-
Transfer from regulatory reserve	-	-	(399,421)	-	-	-	-	399,421	-
Dividends paid (Note A9(a))	-	-	-	-	-	-	-	(4,384,131)	(4,384,131)
<b>Total transactions with shareholders/ other equity movements</b>	-	8,403	(399,421)	-	-	40,585	-	(3,993,113)	(4,343,546)
<b>At 30 September 2020</b>	48,280,355	67,905	1,495,500	3,442,297	2,348,623	77,780	16,680	16,073,136	71,802,276

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 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 THIRD QUARTER ENDED 30 SEPTEMBER 2020**

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

<u>Bank</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	Fair Value Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
<b>At 1 January 2019</b>	46,747,442	53,032	1,778,997	279,332	2,328,702	-	-	14,401,762	65,589,267
Profit for the financial period	-	-	-	-	-	-	-	5,952,354	5,952,354
Other comprehensive income	-	-	-	2,195,027	26,311	-	7,211	-	2,228,549
Net gain on foreign exchange translation	-	-	-	-	26,311	-	-	-	26,311
Net gain on financial investments at fair value through other comprehensive income	-	-	-	2,195,027	-	-	-	-	2,195,027
Net gain on fair value hedge	-	-	-	-	-	-	7,211	-	7,211
<b>Total comprehensive income for the financial period</b>	-	-	-	2,195,027	26,311	-	7,211	5,952,354	8,180,903
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(10,594)	-	-	-	10,594	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	22,841	-	-	22,841
Transfer to statutory reserve	-	4,312	-	-	-	-	-	(4,312)	-
Transfer to regulatory reserve	-	-	180,674	-	-	-	-	(180,674)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	1,532,913	-	-	-	-	-	-	-	1,532,913
Dividends paid	-	-	-	-	-	-	-	(3,535,899)	(3,535,899)
Dividends payable	-	-	-	-	-	-	-	(2,810,341)	(2,810,341)
<b>Total transactions with shareholders/ other equity movements</b>	1,532,913	4,312	180,674	(10,594)	-	22,841	-	(6,520,632)	(4,790,486)
<b>At 30 September 2019</b>	48,280,355	57,344	1,959,671	2,463,765	2,355,013	22,841	7,211	13,833,484	68,979,684

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

	Group		Bank	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation and zakat	6,664,826	7,750,276	5,635,542	6,825,930
Adjustments for:				
Share of profits in associates and joint ventures	(137,971)	(119,673)	-	-
Depreciation of property, plant and equipment	231,247	219,627	76,525	89,419
Depreciation of right-of-use assets	337,596	292,909	86,268	81,081
Amortisation of intangible assets	213,195	186,382	42,481	36,262
Gain on disposal of property, plant and equipment	(20,181)	(3,526)	(17,218)	(427)
Net loss on disposal of subsidiary	10,160	-	-	-
Net loss on disposal of deemed controlled structured entities	-	-	-	2,687
Net gain on dilution of interest in associates	-	(1,836)	-	(1,696)
Net loss on liquidation of interest in associates	-	673	-	3,889
Net gain on disposal of financial assets at fair value through profit or loss	(55,575)	(438,436)	(176,095)	(205,739)
Net gain on disposal of financial investments at fair value through other comprehensive income	(1,938,554)	(1,015,003)	(1,491,386)	(900,844)
Net gain on redemption of financial investments at amortised cost	-	(18)	-	(18)
Unrealised gain on revaluation of financial assets at fair value through profit or loss and derivatives	(1,594,638)	(1,472,118)	(1,012,533)	(159,234)
Unrealised (gain)/loss on revaluation of financial liabilities at fair value through profit or loss	(42,368)	976,158	(42,368)	976,859
Unrealised loss on revaluation of loans, advances and financing at fair value through profit or loss	1,001	10,381	1,001	10,381
Allowances for impairment losses on loans, advances and financing, net	3,725,017	2,258,248	2,434,924	1,536,558
Allowances for impairment losses on other debts	9,797	18,240	481	14,193
Allowances for impairment losses on financial investments, net	45,366	16,433	21,135	5,634
Allowances for impairment losses on other financial assets, net	20,236	54,451	2,334	20,131
Dividend income	(81,032)	(77,024)	(2,301,922)	(3,108,747)
ESGP expenses	56,515	27,559	29,367	15,969
Other adjustments for non-operating and non-cash items	92,566	(87,790)	(106,443)	(298,352)
Operating profit before working capital changes	<u>7,537,203</u>	<u>8,595,913</u>	<u>3,182,093</u>	<u>4,943,936</u>
Change in deposits and placements with financial institutions with original maturity of more than three months	2,845,880	2,412,622	16,506,044	2,412,765
Change in cash and short-term funds with original maturity of more than three months	3,593,245	(1,605,702)	128,879	(583,197)
Change in financial investments portfolio	(17,396,240)	(18,086,247)	(5,450,093)	(8,868,028)
Change in loans, advances and financing	(1,711,699)	(8,089,666)	(2,629,335)	2,556,932
Change in statutory deposits with central banks	7,877,447	(15,136)	2,281,525	520,373
Change in deposits from customers	26,315,491	11,947,358	10,654,157	(14,369,531)
Change in investment accounts of customers	2,738,005	(3,426,543)	-	-
Change in deposits and placements from financial institutions	(12,523,773)	9,443,114	(3,843,314)	6,687,659
Change in financial liabilities at fair value through profit or loss	(4)	(1,541,569)	(4)	(1,156,583)
Change in reinsurance/retakaful assets and other insurance receivables	(1,053,164)	(547,599)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	4,815,319	3,671,448	-	-
Change in other operating activities	(7,423,345)	(11,881,305)	(10,168,443)	(7,079,310)
Cash generated from/(used in) operations	<u>15,614,365</u>	<u>(9,123,312)</u>	<u>10,661,509</u>	<u>(14,934,984)</u>
Taxes and zakat paid	(717,344)	(2,300,225)	(409,614)	(1,179,866)
Net cash generated from/(used in) operating activities	<u>14,897,021</u>	<u>(11,423,537)</u>	<u>10,251,895</u>	<u>(16,114,850)</u>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020**

	Group		Bank	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Cash flows from investing activities</b>				
Dividends received from:				
- financial investments portfolio	81,032	77,024	5,802	5,427
- subsidiaries	-	-	2,296,120	3,102,631
- associates	-	-	-	689
Purchase of property, plant and equipment	(133,720)	(131,464)	(16,758)	(39,906)
Purchase of intangible assets	(203,912)	(253,765)	(38,038)	(38,470)
Purchase of investment properties	(665)	(2,465)	-	-
Purchase of additional ordinary shares in existing subsidiaries	-	-	(732,788)	(194,070)
Proceeds from disposal of property, plant and equipment	22,186	24,303	17,995	489
Purchase of shares in deemed controlled entities	-	-	(15,643)	(61,969)
Net effect arising from transaction with non-controlling interests	5,981	226,029	-	-
Net effect arising from liquidation of interest in associates	-	6,899	-	6,899
Net effect arising from acquisition of associate	-	(194,070)	-	-
Net effect arising from capital repayment of a subsidiary	-	-	1,213,920	-
Net cash (used in)/generated from investing activities	<b>(229,098)</b>	<b>(247,509)</b>	<b>2,730,610</b>	<b>2,781,720</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares	-	1,532,913	-	1,532,913
Drawdown of borrowings, net	1,428,202	8,817,417	942,640	8,163,440
Issuance of subordinated obligations	-	3,700,000	-	3,700,000
Issuance of capital securities	-	2,800,000	-	2,800,000
Redemption of subordinated obligations	-	(4,800,002)	-	(3,700,000)
Redemption of capital securities	-	(3,500,000)	-	(3,500,000)
Drawdown of financial liabilities at fair value through profit or loss	3,823,060	-	3,823,060	-
Redemption of financial liabilities at fair value through profit or loss	(715,368)	-	(715,368)	-
Repayment of lease liabilities	(81,608)	(320,720)	(51,726)	(99,660)
Recourse obligations on loans and financing sold to Cagamas, net	(1,526,225)	(18,587)	(1,526,225)	(18,587)
Dividends paid	(4,384,131)	(3,535,899)	(4,384,131)	(3,535,899)
Dividends paid to non-controlling interests	(89,310)	(110,632)	-	-
Net cash (used in)/generated from financing activities	<b>(1,545,380)</b>	<b>4,564,490</b>	<b>(1,911,750)</b>	<b>5,342,207</b>
Net increase/(decrease) in cash and cash equivalents	<b>13,122,543</b>	<b>(7,106,556)</b>	<b>11,070,755</b>	<b>(7,990,923)</b>
Cash and cash equivalents at beginning of period	<b>47,306,745</b>	<b>57,058,138</b>	<b>21,934,867</b>	<b>40,660,229</b>
Effects of foreign exchange rate changes	<b>127,159</b>	<b>115,771</b>	<b>134,828</b>	<b>31,236</b>
Cash and cash equivalents at end of period	<b>60,556,447</b>	<b>50,067,353</b>	<b>33,140,450</b>	<b>32,700,542</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and short-term funds	<b>55,654,967</b>	<b>48,468,253</b>	<b>30,080,670</b>	<b>24,987,468</b>
Deposits and placements with financial institutions	<b>11,771,964</b>	<b>11,322,687</b>	<b>11,853,710</b>	<b>15,618,310</b>
	<b>67,426,931</b>	<b>59,790,940</b>	<b>41,934,380</b>	<b>40,605,778</b>
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	<b>(6,870,484)</b>	<b>(9,723,587)</b>	<b>(8,793,930)</b>	<b>(7,905,236)</b>
Cash and cash equivalents at end of period	<b>60,556,447</b>	<b>50,067,353</b>	<b>33,140,450</b>	<b>32,700,542</b>

**(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 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 2019. 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 2019.

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 2019 except for adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRSs”), which are effective for annual periods beginning on or after 1 January 2020:

- Revised Conceptual Framework for Financial Reporting
- Amendments to MFRS 3 - Definition of a Business
- Amendments to MFRS 101 and MFRS 108 - Definition of Material
- Amendments to MFRS 7, MFRS 9 and MFRS 139 - *Interest Rate Benchmark Reform*

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

**Amendments to MFRS 7, MFRS 9 and MFRS 139 - *Interest Rate Benchmark Reform***

The amendments apply to all leasing relationship directly affected by interest rate benchmark reform. The amendments clarify that a hedging relationship is directly affected by interest rate benchmark reform only if the reform give rise to uncertainties on:

- the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or
- the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instruments.

Interest rate benchmark reform refers to the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate such as that resulting from the recommendations set out in the Financial Stability Board's July 2014 report "Reforming Major Interest Rate Benchmarks".

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

**Amendments to MFRS 7, MFRS 9 and MFRS 139 - Interest Rate Benchmark Reform (cont'd.)**

The Group and the Bank shall disclose:

- the significant interest rate benchmarks to which the Group and the Bank's hedging relationship are exposed;
- the extent of the risk exposure the Group and the Bank manage that are directly affected by the interest rate benchmark reform;
- how the Group and the Bank are managing the process to transition to alternative benchmark rates;
- a description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and
- the nominal amount of the hedging instruments in those hedging relationships.

This amendments includes a number of relief, which apply to all hedging relationship that are directly affected by interest of benchmark reform. This amendments are to be applied retrospectively in annual periods beginning on or after 1 January 2020 only to hedging relationship and the amount of accumulated in the cash flow hedge reserve that existed at the beginning of the reporting period in which the Group and the Bank first applies the amendments. This amendments do not have any significant impact to the financial statements of the Group and of the Bank.

On April 2020, International Accounting Standards Board ("IASB") had issued the Exposure Draft Interest Rate Benchmark Reform Phase 2 that proposes the amendments to be applied for annual reporting period beginning on or after 1 January 2021. The Group and the Bank have established a project team to evaluate the potential impact of adopting this amendments on the required effective date.

**Domestic Systemically Important Banks ("D-SIB") Framework issued by Bank Negara Malaysia ("BNM")**

On 5 February 2020, BNM issued a Policy document on Domestic Systemically Important Banks ("D-SIB") Framework and identified Maybank as one of the banks categorised as a D-SIB. Maybank is categorised under Bucket 2 of the Higher Loss Absorbency ("HLA") requirements which will come into effect on 31 January 2021. This policy document supersedes the Domestic Systemically Important Banks Framework Survey issued on 10 October 2016.

**Revised Policy Documents on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued by BNM**

On 5 February 2020, BNM issued revised Policy documents on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) which came into effect immediately and shall be applied prospectively. The revised Policy documents apply to financial institutions in Malaysia which covers licensed banks, licensed Islamic banks, licensed investment banks, licensed banks carrying on Islamic banking business and financial holding companies. The revised Policy documents superseded Policy documents issued by BNM previously, namely Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) dated 2 February 2018.

The revised Policy documents were updated to include additional capital buffer requirements on the HLA requirements for financial institution that is designated as a D-SIB.

The application of the revised Policy documents do not have any significant impact to the financial statements of the Group and of the Bank.



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

**Measures to Assist Individuals, SMEs and Corporates Affected by COVID-19 announced by BNM**

On 25 March 2020, BNM had announced that banking institutions will offer an automatic deferment of all loans/financing repayment for six months to all individual and small-medium enterprise ("SME"). Banks will also facilitate requests by corporations to defer or restructure their loans/financing repayments to support viable corporations to preserve jobs and resume economic activities when conditions improve.

The automatic moratorium applies to ringgit-denominated loans or financing that are not in arrears exceeding 90 days as of 1 April 2020. However, the moratorium does not apply to credit card balances. For outstanding credit card balances, customers will be offered the option to convert the outstanding balances into term-loan of not more than three years.

To further support lending/financing activities, banking institutions are allowed to draw down on the capital conservation buffer of 2.5%, to operate below the minimum liquidity coverage ratio of 100% and to reduce the regulatory reserves held against expected losses to 0%.

The implementation of the Net Stable Funding Ratio ("NSFR") will continue to be effective on 1 July 2020, but with a lower ratio of 80%. Banks is expected to restore their buffer to the minimum regulatory requirements and comply with a 100% NSFR ratio from 30 September 2021.

The moratorium should not automatically result in stage transfer under MFRS 9 in the absence of other factors relevant to the assessment. The financial impact of the moratorium is reflected at the interest/profit income of the Group and the Bank.

**A2. Significant Accounting Policies**

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2019 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 2019 except for the adoption of the amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2020 and new requirements of BNM's Policy documents as disclosed in Note A1.

**A3. Significant Accounting Estimates and Judgements**

The preparation of unaudited interim condensed 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 interim condensed 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 2019.

**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 2019 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 financial period ended 30 September 2020.

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

During the financial period ended 30 September 2020, save as disclosed in Note A8, A17, A21, A40(a) and A40(h), 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 financial period ended 30 September 2020.

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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 financial period ended 30 September 2020.

(a) **Borrowings**

**Issuance/redemption of medium term notes by the Bank**

Currency	Description	Aggregate Nominal Value (in million)
<b>Issuance of medium term notes</b>		
USD	Zero Coupon Notes*	920.0
USD	Fixed Rate Notes	20.0
USD	Floating Rate Notes	79.0
CNY	Fixed Rate Notes	605.0
HKD	Fixed Rate Notes	1,050.0
JPY	Fixed Rate Notes (Samurai Bonds)	60,900.0
RM	Fixed Rate Notes	50.0
<b>Redemption of medium term notes</b>		
USD	Zero Coupon Notes*	160.0
USD	Floating Rate Notes	170.0
USD	Fixed Rate Notes	25.0
HKD	Fixed Rate Notes	2,865.0
CNY	Fixed Rate Notes	410.0
CNY	Fixed Rate Notes (Panda Bonds)	2,000.0
RM	Fixed Rate Notes (Sukuk Murabahah)	60.0
RM	Zero Coupon Notes	42.0
JPY	Fixed Rate Notes (Samurai Bonds)	12,800.0
JPY	Fixed Rate Notes	20,000.0

\* Borrowings designated at fair value through profit or loss ("FVTPL")

**Issuance of commercial papers by the Bank**

The aggregate nominal value of the commercial papers issued by the Bank and outstanding as at 30 September 2020 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
RM	Zero Coupon Notes	2,907.5
USD	Zero Coupon Notes	550.0
AUD	Zero Coupon Notes	250.0
SGD	Fixed Rate Notes*	315.0
HKD	Zero Coupon Notes	150.0

\* Extendible money market certificates

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

Currency	Description	Aggregate Nominal Value (in million)
<b>Issuance of bonds</b>		
IDR	Fixed Rate Notes	760,300.0
<b>Redemption of bonds</b>		
IDR	Fixed Rate Notes	2,289,300.0

**Issuance of Islamic commercial papers by Maybank Islamic Berhad**

The aggregate nominal value of the Islamic commercial papers ("ICP") issued by Maybank Islamic Berhad and outstanding as at 30 September 2020 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
RM	Zero Profit ICP	8,000.0

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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 financial period ended 30 September 2020 (cont'd.).

(b) **Subordinated Obligations**

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

Issuance	Issue Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	9 October 2020	9 October 2030	RM2.3 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years
Issuance	9 October 2020	8 October 2032	RM700.0 million	Tier 2 Subordinated Sukuk Murabahah (12 non-call 7)	12 years

Note: The above RM2.3 billion and RM700.0 million Tier 2 Subordinated Sukuk Murabahah are recognised based on trade date accounting in the third quarter ended 30 September 2020. The issuances have been completed on 9 October 2020.

**Issuance of Tier 2 Subordinated Notes by Maybank Singapore Limited**

Issuance	Issue Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	26 March 2020	26 March 2030	SGD500.0 million	Tier 2 Subordinated Notes (10 non-call 5)	10 years

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the third quarter ended 30 September 2020 and have not been reflected in the financial statements for the third quarter ended 30 September 2020:

(a) **Borrowings**

**Issuance/redemption of medium term notes by the Bank**

Currency	Description	Aggregate Nominal Value (in million)
<b>Issuance of medium term notes</b>		
USD	Fixed Rate Notes	20.0
<b>Redemption of medium term notes</b>		
CNY	Fixed Rate Notes	500.0
RM	Zero Coupon Notes	49.9

**Redemption of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries**

Currency	Description	Aggregate Nominal Value (in million)
<b>Redemption of bonds</b>		
IDR	Fixed Rate Notes	1,350,000.0

(b) **Subordinated Obligations**

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

Redemption	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Redemption	19 October 2020	17 October 2025	RM2.2 billion	Tier 2 Subordinated Notes (10 non-call 5) <sup>1</sup>	10 years
Redemption	27 October 2020	27 October 2025	RM1.1 billion	Tier 2 Subordinated Notes (10 non-call 5) <sup>1</sup>	10 years

<sup>1</sup>These subordinated notes were fully redeemed on the respective First Call Date.

**A9. Dividends Paid**

Dividends paid during the financial period ended 30 September 2020 are as follows:

- (a) On 26 March 2020, the Board of Directors declared a single-tier second interim cash dividend in respect of the financial year ended 31 December 2019 of 39 sen per ordinary share.

The single-tier second interim cash dividend of 39 sen per ordinary share amounting to RM4,384,131,136 was paid on 6 May 2020.

- (b) Dividends paid by Maybank's subsidiaries to non-controlling interests amounted to RM89,310,000 during the third quarter ended 30 September 2020.

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**A10. Financial Investments Portfolio**

	Note	Group		Bank	
		30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	14,023,906	14,323,303	-	-
Financial investments at fair value through profit or loss	(ii)	24,052,696	20,370,865	16,216,301	12,912,823
Financial investments at fair value through other comprehensive income	(iii)	130,598,655	123,351,533	79,747,019	80,798,700
Financial investments at amortised cost	(iv)	45,457,773	34,784,476	38,576,788	32,574,918
		<b>214,133,030</b>	<b>192,830,177</b>	<b>134,540,108</b>	<b>126,286,441</b>

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

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	169,744	161,713	-	-
Malaysian Government Investment Issues	415,516	312,635	-	-
	<b>585,260</b>	<b>474,348</b>	<b>-</b>	<b>-</b>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants and loan stocks	149,607	109,715	-	-
Unit trusts	3,932	3,932	-	-
<b>Outside Malaysia:</b>				
Shares, warrants and loan stocks	5,989	-	-	-
	<b>159,528</b>	<b>113,647</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Corporate Bonds and Sukuk	13,070,957	13,627,322	-	-
<b>Outside Malaysia:</b>				
Corporate Bonds and Sukuk	208,161	107,986	-	-
	<b>13,279,118</b>	<b>13,735,308</b>	<b>-</b>	<b>-</b>
<b>Total financial assets designated upon initial recognition at fair value through profit or loss</b>	<b>14,023,906</b>	<b>14,323,303</b>	<b>-</b>	<b>-</b>

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**A10. Financial Investments Portfolio (cont'd.)**

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

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	2,292,720	771,484	2,209,667	750,077
Malaysian Government Investment Issues	590,128	614,546	483,806	216,467
Negotiable instruments of deposits	118,743	142,811	118,743	142,811
Foreign Government Securities	2,682,777	3,483,519	2,449,921	3,001,984
Malaysian Government Treasury Bills	1,551,857	-	1,551,857	-
Bank Negara Malaysia Bills and Notes	996,631	596,545	996,631	596,545
Foreign Government Treasury Bills	2,213,517	2,199,436	2,213,517	2,199,436
	<b>10,446,373</b>	<b>7,808,341</b>	<b>10,024,142</b>	<b>6,907,320</b>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants, mutual funds and loan stocks	4,853,657	4,187,256	63,574	78,146
Unit trusts	326,702	159,380	31,325	29,775
<b>Outside Malaysia:</b>				
Shares, warrants, mutual funds and loan stocks	414,062	565,518	116	233
Unit trusts	391,458	385,869	192,107	210,138
Corporate Bonds and Sukuk	1,070,438	1,136,926	-	-
Government Bonds	416,531	104,193	-	-
Government Treasury Bills	60,700	51,310	-	-
	<b>7,533,548</b>	<b>6,590,452</b>	<b>287,122</b>	<b>318,292</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Shares	820,365	816,618	622,176	622,176
Unit trusts	1,866	268	-	-
Corporate Bonds and Sukuk	600,038	564,653	165,893	97,197
Government Bonds	1,513	-	1,513	-
Structured deposits	29,748	175,602	-	-
<b>Outside Malaysia:</b>				
Shares	1,038	1,006	-	-
Mutual funds	22,459	2,279	-	-
Corporate Bonds and Sukuk	2,491,377	1,689,631	3,011,084	2,245,823
Government Bonds	2,104,371	2,722,015	2,104,371	2,722,015
	<b>6,072,775</b>	<b>5,972,072</b>	<b>5,905,037</b>	<b>5,687,211</b>
<b>Total financial investments at fair value through profit or loss</b>	<b>24,052,696</b>	<b>20,370,865</b>	<b>16,216,301</b>	<b>12,912,823</b>

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**A10. Financial Investments Portfolio (cont'd.)**

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

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	13,190,565	11,006,987	13,021,579	10,794,195
Malaysian Government Investment Issues	21,355,899	24,211,583	9,302,694	11,653,233
Negotiable instruments of deposits	48,674	1,682,836	48,674	484,703
Foreign Government Securities	12,222,164	7,872,991	4,693,525	3,830,465
Foreign Government Treasury Bills	18,913,782	16,891,126	4,739,289	3,942,737
Khazanah Bonds	351,563	1,761,446	322,802	1,761,446
Cagamas Bonds	478,433	723,459	478,433	723,459
Bankers' acceptances and Islamic accepted bills	-	139,392	-	139,392
	<b>66,561,080</b>	<b>64,289,820</b>	<b>32,606,996</b>	<b>33,329,630</b>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants and loan stocks	5,234	7,869	15,944	18,435
<b>Outside Malaysia:</b>				
Shares, warrants and loan stocks	34	1,298	-	-
Corporate Bonds and Sukuk	2,584,069	1,286,663	-	-
Government Bonds	735,152	349,126	-	-
	<b>3,324,489</b>	<b>1,644,956</b>	<b>15,944</b>	<b>18,435</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Shares and loan stocks	322,831	275,668	309,894	259,949
Government Bonds	333,480	109,143	290,254	65,769
Corporate Bonds and Sukuk	23,643,238	27,279,593	15,702,729	19,477,370
<b>Outside Malaysia:</b>				
Shares	3,848	3,735	-	-
Government Bonds	17,389,153	15,999,809	17,259,741	15,899,116
Corporate Bonds and Sukuk	19,020,536	13,748,809	13,561,461	11,748,431
	<b>60,713,086</b>	<b>57,416,757</b>	<b>47,124,079</b>	<b>47,450,635</b>
<b>Total financial investments at fair value through other comprehensive income</b>	<b>130,598,655</b>	<b>123,351,533</b>	<b>79,747,019</b>	<b>80,798,700</b>

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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:

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 30 September 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2020	23,070	540	118,727	142,337
Transferred to Stage 2	(391)	391	-	-
Net remeasurement of allowances	2,285	1,510	(445)	3,350
New financial assets originated or purchased	23,692	-	-	23,692
Financial assets derecognised	(8,774)	(81)	(3,357)	(12,212)
Changes in models/risk parameters	(697)	(43)	(46)	(786)
Amount written-off	-	-	(6,942)	(6,942)
Exchange differences	(1,466)	-	699	(767)
<b>As at 30 September 2020</b>	<b>37,719</b>	<b>2,317</b>	<b>108,636</b>	<b>148,672</b>

  

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2019	28,066	1,579	183,330	212,975
Transferred to Stage 1	549	(549)	-	-
Net remeasurement of allowances	(2,319)	(77)	14,523	12,127
New financial assets originated or purchased	13,516	78	-	13,594
Financial assets derecognised	(13,248)	(702)	(57,344)	(71,294)
Changes in models/risk parameters	(2,439)	(330)	-	(2,769)
Amount written-off	-	-	(21,958)	(21,958)
Exchange differences	(1,055)	541	176	(338)
<b>As at 31 December 2019</b>	<b>23,070</b>	<b>540</b>	<b>118,727</b>	<b>142,337</b>

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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	
<b>Bank</b>				
<b>As at 30 September 2020</b>				<b>RM'000</b>
At 1 January 2020	13,472	400	81,877	95,749
Transferred to Stage 2	(112)	112	-	-
Net remeasurement of allowances	437	1,371	(445)	1,363
New financial assets originated or purchased	9,089	-	-	9,089
Financial assets derecognised	(5,156)	(73)	(3,345)	(8,574)
Changes in models/risk parameters	(621)	(43)	-	(664)
Amount written-off	-	-	(6,942)	(6,942)
Exchange differences	123	-	34	157
As at 30 September 2020	17,232	1,767	71,179	90,178

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Bank</b>				
<b>As at 31 December 2019</b>				<b>RM'000</b>
At 1 January 2019	21,652	1,828	125,518	148,998
Transferred to Stage 1	505	(505)	-	-
Net remeasurement of allowances	(490)	-	4,094	3,604
New financial assets originated or purchased	7,979	-	-	7,979
Financial assets derecognised	(11,642)	(593)	(33,084)	(45,319)
Changes in models/risk parameters	(4,043)	(330)	-	(4,373)
Amount written-off	-	-	(14,650)	(14,650)
Exchange differences	(489)	-	(1)	(490)
As at 31 December 2019	13,472	400	81,877	95,749



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**A10. Financial Investments Portfolio (cont'd.)**

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

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
<b>Money market instruments:</b>				
Malaysian Government Securities	8,267,656	6,594,595	8,267,554	6,594,491
Malaysian Government Investment Issues	11,494,129	6,695,792	6,869,304	4,852,735
Foreign Government Securities	1,163,581	1,199,287	-	-
Khazanah Bonds	1,065,223	135,277	139,862	135,277
Cagamas Bonds	50,801	50,259	50,801	50,259
	<b>22,041,390</b>	<b>14,675,210</b>	<b>15,327,521</b>	<b>11,632,762</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Corporate Bonds and Sukuk	19,273,465	15,913,839	19,256,819	18,552,529
<b>Outside Malaysia:</b>				
Corporate Bonds and Sukuk	2,966,105	2,745,710	4,014,714	2,478,746
Government Bonds	1,352,636	1,594,357	123,034	36,304
	<b>23,592,206</b>	<b>20,253,906</b>	<b>23,394,567</b>	<b>21,067,579</b>
Accumulated impairment losses	(175,823)	(144,640)	(145,300)	(125,423)
<b>Total financial investments at amortised cost</b>	<b>45,457,773</b>	<b>34,784,476</b>	<b>38,576,788</b>	<b>32,574,918</b>

(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	
<b>As at 30 September 2020</b>				<b>RM'000</b>
At 1 January 2020	29,061	23,961	91,618	144,640
Transferred to Stage 2	(2,829)	2,829	-	-
Net remeasurement of allowances	6,277	22,497	(4,411)	24,363
New financial assets originated or purchased	10,524	-	-	10,524
Financial assets derecognised	(3,405)	(103)	-	(3,508)
Changes in models/risk parameters	82	(139)	-	(57)
Exchange differences	(146)	7	-	(139)
As at 30 September 2020	<b>39,564</b>	<b>49,052</b>	<b>87,207</b>	<b>175,823</b>

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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	
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	19,469	42,189	55,240	116,898
Transferred to Stage 1	13,475	(13,475)	-	-
Net remeasurement of allowances	(16,147)	27	36,378	20,258
New financial assets originated or purchased	20,691	-	-	20,691
Financial assets derecognised	(4,322)	(64)	-	(4,386)
Changes in models/risk parameters	(3,900)	(4,721)	-	(8,621)
Exchange differences	(205)	5	-	(200)
As at 31 December 2019	29,061	23,961	91,618	144,640

  

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	9,978	23,827	91,618	125,423
Transferred to Stage 2	(951)	951	-	-
Net remeasurement of allowances	2,851	19,001	(4,411)	17,441
New financial assets originated or purchased	5,840	-	-	5,840
Financial assets derecognised	(3,150)	(103)	-	(3,253)
Changes in models/risk parameters	32	(139)	-	(107)
Exchange differences	(42)	(2)	-	(44)
As at 30 September 2020	14,558	43,535	87,207	145,300

  

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	11,316	32,734	55,240	99,290
Transferred to Stage 1	4,122	(4,122)	-	-
Net remeasurement of allowances	(3,986)	-	36,378	32,392
New financial assets originated or purchased	4,433	-	-	4,433
Financial assets derecognised	(2,480)	(64)	-	(2,544)
Changes in models/risk parameters	(3,448)	(4,721)	-	(8,169)
Exchange differences	21	-	-	21
As at 31 December 2019	9,978	23,827	91,618	125,423

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**A11. Loans, Advances and Financing**

	Note	Group		Bank	
		30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Loans, advances and financing to financial institutions	(i)	891,501	1,128,618	29,866,044	19,400,239
Loans, advances and financing to customers	(ii)	509,888,836	512,291,092	198,991,048	207,188,981
		<b>510,780,337</b>	<b>513,419,710</b>	<b>228,857,092</b>	<b>226,589,220</b>
<b>(i) Loans, advances and financing to financial institutions<sup>^</sup>:</b>					
Gross loans, advances and financing to financial institutions at amortised cost		896,552	1,140,538	30,276,170	19,665,356
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(5,015)	(11,920)	(20,958)	(18,657)
- Stage 2 - Lifetime ECL not credit impaired		(36)	-	(15,091)	(5,530)
- Stage 3 - Lifetime ECL credit impaired		-	-	(374,077)	(240,930)
Net loans, advances and financing to financial institutions		<b>891,501</b>	<b>1,128,618</b>	<b>29,866,044</b>	<b>19,400,239</b>
<b>(ii) Loans, advances and financing to customers:</b>					
(A) Loans, advances and financing to customers at fair value through profit or loss		307,380	401,703	307,380	401,703
(B) Loans, advances and financing to customers at fair value through other comprehensive income		12,238,916	11,821,285	11,480,705	11,380,901
(C) Loans, advances and financing to customers at amortised cost		596,789,015	601,389,303	194,557,895	202,771,305
		<b>609,335,311</b>	<b>613,612,291</b>	<b>206,345,980</b>	<b>214,553,909</b>
Unearned interest and income		(88,467,957)	(91,265,351)	(1,200,441)	(1,559,752)
Gross loans, advances and financing to customers		520,867,354	522,346,940	205,145,539	212,994,157
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(1,683,259)	(1,423,097)	(689,942)	(507,155)
- Stage 2 - Lifetime ECL not credit impaired		(2,828,745)	(1,865,171)	(1,434,808)	(869,858)
- Stage 3 - Lifetime ECL credit impaired		(6,466,514)	(6,767,580)	(4,029,741)	(4,428,163)
Net loans, advances and financing to customers		<b>509,888,836</b>	<b>512,291,092</b>	<b>198,991,048</b>	<b>207,188,981</b>
Net loans, advances and financing	(i) & (ii)	<b>510,780,337</b>	<b>513,419,710</b>	<b>228,857,092</b>	<b>226,589,220</b>

<sup>^</sup> Included in the Bank's loans/financing to financial institutions is financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, are government financing scheme as part of the government support measures in response to COVID-19 pandemic for the purpose of SME lending amounting to RM920.3 million, and under Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM28,850.7 million net of expected credit losses (31 December 2019: RM19,307.9 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	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
<b>(iii) Loans, advances and financing to financial institutions and customers</b>				
Loans/financing to financial institutions	896,552	1,140,538	30,276,170	19,665,356
Overdrafts/cashline	18,758,502	21,524,681	7,382,022	8,068,447
Term loans:				
- Housing loans/financing	170,556,089	165,058,688	42,302,861	39,773,201
- Syndicated loans/financing	46,973,551	52,154,119	38,483,373	41,710,800
- Hire purchase receivables	75,532,217	77,170,795	13,568,418	14,770,104
- Lease receivables	489,145	445,288	-	-
- Other loans/financing	212,490,912	206,219,952	63,033,616	63,244,663
Credit card receivables	8,567,179	9,703,036	5,744,632	6,338,893
Bills receivables	4,403,220	3,312,082	3,945,739	2,470,458
Trust receipts	3,752,808	4,527,077	3,106,685	3,477,743
Claims on customers under acceptance credits	7,590,405	11,086,391	3,078,064	5,294,619
Revolving credits	49,014,088	52,824,052	23,254,948	26,897,897
Share margin financing	5,101,596	5,919,340	1,872,929	1,981,958
Staff loans	3,666,569	3,516,628	571,433	523,526
Loans to:				
- Directors of the Bank	7,570	8,154	1,110	1,399
- Directors of subsidiaries	5,745	3,795	132	170
Others	2,425,715	138,213	18	31
	<b>610,231,863</b>	614,752,829	<b>236,622,150</b>	234,219,265
Unearned interest and income	<b>(88,467,957)</b>	(91,265,351)	<b>(1,200,441)</b>	(1,559,752)
Gross loans, advances and financing	<b>521,763,906</b>	523,487,478	<b>235,421,709</b>	232,659,513
Allowances for loans, advances and financing:				
- Stage 1 - 12-month ECL	(1,688,274)	(1,435,017)	(710,900)	(525,812)
- Stage 2 - Lifetime ECL not credit impaired	(2,828,781)	(1,865,171)	(1,449,899)	(875,388)
- Stage 3 - Lifetime ECL credit impaired	(6,466,514)	(6,767,580)	(4,403,818)	(4,669,093)
Net loans, advances and financing	<b>510,780,337</b>	513,419,710	<b>228,857,092</b>	226,589,220
<b>(iv) Loans, advances and financing analysed by type of customer are as follows:</b>				
	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Domestic banking institutions	891,792	1,139,626	30,276,170	19,669,557
Domestic non-banking financial institutions	17,980,457	21,893,187	10,700,269	14,657,649
Domestic business enterprises:				
- Small and medium enterprises	60,385,788	54,841,634	25,761,209	24,496,469
- Others	121,467,532	133,017,413	67,820,143	73,796,567
Government and statutory bodies	16,206,971	14,381,320	115,259	128,131
Individuals	258,667,125	250,614,985	66,022,807	64,254,229
Other domestic entities	11,565,921	12,719,297	2,935,410	3,125,275
Foreign entities	34,598,320	34,880,016	31,790,442	32,531,636
Gross loans, advances and financing	<b>521,763,906</b>	523,487,478	<b>235,421,709</b>	232,659,513

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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	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Malaysia	326,473,005	316,953,176	152,795,004	143,871,310
Singapore	118,325,257	125,228,021	50,114,724	56,076,155
Indonesia	31,670,551	37,688,031	-	-
Labuan Offshore	13,682,752	14,842,983	13,682,752	14,842,983
Hong Kong SAR	13,936,874	10,027,775	11,375,246	9,767,276
United States of America	877,995	1,291,202	877,411	1,290,625
People's Republic of China	3,900,984	4,055,036	3,900,984	4,055,036
Vietnam	1,103,689	1,218,454	852,073	908,484
United Kingdom	980,942	940,422	980,937	940,376
Brunei	531,612	583,433	531,612	583,433
Cambodia	3,109,401	2,826,629	-	-
Philippines	5,594,837	5,903,119	-	-
Thailand	1,265,041	1,605,362	-	-
Laos	71,586	82,097	71,586	82,097
Myanmar	239,380	241,738	239,380	241,738
Gross loans, advances and financing	<b>521,763,906</b>	<b>523,487,478</b>	<b>235,421,709</b>	<b>232,659,513</b>

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

	Group		Bank	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	20,892,679	17,282,242	441,813	404,442
- Hire purchase receivables	59,054,364	67,528,995	11,433,212	13,146,631
- Other fixed rate loans/financing	66,997,018	62,192,300	49,583,310	43,602,330
Variable rate:				
- Base lending/financing rate/ base rate plus	211,015,665	207,219,598	78,011,140	77,368,532
- Cost plus	55,083,026	61,639,026	41,956,596	46,888,315
- Other variable rates	108,721,154	107,625,317	53,995,638	51,249,263
Gross loans, advances and financing	<b>521,763,906</b>	<b>523,487,478</b>	<b>235,421,709</b>	<b>232,659,513</b>

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

	Group		Bank	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	36,954,965	35,999,387	6,802,537	7,572,559
Purchase of transport vehicles	68,342,873	68,239,626	11,249,248	11,861,216
Purchase of landed properties:				
- Residential	129,781,657	122,875,200	40,823,766	38,615,665
- Non-residential	40,062,578	40,553,322	17,457,521	18,604,350
Purchase of fixed assets (excluding landed properties)	3,915,676	4,163,699	3,247,238	3,524,042
Personal use	11,310,061	10,889,877	4,454,957	4,453,122
Credit card	8,601,636	9,745,404	5,747,377	6,339,202
Purchase of consumer durables	9,662	9,893	9,402	9,667
Constructions	16,279,753	17,381,155	9,276,996	10,356,794
Mergers and acquisitions	1,468,100	1,676,999	1,455,879	1,650,184
Working capital	165,280,019	168,019,588	104,064,862	95,481,470
Others	39,756,926	43,933,328	30,831,926	34,191,242
Gross loans, advances and financing	<b>521,763,906</b>	<b>523,487,478</b>	<b>235,421,709</b>	<b>232,659,513</b>

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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	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Within one year	117,460,102	128,277,526	69,013,422	69,137,959
One year to three years	59,139,147	62,079,218	43,995,744	46,877,075
Three years to five years	52,389,276	55,292,098	24,996,239	29,273,506
After five years	292,775,381	277,838,636	97,416,304	87,370,973
Gross loans, advances and financing	<b>521,763,906</b>	<b>523,487,478</b>	<b>235,421,709</b>	<b>232,659,513</b>

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

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
At 1 January	13,857,936	12,486,421	8,825,195	8,054,989
Impaired during the financial period/year	2,733,329	5,994,345	986,898	3,386,932
Reclassified as non-impaired	(934,690)	(1,113,466)	(329,892)	(616,982)
Amount recovered	(1,253,683)	(2,090,434)	(517,174)	(1,529,147)
Amount written-off	(2,482,842)	(1,917,090)	(1,749,799)	(848,945)
Exchange differences	318,654	498,160	351,647	378,348
Gross impaired loans at 30 September 2020/ 31 December 2019	<b>12,238,704</b>	13,857,936	<b>7,566,875</b>	8,825,195
Less: Stage 3 - Lifetime ECL credit impaired	<b>(6,536,934)</b>	(7,184,821)	<b>(4,474,238)</b>	(5,086,334)
Net impaired loans at 30 September 2020/ 31 December 2019	<b>5,701,770</b>	6,673,115	<b>3,092,637</b>	3,738,861

Calculation of ratio of net impaired loans:

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Gross impaired loans at 30 September 2020/ 31 December 2019 (excluding financing funded by Investment Account*)	12,180,343	13,733,600	7,566,875	8,825,195
Less: Stage 3 - Lifetime ECL credit impaired	<b>(6,536,934)</b>	(7,184,821)	<b>(4,474,238)</b>	(5,086,334)
Net impaired loans	<b>5,643,409</b>	6,548,779	<b>3,092,637</b>	3,738,861
Gross loans, advances and financing	521,763,906	523,487,478	235,421,709	232,659,513
Less: Funded by Investment Account*	<b>(23,475,675)</b>	(20,737,670)	-	-
Less: Allowances for impaired loans, advances and financing at fair value through other comprehensive income and at amortised cost	<b>(11,941,441)</b>	(10,714,146)	<b>(7,519,282)</b>	(6,713,770)
Net loans, advances and financing	<b>486,346,790</b>	492,035,662	<b>227,902,427</b>	225,945,743
Ratio of net impaired loans	<b>1.16%</b>	1.33%	<b>1.36%</b>	1.65%

\*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	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Purchase of securities	67,801	171,743	11,172	112,956
Purchase of transport vehicles	525,203	435,278	68,955	95,373
Purchase of landed properties:				
- Residential	1,097,462	998,683	317,810	328,128
- Non-residential	514,881	555,679	209,617	235,716
Purchase of fixed assets (excluding landed properties)	1,718,267	1,766,064	1,702,965	1,708,703
Personal use	244,148	235,194	146,436	148,998
Credit card	66,670	73,700	16,320	33,377
Purchase of consumer durables	6,604	6,444	6,602	6,441
Constructions	1,261,048	1,789,711	1,098,686	1,486,400
Working capital	5,724,906	5,968,016	3,240,575	3,046,550
Others	1,011,714	1,857,424	747,737	1,622,553
Gross impaired loans, advances and financing	<b>12,238,704</b>	<b>13,857,936</b>	<b>7,566,875</b>	<b>8,825,195</b>

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

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Malaysia	5,102,447	6,242,161	3,311,276	3,713,462
Singapore	3,945,026	4,802,502	3,338,738	4,246,554
Indonesia	1,758,634	1,678,934	-	-
Labuan Offshore	73,389	201,848	73,389	201,848
Hong Kong SAR	129,201	69,016	120,811	60,782
United States of America	217,969	217,606	217,383	217,030
People's Republic of China	392,791	257,080	392,791	257,080
Vietnam	41,778	57,195	41,123	56,016
Brunei	70,462	70,067	70,462	70,067
Cambodia	65,301	59,753	-	-
Philippines	406,989	163,996	-	-
Thailand	33,815	35,422	-	-
Laos	902	2,356	902	2,356
Gross impaired loans, advances and financing	<b>12,238,704</b>	<b>13,857,936</b>	<b>7,566,875</b>	<b>8,825,195</b>

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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	
As at 30 September 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	29,184	199,953	417,241	646,378
Transferred to Stage 2	(3,949)	3,949	-	-
Transferred to Stage 3	(1,357)	1,357	-	-
Net remeasurement of allowances	(2,955)	508,014	363,630	868,689
New financial assets originated or purchased	14,035	158,204	-	172,239
Financial assets derecognised	(13,882)	(3,792)	(243,679)	(261,353)
Changes in models/risk parameters	859	196	-	1,055
Amount written-off	-	-	(465,729)	(465,729)
Exchange differences	41	(2,405)	(1,043)	(3,407)
As at 30 September 2020	<b>21,976</b>	<b>865,476</b>	<b>70,420</b>	<b>957,872</b>

  

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	27,160	4,650	153,284	185,094
Net remeasurement of allowances	(4,375)	194,243	263,339	453,207
New financial assets originated or purchased	17,637	3,130	-	20,767
Financial assets derecognised	(10,068)	(849)	-	(10,917)
Changes in models/risk parameters	(1,230)	(1,422)	-	(2,652)
Exchange differences	60	201	618	879
At 31 December 2019	<b>29,184</b>	<b>199,953</b>	<b>417,241</b>	<b>646,378</b>

  

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	28,662	197,574	417,241	643,477
Transferred to Stage 2	(3,949)	3,949	-	-
Transferred to Stage 3	(1,357)	1,357	-	-
Net remeasurement of allowances	(2,955)	508,014	363,630	868,689
New financial assets originated or purchased	14,035	158,204	-	172,239
Financial assets derecognised	(13,882)	(3,792)	(243,679)	(261,353)
Changes in models/risk parameters	751	-	-	751
Amount written-off	-	-	(465,729)	(465,729)
Exchange differences	39	(2,405)	(1,043)	(3,409)
As at 30 September 2020	<b>21,344</b>	<b>862,901</b>	<b>70,420</b>	<b>954,665</b>



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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.)

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<b>Bank</b>				
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2019	25,761	849	153,284	179,894
Net remeasurement of allowances	(4,375)	194,243	263,339	453,207
New financial assets originated or purchased	17,637	3,130	-	20,767
Financial assets derecognised	(10,068)	(849)	-	(10,917)
Changes in models/risk parameters	(353)	-	-	(353)
Exchange differences	60	201	618	879
At 31 December 2019	<u>28,662</u>	<u>197,574</u>	<u>417,241</u>	<u>643,477</u>

At amortised cost

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<b>Group</b>				
<b>As at 30 September 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2020	1,435,017	1,865,171	6,767,580	10,067,768
Transferred to Stage 1	411,242	(381,913)	(29,329)	-
Transferred to Stage 2	(70,309)	282,289	(211,980)	-
Transferred to Stage 3	(4,922)	(51,302)	56,224	-
Net remeasurement of allowances	(19,853)	1,104,489	1,943,431	3,028,067
New financial assets originated or purchased	416,796	366,673	-	783,469
Financial assets derecognised	(347,283)	(365,383)	(23,520)	(736,186)
Changes in models/risk parameters	(123,021)	18,409	49,787	(54,825)
Amount related to RPSIA	-	-	(48,424)	(48,424)
Amount written-off	-	-	(2,017,113)	(2,017,113)
Exchange differences	(9,393)	(9,652)	(20,142)	(39,187)
As at 30 September 2020	<u>1,688,274</u>	<u>2,828,781</u>	<u>6,466,514</u>	<u>10,983,569</u>

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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.)**

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2019	1,654,941	2,518,274	6,076,703	10,249,918
Transferred to Stage 1	640,451	(568,533)	(71,918)	-
Transferred to Stage 2	(190,386)	522,673	(332,287)	-
Transferred to Stage 3	(13,606)	(196,682)	210,288	-
Net remeasurement of allowances	(619,476)	(113,180)	4,015,889	3,283,233
New financial assets originated or purchased	623,306	395,129	-	1,018,435
Financial assets derecognised	(460,591)	(452,640)	(976,661)	(1,889,892)
Changes in models/risk parameters	(319,628)	(334,471)	1,683	(652,416)
Amount related to RPSIA	-	-	(2,129)	(2,129)
Amount written-off	-	-	(1,917,089)	(1,917,089)
Exchange differences	120,006	94,601	(236,899)	(22,292)
As at 31 December 2019	<b>1,435,017</b>	<b>1,865,171</b>	<b>6,767,580</b>	<b>10,067,768</b>

  

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 30 September 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2020	525,812	875,388	4,669,093	6,070,293
Transferred to Stage 1	155,002	(147,998)	(7,004)	-
Transferred to Stage 2	(44,382)	38,715	5,667	-
Transferred to Stage 3	(1,745)	(18,836)	20,581	-
Net remeasurement of allowances	117,159	696,267	1,236,562	2,049,988
New financial assets originated or purchased	207,735	219,182	-	426,917
Financial assets derecognised	(218,899)	(206,815)	(255,340)	(681,054)
Changes in models/risk parameters	(27,623)	(5,144)	-	(32,767)
Amount written-off	-	-	(1,284,070)	(1,284,070)
Exchange differences	(2,159)	(860)	18,329	15,310
As at 30 September 2020	<b>710,900</b>	<b>1,449,899</b>	<b>4,403,818</b>	<b>6,564,617</b>

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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.)

Bank As at 31 December 2019	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	
At 1 January 2019	657,197	1,225,026	3,920,974	5,803,197
Transferred to Stage 1	325,172	(273,884)	(51,288)	-
Transferred to Stage 2	(140,785)	296,831	(156,046)	-
Transferred to Stage 3	(4,258)	(98,622)	102,880	-
Net remeasurement of allowances	(192,899)	(108,484)	2,426,750	2,125,367
New financial assets originated or purchased	284,253	191,883	-	476,136
Financial assets derecognised	(271,910)	(169,186)	(702,745)	(1,143,841)
Changes in models/risk parameters	(128,617)	(185,213)	-	(313,830)
Amount written-off	-	-	(848,945)	(848,945)
Exchange differences	(2,341)	(2,963)	(22,487)	(27,791)
At 31 December 2019	<u>525,812</u>	<u>875,388</u>	<u>4,669,093</u>	<u>6,070,293</u>

**A12. Reinsurance/Retakaful Assets and Other Insurance Receivables**

	Note	Group	
		30 September 2020 RM'000	31 December 2019 RM'000
Reinsurance/retakaful assets	(i)	4,518,830	3,550,665
Other insurance receivables	(ii)	752,676	681,424
		<u>5,271,506</u>	<u>4,232,089</u>

(i) Reinsurance/retakaful assets	Group	
	30 September 2020 RM'000	31 December 2019 RM'000
Reinsurers' share of:	4,071,157	3,187,733
Life insurance contract liabilities	203,417	74,534
General insurance contract liabilities	3,867,740	3,113,199
Retakaful operators' share of:	470,573	374,767
Family takaful certificate liabilities	149,201	135,692
General takaful certificate liabilities	321,372	239,075
Allowances for impairment losses	(22,900)	(11,835)
	<u>4,518,830</u>	<u>3,550,665</u>

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

	Group	
	30 September 2020	31 December 2019
(ii) Other insurance receivables	RM'000	RM'000
Due premium including agents/brokers and co-insurers balances	605,881	421,774
Due from reinsurers and cedants/retakaful operators	181,640	290,566
	<u>787,521</u>	<u>712,340</u>
Allowances for impairment losses	(iii) (34,845)	(30,916)
	<u>752,676</u>	<u>681,424</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	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Group As at 30 September 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	42,751	-	-	42,751
Net remeasurement of allowances	13,300	-	-	13,300
Exchange differences	1,694	-	-	1,694
As at 30 September 2020	<u>57,745</u>	<u>-</u>	<u>-</u>	<u>57,745</u>

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Group As at 31 December 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	20,442	-	-	20,442
Net remeasurement of allowances	31,377	-	-	31,377
Exchange differences	(9,068)	-	-	(9,068)
At 31 December 2019	<u>42,751</u>	<u>-</u>	<u>-</u>	<u>42,751</u>

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**A13. Other Assets**

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Other debtors, net of allowances for impairment losses	10,373,502	5,614,028	8,684,897	4,641,193
Amount due from brokers and clients	4,161,407	2,010,123	-	-
Prepayments and deposits	1,357,838	1,401,622	127,784	259,144
Tax recoverable	115,761	161,322	-	13,441
Foreclosed properties	323,776	291,989	28,500	29,412
	<b>16,332,284</b>	<b>9,479,084</b>	<b>8,841,181</b>	<b>4,943,190</b>

**A14. Deposits from Customers**

**(i) By type of deposit**

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	308,728,519	328,019,102	128,202,795	122,285,418
- More than one year	16,069,172	8,242,826	977,389	2,159,609
	<b>324,797,691</b>	<b>336,261,928</b>	<b>129,180,184</b>	<b>124,445,027</b>
Money market deposits	12,809,158	20,769,412	12,809,158	20,769,412
Savings deposits	90,301,470	78,030,371	33,460,808	28,119,100
Demand deposits	141,846,650	109,469,201	78,990,825	69,424,078
	<b>569,754,969</b>	<b>544,530,912</b>	<b>254,440,975</b>	<b>242,757,617</b>

**(ii) By type of customer**

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Business enterprises	238,468,683	230,436,071	138,802,538	136,645,520
Individuals	230,692,956	221,452,568	83,009,719	76,658,858
Government and statutory bodies	52,410,428	44,022,847	13,520,403	13,425,698
Others	48,182,902	48,619,426	19,108,315	16,027,541
	<b>569,754,969</b>	<b>544,530,912</b>	<b>254,440,975</b>	<b>242,757,617</b>

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

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Within six months	247,686,755	265,335,800	106,365,247	102,260,693
Six months to one year	61,041,764	62,683,302	21,837,548	20,024,725
One year to three years	15,508,190	7,729,734	915,170	2,105,839
Three years to five years	560,982	513,092	62,219	53,770
	<b>324,797,691</b>	<b>336,261,928</b>	<b>129,180,184</b>	<b>124,445,027</b>

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**A15. Deposits and Placements from Financial Institutions**

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Licensed banks	25,505,214	38,758,617	44,044,285	48,975,323
Licensed finance companies	585,755	142,861	585,756	142,861
Licensed investment banks	1,421,339	482,606	1,421,339	482,606
Other financial institutions	3,521,128	4,173,125	1,459,841	1,753,745
	<b>31,033,436</b>	<b>43,557,209</b>	<b>47,511,221</b>	<b>51,354,535</b>

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

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
One year or less	26,652,596	41,112,765	46,751,674	50,593,909
More than one year	4,380,840	2,444,444	759,547	760,626
	<b>31,033,436</b>	<b>43,557,209</b>	<b>47,511,221</b>	<b>51,354,535</b>

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

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
<b>Structured deposits</b>	<b>22,768</b>	<b>22,772</b>	<b>22,768</b>	<b>22,772</b>
<b>Borrowings</b>				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	9,711,579	6,447,653	9,711,579	6,447,653
- RM	-	60,328	-	60,328
	<b>9,711,579</b>	<b>6,507,981</b>	<b>9,711,579</b>	<b>6,507,981</b>
Total financial liabilities at fair value through profit or loss	<b>9,734,347</b>	<b>6,530,753</b>	<b>9,734,347</b>	<b>6,530,753</b>

The carrying amounts of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 30 September 2020 were RM9,972,094,000 (31 December 2019: RM6,726,131,000). 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	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
<b>(i) Borrowings</b>				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- SGD	-	237,799	-	-
- IDR	476,954	1,253,572	-	-
- VND	-	3,530	-	-
	<u>476,954</u>	<u>1,494,901</u>	<u>-</u>	<u>-</u>
- More than one year				
Denominated in:				
- IDR	1,843,856	1,996,482	-	-
	<u>1,843,856</u>	<u>1,996,482</u>	<u>-</u>	<u>-</u>
Total secured borrowings	<u>2,320,810</u>	<u>3,491,383</u>	<u>-</u>	<u>-</u>
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	3,035,228	5,453,711	2,698,189	5,383,508
- SGD	2,401,671	1,427,935	958,209	-
- THB	1,012,114	1,324,965	-	-
- HKD	2,196,611	210,108	80,429	105,159
- IDR	60,229	867,424	-	-
- VND	121	50	-	-
- RM	378,088	1,638,130	378,088	1,638,130
	<u>9,084,062</u>	<u>10,922,323</u>	<u>4,114,915</u>	<u>7,126,797</u>
- More than one year				
Denominated in:				
- USD	4,902,562	4,625,605	4,176,223	3,909,789
- IDR	652,442	690,235	-	-
- AUD	740,198	-	740,198	-
- JPY	1,159	1,430	-	-
- RM	2,313,847	-	2,313,847	-
- RM (Note (a))	1,852,268	-	1,852,268	-
	<u>10,462,476</u>	<u>5,317,270</u>	<u>9,082,536</u>	<u>3,909,789</u>

Note (a): Included in the borrowings is amount received by the Group and the Bank under government financing scheme as part of the government support measure in response to COVID-19 pandemic for the purpose of SME lending at a below market rate with a six-year maturity to be repaid on 17 June 2026. The financing under the government scheme is for lending at concession rates to SMEs and for COVID-19 related relief measures.

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

	Group		Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
<b>(i) Borrowings (cont'd.)</b>				
Unsecured (cont'd.)				
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- USD	82,541	806,826	82,541	806,826
- HKD	198,129	1,565,984	198,129	1,565,984
- SGD	686	686	686	686
- JPY	-	1,232,594	-	1,232,594
- CNH	337,147	547,362	337,147	547,362
- CHF	39	39	39	39
- CNY	2,863	1,201,217	2,863	1,201,217
- RM	403	42,320	403	42,320
	<b>621,808</b>	<b>5,397,028</b>	<b>621,808</b>	<b>5,397,028</b>
- More than one year				
Denominated in:				
- USD	8,934,231	8,375,338	8,934,231	8,375,338
- HKD	3,032,950	2,543,543	3,032,950	2,543,543
- JPY	5,887,751	3,344,937	5,887,751	3,344,937
- AUD	400,437	390,326	400,437	390,326
- CNH	924,546	547,975	924,546	547,975
- CHF	448,418	422,386	448,418	422,386
- CNY	610,116	586,906	610,116	586,906
	<b>20,238,449</b>	<b>16,211,411</b>	<b>20,238,449</b>	<b>16,211,411</b>
Total unsecured borrowings	<b>40,406,795</b>	<b>37,848,032</b>	<b>34,057,708</b>	<b>32,645,025</b>
Total borrowings	<b>42,727,605</b>	<b>41,339,415</b>	<b>34,057,708</b>	<b>32,645,025</b>
	Group		Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
<b>(ii) Subordinated Obligations</b>				
Unsecured				
- More than one year				
Denominated in:				
- RM	10,095,562	7,097,715	10,095,562	7,097,715
- USD	2,112,007	2,059,101	2,112,007	2,059,101
- IDR	155,511	164,309	-	-
	<b>12,363,080</b>	<b>9,321,125</b>	<b>12,207,569</b>	<b>9,156,816</b>



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

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
	<b>(iii) Capital Securities</b>			
Unsecured				
- More than one year				
Denominated in:				
- RM	2,798,634	2,827,123	2,798,634	2,827,123
	<u>2,798,634</u>	<u>2,827,123</u>	<u>2,798,634</u>	<u>2,827,123</u>

**A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables**

Group	Note	30 September 2020 RM'000	31 December 2019 RM'000
Insurance/takaful contract liabilities	(i)	34,917,998	30,218,443
Other insurance payables	(ii)	782,952	667,187
		<u>35,700,950</u>	<u>30,885,630</u>

**(i) Insurance/takaful contract liabilities**

	Gross contract liabilities RM'000	Reinsurance/ retakaful assets RM'000	Net contract liabilities RM'000
<b>At 30 September 2020</b>			
Life insurance/family takaful	27,860,923	(352,618)	27,508,305
General insurance/general takaful	7,057,075	(4,166,212)	2,890,863
	<u>34,917,998</u>	<u>(4,518,830)</u>	<u>30,399,168</u>
<b>At 31 December 2019</b>			
Life insurance/family takaful	24,258,416	(210,226)	24,048,190
General insurance/general takaful	5,960,027	(3,340,439)	2,619,588
	<u>30,218,443</u>	<u>(3,550,665)</u>	<u>26,667,778</u>

**(ii) Other insurance payables**

	30 September 2020 RM'000	31 December 2019 RM'000
Due to agents and intermediaries	210,474	174,645
Due to reinsurers and cedants	495,631	447,301
Due to retakaful operators	76,847	45,241
	<u>782,952</u>	<u>667,187</u>

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**A19. Other Liabilities**

	Note	Group		Bank	
		30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
Amount due to brokers and clients		6,404,932	4,231,486	-	-
Deposits, other creditors and accruals		14,360,480	8,642,439	13,129,871	6,601,312
Defined benefit pension plans		536,845	521,985	-	-
Provisions for commitments and contingencies		27,880	27,880	27,880	27,880
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i)	533,791	678,232	461,272	618,048
Lease liabilities		1,390,365	1,461,498	424,899	410,156
Structured deposits		3,566,356	6,006,007	415,693	295,012
		<b>26,820,649</b>	<b>21,569,527</b>	<b>14,459,615</b>	<b>7,952,408</b>

(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	
<b>As at 30 September 2020</b>				<b>RM'000</b>
At 1 January 2020	92,086	108,132	478,014	678,232
Transferred to Stage 1	12,967	(12,876)	(91)	-
Transferred to Stage 2	(7,523)	7,810	(287)	-
Transferred to Stage 3	(104)	(311)	415	-
Net remeasurement of allowances	(10,304)	(31,657)	(55,644)	(97,605)
New financial assets originated or purchased	18,053	9,424	-	27,477
Financial assets derecognised	(27,028)	(15,734)	(32,405)	(75,167)
Changes in models/risk parameters	(97)	1,316	(115)	1,104
Exchange differences	67	122	(439)	(250)
As at 30 September 2020	<b>78,117</b>	<b>66,226</b>	<b>389,448</b>	<b>533,791</b>
Group	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2019	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 1 January 2019	84,477	52,676	150,283	287,436
Transferred to Stage 1	2,620	(2,620)	-	-
Transferred to Stage 2	(4,613)	6,014	(1,401)	-
Transferred to Stage 3	(13)	(61)	74	-
Net remeasurement of allowances	13,488	55,709	333,589	402,786
New financial assets originated or purchased	23,893	12,047	-	35,940
Financial assets derecognised	(28,218)	(17,679)	(3,224)	(49,121)
Changes in models/risk parameters	(277)	974	-	697
Exchange differences	729	1,072	(1,307)	494
At 31 December 2019	<b>92,086</b>	<b>108,132</b>	<b>478,014</b>	<b>678,232</b>

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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	
<b>Bank</b>				
<b>As at 30 September 2020</b>				<b>RM'000</b>
At 1 January 2020	48,324	99,999	469,725	618,048
Transferred to Stage 1	1,796	(1,796)	-	-
Transferred to Stage 2	(214)	402	(188)	-
Transferred to Stage 3	(24)	(28)	52	-
Net remeasurement of allowances	(7,117)	(50,097)	(67,094)	(124,308)
New financial assets originated or purchased	11,648	5,806	-	17,454
Financial assets derecognised	(17,203)	(10,753)	(23,738)	(51,694)
Changes in models/risk parameters	18	1,171	-	1,189
Exchange differences	633	124	(174)	583
As at 30 September 2020	<b>37,861</b>	<b>44,828</b>	<b>378,583</b>	<b>461,272</b>
	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
<b>Bank</b>				
<b>As at 31 December 2019</b>				<b>RM'000</b>
At 1 January 2019	40,038	43,868	145,197	229,103
Transferred to Stage 1	2,228	(2,228)	-	-
Transferred to Stage 2	(4,284)	4,284	-	-
Transferred to Stage 3	(14)	(54)	68	-
Net remeasurement of allowances	12,282	57,728	327,100	397,110
New financial assets originated or purchased	18,303	8,622	-	26,925
Financial assets derecognised	(19,571)	(12,646)	(2,950)	(35,167)
Changes in models/risk parameters	(242)	519	-	277
Exchange differences	(416)	(94)	310	(200)
At 31 December 2019	<b>48,324</b>	<b>99,999</b>	<b>469,725</b>	<b>618,048</b>

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**A20. Other Reserves**

The breakdown and movement of other reserves are as follows:

<===== Non-Distributable =====>					
<u>Group</u>	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Hedge Reserve RM'000	Total Other Reserves RM'000
<b>At 1 January 2020</b>	14,244	(2,712)	21,141	(366,322)	(333,649)
Other comprehensive (loss)/ income	(1,012)	-	(6,062)	14,691	7,617
Defined benefit plan actuarial loss	-	-	(6,062)	-	(6,062)
Net loss on net investment hedge	-	-	-	(2,334)	(2,334)
Net gain on fair value hedge	-	-	-	17,025	17,025
Net loss on capital reserve	(1,012)	-	-	-	(1,012)
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(1,012)</b>	<b>-</b>	<b>(6,062)</b>	<b>14,691</b>	<b>7,617</b>
<b>At 30 September 2020</b>	<b>13,232</b>	<b>(2,712)</b>	<b>15,079</b>	<b>(351,631)</b>	<b>(326,032)</b>

<===== Non-Distributable =====>					
<u>Group</u>	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Hedge Reserve RM'000	Total Other Reserves RM'000
<b>At 1 January 2019</b>	13,557	(2,712)	16,503	(367,100)	(339,752)
Other comprehensive income	-	-	2,179	4,775	6,954
Defined benefit plan actuarial gain	-	-	2,179	-	2,179
Net loss on net investment hedge	-	-	-	(2,068)	(2,068)
Net loss on cash flow hedge	-	-	-	(368)	(368)
Net gain on fair value hedge	-	-	-	7,211	7,211
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>2,179</b>	<b>4,775</b>	<b>6,954</b>
<b>At 30 September 2019</b>	<b>13,557</b>	<b>(2,712)</b>	<b>18,682</b>	<b>(362,325)</b>	<b>(332,798)</b>

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**A21. Interest Income**

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Loans, advances and financing (Note (a))	3,121,018	4,456,891	10,601,349	13,202,939
Money at call and deposits and placements with financial institutions	90,975	206,642	366,008	599,786
Financial assets purchased under resale agreements	34,087	36,356	186,947	122,967
Financial assets at FVTPL	255,229	284,644	824,752	819,919
Financial investments at fair value through other comprehensive income	694,472	859,304	2,136,577	2,612,934
Financial investments at amortised cost	323,239	253,570	872,905	709,255
	<b>4,519,020</b>	<b>6,097,407</b>	<b>14,988,538</b>	<b>18,067,800</b>
Accretion of discounts, net	(27,943)	41,201	(25,176)	124,554
	<b>4,491,077</b>	<b>6,138,608</b>	<b>14,963,362</b>	<b>18,192,354</b>

  

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Loans, advances and financing (Note (a))	1,927,884	2,708,047	6,509,856	8,021,670
Money at call and deposits and placements with financial institutions	72,390	234,139	393,978	846,132
Financial assets purchased under resale agreements	7,092	8,237	75,326	50,338
Financial assets at FVTPL	80,262	99,241	294,259	214,502
Financial investments at fair value through other comprehensive income	529,351	638,992	1,654,057	2,053,112
Financial investments at amortised cost	320,236	248,710	890,807	696,637
	<b>2,937,215</b>	<b>3,937,366</b>	<b>9,818,283</b>	<b>11,882,391</b>
Accretion of discounts, net	43,444	112,652	205,182	277,900
	<b>2,980,659</b>	<b>4,050,018</b>	<b>10,023,465</b>	<b>12,160,291</b>

Included in interest income for the nine-month financial period ended 30 September 2020 was interest on impaired assets amounting to approximately RM273,081,000 (30 September 2019: RM314,365,000) for the Group and RM192,242,000 (30 September 2019: RM220,258,000) for the Bank.

Note (a): Included the net effects under government support measures to assist borrowers and customer adversely impacted by COVID-19 in order to sustain their business operations amounting to RM71,407,000 for the Group and RM50,318,000 for the Bank.

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**A22. Interest Expense**

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	86,478	276,003	488,474	875,456
Deposits from customers	1,240,527	2,020,751	4,476,139	6,176,894
Loans sold to Cagamas	-	16,320	20,755	48,429
Obligations on financial assets sold under repurchase agreements	27,332	29,031	160,867	162,493
Borrowings	228,216	349,904	838,682	991,136
Subordinated notes	137,405	130,931	398,062	410,508
Subordinated bonds	-	-	-	5,535
Capital securities	29,159	44,575	86,846	155,346
Structured deposits	10,395	36,173	54,558	111,797
Financial liabilities at fair value through profit or loss	33,670	74,909	132,065	243,647
	<b>1,793,182</b>	<b>2,978,597</b>	<b>6,656,448</b>	<b>9,181,241</b>

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	112,710	327,692	581,482	1,031,150
Deposits from customers	649,952	1,189,696	2,483,249	3,752,846
Loans sold to Cagamas	-	16,320	20,755	48,429
Obligations on financial assets sold under repurchase agreements	32,424	50,868	221,264	236,764
Borrowings	136,304	208,440	508,730	568,030
Subordinated notes	105,342	105,167	314,690	335,672
Capital securities	29,159	44,575	86,846	155,346
Structured deposits	2,272	1,874	6,132	7,321
Financial liabilities at fair value through profit or loss	33,670	74,909	132,065	243,647
	<b>1,101,833</b>	<b>2,019,541</b>	<b>4,355,213</b>	<b>6,379,205</b>

**A23. Net Earned Insurance Premiums**

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	3,331,266	2,017,156	7,770,656	5,813,910
Premiums ceded to reinsurers	(341,004)	(268,086)	(1,094,573)	(814,451)
	<b>2,990,262</b>	<b>1,749,070</b>	<b>6,676,083</b>	<b>4,999,459</b>

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**A24. Dividends from Subsidiaries and Associates**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gross dividend income from:				
Subsidiaries	216,812	1,367,468	2,296,120	3,102,631
Associates	-	689	-	689
	<b>216,812</b>	<b>1,368,157</b>	<b>2,296,120</b>	<b>3,103,320</b>

**A25. Other Operating Income**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) Fee income:				
Commission	316,702	390,699	868,485	1,020,056
Service charges and fees	269,936	331,044	889,003	1,002,229
Underwriting fees	5,298	23,108	15,096	52,986
Brokerage income	132,760	82,864	366,358	229,595
Fees on loans, advances and financing	46,535	54,015	145,572	155,591
	<b>771,231</b>	<b>881,730</b>	<b>2,284,514</b>	<b>2,460,457</b>
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	338,226	230,950	45,284	429,471
Net gain on disposal of financial investments at fair value through other comprehensive income	346,867	575,353	1,843,215	970,807
Net gain on redemption of financial investments at amortised cost	-	18	-	18
Net (loss)/gain on dilution of interest in associates	-	(673)	-	1,163
Net loss on disposal of a subsidiary	-	-	(10,160)	-
	<b>685,093</b>	<b>805,648</b>	<b>1,878,339</b>	<b>1,401,459</b>
(c) Gross dividend income from:				
Financial investments portfolio	25,910	28,281	81,032	77,024
(d) Unrealised gain/(loss) on revaluation of:				
Financial assets designated upon initial recognition at FVTPL	201,707	325,506	390,616	1,109,574
Financial investments at FVTPL	49,260	2,481	(112,302)	259,643
Financial liabilities at FVTPL	332,544	(158,125)	42,368	(976,859)
Derivatives	386,975	(96,659)	1,328,212	100,239
Loans, advances and financing at FVTPL	(1,953)	(9,820)	(1,001)	(10,381)
	<b>968,533</b>	<b>63,383</b>	<b>1,647,893</b>	<b>482,216</b>
(e) Other income:				
Foreign exchange gain, net	25,722	131,823	171,459	564,264
Realised (loss)/gain on derivatives	(453,232)	147,629	(453,325)	551,243
Realised loss on financial liabilities at FVTPL	(87,217)	-	(87,217)	-
Rental income	6,813	8,233	20,596	26,778
Gain on disposal of property, plant and equipment	8,704	1,447	20,181	3,526
(Loss)/gain on disposal of foreclosed properties	(312)	(968)	(5,523)	282
Fair value adjustments on investments properties	(38)	(36)	(111)	(105)
Others	85,303	81,344	239,203	239,031
	<b>(414,257)</b>	<b>369,472</b>	<b>(94,737)</b>	<b>1,385,019</b>
Total other operating income	<b>2,036,510</b>	<b>2,148,514</b>	<b>5,797,041</b>	<b>5,806,175</b>

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**A25. Other Operating Income (cont'd.)**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Bank</b>				
(a) Fee income:				
Commission	206,766	266,516	578,884	704,467
Service charges and fees	200,909	211,024	592,263	650,787
Underwriting fees	2,743	13,468	9,532	18,319
Fees on loans, advances and financing	20,386	29,455	69,876	78,865
	<b>430,804</b>	<b>520,463</b>	<b>1,250,555</b>	<b>1,452,438</b>
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	73,705	84,643	176,095	205,739
Net gain on disposal of financial investments at fair value through other comprehensive income	316,694	540,867	1,491,386	900,844
Net gain on redemption of financial investments at amortised cost	-	18	-	18
Net loss on disposal of deemed controlled structured entities	-	(1,465)	-	(2,687)
Net loss on dilution of interest in associates	-	(3,889)	-	(2,193)
	<b>390,399</b>	<b>620,174</b>	<b>1,667,481</b>	<b>1,101,721</b>
(c) Gross dividend income from:				
Financial investments portfolio	2,610	1,435	5,802	5,427
(d) Unrealised (loss)/gain on revaluation of:				
Financial investments at FVTPL	(28,516)	(18,755)	(93,156)	(18,219)
Financial liabilities at FVTPL	332,544	(158,125)	42,368	(976,859)
Derivatives	304,003	(97,815)	1,105,689	177,453
Loans, advances and financing at FVTPL	(1,953)	(9,820)	(1,001)	(10,381)
	<b>606,078</b>	<b>(284,515)</b>	<b>1,053,900</b>	<b>(828,006)</b>
(e) Other income:				
Foreign exchange gain, net	31,352	151,446	100,194	539,611
Realised (loss)/gain on derivatives	(483,704)	171,222	(622,837)	572,878
Realised loss on financial liabilities at FVTPL	(87,217)	-	(87,217)	-
Rental income	28,305	7,734	42,020	22,208
Gain on disposal of property, plant and equipment	6,292	404	17,218	427
Others	(3,794)	12,465	25,624	53,826
	<b>(508,766)</b>	<b>343,271</b>	<b>(524,998)</b>	<b>1,188,950</b>
Total other operating income	<b>921,125</b>	<b>1,200,828</b>	<b>3,452,740</b>	<b>2,920,530</b>



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

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Gross benefits and claims paid	1,117,542	1,036,133	2,943,994	2,986,408
Claims ceded to reinsurers	(114,226)	(124,744)	(229,069)	(353,174)
Gross change to contract liabilities	2,772,569	1,053,656	4,737,461	3,216,829
Change in contract liabilities ceded to reinsurers	(648,690)	(64,369)	(972,697)	(255,654)
<b>Net insurance benefits and claims incurred</b>	<b>3,127,195</b>	<b>1,900,676</b>	<b>6,479,689</b>	<b>5,594,409</b>
Net fee and commission expenses	81,901	100,055	236,094	225,859
Change in expense liabilities	(4,413)	26,280	30,686	35,436
Taxation of life and takaful fund	32,186	26,979	45,452	107,228
<b>Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund</b>	<b>109,674</b>	<b>153,314</b>	<b>312,232</b>	<b>368,523</b>
<b>Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund</b>	<b>3,236,869</b>	<b>2,053,990</b>	<b>6,791,921</b>	<b>5,962,932</b>

**A27. Overhead Expenses**

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,217,510	1,279,154	3,803,986	3,844,930
Social security cost	11,153	11,757	33,592	33,478
Pension costs - defined contribution plan	143,523	155,924	450,735	461,234
ESGP expenses	17,761	8,878	56,515	27,559
Other staff related expenses	191,596	224,281	607,679	656,349
	<b>1,581,543</b>	<b>1,679,994</b>	<b>4,952,507</b>	<b>5,023,550</b>
(b) Establishment costs				
Depreciation of property, plant and equipment	77,233	70,890	231,247	219,627
Depreciation of right-of-use assets	114,141	110,902	337,596	292,909
Amortisation of intangible assets	72,884	66,328	213,195	186,382
Rental of leasehold land and premises	(3,710)	16,963	23,530	54,038
Repairs and maintenance of property, plant and equipment	54,064	47,363	126,663	134,967
Information technology expenses	148,499	139,254	400,493	398,862
Finance cost on lease liabilities	15,030	17,060	47,265	48,743
Others	4,385	12,043	18,982	35,305
	<b>482,526</b>	<b>480,803</b>	<b>1,398,971</b>	<b>1,370,833</b>
(c) Marketing expenses				
Advertisement and publicity	27,456	45,820	84,927	159,180
Others	56,636	111,649	184,347	290,096
	<b>84,092</b>	<b>157,469</b>	<b>269,274</b>	<b>449,276</b>

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**A27. Overhead Expenses (cont'd.)**

Group (cont'd.)	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
(d) Administration and general expenses				
Fees and brokerage	238,993	256,134	716,728	745,109
Administrative expenses	142,535	150,843	424,372	435,182
General expenses	168,510	234,847	587,700	558,803
Others	6,207	3,479	3,200	10,074
	<b>556,245</b>	<b>645,303</b>	<b>1,732,000</b>	<b>1,749,168</b>
Total overhead expenses	<b>2,704,406</b>	<b>2,963,569</b>	<b>8,352,752</b>	<b>8,592,827</b>
<b>Cost to income ratio ("CIR")<sup>1</sup></b>	<b>44.5%</b>	<b>45.6%</b>	<b>45.3%</b>	<b>47.1%</b>

<sup>1</sup> 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 Maybank Kim Eng Holdings Limited. Income refers to net operating income amount as disclosed on the face of income statements.

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	613,627	649,605	1,911,052	1,956,810
Social security cost	5,565	5,539	16,692	17,021
Pension costs - defined contribution plan	90,462	100,890	284,766	297,845
ESGP expenses	9,423	5,247	29,367	15,969
Other staff related expenses	101,294	112,896	299,850	323,123
	<b>820,371</b>	<b>874,177</b>	<b>2,541,727</b>	<b>2,610,768</b>
(b) Establishment costs				
Depreciation of property, plant and equipment	24,973	27,422	76,525	89,419
Depreciation of right-of-use assets	26,508	27,503	86,268	81,081
Amortisation of intangible assets	14,461	12,513	42,481	36,262
Rental of leasehold land and premises	1,583	1,817	5,692	6,017
Repairs and maintenance of property, plant and equipment	18,832	24,680	53,800	70,570
Information technology expenses	234,108	191,708	630,354	570,026
Finance cost on lease liabilities	2,969	4,644	11,402	12,250
Others	906	470	2,074	2,325
	<b>324,340</b>	<b>290,757</b>	<b>908,596</b>	<b>867,950</b>
(c) Marketing expenses				
Advertisement and publicity	13,487	17,400	31,833	61,017
Others	23,732	71,255	85,139	171,859
	<b>37,219</b>	<b>88,655</b>	<b>116,972</b>	<b>232,876</b>
(d) Administration and general expenses				
Fees and brokerage	163,018	160,589	465,572	448,826
Administrative expenses	50,874	51,586	145,851	148,564
General expenses	60,848	68,926	192,156	182,909
Others	1,988	1,832	3,196	5,914
	<b>276,728</b>	<b>282,933</b>	<b>806,775</b>	<b>786,213</b>
(e) Overhead expenses allocated to subsidiaries, net	<b>(300,563)</b>	<b>(294,499)</b>	<b>(931,614)</b>	<b>(960,440)</b>
Total overhead expenses	<b>1,158,095</b>	<b>1,242,023</b>	<b>3,442,456</b>	<b>3,537,367</b>
<b>Cost to income ratio ("CIR")<sup>2</sup></b>	<b>38.4%</b>	<b>27.0%</b>	<b>30.2%</b>	<b>30.0%</b>

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

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**A28. Allowances for Impairment Losses on Loans, Advances, Financing and Other Debts, net**

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(63,291)	(83,743)	(94,680)	(547,160)
- Stage 2 - Lifetime ECL not credit impaired, net	294,916	58,402	1,750,159	(24,090)
- Stage 3 - Lifetime ECL credit impaired, net	642,463	1,070,148	2,001,485	2,757,747
Bad debts and financing written-off	37,515	12,731	68,053	71,751
Bad debts and financing recovered	(115,083)	(111,442)	(229,523)	(322,866)
Allowances for impairment losses on other debts	7,837	11,888	9,797	18,240
	<b>804,357</b>	<b>957,984</b>	<b>3,505,291</b>	<b>1,953,622</b>

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	23,481	(53,524)	63,667	(175,760)
- Stage 2 - Lifetime ECL not credit impaired, net	295,806	39,040	1,312,043	(23,654)
- Stage 3 - Lifetime ECL credit impaired, net	300,476	729,951	1,010,341	1,694,613
Bad debts and financing written-off	28,314	14,987	48,873	41,359
Bad debts and financing recovered	(67,583)	(43,533)	(119,760)	(134,877)
Allowances for impairment losses on other debts	327	1,749	481	14,193
	<b>580,821</b>	<b>688,670</b>	<b>2,315,645</b>	<b>1,415,874</b>

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

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	8,598	(940)	16,506	718
- Stage 2 - Lifetime ECL not credit impaired, net	624	(649)	1,386	(927)
- Stage 3 - Lifetime ECL credit impaired, net	75	(28,536)	(3,848)	(25,307)
Net	<b>9,297</b>	<b>(30,125)</b>	<b>14,044</b>	<b>(25,516)</b>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	7,607	239	13,478	1,662
- Stage 2 - Lifetime ECL not credit impaired, net	(14,113)	1,589	22,255	2,765
- Stage 3 - Lifetime ECL credit impaired, net	(1,342)	(3,791)	(4,411)	37,522
Net	<b>(7,848)</b>	<b>(1,963)</b>	<b>31,322</b>	<b>41,949</b>
	<b>1,449</b>	<b>(32,088)</b>	<b>45,366</b>	<b>16,433</b>

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Bank</b>				
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(1,979)	(1,984)	3,749	(2,980)
- Stage 2 - Lifetime ECL not credit impaired, net	1,351	(575)	1,255	(778)
- Stage 3 - Lifetime ECL credit impaired, net	(90)	(32,316)	(3,790)	(28,933)
Net	<u>(718)</u>	<u>(34,875)</u>	<u>1,214</u>	<u>(32,691)</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	1,989	(3,468)	5,573	(1,981)
- Stage 2 - Lifetime ECL not credit impaired, net	(2,785)	(441)	18,759	2,784
- Stage 3 - Lifetime ECL credit impaired, net	(1,342)	(3,791)	(4,411)	37,522
Net	<u>(2,138)</u>	<u>(7,700)</u>	<u>19,921</u>	<u>38,325</u>
	<u>(2,856)</u>	<u>(42,575)</u>	<u>21,135</u>	<u>5,634</u>

**A30. Allowances for/(writeback of) Impairment Losses on Other Financial Assets, net**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Group</b>				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	(3,416)	1,605	(5,028)	(8,015)
Net	<u>(3,416)</u>	<u>1,605</u>	<u>(5,028)</u>	<u>(8,015)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	4,488	2,147	7,783	51,040
Net	<u>4,488</u>	<u>2,147</u>	<u>7,783</u>	<u>51,040</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(8,245)	768	(2,468)	(269)
Net	<u>(8,245)</u>	<u>768</u>	<u>(2,468)</u>	<u>(269)</u>
Reinsurance/retakaful assets and other insurance receivables				
- Stage 1 - 12-month ECL, net	6,533	5,063	13,300	14,348
Net	<u>6,533</u>	<u>5,063</u>	<u>13,300</u>	<u>14,348</u>
Other assets				
- Stage 1 - 12-month ECL, net	1,335	2,873	1,725	495
- Stage 2 - Lifetime ECL not credit impaired	23	14	11	(31)
- Stage 3 - Lifetime ECL credit impaired	(599)	(3,482)	3,640	(3,117)
Net	<u>759</u>	<u>(595)</u>	<u>5,376</u>	<u>(2,653)</u>
Statutory deposit with central banks				
- Stage 1 - 12-month ECL, net	(39)	-	1,273	-
Net	<u>(39)</u>	<u>-</u>	<u>1,273</u>	<u>-</u>
	<u>80</u>	<u>8,988</u>	<u>20,236</u>	<u>54,451</u>

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**A30. Allowances for/(writeback of) Impairment Losses on Other Financial Assets, net (cont'd.)**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Bank</b>				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	<u>(2,777)</u>	2,492	<u>(5,767)</u>	<u>(5,723)</u>
Net	<u>(2,777)</u>	2,492	<u>(5,767)</u>	<u>(5,723)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	<u>(356)</u>	1,219	<u>2,643</u>	<u>30,796</u>
Net	<u>(356)</u>	1,219	<u>2,643</u>	<u>30,796</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	<u>(4,519)</u>	106	<u>(16)</u>	<u>(1,099)</u>
Net	<u>(4,519)</u>	106	<u>(16)</u>	<u>(1,099)</u>
Other assets				
- Stage 3 - Lifetime ECL credit impaired	<u>(858)</u>	(1,053)	<u>5,474</u>	<u>(3,843)</u>
Net	<u>(858)</u>	(1,053)	<u>5,474</u>	<u>(3,843)</u>
	<u>(8,510)</u>	2,764	<u>2,334</u>	<u>20,131</u>

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**A31. 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 include 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 include 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 include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based 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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**A31. 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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**A31. Segment Information (cont'd.)**

**By business segments (cont'd.)**

	<===== Business Segments =====>							
	<===== Group Global Banking =====>						Head Office and Others RM'000	Total RM'000
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Group		
<b>Nine Months Ended 30 September 2020</b>								
Net interest income:								
- External	5,273,866	3,133,584	179,129	166	865,043	(1,144,874)	8,306,914	
- Inter-segment	-	-	(1,268)	1,693	77,245	(77,670)	-	
	<u>5,273,866</u>	<u>3,133,584</u>	<u>177,861</u>	<u>1,859</u>	<u>942,288</u>	<u>(1,222,544)</u>	<u>8,306,914</u>	
Net interest income	5,273,866	3,133,584	177,861	1,859	942,288	(1,222,544)	8,306,914	
Income from IBS operations	2,368,080	1,160,254	59,596	-	-	874,453	4,462,383	
Net earned insurance premiums	-	-	-	-	6,673,242	2,841	6,676,083	
Other operating income/(loss)	1,952,006	2,365,015	793,721	83,048	745,294	(142,043)	5,797,041	
Total operating income	<u>9,593,952</u>	<u>6,658,853</u>	<u>1,031,178</u>	<u>84,907</u>	<u>8,360,824</u>	<u>(487,293)</u>	<u>25,242,421</u>	
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(7,032,463)	240,542	(6,791,921)	
Net operating income	<u>9,593,952</u>	<u>6,658,853</u>	<u>1,031,178</u>	<u>84,907</u>	<u>1,328,361</u>	<u>(246,751)</u>	<u>18,450,500</u>	
Overhead expenses	<u>(5,456,121)</u>	<u>(1,383,263)</u>	<u>(735,700)</u>	<u>(84,083)</u>	<u>(693,585)</u>	<u>-</u>	<u>(8,352,752)</u>	
Operating profit/(loss) before impairment losses	4,137,831	5,275,590	295,478	824	634,776	(246,751)	10,097,748	
Allowances for impairment losses on loans, advances, financing and other debts, net	(1,298,175)	(2,197,941)	(3,548)	(1)	(5,626)	-	(3,505,291)	
(Allowances for)/writeback of impairment losses on financial investments, net	(22)	(45,445)	255	-	(154)	-	(45,366)	
Allowances for impairment losses on other financial assets, net	(37)	(27)	(842)	(4)	(16,081)	(3,245)	(20,236)	
Operating profit/(loss)	<u>2,839,597</u>	<u>3,032,177</u>	<u>291,343</u>	<u>819</u>	<u>612,915</u>	<u>(249,996)</u>	<u>6,526,855</u>	
Share of profits in associates and joint ventures	-	136,879	1,092	-	-	-	137,971	
<b>Profit/(loss) before taxation and zakat</b>	<u>2,839,597</u>	<u>3,169,056</u>	<u>292,435</u>	<u>819</u>	<u>612,915</u>	<u>(249,996)</u>	<u>6,664,826</u>	
Taxation and zakat							<u>(1,586,687)</u>	
<b>Profit after taxation and zakat</b>							<u>5,078,139</u>	
Non-controlling interests							<u>(134,325)</u>	
<b>Profit for the financial period attributable to equity holders of the Bank</b>							<u>4,943,814</u>	



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**A31. 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	Group		
<b>Nine Months Ended 30 September 2020 (cont'd.)</b>								
<b>Included in other operating income are:</b>								
Fee income:								
Commission	842,191	81,871	19,537	36,427	-	(111,541)	868,485	
Service charges and fees	593,517	219,552	103,561	54,712	(744)	(81,595)	889,003	
Underwriting fees	-	9,532	5,564	-	-	-	15,096	
Brokerage income	-	-	366,358	-	-	-	366,358	
Fees on loans, advances and financing	54,217	83,485	7,611	-	-	259	145,572	
Fee income from IBS operations	197,867	67,656	44,225	-	-	(31,737)	278,011	
<b>Included in overhead expenses are:</b>								
Depreciation of property, plant and equipment	(148,237)	(39,883)	(28,539)	(408)	(14,180)	-	(231,247)	
Depreciation of right-of-use assets	(201,036)	(75,903)	(41,271)	(1,914)	(17,472)	-	(337,596)	
Amortisation of intangible assets	(144,425)	(39,953)	(9,090)	(181)	(19,546)	-	(213,195)	

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**A31. 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	Group Head Office and Others RM'000	
<b>Nine Months Ended 30 September 2019</b>							
Net interest income:							
- External	5,524,611	3,284,150	195,777	9,254	935,129	(937,808)	9,011,113
- Inter-segment	-	-	1,180	1,566	27,102	(29,848)	-
	<u>5,524,611</u>	<u>3,284,150</u>	<u>196,957</u>	<u>10,820</u>	<u>962,231</u>	<u>(967,656)</u>	<u>9,011,113</u>
Net interest income	5,524,611	3,284,150	196,957	10,820	962,231	(967,656)	9,011,113
Income from IBS operations	2,429,847	924,339	50,352	-	-	989,583	4,394,121
Net earned insurance premiums	-	-	-	-	4,999,459	-	4,999,459
Other operating income/(loss)	2,232,476	2,130,885	566,893	119,193	1,603,391	(846,663)	5,806,175
Total operating income	<u>10,186,934</u>	<u>6,339,374</u>	<u>814,202</u>	<u>130,013</u>	<u>7,565,081</u>	<u>(824,736)</u>	<u>24,210,868</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(6,204,408)	241,476	(5,962,932)
Net operating income	<u>10,186,934</u>	<u>6,339,374</u>	<u>814,202</u>	<u>130,013</u>	<u>1,360,673</u>	<u>(583,260)</u>	<u>18,247,936</u>
Overhead expenses	(5,588,751)	(1,384,440)	(812,490)	(88,609)	(718,537)	-	(8,592,827)
Operating profit/(loss) before impairment losses	<u>4,598,183</u>	<u>4,954,934</u>	<u>1,712</u>	<u>41,404</u>	<u>642,136</u>	<u>(583,260)</u>	<u>9,655,109</u>
Writeback of/(allowances for) impairment losses on loans, advances, financing and other debts, net	3,349	(1,937,924)	(8,787)	2	(10,262)	-	(1,953,622)
Writeback of/(allowances for) impairment losses on financial investments, net	267	(15,845)	(124)	-	(731)	-	(16,433)
(Allowances for)/writeback of impairment losses on other financial assets, net	(434)	(23,005)	(1,314)	29	(14,549)	(15,178)	(54,451)
Operating profit/(loss)	<u>4,601,365</u>	<u>2,978,160</u>	<u>(8,513)</u>	<u>41,435</u>	<u>616,594</u>	<u>(598,438)</u>	<u>7,630,603</u>
Share of profits in associates and joint ventures	-	118,459	1,214	-	-	-	119,673
<b>Profit/(loss) before taxation and zakat</b>	<u>4,601,365</u>	<u>3,096,619</u>	<u>(7,299)</u>	<u>41,435</u>	<u>616,594</u>	<u>(598,438)</u>	<u>7,750,276</u>
Taxation and zakat							(1,842,491)
<b>Profit after taxation and zakat</b>							<u>5,907,785</u>
Non-controlling interests							(158,841)
<b>Profit for the financial period attributable to equity holders of the Bank</b>							<u>5,748,944</u>

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**A31. 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	Group Insurance and Takaful RM'000		
<b>Nine Months Ended 30 September 2019 (cont'd.)</b>								
<b>Included in other operating income are:</b>								
Fee income:								
Commission	955,504	115,051	30,742	19,265	-	(100,506)	1,020,056	
Service charges and fees	677,059	237,413	145,600	63,246	(753)	(120,336)	1,002,229	
Underwriting fees	-	18,319	34,667	-	-	-	52,986	
Brokerage income	-	-	229,595	-	-	-	229,595	
Fees on loans, advances and financing	61,202	92,185	1,809	-	-	395	155,591	
Fee income from IBS operations	203,849	89,943	34,193	-	-	(42,779)	285,206	
<b>Included in overhead expenses are:</b>								
Depreciation of property, plant and equipment	(137,554)	(35,311)	(35,189)	(659)	(10,914)	-	(219,627)	
Depreciation of right-of-use assets	(194,797)	(49,074)	(34,074)	(1,750)	(13,214)	-	(292,909)	
Amortisation of intangible assets	(121,043)	(35,321)	(12,633)	(316)	(17,069)	-	(186,382)	

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**A32. 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 2019.

**A33. Subsequent Events**

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

**A34. Changes in the Composition of the Group**

There were no significant changes to the composition of the Group during the financial period ended 30 September 2020.

**A35. Commitments and Contingencies**

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

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

Group	As at 30 September 2020			As at 31 December 2019		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b><u>Contingent liabilities</u></b>						
Direct credit substitutes	10,003,611	9,491,446	6,047,771	11,651,981	10,549,467	6,180,568
Certain transaction-related contingent items	16,466,410	7,368,985	4,624,759	17,933,219	8,010,772	4,956,866
Short-term self-liquidating trade-related contingencies	2,781,384	534,322	322,615	2,963,469	614,984	378,984
	<b>29,251,405</b>	<b>17,394,753</b>	<b>10,995,145</b>	<b>32,548,669</b>	<b>19,175,223</b>	<b>11,516,418</b>
<b><u>Commitments</u></b>						
Irrevocable commitments to extend credit:						
- Maturity within one year	122,982,413	15,797,809	4,704,501	120,543,741	12,568,585	5,201,397
- Maturity exceeding one year	43,036,294	54,426,550	24,478,374	43,154,904	43,431,330	19,424,913
	<b>166,018,707</b>	<b>70,224,359</b>	<b>29,182,875</b>	<b>163,698,645</b>	<b>55,999,915</b>	<b>24,626,310</b>
Miscellaneous commitments and contingencies	12,830,481	819,116	308,547	8,965,841	836,389	88,766
Total credit-related commitments and contingencies	<b>208,100,593</b>	<b>88,438,228</b>	<b>40,486,567</b>	<b>205,213,155</b>	<b>76,011,527</b>	<b>36,231,494</b>
<b><u>Derivative financial instruments</u></b>						
Foreign exchange related contracts:						
- Less than one year	617,410,878	6,439,130	1,062,923	538,237,679	5,300,386	897,466
- One year to less than five years	32,675,565	2,624,416	1,271,813	31,495,367	1,856,999	930,782
- Five years and above	6,465,879	958,429	368,014	5,314,451	749,621	314,812
	<b>656,552,322</b>	<b>10,021,975</b>	<b>2,702,750</b>	<b>575,047,497</b>	<b>7,907,006</b>	<b>2,143,060</b>
Interest rate related contracts:						
- Less than one year	168,786,582	45,681	16,547	78,438,765	263,545	76,054
- One year to less than five years	226,452,935	1,674,597	934,006	256,963,893	1,737,197	1,026,458
- Five years and above	114,613,759	2,134,171	1,099,695	87,560,165	1,861,518	1,238,571
	<b>509,853,276</b>	<b>3,854,449</b>	<b>2,050,248</b>	<b>422,962,823</b>	<b>3,862,260</b>	<b>2,341,083</b>

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**A35. Commitments and Contingencies (cont'd.)**

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

Group (cont'd.)	As at 30 September 2020			As at 31 December 2019		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b><u>Derivative financial instruments</u></b>						
<b><u>(cont'd.)</u></b>						
Equity and commodity related contracts:						
- Less than one year	3,067,171	215,529	159,976	4,075,338	257,581	150,897
- One year to less than five years	251,863	56,534	51,577	1,260,171	101,036	72,194
	<b>3,319,034</b>	<b>272,063</b>	<b>211,553</b>	<b>5,335,509</b>	<b>358,617</b>	<b>223,091</b>
Credit related contracts:						
- Less than one year	22,750	-	-	63,690	-	-
Total treasury-related commitments and contingencies	<b>1,169,747,382</b>	<b>14,148,487</b>	<b>4,964,551</b>	<b>1,003,409,519</b>	<b>12,127,883</b>	<b>4,707,234</b>
Total commitments and contingencies	<b>1,377,847,975</b>	<b>102,586,715</b>	<b>45,451,118</b>	<b>1,208,622,674</b>	<b>88,139,410</b>	<b>40,938,728</b>
<b>Bank</b>						
Bank	As at 30 September 2020			As at 31 December 2019		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b><u>Contingent liabilities</u></b>						
Direct credit substitutes	7,585,670	7,124,083	4,197,212	8,851,551	7,795,307	4,096,596
Certain transaction-related contingent items	13,637,719	5,949,939	3,812,576	14,052,638	6,099,774	3,644,076
Short-term self-liquidating trade-related contingencies	2,204,793	388,313	214,830	2,224,986	415,279	231,897
	<b>23,428,182</b>	<b>13,462,335</b>	<b>8,224,618</b>	<b>25,129,175</b>	<b>14,310,360</b>	<b>7,972,569</b>
<b><u>Commitments</u></b>						
Irrevocable commitments to extend credit:						
- Maturity within one year	72,420,877	8,128,800	1,918,673	74,635,545	5,851,189	2,420,816
- Maturity exceeding one year	29,160,207	34,112,965	16,835,146	30,025,147	26,990,403	13,104,508
	<b>101,581,084</b>	<b>42,241,765</b>	<b>18,753,819</b>	<b>104,660,692</b>	<b>32,841,592</b>	<b>15,525,324</b>
Miscellaneous commitments and contingencies	10,174,794	840,555	311,814	4,580,758	1,206,450	158,688
Total credit-related commitments and contingencies	<b>135,184,060</b>	<b>56,544,655</b>	<b>27,290,251</b>	<b>134,370,625</b>	<b>48,358,402</b>	<b>23,656,581</b>
<b><u>Derivative financial instruments</u></b>						
Foreign exchange related contracts:						
- Less than one year	613,433,390	6,194,119	933,306	530,308,700	5,198,743	798,031
- One year to less than five years	31,551,426	2,496,670	1,172,268	30,708,880	1,920,409	948,238
- Five years and above	5,456,376	831,410	301,593	4,403,125	584,069	223,548
	<b>650,441,192</b>	<b>9,522,199</b>	<b>2,407,167</b>	<b>565,420,705</b>	<b>7,703,221</b>	<b>1,969,817</b>

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**A35. Commitments and Contingencies (cont'd.)**

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

	As at 30 September 2020			As at 31 December 2019		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b>Bank (cont'd.)</b>						
<b><u>Derivative financial instruments</u></b>						
<b><u>(cont'd.)</u></b>						
Interest rate related contracts:						
- Less than one year	167,782,432	44,204	15,166	77,500,667	37,384	9,174
- One year to less than five years	227,223,151	1,467,403	735,624	257,295,512	1,284,684	593,440
- Five years and above	114,263,759	2,133,400	1,099,020	87,620,165	1,859,086	1,236,139
	<b>509,269,342</b>	<b>3,645,007</b>	<b>1,849,810</b>	<b>422,416,344</b>	<b>3,181,154</b>	<b>1,838,753</b>
Equity and commodity related contracts:						
- Less than one year	729,378	157,371	134,895	1,908,063	178,382	111,125
- One year to less than five years	251,863	56,534	51,577	1,260,171	101,036	72,194
	<b>981,241</b>	<b>213,905</b>	<b>186,472</b>	<b>3,168,234</b>	<b>279,418</b>	<b>183,319</b>
Credit related contracts:						
- Less than one year	22,750	-	-	63,690	-	-
Total treasury-related commitments and contingencies	<b>1,160,714,525</b>	<b>13,381,111</b>	<b>4,443,449</b>	<b>991,068,973</b>	<b>11,163,793</b>	<b>3,991,889</b>
Total commitments and contingencies	<b>1,295,898,585</b>	<b>69,925,766</b>	<b>31,733,700</b>	<b>1,125,439,598</b>	<b>59,522,195</b>	<b>27,648,470</b>

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

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

Market Risk

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

Credit Risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 30 September 2020, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM20,201.3 million (31 December 2019: RM10,335.6 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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**A35. 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.

**A36. Capital Adequacy**

**(a) Capital Adequacy Framework**

- (i) Bank Negara Malaysia ("BNM") had on 5 February 2020 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 3 May 2019 for Conventional banks and Islamic banks respectively.

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) issued on 5 February 2020 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach and Standardised 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) issued on 5 February 2020 and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach and 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 2020 (2019: 4.5%, 6.0% and 8.0% of total RWA).

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**A36. 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) issued on 5 February 2020 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019. 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 2020 (2019: 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 for the financial year ending 31 December 2020 is 9% up to less than 10% (2019: 9% up to less than 10%) 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 31 March 2020) 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 and Standardised 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 2020 (2019: 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.

For the financial period ended 30 September 2020, the Bank has proposed a single-tier interim dividend of 13.5 sen.

In arriving the capital adequacy ratios for the financial period ended 30 September 2020, the proposed single-tier interim 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:

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2020</b>	<b>31 December 2019</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
CET1 Capital Ratio	<b>15.343%</b>	15.729%	<b>15.713%</b>	15.314%
Tier 1 Capital Ratio	<b>16.094%</b>	16.486%	<b>16.521%</b>	16.120%
Total Capital Ratio	<b>18.953%</b>	19.387%	<b>19.125%</b>	19.387%



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

**(d) Components of capital:**

	Group		Bank	
	30 September 2020 RM'000	31 December 2019 RM'000	30 September 2020 RM'000	31 December 2019 RM'000
<b>CET1 Capital</b>				
Paid-up share capital	48,280,355	48,280,355	48,280,355	48,280,355
Retained profits <sup>1</sup>	19,524,909	20,606,011	15,043,244	15,231,992
Other reserves <sup>1</sup>	5,385,838	5,189,258	6,403,921	5,820,765
Qualifying non-controlling interests	118,157	134,080	-	-
CET1 Capital before regulatory adjustments	<u>73,309,259</u>	<u>74,209,704</u>	<u>69,727,520</u>	<u>69,333,112</u>
Less: Regulatory adjustments applied on CET1 Capital:	<u>(14,307,997)</u>	<u>(14,374,667)</u>	<u>(34,690,712)</u>	<u>(35,110,987)</u>
Deferred tax assets	(707,620)	(678,978)	-	-
Goodwill	(5,454,489)	(5,709,503)	(81,015)	(81,015)
Other intangibles	(896,248)	(952,424)	(275,921)	(280,120)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(1,924,360)	(1,186,797)	(1,333,129)	(884,294)
Regulatory reserve	(2,115,706)	(2,771,806)	(1,495,500)	(1,894,921)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities <sup>2</sup>	(3,209,574)	(3,075,159)	(31,505,147)	(31,970,637)
<b>Total CET1 Capital</b>	<u>59,001,262</u>	<u>59,835,037</u>	<u>35,036,808</u>	<u>34,222,125</u>
<b>Additional Tier 1 Capital</b>				
Capital securities	2,800,000	2,800,000	2,800,000	2,800,000
Qualifying CET1 and Additional Tier 1 capital instruments held by third parties	90,047	79,175	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(1,000,000)	(1,000,000)
<b>Total Tier 1 Capital</b>	<u>61,891,309</u>	<u>62,714,212</u>	<u>36,836,808</u>	<u>36,022,125</u>
<b>Tier 2 Capital</b>				
Subordinated obligations	9,076,847	9,045,420	9,076,847	9,045,420
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	43,599	41,287	-	-
General provisions <sup>3</sup>	316,866	399,044	92,111	97,242
Surplus of total eligible provision over total expected loss	1,556,273	1,550,042	941,794	959,033
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(4,302,402)	(2,801,145)
<b>Total Tier 2 Capital</b>	<u>10,993,585</u>	<u>11,035,793</u>	<u>5,808,350</u>	<u>7,300,550</u>
<b>Total Capital</b>	<u>72,884,894</u>	<u>73,750,005</u>	<u>42,645,158</u>	<u>43,322,675</u>

<sup>1</sup> 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.

<sup>2</sup> 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 RM57,000, 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.

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

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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**A36. 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:**

	<b>Maybank Islamic Berhad</b>	<b>Maybank Investment Bank Berhad</b>	<b>PT Bank Maybank Indonesia Tbk</b>	<b>Maybank Singapore Limited</b>
<b><u>At 30 September 2020</u></b>				
CET1 Capital Ratio	13.358%	24.028%	-	13.718%
Tier 1 Capital Ratio	14.699%	24.028%	-	13.718%
Total Capital Ratio	<u>17.897%</u>	<u>25.090%</u>	<u>23.470%</u>	<u>17.514%</u>
<b><u>At 31 December 2019</u></b>				
CET1 Capital Ratio	14.101%	24.507%	-	18.195%
Tier 1 Capital Ratio	15.508%	24.507%	-	18.195%
Total Capital Ratio	<u>18.845%</u>	<u>25.807%</u>	<u>21.376%</u>	<u>18.497%</u>

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

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

**At 30 September 2020**

	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	55,646,969	21,174,812	3,147,808	796,442	25,625,756	19,491,603
Internal Ratings-Based Approach exposure after scaling factor	259,378,807	156,965,603	73,849,949	-	-	21,841,166
Credit valuation adjustment	-	-	-	-	-	100,250
<b>Total RWA for credit risk</b>	<b>315,025,776</b>	<b>178,140,415</b>	<b>76,997,757</b>	<b>796,442</b>	<b>25,625,756</b>	<b>41,433,019</b>
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(11,593,928)	-	-	-
Total RWA for market risk	26,169,866	22,164,149	911,666	830,500	554,445	14,671
Total RWA for operational risk	43,358,560	22,671,679	8,279,042	797,857	5,540,600	3,579,515
<b>Total RWA</b>	<b>384,554,202</b>	<b>222,976,243</b>	<b>74,594,537</b>	<b>2,424,799</b>	<b>31,720,801</b>	<b>45,027,205</b>

**At 31 December 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	51,929,068	19,004,852	3,069,539	1,207,422	30,637,949	17,079,171
Internal Ratings-Based Approach exposure after scaling factor	258,340,386	159,838,753	69,483,314	-	-	21,058,209
Credit valuation adjustment	-	-	-	-	-	72,446
<b>Total RWA for credit risk</b>	<b>310,269,454</b>	<b>178,843,605</b>	<b>72,552,853</b>	<b>1,207,422</b>	<b>30,637,949</b>	<b>38,209,826</b>
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(10,472,880)	-	-	-
Total RWA for market risk	27,288,688	21,513,467	963,780	402,336	720,844	14,583
Total RWA for operational risk	42,853,735	23,106,901	8,029,045	743,034	5,612,761	3,835,988
<b>Total RWA</b>	<b>380,411,877</b>	<b>223,463,973</b>	<b>71,072,798</b>	<b>2,352,792</b>	<b>36,971,554</b>	<b>42,060,397</b>

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

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**A37. 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 ---->	
<u>At 30 September 2020</u>		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	40,091,813	56,485	(421,807)	28,608,761	95,827	(374,214)
- One year to three years	1,192,881	21,439	(17,212)	1,078,544	21,439	(17,212)
- More than three years	4,008,770	65,055	(7,469)	2,920,317	65,055	(7,469)
	<u>45,293,464</u>	<u>142,979</u>	<u>(446,488)</u>	<u>32,607,622</u>	<u>182,321</u>	<u>(398,895)</u>
Currency swaps:						
- Less than one year	549,239,431	2,121,895	(2,288,108)	557,419,048	2,049,011	(2,315,973)
- One year to three years	752,407	47	(433)	752,407	47	(433)
	<u>549,991,838</u>	<u>2,121,942</u>	<u>(2,288,541)</u>	<u>558,171,455</u>	<u>2,049,058</u>	<u>(2,316,406)</u>
Currency spots:						
- Less than one year	3,914,525	15,473	(3,501)	3,710,703	11,090	(3,542)
Currency options:						
- Less than one year	12,663,942	60,807	(46,585)	12,703,587	60,696	(45,215)
- One year to three years	1,068,594	77,768	(159,495)	1,816,577	77,768	(120,509)
	<u>13,732,536</u>	<u>138,575</u>	<u>(206,080)</u>	<u>14,520,164</u>	<u>138,464</u>	<u>(165,724)</u>
Cross currency interest rate swaps:						
- Less than one year	7,909,866	134,799	(218,369)	7,399,990	131,188	(205,608)
- One year to three years	15,987,546	341,825	(273,327)	14,603,594	310,214	(233,502)
- More than three years	10,154,468	367,545	(221,275)	9,859,585	365,978	(217,160)
	<u>34,051,880</u>	<u>844,169</u>	<u>(712,971)</u>	<u>31,863,169</u>	<u>807,380</u>	<u>(656,270)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	151,567,459	827,864	(860,975)	151,602,194	825,186	(859,058)
- One year to three years	125,856,282	1,429,304	(2,044,657)	126,173,908	1,419,420	(2,037,079)
- More than three years	199,919,810	11,545,068	(9,225,682)	200,021,490	11,494,420	(9,222,212)
	<u>477,343,551</u>	<u>13,802,236</u>	<u>(12,131,314)</u>	<u>477,797,592</u>	<u>13,739,026</u>	<u>(12,118,349)</u>
Interest rate futures:						
- Less than one year	16,753,372	1,772,102	(1,742,428)	15,714,487	1,772,102	(1,741,049)
Interest rate options:						
- Less than one year	465,751	-	(111)	465,751	-	(111)
- One year to three years	2,887,863	31,015	(4,882)	2,888,773	31,035	(4,900)
- More than three years	11,301,531	1,262,314	(2,056,648)	11,301,531	1,262,314	(2,056,648)
	<u>14,655,145</u>	<u>1,293,329</u>	<u>(2,061,641)</u>	<u>14,656,055</u>	<u>1,293,349</u>	<u>(2,061,659)</u>

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**A37. Derivative Financial Instruments (cont'd.)**

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
<b>At 30 September 2020 (cont'd.)</b>	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
<b>Trading derivatives (cont'd.)</b>						
<u>Equity related contracts</u>						
Equity options:						
- Less than one year	1,414,951	172,095	(306,580)	-	-	-
Equity swaps:						
- Less than one year	993,432	30,674	(88,302)	70,590	8,032	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	72,279	2,853	(2,853)	72,279	2,853	(2,853)
- One year to three years	7,388	717	(717)	7,388	717	(717)
	<u>79,667</u>	<u>3,570</u>	<u>(3,570)</u>	<u>79,667</u>	<u>3,570</u>	<u>(3,570)</u>
Commodity swaps:						
- Less than one year	586,509	93,107	(92,819)	586,509	93,107	(92,819)
- One year to three years	244,475	34,213	(33,267)	244,475	34,213	(33,267)
	<u>830,984</u>	<u>127,320</u>	<u>(126,086)</u>	<u>830,984</u>	<u>127,320</u>	<u>(126,086)</u>
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	22,750	317	(113)	22,750	317	(113)
<b>Hedging derivatives</b>						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	3,591,301	82,027	(6,208)	3,591,301	82,027	(6,208)
- One year to three years	3,997,799	141,383	(40,332)	3,997,799	141,383	(40,332)
- More than three years	1,978,979	49,044	(14,637)	1,978,979	49,044	(14,637)
	<u>9,568,079</u>	<u>272,454</u>	<u>(61,177)</u>	<u>9,568,079</u>	<u>272,454</u>	<u>(61,177)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- One year to three years	623,325	15,495	(7,740)	623,325	15,495	(7,740)
- More than three years	477,883	78,599	-	477,883	78,599	-
	<u>1,101,208</u>	<u>94,094</u>	<u>(7,740)</u>	<u>1,101,208</u>	<u>94,094</u>	<u>(7,740)</u>
Netting effects under MFRS 132 Amendments						
	-	(630,007)	630,007	-	(619,424)	619,424
<b>Total</b>	<u><b>1,169,747,382</b></u>	<u><b>20,201,322</b></u>	<u><b>(19,556,525)</b></u>	<u><b>1,160,714,525</b></u>	<u><b>19,879,153</b></u>	<u><b>(19,041,156)</b></u>

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**A37. Derivative Financial Instruments (cont'd.)**

<u>At 31 December 2019</u>	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
<b>Trading derivatives</b>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	40,509,373	224,854	(454,372)	31,547,237	174,105	(352,547)
- One year to three years	1,174,117	38,192	(8,663)	1,150,063	38,192	(8,629)
- More than three years	2,996,670	26,232	(8,574)	2,097,628	26,232	(8,574)
	44,680,160	289,278	(471,609)	34,794,928	238,529	(369,750)
Currency swaps:						
- Less than one year	476,000,259	1,920,529	(2,508,702)	477,344,903	1,893,595	(2,490,262)
- One year to three years	74,050	634	(16,794)	198,581	634	(16,794)
	476,074,309	1,921,163	(2,525,496)	477,543,484	1,894,229	(2,507,056)
Currency spots:						
- Less than one year	3,074,983	6,789	(4,723)	3,262,450	5,903	(3,591)
Currency options:						
- Less than one year	7,486,564	32,281	(29,322)	7,572,136	30,006	(25,331)
- One year to three years	51,994	98	(1,534)	51,994	98	(1,534)
- More than three years	737,491	36,139	(92,408)	1,269,140	36,139	(65,636)
	8,276,049	68,518	(123,264)	8,893,270	66,243	(92,501)
Cross currency interest rate swaps:						
- Less than one year	7,604,961	153,304	(134,220)	7,020,435	136,052	(129,243)
- One year to three years	14,573,402	305,702	(329,482)	13,443,872	280,202	(313,939)
- More than three years	11,846,838	324,709	(305,569)	11,545,471	312,890	(304,125)
	34,025,201	783,715	(769,271)	32,009,778	729,144	(747,307)
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	59,663,847	153,176	(83,901)	59,700,573	148,680	(79,536)
- One year to three years	149,222,782	934,892	(1,459,208)	149,583,978	905,694	(1,432,256)
- More than three years	174,665,541	4,238,207	(3,576,715)	174,818,915	4,164,128	(3,538,435)
	383,552,170	5,326,275	(5,119,824)	384,103,466	5,218,502	(5,050,227)
Interest rate futures:						
- Less than one year	17,475,211	1,172,233	(1,168,999)	16,737,500	1,171,806	(1,168,999)
- One year to three years	2,169,952	117	(13)	2,047,000	-	(13)
	19,645,163	1,172,350	(1,169,012)	18,784,500	1,171,806	(1,169,012)
Interest rate options:						
- Less than one year	1,062,594	47	(36)	1,062,594	47	(36)
- One year to three years	3,224,692	32,159	(18,402)	4,652,313	16,243	(2,358)
- More than three years	14,238,061	1,127,772	(1,333,780)	12,810,441	1,110,432	(1,316,301)
	18,525,347	1,159,978	(1,352,218)	18,525,348	1,126,722	(1,318,695)

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**A37. Derivative Financial Instruments (cont'd.)**

	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
<b>At 31 December 2019 (cont'd.)</b>						
<b>Trading derivatives (cont'd.)</b>						
<u>Equity related contracts</u>						
Equity options:						
- Less than one year	1,350,976	36,251	(233,065)	-	-	-
Equity swaps:						
- Less than one year	901,055	37,547	(92,031)	84,756	8,663	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	1,218,245	36,920	(36,920)	1,218,245	36,920	(36,920)
- One year to three years	57,225	1,261	(1,261)	57,225	1,261	(1,261)
	<u>1,275,470</u>	<u>38,181</u>	<u>(38,181)</u>	<u>1,275,470</u>	<u>38,181</u>	<u>(38,181)</u>
Commodity swaps:						
- Less than one year	605,062	43,348	(42,257)	605,062	43,348	(42,257)
- One year to three years	1,202,946	40,258	(38,351)	1,202,946	40,258	(38,351)
- More than three years	-	-	-	-	-	-
	<u>1,808,008</u>	<u>83,606</u>	<u>(80,608)</u>	<u>1,808,008</u>	<u>83,606</u>	<u>(80,608)</u>
<u>Credit-related contract</u>						
Credit default swaps						
- Less than one year	63,690	32	(901)	63,690	32	(901)
<b>Hedging derivatives</b>						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	3,561,539	159,019	(8,117)	3,561,539	159,019	(8,117)
- One year to three years	3,468,512	28,801	(48,776)	3,468,512	28,801	(48,776)
- More than three years	1,886,744	48,033	(6,974)	1,886,744	48,033	(6,974)
	<u>8,916,795</u>	<u>235,853</u>	<u>(63,867)</u>	<u>8,916,795</u>	<u>235,853</u>	<u>(63,867)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	237,113	-	(152)	-	-	-
- One year to three years	614,100	2,764	(1,374)	614,100	2,764	(1,374)
- More than three years	388,930	36,618	-	388,930	36,618	-
	<u>1,240,143</u>	<u>39,382</u>	<u>(1,526)</u>	<u>1,003,030</u>	<u>39,382</u>	<u>(1,374)</u>
Netting effects under MFRS 132 Amendments						
	-	(863,289)	863,289	-	(854,792)	854,792
<b>Total</b>	<u>1,003,409,519</u>	<u>10,335,629</u>	<u>(11,182,307)</u>	<u>991,068,973</u>	<u>10,002,003</u>	<u>(10,588,278)</u>

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**A38. 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 and non-financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 30 September 2020 and 31 December 2019.

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	
<b>At 30 September 2020</b>				
Financial assets measured at fair value:				
<b>Financial assets designated upon initial recognition at fair value through profit or loss</b>	<b>159,528</b>	<b>13,864,378</b>	-	<b>14,023,906</b>
Money market instruments	-	585,260	-	585,260
Quoted securities	159,528	-	-	159,528
Unquoted securities	-	13,279,118	-	13,279,118
<b>Financial investments at fair value through profit or loss</b>	<b>7,533,548</b>	<b>15,708,243</b>	<b>810,905</b>	<b>24,052,696</b>
Money market instruments	-	10,446,373	-	10,446,373
Quoted securities	7,533,548	-	-	7,533,548
Unquoted securities	-	5,261,870	810,905	6,072,775
<b>Financial investments at fair value through other comprehensive income</b>	<b>3,324,489</b>	<b>126,930,712</b>	<b>343,454</b>	<b>130,598,655</b>
Money market instruments	-	66,561,080	-	66,561,080
Quoted securities	3,324,489	-	-	3,324,489
Unquoted securities	-	60,369,632	343,454	60,713,086
<b>Loans, advances and financing at fair value through profit or loss</b>	-	-	<b>307,380</b>	<b>307,380</b>
<b>Loans, advances and financing at fair value through other comprehensive income</b>	-	-	<b>12,238,916</b>	<b>12,238,916</b>



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**A38. Fair Value Measurements of Financial Instruments (cont'd.)**

The following tables show the Group's and the Bank's financial and non-financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 30 September 2020 and 31 December 2019 (cont'd.).

Group (cont'd.) At 30 September 2020	<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.):				
<b>Derivative assets</b>	-	20,111,372	89,950	20,201,322
Foreign exchange related contracts	-	3,535,592	-	3,535,592
Interest rate related contracts	-	16,961,761	-	16,961,761
Equity and commodity related contracts	-	243,709	89,950	333,659
Credit related contracts	-	317	-	317
Netting effects under MFRS 132 Amendments	-	(630,007)	-	(630,007)
	<b>11,017,565</b>	<b>176,614,705</b>	<b>13,790,605</b>	<b>201,422,875</b>

Financial liabilities measured at fair value:

<b>Financial liabilities at fair value through profit or loss</b>	-	9,734,347	-	9,734,347
Structured deposits	-	22,768	-	22,768
Borrowings	-	9,711,579	-	9,711,579
<b>Derivative liabilities</b>	-	19,466,575	89,950	19,556,525
Foreign exchange related contracts	-	3,718,758	-	3,718,758
Interest rate related contracts	-	15,943,123	-	15,943,123
Equity and commodity related contracts	-	434,588	89,950	524,538
Credit related contracts	-	113	-	113
Netting effects under MFRS 132 Amendments	-	(630,007)	-	(630,007)
	-	<b>29,200,922</b>	<b>89,950</b>	<b>29,290,872</b>

Group At 31 December 2019	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
<b>Financial assets designated upon initial recognition at fair value through profit or loss</b>	113,647	14,209,656	-	14,323,303
Money market instruments	-	474,348	-	474,348
Quoted securities	113,647	-	-	113,647
Unquoted securities	-	13,735,308	-	13,735,308
<b>Financial investments at fair value through profit or loss</b>	6,590,452	12,973,288	807,125	20,370,865
Money market instruments	-	7,808,341	-	7,808,341
Quoted securities	6,590,452	-	-	6,590,452
Unquoted securities	-	5,164,947	807,125	5,972,072
<b>Financial investments at fair value through other comprehensive income</b>	1,644,956	121,243,317	463,260	123,351,533
Money market instruments	-	64,289,820	-	64,289,820
Quoted securities	1,644,956	-	-	1,644,956
Unquoted securities	-	56,953,497	463,260	57,416,757
<b>Loans, advances and financing at fair value through profit or loss</b>	-	-	401,703	401,703
<b>Loans, advances and financing at fair value through other comprehensive income</b>	-	-	11,821,285	11,821,285

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**A38. Fair Value Measurements of Financial Instruments (cont'd.)**

The following tables show the Group's and the Bank's financial and non-financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 30 September 2020 and 31 December 2019 (cont'd.).

Group (cont'd.) At 31 December 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.):				
<b>Derivative assets</b>	-	10,252,236	83,393	10,335,629
Foreign exchange related contracts	-	3,305,316	-	3,305,316
Interest rate related contracts	-	7,697,985	-	7,697,985
Equity and commodity related contracts	-	112,192	83,393	195,585
Credit related contracts	-	32	-	32
Netting effects under MFRS 132 Amendments	-	(863,289)	-	(863,289)
	<u>8,349,055</u>	<u>158,678,497</u>	<u>13,576,766</u>	<u>180,604,318</u>

Financial liabilities measured at fair value:

<b>Financial liabilities at fair value through profit or loss</b>	-	6,530,753	-	6,530,753
Structured deposits	-	22,772	-	22,772
Borrowings	-	6,507,981	-	6,507,981
<b>Derivative liabilities</b>	-	11,098,914	83,393	11,182,307
Foreign exchange related contracts	-	3,958,230	-	3,958,230
Interest rate related contracts	-	7,642,580	-	7,642,580
Equity and commodity related contracts	-	360,492	83,393	443,885
Credit related contracts	-	901	-	901
Netting effects under MFRS 132 Amendments	-	(863,289)	-	(863,289)
	<u>-</u>	<u>17,629,667</u>	<u>83,393</u>	<u>17,713,060</u>

Bank At 30 September 2020	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:				
<b>Financial investments at fair value through profit or loss</b>	287,122	15,307,003	622,176	16,216,301
Money market instruments	-	10,024,142	-	10,024,142
Quoted securities	287,122	-	-	287,122
Unquoted securities	-	5,282,861	622,176	5,905,037
<b>Financial investments at fair value through other comprehensive income</b>	15,944	79,421,182	309,893	79,747,019
Money market instruments	-	32,606,996	-	32,606,996
Quoted securities	15,944	-	-	15,944
Unquoted securities	-	46,814,186	309,893	47,124,079
<b>Loans, advances and financing at fair value through profit or loss</b>	-	-	307,380	307,380
<b>Loans, advances and financing at fair value through other comprehensive income</b>	-	-	11,480,705	11,480,705
<b>Derivative assets</b>	-	19,789,203	89,950	19,879,153
Foreign exchange related contracts	-	3,460,767	-	3,460,767
Interest rate related contracts	-	16,898,571	-	16,898,571
Equity and commodity related contracts	-	48,972	89,950	138,922
Credit related contracts	-	317	-	317
Netting effects under MFRS 132 Amendments	-	(619,424)	-	(619,424)
	<u>303,066</u>	<u>114,517,388</u>	<u>12,810,104</u>	<u>127,630,558</u>

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**A38. Fair Value Measurements of Financial Instruments (cont'd.)**

The following tables show the Group's and the Bank's financial and non-financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 30 September 2020 and 31 December 2019 (cont'd.).

	<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 liabilities measured at fair value:

**Financial liabilities at fair value through profit or loss**

Structured deposits	-	9,734,347	-	9,734,347
Borrowings	-	22,768	-	22,768
	-	9,711,579	-	9,711,579

**Derivative liabilities**

Foreign exchange related contracts	-	18,951,206	89,950	19,041,156
Interest rate related contracts	-	3,602,014	-	3,602,014
Equity and commodity related contracts	-	15,928,797	-	15,928,797
Credit related contracts	-	39,706	89,950	129,656
Netting effects under MFRS 132 Amendments	-	113	-	113
	-	(619,424)	-	(619,424)
	-	28,685,553	89,950	28,775,503

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

Financial assets measured at fair value:

**Financial investments at fair value through profit or loss**

Money market instruments	318,292	11,972,355	622,176	12,912,823
Quoted securities	-	6,907,320	-	6,907,320
Unquoted securities	318,292	-	-	318,292
	-	5,065,035	622,176	5,687,211

**Financial investments at fair value through other comprehensive income**

Money market instruments	18,435	80,350,611	429,654	80,798,700
Quoted securities	-	33,329,630	-	33,329,630
Unquoted securities	18,435	-	-	18,435
	-	47,020,981	429,654	47,450,635

**Loans, advances and financing at fair value through profit or loss**

	-	-	401,703	401,703
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**Loans, advances and financing at fair value through other comprehensive income**

	-	-	11,380,901	11,380,901
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**Derivative assets**

Foreign exchange related contracts	-	9,918,610	83,393	10,002,003
Interest rate related contracts	-	3,169,901	-	3,169,901
Equity and commodity related contracts	-	7,556,412	-	7,556,412
Credit related contracts	-	47,057	83,393	130,450
Netting effects under MFRS132 Amendments	-	32	-	32
	-	(854,792)	-	(854,792)
	336,727	102,241,576	12,917,827	115,496,130

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**A38. Fair Value Measurements of Financial Instruments (cont'd.)**

The following tables show the Group's and the Bank's financial and non-financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 30 September 2020 and 31 December 2019 (cont'd.).

<b>Bank (cont'd.) At 31 December 2019</b>	<b>Quoted Market Price (Level 1) RM'000</b>	<b>Valuation technique using</b>		<b>Total RM'000</b>
		<b>Observable Inputs (Level 2) RM'000</b>	<b>Unobservable Inputs (Level 3) RM'000</b>	
Financial liabilities measured at fair value:				
<b>Financial liabilities at fair value through profit or loss</b>	-	6,530,753	-	6,530,753
Structured deposits	-	22,772	-	22,772
Borrowings	-	6,507,981	-	6,507,981
<b>Derivative liabilities</b>	-	10,504,885	83,393	10,588,278
Foreign exchange related contracts	-	3,784,072	-	3,784,072
Interest rate related contracts	-	7,539,308	-	7,539,308
Equity and commodity related contracts	-	35,396	83,393	118,789
Credit related contracts	-	901	-	901
Netting effects under MFRS132 Amendments	-	(854,792)	-	(854,792)
	-	17,035,638	83,393	17,119,031

**Valuation techniques**

The valuation techniques used for the financial and non-financial assets and financial liabilities 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 upon initial recognition 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 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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**A38. Fair Value Measurements of Financial Instruments (cont'd.)**

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

<b>Group</b>	<b>At 1 January 2020 RM'000</b>	<b>Other gains recognised in income statements* RM'000</b>	<b>Unrealised gains/(losses) recognised in income statements# RM'000</b>	<b>Unrealised (losses)/gains recognised in other comprehensive income RM'000</b>	<b>Purchases/ Issuances/ Additions RM'000</b>	<b>Sales RM'000</b>	<b>Settlements RM'000</b>	<b>Exchange differences RM'000</b>	<b>Transfer into Level 3 RM'000</b>	<b>Transfer out from Level 3 RM'000</b>	<b>At 30 September 2020 RM'000</b>
<b>Financial investments at fair value through profit or loss</b>											
Unquoted securities	807,125	3,900	4,538	-	-	(4,680)	-	22	-	-	810,905
<b>Financial investments at fair value through other comprehensive income</b>											
Unquoted securities	463,260	-	-	(49)	-	(119,761)	-	4	-	-	343,454
<b>Loans, advances and financing at fair value through profit or loss</b>	401,703	-	(1,001)	-	293,595	-	(390,114)	3,197	-	-	307,380
<b>Loans, advances and financing at fair value through other comprehensive income</b>	11,821,285	-	-	85,259	2,640,572	-	(2,303,000)	(5,200)	-	-	12,238,916
<b>Derivative assets</b>											
Equity and commodity related contracts	83,393	274,407	110,680	-	18,430	-	(396,960)	-	-	-	89,950
<b>Total Level 3 financial assets</b>	<b>13,576,766</b>	<b>278,307</b>	<b>114,217</b>	<b>85,210</b>	<b>2,952,597</b>	<b>(124,441)</b>	<b>(3,090,074)</b>	<b>(1,977)</b>	<b>-</b>	<b>-</b>	<b>13,790,605</b>
<b>Derivative liabilities</b>											
Equity and commodity related contracts	(83,393)	274,810	110,680	-	(18,430)	-	(373,617)	-	-	-	(89,950)
<b>Total Level 3 financial liabilities</b>	<b>(83,393)</b>	<b>274,810</b>	<b>110,680</b>	<b>-</b>	<b>(18,430)</b>	<b>-</b>	<b>(373,617)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(89,950)</b>
<b>Total net Level 3 financial assets/(liabilities)</b>	<b>13,493,373</b>	<b>553,117</b>	<b>224,897</b>	<b>85,210</b>	<b>2,934,167</b>	<b>(124,441)</b>	<b>(3,463,691)</b>	<b>(1,977)</b>	<b>-</b>	<b>-</b>	<b>13,700,655</b>

\* 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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**A38. Fair Value Measurements of Financial Instruments (cont'd.)**

<u>Group</u> As at 31 December 2019	At 1 January 2019 RM'000	Other gains recognised in income statements* RM'000	Unrealised gains/(losses) recognised in income statements# RM'000	Unrealised 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 December 2019 RM'000
<b>Financial investments at fair value through profit or loss</b>											
Unquoted securities	779,947	-	26,910	-	-	-	-	-	268	-	807,125
<b>Financial investments at fair value through other comprehensive income</b>											
Unquoted securities	513,355	10,339	-	(29,403)	51,131	(80,020)	-	(2,142)	-	-	463,260
<b>Loans, advances and financing at fair value through profit or loss</b>	396,950	-	(10,573)	-	382,225	-	(365,280)	(1,619)	-	-	401,703
<b>Loans, advances and financing at fair value through other comprehensive income</b>	8,968,438	-	-	(152,421)	7,227,166	-	(4,211,911)	(9,987)	-	-	11,821,285
<b>Derivative assets</b>											
Equity and commodity related contracts	203,947	77,682	(83,260)	-	24,102	-	(139,078)	-	-	-	83,393
<b>Total Level 3 financial assets</b>	<u>10,862,637</u>	<u>88,021</u>	<u>(66,923)</u>	<u>(181,824)</u>	<u>7,684,624</u>	<u>(80,020)</u>	<u>(4,716,269)</u>	<u>(13,748)</u>	<u>268</u>	<u>-</u>	<u>13,576,766</u>
<b>Derivative liabilities</b>											
Equity and commodity related contracts	(203,947)	79,407	(82,551)	-	(22,903)	-	146,601	-	-	-	(83,393)
<b>Total Level 3 financial liabilities</b>	<u>(203,947)</u>	<u>79,407</u>	<u>(82,551)</u>	<u>-</u>	<u>(22,903)</u>	<u>-</u>	<u>146,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,393)</u>
<b>Total net Level 3 financial assets/(liabilities)</b>	<u>10,658,690</u>	<u>167,428</u>	<u>(149,474)</u>	<u>(181,824)</u>	<u>7,661,721</u>	<u>(80,020)</u>	<u>(4,569,668)</u>	<u>(13,748)</u>	<u>268</u>	<u>-</u>	<u>13,493,373</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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**A38. 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 2020 RM'000	Other gains recognised in income statements* RM'000	Unrealised (losses)/gains 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 30 September 2020 RM'000
<b>Bank</b>											
<b>At 30 September 2020</b>											
<b>Financial investments at fair value through profit or loss</b>											
Unquoted securities	622,176	-	-	-	-	-	-	-	-	-	622,176
<b>Financial investments at fair value through other comprehensive income</b>											
Unquoted securities	429,654	-	-	-	-	(119,761)	-	-	-	-	309,893
<b>Loans, advances and financing at fair value through profit or loss</b>											
	401,703	-	(1,001)	-	293,595	-	(390,114)	3,197	-	-	307,380
<b>Loans, advances and financing at fair value through other comprehensive income</b>											
	11,380,901	-	-	79,231	2,307,073	-	(2,281,300)	(5,200)	-	-	11,480,705
<b>Derivative assets</b>											
Equity and commodity related contracts	83,393	274,407	110,680	-	18,430	-	(396,960)	-	-	-	89,950
<b>Total Level 3 financial assets</b>	<b>12,917,827</b>	<b>274,407</b>	<b>109,679</b>	<b>79,231</b>	<b>2,619,098</b>	<b>(119,761)</b>	<b>(3,068,374)</b>	<b>(2,003)</b>	<b>-</b>	<b>-</b>	<b>12,810,104</b>
<b>Derivative liabilities</b>											
Equity and commodity related contracts	(83,393)	274,810	110,680	-	(18,430)	-	(373,617)	-	-	-	(89,950)
<b>Total Level 3 financial liabilities</b>	<b>(83,393)</b>	<b>274,810</b>	<b>110,680</b>	<b>-</b>	<b>(18,430)</b>	<b>-</b>	<b>(373,617)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(89,950)</b>
<b>Total net Level 3 financial assets/(liabilities)</b>	<b>12,834,434</b>	<b>549,217</b>	<b>220,359</b>	<b>79,231</b>	<b>2,600,668</b>	<b>(119,761)</b>	<b>(3,441,991)</b>	<b>(2,003)</b>	<b>-</b>	<b>-</b>	<b>12,720,154</b>

\* Included within 'Other operating income' and '(Allowances for)/writeback of impairment losses on financial investments'.

# Included within 'Other operating income'.

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**A38. Fair Value Measurements of Financial Instruments (cont'd.)**

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

<b>Bank</b>	<b>At</b>	<b>Other</b>	<b>Unrealised</b>	<b>Unrealised</b>	<b>Purchases/</b>	<b>Sales</b>	<b>Settlements</b>	<b>Exchange</b>	<b>Transfer</b>	<b>Transfer</b>	<b>At</b>
<b>As at 31 December 2019</b>	<b>1 January</b>	<b>gains</b>	<b>gains/(losses)</b>	<b>losses</b>	<b>Issuances/</b>	<b>RM'000</b>	<b>RM'000</b>	<b>differences</b>	<b>into</b>	<b>out from</b>	<b>31 December</b>
	<b>2019</b>	<b>recognised in</b>	<b>recognised in</b>	<b>recognised in</b>	<b>other</b>	<b>Additions</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Level 3</b>	<b>Level 3</b>	<b>2019</b>
	<b>RM'000</b>	<b>income</b>	<b>income</b>	<b>other</b>	<b>comprehensive</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>statements*</b>	<b>statements#</b>	<b>income</b>	<b>income</b>						
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>						<b>RM'000</b>
<b>Financial investments at fair value through profit or loss</b>											
Unquoted securities	600,549	-	21,627	-	-	-	-	-	-	-	622,176
<b>Financial investments at fair value through other comprehensive income</b>											
Unquoted securities	459,057	-	-	(29,403)	-	-	-	-	-	-	429,654
<b>Loans, advances and financing at fair value through profit or loss</b>	396,950	-	(10,573)	-	382,225	-	(365,280)	(1,619)	-	-	401,703
<b>Loans, advances and financing at fair value through other comprehensive income</b>	8,680,217	-	-	(156,333)	7,218,415	-	(4,351,411)	(9,987)	-	-	11,380,901
<b>Derivative assets</b>											
Equity and commodity related contracts	203,947	77,682	(83,260)	-	24,102	-	(139,078)	-	-	-	83,393
<b>Total Level 3 financial assets</b>	<b>10,340,720</b>	<b>77,682</b>	<b>(72,206)</b>	<b>(185,736)</b>	<b>7,624,742</b>	<b>-</b>	<b>(4,855,769)</b>	<b>(11,606)</b>	<b>-</b>	<b>-</b>	<b>12,917,827</b>
<b>Derivative liabilities</b>											
Equity and commodity related contracts	(203,947)	79,407	(82,551)	-	(22,903)	-	146,601	-	-	-	(83,393)
<b>Total Level 3 financial liabilities</b>	<b>(203,947)</b>	<b>79,407</b>	<b>(82,551)</b>	<b>-</b>	<b>(22,903)</b>	<b>-</b>	<b>146,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(83,393)</b>
<b>Total net Level 3 financial assets/(liabilities)</b>	<b>10,136,773</b>	<b>157,089</b>	<b>(154,757)</b>	<b>(185,736)</b>	<b>7,601,839</b>	<b>-</b>	<b>(4,709,168)</b>	<b>(11,606)</b>	<b>-</b>	<b>-</b>	<b>12,834,434</b>

\* 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 third quarter ended 30 September 2020.

**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 third quarter ended 30 September 2020.



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**A39. 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 document issued on 27 September 2019, 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 and Shareholders' and General Fund are disclosed as follows:

**(a) Unaudited Income Statements for the Third Quarter Ended 30 September 2020**

Group Nine-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019	30 September 2020	30 September 2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	366,527	369,551	336,421	360,101	55,174	59,145	184,930	179,916	943,052	968,713
Interest expense	-	-	-	-	-	-	(983)	(6,929)	(983)	(6,929)
Net interest income	366,527	369,551	336,421	360,101	55,174	59,145	183,947	172,987	942,069	961,784
Net earned insurance premiums	3,617,635	1,847,889	1,103,138	1,302,100	1,028,263	966,605	927,047	882,865	6,676,083	4,999,459
Other operating income	109,403	819,647	409,447	532,712	39,481	10,652	173,804	230,164	732,135	1,593,175
Total operating income	4,093,565	3,037,087	1,849,006	2,194,913	1,122,918	1,036,402	1,284,798	1,286,016	8,350,287	7,554,418
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(3,925,316)	(2,858,848)	(1,816,770)	(2,168,356)	(1,119,625)	(1,033,466)	(170,752)	(143,738)	(7,032,463)	(6,204,408)
Net operating income	168,249	178,239	32,236	26,557	3,293	2,936	1,114,046	1,142,278	1,317,824	1,350,010
Overhead expenses	(166,099)	(177,224)	(25,222)	(22,414)	(175)	(242)	(495,525)	(508,019)	(687,021)	(707,899)
Operating profit before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	2,150	1,015	7,014	4,143	3,118	2,694	618,521	634,259	630,803	642,111
(Allowances for)/writeback of impairment losses on financial investments, net	(68)	(336)	-	(4,030)	268	(2,628)	(5,826)	(3,268)	(5,626)	(10,262)
Allowances for impairment on other financial assets, net	(455)	(258)	-	(113)	-	(66)	301	(295)	(154)	(732)
Operating profit	(1,627)	(421)	(7,014)	-	(3,386)	-	(4,054)	(14,127)	(16,081)	(14,548)
Share of profits in associates	-	-	-	-	-	-	608,942	616,569	608,942	616,569
Profit before taxation and zakat	-	-	-	-	-	-	-	-	-	-
Taxation and zakat	-	-	-	-	-	-	(198,256)	(216,256)	(198,256)	(216,256)
Profit for the financial period	-	-	-	-	-	-	410,686	400,313	410,686	400,313

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**A39. 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 document issued on 27 September 2019, 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 and Shareholders' and General Fund are disclosed as follows (cont'd.):

**(b) Unaudited Statements of Financial Position as at 30 September 2020**

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>										
Cash and short-term funds	1,253,293	125,182	25,036	14,654	69,895	34,918	367,273	456,375	1,715,497	631,129
Deposits and placements with financial institutions	1,356,770	1,464,365	2,978,013	1,020,658	985,810	253,229	1,846,811	515,784	7,167,404	3,254,036
Financial assets designated upon initial recognition at fair value through profit or loss	6,734,754	6,407,316	5,854,843	6,404,318	20,325	25,704	1,183,947	1,317,121	13,793,869	14,154,459
Financial investments at fair value through profit or loss	3,743,855	3,703,634	508,913	480,219	26,685	21,542	315,320	362,903	4,594,773	4,568,298
Financial investments at fair value through other comprehensive income	3,268,147	1,917,511	2,959,710	3,796,314	1,128,029	1,723,489	3,994,639	4,086,067	11,350,525	11,523,381
Loans, advances and financing	258,346	242,940	-	-	-	-	64,348	49,193	322,694	292,133
Derivative assets	38,387	33,873	-	-	-	-	4,333	1,278	42,720	35,151
Reinsurance/retakaful assets and other insurance receivables	273,504	126,453	321,648	290,270	400,122	283,068	4,276,232	3,532,298	5,271,506	4,232,089
Other assets	113,037	36,297	25,265	20,702	4,003	3,897	490,316	340,400	632,621	401,296
Investment properties	779,475	778,810	-	-	-	-	137,596	137,580	917,071	916,390
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	87,050	87,256	-	-	-	-	62,294	65,125	149,344	152,381
Right-of-use assets	95	-	-	-	-	-	26,496	32,680	26,591	32,680
Intangible assets	51,519	50,291	-	-	-	-	44,172	47,973	95,691	98,264
Deferred tax assets	3,326	2,963	3,639	4,429	6,177	6,247	22,932	21,654	36,074	35,293
<b>TOTAL ASSETS</b>	<b>17,961,558</b>	<b>14,976,891</b>	<b>12,677,067</b>	<b>12,031,564</b>	<b>2,641,046</b>	<b>2,352,094</b>	<b>12,836,861</b>	<b>10,966,583</b>	<b>46,116,532</b>	<b>40,327,132</b>
<b>LIABILITIES</b>										
Derivative liabilities	13,386	-	-	-	-	-	882	-	14,268	-
Insurance/takaful contract liabilities and other insurance payables	15,778,445	12,688,980	12,126,320	11,583,400	2,246,745	2,004,782	5,549,440	4,608,468	35,700,950	30,885,630
Other liabilities #	2,184,294	2,281,910	490,580	396,244	379,232	332,653	(311,261)	(897,763)	2,742,845	2,113,044
Provision for taxation and zakat	(97,482)	(59,341)	(1,117)	(1,035)	-	-	219,415	98,652	120,816	38,276
Deferred tax liabilities	82,915	65,342	61,284	52,955	15,069	14,659	341,680	319,090	500,948	452,046
<b>TOTAL LIABILITIES</b>	<b>17,961,558</b>	<b>14,976,891</b>	<b>12,677,067</b>	<b>12,031,564</b>	<b>2,641,046</b>	<b>2,352,094</b>	<b>5,800,156</b>	<b>4,128,447</b>	<b>39,079,827</b>	<b>33,488,996</b>
<b>EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE SUBSIDIARIES</b>										
Share capital	-	-	-	-	-	-	660,865	660,865	660,865	660,865
Other reserves	-	-	-	-	-	-	6,375,840	6,177,271	6,375,840	6,177,271
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>17,961,558</b>	<b>14,976,891</b>	<b>12,677,067</b>	<b>12,031,564</b>	<b>2,641,046</b>	<b>2,352,094</b>	<b>12,836,861</b>	<b>10,966,583</b>	<b>46,116,532</b>	<b>40,327,132</b>

# 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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**A40. The Operations of Islamic Banking Scheme**

**A40a. Unaudited Income Statements for the Third Quarter Ended 30 September 2020**

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Income derived from investment of depositors' funds (Note (a))	2,107,370	2,418,748	6,477,524	7,063,783
Income derived from investment of investment account funds (Note (a))	245,322	255,981	761,583	802,791
Income derived from investment of Islamic Banking Funds (Note (a))	112,923	105,425	337,895	359,890
Writeback of/(allowances for) impairment losses on financing and advances, net	16,981	(22,531)	(536,470)	48,699
Writeback of/(allowances for) impairment losses on financial investments, net	3,601	(5,498)	(12,907)	(5,038)
(Allowances for)/writeback of impairment losses on other financial assets, net	(90)	-	(90)	6
<b>Total distributable income</b>	<b>2,486,107</b>	<b>2,752,125</b>	<b>7,027,535</b>	<b>8,270,131</b>
Profit distributed to depositors	(1,041,247)	(1,375,514)	(3,658,509)	(4,170,610)
Profit distributed to investment account holders	(76,591)	(130,730)	(293,658)	(440,058)
<b>Total net income</b>	<b>1,368,269</b>	<b>1,245,881</b>	<b>3,075,368</b>	<b>3,659,463</b>
Finance cost	(121,290)	(109,588)	(369,768)	(295,261)
Overhead expenses	(392,448)	(362,374)	(1,242,030)	(1,157,072)
<b>Profit before taxation and zakat</b>	<b>854,531</b>	<b>773,919</b>	<b>1,463,570</b>	<b>2,207,130</b>
Taxation	(209,589)	(138,743)	(383,743)	(474,170)
Zakat	(9,646)	(707)	(21,882)	(6,328)
<b>Profit for the financial period</b>	<b>635,296</b>	<b>634,469</b>	<b>1,057,945</b>	<b>1,726,632</b>

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

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
Income derived from investment of depositors' funds (Note (a))	2,107,370	2,418,748	6,477,524	7,063,783
Income derived from investment of investment account funds (Note (a))	245,322	255,981	761,583	802,791
Income derived from investment of Islamic Banking Funds (Note (a))	112,923	105,425	337,895	359,890
Total income before allowances for impairment losses on financial assets and overhead expenses	2,465,615	2,780,154	7,577,002	8,226,464
Profit distributed to depositors	(1,041,247)	(1,375,514)	(3,658,509)	(4,170,610)
Profit distributed to investment account holders	(76,591)	(130,730)	(293,658)	(440,058)
	1,347,777	1,273,910	3,624,835	3,615,796
Finance cost	(121,290)	(109,588)	(369,768)	(295,261)
Net of intercompany income and expenses	363,499	330,241	1,207,316	1,073,586
Income from Islamic Banking Scheme operations reported in the Income Statement of the Group	1,589,986	1,494,563	4,462,383	4,394,121

Note (a): Included the net effects under government support measure to assist borrowers and customers adversely impacted by COVID-19 in order to sustain their business operations amounting to RM243,289,000.

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40b. Unaudited Statements of Comprehensive Income for the Third Quarter Ended 30 September 2020**

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020 RM'000	30 September 2019 RM'000	30 September 2020 RM'000	30 September 2019 RM'000
<b>Profit for the financial period</b>	<b>635,296</b>	634,469	<b>1,057,945</b>	1,726,632
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial loss	-	(5)	-	(594)
Income tax effect	-	1	-	148
	-	(4)	-	(446)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain on foreign exchange translation	174	1,253	52	8,800
Net gain on financial investments at fair value through other comprehensive income	<b>101,308</b>	143,031	<b>279,255</b>	407,155
- Net gain from change in fair value	<b>127,439</b>	188,607	<b>360,249</b>	536,022
- Changes in expected credit losses	<b>4,454</b>	(312)	<b>5,465</b>	(223)
- Income tax effect	<b>(30,585)</b>	(45,264)	<b>(86,459)</b>	(128,644)
	<b>101,482</b>	144,284	<b>279,307</b>	415,955
Other comprehensive income for the financial period, net of tax	<b>101,482</b>	144,280	<b>279,307</b>	415,509
<b>Total comprehensive income for the financial period</b>	<b>736,778</b>	778,749	<b>1,337,252</b>	2,142,141

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40c. Unaudited Statement of Financial Position as at 30 September 2020**

<u>Group</u>	Note	30 September 2020 RM'000	31 December 2019 RM'000
<b>ASSETS</b>			
Cash and short-term funds		16,765,792	21,732,551
Financial assets purchased under resale agreements		107,895	-
Financial investments at fair value through profit or loss		-	383,194
Financial investments at fair value through other comprehensive income		17,949,733	15,292,520
Financial investments at amortised cost		16,104,006	9,671,676
Financing and advances	A40e	200,870,224	189,762,974
Derivative assets		276,439	200,414
Other assets		7,856,745	4,574,547
Statutory deposit with central banks		14,286	4,242,037
Property, plant and equipment		1,084	1,458
Right-of-use assets		10,661	12,966
<b>Total Assets</b>		<b>259,956,865</b>	<b>245,874,337</b>
<b>LIABILITIES</b>			
Customers' funding:			
- Deposits from customers	A40f	175,618,536	161,039,137
- Investment accounts of customers <sup>1</sup>	A40g	23,475,675	20,737,670
Deposits and placements from financial institutions		33,331,398	38,827,556
Bills and acceptances payable		30,601	137,893
Derivatives liabilities		287,652	221,674
Other liabilities		846,360	591,055
Deferred tax liabilities		529,083	83,002
Provision for taxation and zakat		31,922	37,370
Term funding	A40h	10,881,600	9,891,993
Subordinated sukuk	A40i	2,027,678	2,028,311
Capital securities	A40j	1,014,647	1,002,170
<b>Total Liabilities</b>		<b>248,075,152</b>	<b>234,597,831</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>			
Islamic Banking Funds		7,934,444	7,202,398
Retained profits		2,733,212	2,887,335
Other reserves		1,214,057	1,186,773
		<b>11,881,713</b>	<b>11,276,506</b>
<b>Total liabilities and Islamic Banking Capital Funds</b>		<b>259,956,865</b>	<b>245,874,337</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
		<b>70,603,818</b>	<b>63,976,328</b>

<sup>1</sup> Investment accounts of customers are used to fund financing and advances as disclosed in Note A40e(ii).

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Third Quarter Ended 30 September 2020**

<u>Group</u>	-----Non-distributable----- <sup>1</sup>							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	
<b>At 1 January 2020</b>	7,202,398	846,497	338,320	259	1,697	-	2,887,335	11,276,506
Profit for the financial period	-	-	-	-	-	-	1,057,945	1,057,945
Other comprehensive gain	-	-	279,255	52	-	-	-	279,307
Net gain on foreign exchange translation	-	-	-	52	-	-	-	52
Net gain on financial investments at fair value through other comprehensive income	-	-	279,255	-	-	-	-	279,255
<b>Total comprehensive income for the financial period</b>	-	-	279,255	52	-	-	1,057,945	1,337,252
Issue of ordinary shares	732,046	-	-	-	-	-	-	732,046
Transfer from regulatory reserve	-	(252,023)	-	-	-	-	252,023	-
Dividends paid	-	-	-	-	-	-	(1,464,091)	(1,464,091)
<b>At 30 September 2020</b>	<b>7,934,444</b>	<b>594,474</b>	<b>617,575</b>	<b>311</b>	<b>1,697</b>	<b>-</b>	<b>2,733,212</b>	<b>11,881,713</b>

<sup>1</sup>This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Third Quarter Ended 30 September 2020 (cont'd.)**

<u>Group</u>	←-----Non-distributable-----→							<b>Total RM'000</b>
	<b>Islamic Banking Funds RM'000</b>	<b>Regulatory Reserve RM'000</b>	<b>Fair Value Through Other Comprehensive Income Reserve RM'000</b>	<b>Exchange Fluctuation Reserve RM'000</b>	<b>Equity contribution from the holding company RM'000</b> <sup>1</sup>	<b>Defined Benefit Reserve RM'000</b>	<b>Distributable Retained Profits RM'000</b>	
<b>At 1 January 2019</b>	7,473,540	313,516	(5,865)	(473)	1,697	808	3,050,868	10,834,091
Profit for the financial period	-	-	-	-	-	-	1,726,632	1,726,632
Other comprehensive income/(loss)	-	-	407,155	8,800	-	(446)	-	415,509
Net gain on foreign exchange translation	-	-	-	8,800	-	-	-	8,800
Net gain on financial investments at fair value through other comprehensive income	-	-	407,155	-	-	-	-	407,155
Defined benefit plan actuarial loss	-	-	-	-	-	(446)	-	(446)
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	407,155	8,800	-	(446)	1,726,632	2,142,141
Transfer from/(to) conventional banking operations	7,985	-	-	(8,111)	-	26	(3,702)	(3,802)
Transfer to regulatory reserve	-	359,050	-	-	-	-	(359,050)	-
Dividends paid	-	-	-	-	-	-	(1,233,632)	(1,233,632)
<b>At 30 September 2019</b>	<b>7,481,525</b>	<b>672,566</b>	<b>401,290</b>	<b>216</b>	<b>1,697</b>	<b>388</b>	<b>3,181,116</b>	<b>11,738,798</b>

<sup>1</sup>This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40e. Financing and Advances**

	<b>30 September 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b><u>Group</u></b>		
Financing and advances to customers:		
(A) Financing and advances to customers at fair value through other comprehensive income	758,211	440,383
(B) Financing and advances to customers at amortised cost	<u>289,794,041</u>	<u>280,650,934</u>
	<b>290,552,252</b>	<b>281,091,317</b>
Unearned income	<u>(86,971,978)</u>	<u>(89,087,920)</u>
Gross financing and advances	<b>203,580,274</b>	<b>192,003,397</b>
Allowances for impaired financing and advances:		
- Stage 1 - 12-month ECL	(567,052)	(371,029)
- Stage 2 - Lifetime ECL not credit impaired	(967,762)	(616,576)
- Stage 3 - Lifetime ECL credit impaired	<u>(1,175,236)</u>	<u>(1,252,818)</u>
Net financing and advances	<b><u>200,870,224</u></b>	<b><u>189,762,974</u></b>



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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40e. Financing and Advances (cont'd.)**

<b>Group</b>	<b>Bai<sup>1</sup></b>	<b>Murabahah</b>	<b>Musarakah</b>	<b>Al-Ijarah Thumma Al-Bai ("AITAB")<sup>2</sup></b>	<b>Ijarah<sup>3</sup></b>	<b>Others</b>	<b>Total Financing and Advances</b>
<b>As at 30 September 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cashline	-	6,072,534	-	-	-	-	6,072,534
Term financing							
- Housing financing	14,112,663	75,397,767	1,919,232	-	-	613	91,430,275
- Syndicated financing	-	5,633,903	-	-	-	-	5,633,903
- Hire purchase receivables	-	8,405,265	-	35,423,074	-	-	43,828,339
- Lease receivables	-	-	-	-	266,936	-	266,936
- Other term financing	11,294,403	109,108,377	637,729	-	-	10,260	121,050,769
Trust receipts	-	84,936	-	-	-	-	84,936
Claims on customers under acceptance credits	-	4,038,266	-	-	-	-	4,038,266
Staff financing	405,582	2,041,717	8,539	181,952	-	31,696	2,669,486
Credit card receivables	-	-	-	-	-	1,184,603	1,184,603
Revolving credit	-	14,257,077	-	-	-	-	14,257,077
Share margin financing	-	26,035	-	-	-	-	26,035
Financing to:							
- Directors of the Bank	-	6,433	-	-	-	26	6,459
- Directors of subsidiaries	-	2,182	-	373	-	79	2,634
	<b>25,812,648</b>	<b>225,074,492</b>	<b>2,565,500</b>	<b>35,605,399</b>	<b>266,936</b>	<b>1,227,277</b>	<b>290,552,252</b>
Unearned income							<b>(86,971,978)</b>
Gross financing and advances <sup>4</sup>							<b>203,580,274</b>
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							(567,052)
- Stage 2 - Lifetime ECL not credit impaired							(967,762)
- Stage 3 - Lifetime ECL credit impaired							(1,175,236)
Net financing and advances							<b>200,870,224</b>

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

<sup>2</sup> The Group is the owner of the asset. The ownership of an asset will be transferred to the customer via sale at the end of the Ijarah financing.

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

<sup>4</sup> Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40e. Financing and Advances (cont'd.)**

<b>Group</b>	<b>Bai<sup>1</sup></b>	<b>Murabahah</b>	<b>Musyarakah</b>	<b>Al-Ijarah Thumma Al-Bai ("AITAB")<sup>2</sup></b>	<b>Ijarah<sup>3</sup></b>	<b>Others</b>	<b>Total Financing and Advances</b>
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cashline	-	6,780,832	-	-	-	-	6,780,832
Term financing							
- Housing financing	14,680,463	70,986,581	1,975,592	-	-	616	87,643,252
- Syndicated financing	-	7,000,329	-	-	-	-	7,000,329
- Hire purchase receivables	-	4,195,944	-	36,895,190	-	-	41,091,134
- Lease receivables	-	-	-	-	195,334	-	195,334
- Other term financing	13,743,113	99,727,445	808,372	-	-	17,846	114,296,776
Trust receipts	-	140,437	-	-	-	-	140,437
Claims on customers under acceptance credits	-	5,275,548	-	-	-	-	5,275,548
Staff financing	445,245	1,889,985	8,753	175,080	636	42,796	2,562,495
Credit card receivables	-	-	-	-	-	1,269,625	1,269,625
Revolving credit	-	14,808,884	-	-	-	-	14,808,884
Share margin financing	-	19,594	-	-	-	-	19,594
Financing to:							
- Directors of the Bank	-	6,318	-	299	-	138	6,755
- Directors of subsidiaries	-	322	-	-	-	-	322
	<b>28,868,821</b>	<b>210,832,219</b>	<b>2,792,717</b>	<b>37,070,569</b>	<b>195,970</b>	<b>1,331,021</b>	<b>281,091,317</b>
Unearned income							<b>(89,087,920)</b>
Gross financing and advances <sup>4</sup>							<b>192,003,397</b>
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							(371,029)
- Stage 2 - Lifetime ECL not credit impaired							(616,576)
- Stage 3 - Lifetime ECL credit impaired							(1,252,818)
Net financing and advances							<b>189,762,974</b>

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

<sup>2</sup> The Group is the owner of the asset. The ownership of an asset will be transferred to the customer via sale at the end of the Ijarah financing.

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

<sup>4</sup> Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40e. Financing and Advances (cont'd.)**

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

<b>Group</b>	<b>30 September 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
At 1 January	2,519,615	2,094,107
Newly impaired	222,840	996,099
Reclassified as non-impaired	(413,277)	(118,390)
Amount recovered	(343,202)	(92,496)
Amount written-off	(204,086)	(359,705)
Gross impaired financing at 30 September 2020/31 December 2019	<u>1,781,890</u>	2,519,615
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,175,236)</u>	(1,252,818)
Net impaired financing at 30 September 2020/31 December 2019	<u>606,654</u>	<u>1,266,797</u>

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

Gross impaired financing at 30 September 2020/31 December 2019	1,723,529	2,395,279
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,175,236)</u>	(1,252,818)
Net impaired financing at 30 September 2020/31 December 2019	<u>548,293</u>	<u>1,142,461</u>
Gross financing and advances	153,079,217	153,974,212
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	<u>(2,713,255)</u>	(2,243,324)
Net financing and advances	<u>150,365,962</u>	<u>151,730,888</u>
Net impaired financing as a percentage of net financing and advances	<u>0.36%</u>	<u>0.75%</u>

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40e. 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**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Group</b>				
<b>As at 30 September 2020</b>				
At 1 January 2020	523	2,378	-	2,901
Changes in models/risk parameters	108	196	-	304
At 30 September 2020	<u>631</u>	<u>2,574</u>	<u>-</u>	<u>3,205</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Group</b>				
<b>As at 31 December 2019</b>				
At 1 January 2019	1,399	3,800	-	5,199
Changes in models/risk parameters	(876)	(1,422)	-	(2,298)
At 31 December 2019	<u>523</u>	<u>2,378</u>	<u>-</u>	<u>2,901</u>

**At amortised cost**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Group</b>				
<b>As at 30 September 2020</b>				
At 1 January 2020	371,029	616,576	1,252,818	2,240,423
Transferred to Stage 1	172,936	(162,768)	(10,168)	-
Transferred to Stage 2	(16,898)	220,736	(203,838)	-
Transferred to Stage 3	(1,070)	(19,793)	20,863	-
Net remeasurement of allowances	82,535	272,371	204,204	559,110
New financial assets originated or purchased	86,543	65,867	-	152,410
Financial assets derecognised	(47,232)	(71,675)	32,080	(86,827)
Changes in models/risk parameters	(82,526)	38,947	-	(43,579)
Amount related to Restricted Investment Accounts*	1,871	9,528	82,656	94,055
Amount written-off	-	-	(204,086)	(204,086)
Exchange differences	(136)	(2,027)	707	(1,456)
At 30 September 2020	<u>567,052</u>	<u>967,762</u>	<u>1,175,236</u>	<u>2,710,050</u>

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40e. 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.)**

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2019	510,311	984,565	1,055,811	2,550,687
Transferred to Stage 1	210,983	(201,830)	(9,153)	-
Transferred to Stage 2	(26,947)	94,232	(67,285)	-
Transferred to Stage 3	(1,866)	(86,803)	88,669	-
Net remeasurement of allowances	(210,195)	34,631	517,854	342,290
New financial assets originated or purchased	128,082	119,126	-	247,208
Financial assets derecognised	(59,155)	(168,531)	(205,786)	(433,472)
Changes in models/risk parameters	(197,209)	(163,389)	1,683	(358,915)
Amount related to Restricted Investment Accounts*	17,221	5,530	238,801	261,552
Amount written-off	-	-	(359,705)	(359,705)
Exchange differences	(196)	(955)	(8,071)	(9,222)
At 31 December 2019	<u>371,029</u>	<u>616,576</u>	<u>1,252,818</u>	<u>2,240,423</u>

\* As at 30 September 2020, the gross exposure of the financing funded by RPSIA was RM27,025.4 million (31 December 2019: RM17,291.5 million). The expected credit loss relating to these financing amounting to RM408.2 million (31 December 2019: RM263.7 million) which reflects as a reduction in both financing and advances and deposits and placements of banks and other financial institutions.

The gross exposure of the financing funded by IA as at 30 September 2020 was RM23,475.7 million (31 December 2019: RM20,737.7 million).

**A40f. Deposits from Customers**

<b>Group</b>	<b>30 September 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>Savings deposit</b>		
Qard	<u>23,342,337</u>	17,504,325
<b>Demand deposit</b>		
Qard	<u>36,488,184</u>	19,704,595
<b>Term deposit</b>		
Murabahah	115,018,440	123,236,922
Qard	<u>769,575</u>	593,295
	<u>115,788,015</u>	123,830,217
Total deposits from customers	<u>175,618,536</u>	161,039,137

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40g. Investment Accounts of Customers**

<u>Group</u>	30 September 2020 RM'000	31 December 2019 RM'000
<b>Mudharabah</b>		
Unrestricted Investment accounts	23,475,675	20,616,075
Restricted Investment accounts*	-	121,595
	<u>23,475,675</u>	<u>20,737,670</u>

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

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

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
<b>As at 30 September 2020</b>			
Business enterprises	13,105,239	-	13,105,239
Individuals	9,055,609	-	9,055,609
Government and statutory bodies	122,927	-	122,927
Others	1,191,900	-	1,191,900
	<u>23,475,675</u>	<u>-</u>	<u>23,475,675</u>
<b>As at 31 December 2019</b>			
Business enterprises	10,538,830	121,595	10,660,425
Individuals	8,922,749	-	8,922,749
Government and statutory bodies	95,817	-	95,817
Others	1,058,679	-	1,058,679
	<u>20,616,075</u>	<u>121,595</u>	<u>20,737,670</u>

(ii) The maturity profile of investment accounts are as follows:

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
<b>As at 30 September 2020</b>			
- without maturity	17,595,124	-	17,595,124
- with maturity			
Due within six months	5,272,527	-	5,272,527
Six months to one year	595,709	-	595,709
One year to three years	8,255	-	8,255
Three years to five years	4,060	-	4,060
	<u>5,880,551</u>	<u>-</u>	<u>5,880,551</u>
Total investment accounts of customers	<u>23,475,675</u>	<u>-</u>	<u>23,475,675</u>

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40g. Investment Accounts of Customers (cont'd.)**

(ii) The maturity profile 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
<b>As at 31 December 2019</b>			
- without maturity	13,387,845	-	13,387,845
- with maturity			
Within six months	5,577,342	121,595	5,698,937
Six months to one year	1,633,073	-	1,633,073
One year to three years	15,045	-	15,045
Three years to five years	2,770	-	2,770
	<u>7,228,230</u>	<u>121,595</u>	<u>7,349,825</u>
Total investment accounts of customers	<u>20,616,075</u>	<u>121,595</u>	<u>20,737,670</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
<b>As at 30 September 2020</b>			
Retail financing	22,034,867	-	22,034,867
Non-retail financing	1,440,808	-	1,440,808
	<u>23,475,675</u>	<u>-</u>	<u>23,475,675</u>
<b>As at 31 December 2019</b>			
Retail financing	18,855,165	-	18,855,165
Non-retail financing	1,760,910	121,595	1,882,505
	<u>20,616,075</u>	<u>121,595</u>	<u>20,737,670</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 (%)
<b>As at 30 September 2020</b>		
Unrestricted investment accounts	38.26	1.79
Restricted investment accounts	<u>99.95</u>	<u>4.03</u>
<b>As at 31 December 2019</b>		
Unrestricted investment accounts	51.62	2.61
Restricted investment accounts	<u>99.95</u>	<u>4.19</u>

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**A40. The Operations of Islamic Banking Scheme (cont'd.)**

**A40h. Term Funding**

<u>Group</u>	30 September 2020 RM'000	31 December 2019 RM'000
Unsecured term funding:		
(i) Commercial Papers - Less than one year	7,937,115	7,888,771
(ii) Medium Term Notes - More than one year	2,024,164	2,003,222
(iii) Term funding - More than one year (note (a))	920,321	-
Total term funding	<u>10,881,600</u>	<u>9,891,993</u>

Note (a): Term funding received by Maybank Islamic Berhad is part of the government financing scheme as part of the government support measures received by the Bank in response to COVID-19 pandemic for the purpose of SME financing at a below market rate with a six-year maturity to be repaid on 17 June 2026. The financing is for lending at concession rates to SMEs and for COVID-19 related relief measures.

**A40i. Subordinated Sukuk**

<u>Group</u>	30 September 2020 RM'000	31 December 2019 RM'000
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	1,021,945	1,010,603
	<u>2,027,678</u>	<u>2,028,311</u>

**A40j. Capital Securities**

<u>Group</u>	30 September 2020 RM'000	31 December 2019 RM'000
RM1.0 billion Additional Tier 1 Sukuk Wakalah	<u>1,014,647</u>	<u>1,002,170</u>



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

**B1. Performance Review**

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

The Group posted profit after tax and zakat attributable to equity holders of RM4,943.8 million for the nine-month financial period ended 30 September 2020, a decrease of RM805.1 million or 14.0% as compared to the previous corresponding nine-month financial period ended 30 September 2019.

The Group's net interest income and Islamic Banking income for the nine-month financial period ended 30 September 2020 decreased by RM635.9 million or 4.7% to RM12,769.3 million as compared to the previous corresponding nine-month financial period ended 30 September 2019.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM1,676.6 million or 33.5% to RM6,676.1 million as compared to the previous corresponding nine-month financial period ended 30 September 2019.

Other operating income of the Group for the nine-month financial period ended 30 September 2020 was RM5,797.0 million, a decrease of RM9.2 million or 0.2% from RM5,806.2 million in the previous corresponding nine-month financial period ended 30 September 2019. The decrease was mainly due to realised loss on derivatives of RM453.3 million and unrealised mark-to-market loss of financial investments at FVTPL of RM112.3 million for the nine-month financial period ended 30 September 2020 as compared to realised gain on derivatives of RM551.2 million and unrealised mark-to-market gain of financial investments at FVTPL of RM259.6 million for the previous corresponding nine-month financial period ended 30 September 2019, lower unrealised mark-to-market gain on revaluation of financial assets at FVTPL of RM719.0 million, lower net gain on foreign exchange of RM392.8 million, lower fee income of RM175.9 million and realised loss on financial liabilities at FVTPL of RM87.2 million for the nine-month financial period ended 30 September 2020. The decreases were, however, mitigated by higher unrealised mark-to-market gain on revaluation of derivatives of RM1,228.0 million, higher unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM42.4 million for the nine-month financial period ended 30 September 2020 as compared to unrealised mark-to-market loss of financial liabilities at FVTPL of RM976.9 million for the previous corresponding nine-month financial period ended 30 September 2019 and higher net gain in investment income of RM476.9 million for the nine-month financial period ended 30 September 2020.

The Group's overhead expenses for the nine-month financial period ended 30 September 2020 recorded a decrease of RM240.1 million or 2.8% to RM8,352.8 million compared to the previous corresponding nine-month financial period ended 30 September 2019. The decrease in overhead expenses was mainly due to lower marketing expenses of RM180.0 million, lower personnel expenses of RM71.0 million and lower administration and general expenses of RM17.2 million. The decreases were, however, offset by higher establishment costs of RM28.1 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM1,551.7 million or 79.4% to RM3,505.3 million as compared to the previous corresponding nine-month financial period ended 30 September 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 nine-month financial period ended 30 September 2020 compared to the previous corresponding nine-month financial period ended 30 September 2019 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 decreased by RM1,761.8 million or 38.3% to RM2,839.6 million for nine-month financial period ended 30 September 2020 from RM4,601.4 million for the previous corresponding nine-month financial period ended 30 September 2019. The decrease was mainly due to net allowance for impairment losses on loans, advances, financing and other debts of RM1,298.2 million from net writeback of RM3.3 million, lower net interest income and income from IBS operations of RM312.5 million, lower other operating income of RM280.5 million. The decreases were, however, mitigated by lower overhead expenses of RM132.7 million.

**Group Global Banking**

**a) Group Corporate Banking & Global Markets**

Group Corporate Banking & Global Markets' profit before taxation and zakat increased by RM72.5 million or 2.3% to RM3,169.1 million for the nine-month financial period ended 30 September 2020 from RM3,096.6 million for the previous corresponding nine-month financial period ended 30 September 2019. The increase was mainly due higher other operating income of RM234.1 million, higher net interest income and income from IBS operations of RM85.4 million, higher share of profits in associates and joint ventures of RM18.4 million and lower overhead expenses of RM1.2 million. The increases were, however, offset by higher net allowances for impairment losses on loans, advances, financing and other debts of RM260.0 million and higher net allowances for impairment losses on financial investments and other financial assets of RM6.6 million.

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

Group Investment Banking recorded profit before taxation and zakat of RM292.4 million for the nine-month financial period ended 30 September 2020 from loss before taxation of RM7.3 million for the previous corresponding nine-month financial period ended 30 September 2019. The profit was mainly due to higher other operating income of RM226.8 million, lower overhead expenses of RM76.8 million, lower net allowance for impairment losses on loans, advances, financing and other debts of RM5.2 million and lower net allowance for impairment losses on financial investments and other financial assets of RM0.9 million. The profit were, however, offset by lower net interest income and income from IBS operations of RM9.9 million.

**c) Group Asset Management**

Group Asset Management's profit before taxation and zakat decreased by RM40.6 million to RM0.8 million for the nine-month financial period ended 30 September 2020 from RM41.4 million for the previous corresponding nine-month financial period ended 30 September 2019. The decrease was mainly due to lower other operating income of RM36.1 million and lower net interest income of RM9.0 million. The decrease were, however, mitigated by lower overhead expenses of RM4.5 million.

**Group Insurance and Takaful**

Group Insurance and Takaful's profit before taxation and zakat decreased by RM3.7 million or 0.6% to RM612.9 million for the nine-month financial period ended 30 September 2020 from RM616.6 million for the previous corresponding nine-month financial period ended 30 September 2019. The decrease was contributed mainly by lower other operating income of RM858.1 million, higher net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM828.1 million, lower net interest income of RM19.9 million and higher net allowance for impairment losses on financial investments and other financial assets of RM1.0 million. The decreases were, however mitigated by higher net earned insurance premiums of RM1,673.8 million, lower overhead expenses of RM25.0 million and lower net allowance for impairment losses on loans, advances, financing and other debts of RM4.6 million.

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**B1. Performance Review (cont'd.)**

**(ii) Current Quarter vs Previous Period Corresponding Quarter**

The Group posted profit after tax and zakat attributable to equity holders of RM1,952.4 million for the quarter ended 30 September 2020, a decrease of RM46.4 million or 2.3% as compared to the previous period corresponding quarter ended 30 September 2019.

The Group's net interest income and Islamic Banking income for the quarter ended 30 September 2020 decreased by RM366.7 million or 7.9% to RM4,287.9 million as compared to the previous period corresponding quarter ended 30 September 2019.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM1,241.2 million or 71.0% to RM2,990.3 million as compared to the previous period corresponding quarter ended 30 September 2019.

The Group's other operating income decreased by RM112.0 million to RM2,036.5 million for the quarter ended 30 September 2020 compared to the previous period corresponding quarter ended 30 September 2019. The decrease was mainly due to realised loss on derivatives of RM453.2 million for the quarter ended 30 September 2020 as compared to realised gain on derivatives of RM147.6 million for the previous period corresponding quarter ended 30 September 2019, lower unrealised mark-to-market gain on revaluation of financial assets designated upon initial recognition at FVTPL of RM123.8 million, lower net gain in investment income of RM120.6 million, lower fee income of RM110.5 million, lower net foreign exchange gain of RM106.1 million and realised loss on financial liabilities at FVTPL of RM87.2 million. The decreases were, however, mitigated by unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM332.5 million and derivatives of RM387.0 million for the quarter ended 30 September 2020 as compared to unrealised mark-to-market loss on revaluation of financial liabilities at FVTPL of RM158.1 million and derivatives of RM96.7 million for the previous period corresponding quarter ended 30 September 2019.

The Group's overhead expenses for the quarter ended 30 September 2020 recorded a decrease of RM259.2 million or 8.7% to RM2,704.4 million compared to the previous period corresponding quarter ended 30 September 2019. The decrease in overhead expenses was mainly due to lower personnel expenses of RM98.4 million, lower administration and general expenses of RM89.1 million and lower marketing expenses of RM73.4 million. The decreases were, however, offset by higher establishment costs of RM1.7 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM153.6 million or 16.0% to RM804.4 million as compared to the previous period corresponding quarter ended 30 September 2019.

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**B1. Performance Review (cont'd.)**

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

The Group's profit before taxation and zakat for the quarter ended 30 September 2020 compared to the previous period corresponding quarter ended 30 September 2019 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 decreased by RM326.2 million or 22.3% to RM1,137.8 million for the quarter ended 30 September 2020 from RM1,464.0 million for the previous period corresponding quarter ended 30 September 2019. The decrease was mainly due to higher net allowance for impairment losses on loans, advances, financing and other debts of RM229.9 million, lower net interest income and income from IBS operations of RM157.1 million and lower other operating income of RM117.1 million. The decreases were, however, mitigated by lower overhead expenses of RM177.8 million.

**Group Global Banking**

**a) Group Corporate Banking & Global Markets**

Group Corporate Banking & Global Markets's profit before taxation and zakat increased by RM68.4 million or 5.6% to RM1,293.8 million for the quarter ended 30 September 2020 from RM1,225.4 million for the previous period corresponding quarter ended 30 September 2019. The increase was mainly due to lower allowance for impairment losses on loans, advances, financing and other debts of RM371.3 million and lower overhead expenses of RM22.8 million. The increases were, however, offset by lower other operating income of RM295.6 million, lower net writeback of impairment losses on financial investments and other financial assets of RM18.4 million, lower net interest income and income from IBS operations of RM7.3 million, as well as lower share of profits in associates and joint ventures of RM4.4 million.

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

Group Investment Banking recorded profit before taxation and zakat of RM172.0 million for the quarter ended 30 September 2020 from loss before taxation and zakat of RM20.9 million for the previous period corresponding quarter ended 30 September 2019. The profit was mainly due to higher other operating income of RM110.9 million, lower overhead expenses of RM57.6 million, higher net interest income and income from IBS operations of RM14.2 million, net writeback of impairment losses on loans, advances, financing and other debts of RM1.4 million from a net allowance of RM8.7 million, as well as lower net allowance for impairment losses on financial investments and other financial assets of RM0.4 million. The profit were, however, offset by lower share of profits in associates and joint ventures of RM0.3 million.

**c) Group Asset Management**

Group Asset Management's profit before taxation and zakat decreased by RM34.8 million to RM3.7 million for the quarter ended 30 September 2020 from RM38.5 million for the previous period corresponding quarter ended 30 September 2019. The decrease was mainly due to higher overhead expenses of RM25.3 million, lower net interest income of RM7.9 million and lower other operating income of RM1.6 million.

**Group Insurance and Takaful**

Group Insurance and Takaful's profit before taxation and zakat increased by RM69.8 million or 43.5% to RM230.1 million for the quarter ended 30 September 2020 from RM160.3 million for the previous period corresponding quarter ended 30 September 2019. The increase was mainly contributed by higher net earned insurance premiums of RM1,238.4 million, lower overhead expenses of RM26.3 million, higher other operating income of RM15.0 million, as well as lower net allowance for impairment losses on loans, advances, financing and other debts of RM2.1 million. The increases were, 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 RM1,192.8 million, lower net interest income of RM16.8 million, as well as lower net allowance for impairment losses on financial investments and other financial assets of RM2.4 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 30 September 2020 increased by RM1,010.7 million to RM1,952.4 million against the preceding quarter ended 30 June 2020 of RM941.7 million.

The Group's net interest income and income from Islamic Banking Scheme operations for the quarter ended 30 September 2020 increased by RM338.4 million to RM4,287.9 million against the preceding quarter of RM3,949.5 million.

The Group's net earned insurance premiums for the quarter ended 30 September 2020 increased by RM1,249.4 million to RM2,990.3 million compared to RM1,740.9 million in the preceding quarter ended 30 June 2020.

Other operating income of the Group for the quarter ended 30 September 2020 decreased by RM390.9 million to RM2,036.5 million compared to RM2,427.4 million in the preceding quarter ended 30 June 2020. The decrease was mainly due to lower unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM660.0 million and financial assets designated upon initial recognition at FVTPL of RM467.5 million, realised loss on derivatives of RM453.2 million for the quarter ended 30 September 2020 as compared to realised gain on derivatives of RM6.0 million in the preceding quarter ended 30 June 2020 and lower net foreign exchange gain of RM171.5 million. The decreases were, however, mitigated by unrealised mark-to-market gain on revaluation of derivatives of RM387.0 million for the quarter ended 30 September 2020 as compared to unrealised mark-to-market loss on revaluation of derivatives of RM565.3 million in the preceding quarter ended 30 June 2020, higher net investment income of RM235.3 million and higher fee income of RM78.0 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 RM767.7 million to RM3,236.9 million for the quarter ended 30 September 2020 compared to RM2,469.2 million in the preceding quarter ended 30 June 2020. The increase was mainly due to higher net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM799.4 million.

The Group posted a decrease of RM1.9 million in overhead expenses to RM2,704.4 million for the quarter ended 30 September 2020 compared to RM2,706.3 million in the preceding quarter ended 30 June 2020. The decrease in overhead expenses was mainly due to lower personnel expenses of RM62.4 million. The decrease was, however, offset by higher administration and general expenses of RM28.8 million, higher establishment costs of RM24.1 million and higher marketing expenses of RM7.6 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts decreased by RM934.9 million to RM804.4 million for the quarter ended 30 September 2020 compared to RM1,739.3 million in the preceding quarter ended 30 June 2020.

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**B3. Prospects**

GDP performance across economies improved in 3Q 2020, after sharp declines in 2Q 2020, driven by recovery in movement and mobility, reopening of businesses and industries, resumption of supply chain and trade as well as release of pent up demand following the rollback of lockdowns.

However, the global economic outlook is contingent on the effects of the pandemic, with a baseline scenario of a recession in 2020 and recovery in 2021 premised on the assumption that the pandemic will be contained next year.

To support the recovery process, the governments in Malaysia and Singapore have extended their respective wage subsidy programmes and job support schemes. In addition, banks in Malaysia have continued to offer targeted repayment assistance plans, which have been made available since the expiry of the automatic deferment of loan/financing repayments on 30 September 2020.

In Malaysia, 3Q 2020 GDP declined -2.7% YoY compared to -17.1% in 2Q, reflecting the easing of COVID-19 containment measures and improved external demand conditions. The recently announced Budget 2021 remains expansionary. It enhances the targeted financial support and fiscal reliefs for the vulnerable and hardest-hit segments of the population and businesses affected by the pandemic.

Singapore's 3Q 2020 GDP contraction of -5.8% was also a QoQ improvement, on the back of the phased reopening of the economy following the circuit breaker. Although manufacturing has benefited from technology and healthcare related demand and trade rebound, recovery in construction and services will lag until border controls are relaxed more significantly.

Indonesia recorded a GDP decline of -3.5% YoY for 3Q 2020, compared to -5.3% in 2Q. The gradual reopening of the economy, together with the implementation of the national economic recovery programme should translate into a relatively better performance for the remaining of 2020. However, the timing and strength of the recovery is still uncertain and will need continued policy support, including the suspension of the 3% budget deficit to GDP ceiling until 2022.

Amid the expected challenges of the external environment, Maybank Group will prioritise its capital and liquidity strength, maintain selective balance sheet expansion in tandem with the Group's risk appetite and remain focused on our ongoing cost discipline. Given the significant interest rate cuts in 2020 across our key markets, the Group's net interest margin will remain under pressure. However, the Group will seek to offset the impact by growing current and savings deposits which carry a lower cost.

We remain committed to supporting the domestic economies of our home markets and will work with affected borrowers to ensure viable solutions are provided to support employment and prevent business failures in the near term. We will also proactively engage with our customers to address potential asset quality weakness given the softer economic landscape.

The Group will leverage on its diversified franchise to drive revenue growth, enhance customers' experience through digital innovations and continue up-skilling our workforce to improve productivity.

Given the disruptive impact of the COVID-19 pandemic, the Group has set its Headline KPI of return on equity of circa 7.5% for FY2020 on the back of lower income due to softer loan growth, net interest margin compression and a Day-One modification loss. Also, the Group's loan loss provisioning is expected to remain elevated. The Group will mitigate its expected lower income by stepping up its strategic cost management programme to limit the increase in overheads.

**B4. Profit Forecast or Profit Guarantee**

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the financial period ended 30 September 2020.

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**B5. Taxation and Zakat**

The analysis of the tax expense for the financial period ended 30 September 2020 are as follows:

<b>Group</b>	<b>Third Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>30 September 2020</b>	<b>30 September 2019</b>	<b>30 September 2020</b>	<b>30 September 2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	<b>305,359</b>	547,486	<b>847,970</b>	1,497,033
Foreign income tax	<b>31,078</b>	108,705	<b>190,173</b>	256,199
	<b>336,437</b>	656,191	<b>1,038,143</b>	1,753,232
Under/(over) provision in respect of prior period:				
Foreign income tax	-	34	<b>(25,338)</b>	(9,945)
	<b>336,437</b>	656,225	<b>1,012,805</b>	1,743,287
Deferred tax				
- Relating to origination and reversal of temporary differences	<b>251,102</b>	(24,215)	<b>532,696</b>	117,462
Tax expense for the financial period	<b>587,539</b>	597,717	<b>1,545,501</b>	1,826,456
Zakat	<b>14,175</b>	5,653	<b>41,186</b>	16,035
	<b>601,714</b>	603,370	<b>1,586,687</b>	1,842,491

The Group's effective tax rate for the financial period ended 30 September 2020 was lower than the statutory tax rate due to certain income not subject to tax.

<b>Bank</b>	<b>Third Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>30 September 2020</b>	<b>30 September 2019</b>	<b>30 September 2020</b>	<b>30 September 2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	<b>193,588</b>	308,400	<b>614,347</b>	820,516
Foreign income tax	<b>11,596</b>	5,147	<b>16,212</b>	9,011
	<b>205,184</b>	313,547	<b>630,559</b>	829,527
(Over)/under provision in respect of prior period:				
Foreign income tax	<b>(44)</b>	48	<b>(24,757)</b>	(5,506)
	<b>205,140</b>	313,595	<b>605,802</b>	824,021
Deferred tax				
- Relating to origination and reversal of temporary differences	<b>45,085</b>	(6,467)	<b>186,513</b>	49,555
Tax expense for the financial period	<b>250,225</b>	307,128	<b>792,315</b>	873,576

The Bank's effective tax rate for the financial period ended 30 September 2020 was lower than the statutory tax rate due to certain income not subject to tax.

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

**MALAYAN BANKING BERHAD**  
(Co. Reg. No.: 196001000142)  
(Incorporated in Malaysia)

**B6. Status of Corporate Proposals Announced but Not Completed**

There are no corporate proposals announced but not completed during the financial period ended 30 September 2020.

**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 A40g.

**B9. Derivative Financial Instruments**

Please refer to Note A37.

**B10. Changes in Material Litigation**

There is no material litigation during the financial period ended 30 September 2020.

**B11. Dividend**

The Board of Directors have declared a single-tier interim dividend in respect of the financial year ending 31 December 2020 of 13.5 sen (30 June 2019: 25 sen) per ordinary share.

The Board of Directors have also determined that the Dividend Reinvestment Plan will apply to the single-tier interim dividend in which the entire 13.5 sen can be elected to be reinvested in new ordinary shares.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the interim dividend will be paid no later than three (3) months from the date of declaration.

The Book Closure Date will be announced by the Bank at a later date.

**B12. Earnings Per Share ("EPS")**

**Basic EPS**

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	<b>1,952,432</b>	1,998,809	<b>4,943,814</b>	5,748,944
Weighted average number of ordinary shares in issue ('000)	<b>11,241,362</b>	11,241,362	<b>11,241,362</b>	11,134,874
Basic earnings per share	<b>17.37 sen</b>	17.78 sen	<b>43.98 sen</b>	51.63 sen

**Diluted EPS**

The Group has no dilution in its earnings per ordinary share in the current and the preceding financial period as there are no dilutive potential ordinary shares.

By Order of the Board

**Wan Marzimin Wan Muhammad**  
LS0009924  
Company Secretary  
27 November 2020