

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

CONDENSED FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

<u>Group</u>	Note	Unaudited		Audited	
		31 December 2020	31 December 2019	Cumulative 12 Months Ended 31 December 2020	Cumulative 12 Months Ended 31 December 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	A21	4,370,370	5,938,667	19,350,764	24,131,021
Interest expense	A22	(1,586,895)	(2,854,775)	(8,260,375)	(12,036,016)
Net interest income		2,783,475	3,083,892	11,090,389	12,095,005
Income from Islamic Banking Scheme operations	A41a	1,673,199	1,585,456	6,135,582	5,979,577
Net earned insurance premiums	A23	2,782,773	1,761,159	9,458,856	6,760,618
Other operating income	A25	1,502,161	1,470,823	7,299,202	7,276,998
Total operating income		8,741,608	7,901,330	33,984,029	32,112,198
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A26	(2,428,882)	(1,408,386)	(9,220,803)	(7,371,318)
Net operating income		6,312,726	6,492,944	24,763,226	24,740,880
Overhead expenses	A27	(2,892,425)	(2,969,112)	(11,245,177)	(11,561,939)
Operating profit before impairment losses		3,420,301	3,523,832	13,518,049	13,178,941
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(1,093,290)	(333,868)	(4,598,581)	(2,287,490)
(Allowances for)/writeback of impairment losses on financial investments, net	A29	(368,552)	36,833	(413,918)	20,400
Allowances for impairment losses on other financial assets, net	A30	(37,505)	(1,893)	(57,741)	(56,344)
Operating profit		1,920,954	3,224,904	8,447,809	10,855,507
Share of profits in associates and joint ventures		71,176	38,700	209,147	158,373
Profit before taxation and zakat		1,992,130	3,263,604	8,656,956	11,013,880
Taxation and zakat	B5	(351,190)	(695,740)	(1,937,877)	(2,538,231)
Profit for the financial period/year		1,640,940	2,567,864	6,719,079	8,475,649
Attributable to:					
Equity holders of the Bank		1,537,405	2,449,130	6,481,219	8,198,074
Non-controlling interests		103,535	118,734	237,860	277,575
		1,640,940	2,567,864	6,719,079	8,475,649
Earnings per share attributable to equity holders of the Bank					
Basic/diluted	B12	13.68 sen	21.79 sen	57.66 sen	73.45 sen

(These audited 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
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

<u>Group</u>	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Profit for the financial period/year	1,640,940	2,567,864	6,719,079	8,475,649
Other comprehensive income/(loss):				
Items that will not be reclassified subsequently to profit or loss:				
Defined benefit plan actuarial gain	20,901	2,009	15,586	4,905
Income tax effect	(6,209)	190	(6,911)	337
Net gain from change in fair value on equity instruments at fair value through other comprehensive income	14,284	5,461	57,365	20,918
	28,976	7,660	66,040	26,160
Items that may be reclassified subsequently to profit or loss:				
Net (loss)/gain on debt instruments at fair value through other comprehensive income	(113,489)	(234,489)	1,484,970	2,546,409
- Net (loss)/gain from change in fair value	(68,598)	(537,037)	1,566,740	2,829,231
- Changes in expected credit losses	(71,932)	167,367	245,897	390,646
- Income tax effect	27,041	135,181	(327,667)	(673,468)
Net gain/(loss) on foreign exchange translation	78,050	70,585	(484,026)	537,081
Net loss on cash flow hedge	-	(65)	-	(433)
Net gain on net investment hedge	5,256	3,624	2,922	1,556
Cost of hedging for fair value hedge	(3,875)	(7,556)	13,150	(345)
Net (loss)/gain on capital reserve	(1,366)	908	(2,446)	908
Share of change in associates' reserve	(17,480)	(38,054)	15,454	(239,822)
	(52,904)	(205,047)	1,030,024	2,845,354
Other comprehensive (loss)/income for the financial period/year, net of tax	(23,928)	(197,387)	1,096,064	2,871,514
Total comprehensive income for the financial period/year	1,617,012	2,370,477	7,815,143	11,347,163
Other comprehensive (loss)/income for the financial period/year, attributable to:				
Equity holders of the Bank	(24,749)	(193,486)	1,093,958	2,818,869
Non-controlling interests	821	(3,901)	2,106	52,645
	(23,928)	(197,387)	1,096,064	2,871,514
Total comprehensive income for the financial period/year, attributable to:				
Equity holders of the Bank	1,512,656	2,255,644	7,575,177	11,016,943
Non-controlling interests	104,356	114,833	239,966	330,220
	1,617,012	2,370,477	7,815,143	11,347,163

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INCOME STATEMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

<u>Bank</u>	Note	Unaudited		Audited	
		31 December 2020	31 December 2019	Cumulative 12 Months Ended 31 December 2020	Cumulative 12 Months Ended 31 December 2019
		RM'000	RM'000	RM'000	RM'000
Interest income	A21	2,919,886	3,961,653	12,959,184	16,121,944
Interest expense	A22	(937,392)	(1,963,614)	(5,308,438)	(8,342,819)
Net interest income		1,982,494	1,998,039	7,650,746	7,779,125
Dividends from subsidiaries and associates	A24	343,994	544,907	2,640,114	3,648,227
Other operating income	A25	708,265	955,207	4,161,005	3,875,737
		1,052,259	1,500,114	6,801,119	7,523,964
Net operating income		3,034,753	3,498,153	14,451,865	15,303,089
Overhead expenses	A27	(1,341,732)	(1,483,218)	(4,784,188)	(5,020,585)
Operating profit before impairment losses		1,693,021	2,014,935	9,667,677	10,282,504
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(242,630)	(459,469)	(2,558,275)	(1,875,343)
(Allowances for)/writeback of impairment losses on financial investments, net	A29	(128,331)	17,631	(149,466)	11,997
(Allowances for)/writeback of impairment losses on other financial assets, net	A30	(28,592)	16,356	(30,926)	(3,775)
Profit before taxation and zakat		1,293,468	1,589,453	6,929,010	8,415,383
Taxation and zakat	B5	(171,568)	(262,507)	(963,883)	(1,136,083)
Profit for the financial period/year		1,121,900	1,326,946	5,965,127	7,279,300

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STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2020

<u>Bank</u>	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Profit for the financial period/year	1,121,900	1,326,946	5,965,127	7,279,300
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) from change in fair value on equity instruments at fair value through other comprehensive income	15,495	(4,402)	62,422	(8,304)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain on debt instruments at fair value through other comprehensive income	(196,345)	(199,092)	938,754	1,999,837
- Net (loss)/gain from change in fair value	(165,676)	(498,293)	917,572	2,099,552
- Changes in expected credit losses	(69,976)	185,434	235,641	410,334
- Income tax effect	39,307	113,767	(214,459)	(510,049)
Net loss on foreign exchange translation	(107,273)	(46,557)	(67,106)	(20,246)
Cost of hedging for fair value hedge	(3,875)	(7,556)	13,150	(345)
	(307,493)	(253,205)	884,798	1,979,246
Other comprehensive (loss)/income for the financial period/year, net of tax	(291,998)	(257,607)	947,220	1,970,942
Total comprehensive income for the financial period/year	829,902	1,069,339	6,912,347	9,250,242

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	Group		Bank	
		31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
ASSETS					
Cash and short-term funds		43,884,714	46,469,074	24,106,030	19,040,534
Deposits and placements with financial institutions		10,128,931	14,093,218	15,268,348	28,287,338
Financial assets purchased under resale agreements		17,543,987	13,639,082	14,849,421	11,297,036
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	14,028,031	14,323,303	-	-
Financial investments at fair value through profit or loss	A10(ii)	27,179,846	20,370,865	18,189,480	12,912,823
Financial investments at fair value through other comprehensive income	A10(iii)	127,502,681	123,351,533	75,533,793	80,798,700
Financial investments at amortised cost	A10(iv)	46,475,916	34,784,476	39,856,983	32,574,918
Loans, advances and financing to financial institutions	A11(i)	899,986	1,128,618	30,042,986	19,400,239
Loans, advances and financing to customers	A11(ii)	511,310,107	512,291,092	199,881,476	207,188,981
Derivative assets	A37	19,907,957	10,335,629	19,713,802	10,002,003
Reinsurance/retakaful assets and other insurance receivables	A12	5,778,581	4,232,089	-	-
Other assets	A13	10,236,874	9,479,084	4,116,602	4,943,190
Investment properties		941,545	921,471	-	-
Statutory deposits with central banks		7,468,213	15,052,752	1,647,066	4,100,932
Investment in subsidiaries		-	-	30,903,363	31,559,247
Interest in associates and joint ventures		2,680,402	2,490,548	440,730	440,730
Property, plant and equipment		2,206,849	2,335,798	941,767	1,014,286
Right-of-use assets		1,245,454	1,548,208	424,139	438,254
Intangible assets		6,648,504	6,836,463	387,660	361,135
Deferred tax assets		790,936	729,712	-	-
TOTAL ASSETS		856,859,514	834,413,015	476,303,646	464,360,346
LIABILITIES					
Customers' funding:					
- Deposits from customers	A14	556,349,372	544,530,912	250,025,335	242,757,617
- Investment accounts of customers ¹	A41g	23,840,796	20,737,670	-	-
Deposits and placements from financial institutions	A15	37,878,866	43,557,209	34,720,115	51,354,535
Obligations on financial assets sold under repurchase agreements		11,131,215	13,978,744	36,922,305	28,293,032
Derivative liabilities	A37	19,151,751	11,182,307	18,724,393	10,588,278
Financial liabilities at fair value through profit or loss	A16	10,161,921	6,530,753	10,161,921	6,530,753
Bills and acceptances payable		997,663	1,291,814	458,617	479,662
Insurance/takaful contract liabilities and other insurance payables	A18	37,694,765	30,885,630	-	-
Other liabilities	A19	21,027,915	21,569,527	7,810,067	7,952,408
Recourse obligation on loans and financing sold to Cagamas		-	1,526,225	-	1,526,225
Provision for taxation and zakat		151,919	187,061	66,120	-
Deferred tax liabilities		1,470,856	878,276	377,830	185,495
Borrowings	A17(i)	38,097,224	41,339,415	33,134,255	32,645,025
Subordinated obligations	A17(ii)	8,967,831	9,321,125	8,808,639	9,156,816
Capital securities	A17(iii)	2,827,793	2,827,123	2,827,793	2,827,123
TOTAL LIABILITIES		769,749,887	750,343,791	404,037,390	394,296,969

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A41e(ii).

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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	Group		Bank	
		31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		48,280,355	48,280,355	48,280,355	48,280,355
Retained profits		29,494,627	27,162,899	16,809,095	15,223,022
Reserves		6,661,665	6,127,684	7,176,806	6,560,000
		84,436,647	81,570,938	72,266,256	70,063,377
Non-controlling interests		2,672,980	2,498,286	-	-
		87,109,627	84,069,224	72,266,256	70,063,377
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		856,859,514	834,413,015	476,303,646	464,360,346
COMMITMENTS AND CONTINGENCIES	A35	1,305,384,589	1,208,622,674	1,225,860,019	1,125,439,598
<u>CAPITAL ADEQUACY</u>	A36				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		15.313%	15.729%	15.581%	15.314%
Tier 1 Capital Ratio		16.026%	16.486%	16.343%	16.120%
Total Capital Ratio		18.683%	19.387%	18.639%	19.387%
Net assets per share attributable to equity holders of the Bank		RM7.51	RM7.26	RM6.43	RM6.23

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Attributable to equity holders of the Bank
Non-Distributable

Group	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
				Through Other Comprehensive Income Reserve RM'000							
At 1 January 2020	48,280,355	279,355	2,771,806	2,973,151	399,826	37,195	(333,649)	27,162,899	81,570,938	2,498,286	84,069,224
Profit for the financial year	-	-	-	-	-	-	-	6,481,219	6,481,219	237,860	6,719,079
Other comprehensive income/(loss)	-	-	-	1,600,503	(527,393)	-	20,848	-	1,093,958	2,106	1,096,064
Defined benefit plan actuarial gain	-	-	-	-	-	-	6,928	-	6,928	1,747	8,675
Share of associates' reserve	-	-	-	64,691	(49,237)	-	-	-	15,454	-	15,454
Net loss on foreign exchange translation	-	-	-	-	(478,156)	-	-	-	(478,156)	(5,870)	(484,026)
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,535,812	-	-	-	-	1,535,812	6,523	1,542,335
Net gain on net investment hedge	-	-	-	-	-	-	2,922	-	2,922	-	2,922
Cost of hedging for fair value hedge	-	-	-	-	-	-	13,150	-	13,150	-	13,150
Net loss on capital reserve	-	-	-	-	-	-	(2,152)	-	(2,152)	(294)	(2,446)
Total comprehensive income/(loss) for the financial year	-	-	-	1,600,503	(527,393)	-	20,848	6,481,219	7,575,177	239,966	7,815,143
Carried forward	48,280,355	279,355	2,771,806	4,573,654	(127,567)	37,195	(312,801)	33,644,118	89,146,115	2,738,252	91,884,367

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AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	48,280,355	279,355	2,771,806	4,573,654	(127,567)	37,195	(312,801)	33,644,118	89,146,115	2,738,252	91,884,367
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(1,085)	-	-	-	1,085	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	58,991	-	-	58,991	-	58,991
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	24,235	24,235
Transfer to statutory reserve	-	38,468	-	-	-	-	-	(38,468)	-	-	-
Transfer from regulatory reserve	-	-	(656,351)	-	-	-	-	656,351	-	-	-
Dividends paid (Note A9(a) & (c))	-	-	-	-	-	-	-	(4,384,131)	(4,384,131)	(89,507)	(4,473,638)
Dividends payable (Note A9(b))	-	-	-	-	-	-	-	(384,328)	(384,328)	-	(384,328)
Total transactions with shareholders/ other equity movements	-	38,468	(656,351)	(1,085)	-	58,991	-	(4,149,491)	(4,709,468)	(65,272)	(4,774,740)
At 31 December 2020	48,280,355	317,823	2,115,455	4,572,569	(127,567)	96,186	(312,801)	29,494,627	84,436,647	2,672,980	87,109,627

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

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM559.6 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 FINANCIAL YEAR ENDED 31 DECEMBER 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 ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2019	46,747,442	239,009	2,127,290	457,045	113,510	-	(339,752)	25,985,583	75,330,127	2,407,133	77,737,260
Profit for the financial year	-	-	-	-	-	-	-	8,198,074	8,198,074	277,575	8,475,649
Other comprehensive income	-	-	-	2,526,450	286,316	-	6,103	-	2,818,869	52,645	2,871,514
Defined benefit plan actuarial gain	-	-	-	-	-	-	4,638	-	4,638	604	5,242
Share of associates' reserve	-	-	-	636	(240,458)	-	-	-	(239,822)	-	(239,822)
Net gain on foreign exchange translation	-	-	-	-	526,774	-	-	-	526,774	10,307	537,081
Net gain on financial investments at fair value through other comprehensive income	-	-	-	2,525,814	-	-	-	-	2,525,814	41,513	2,567,327
Net gain on net investment hedge	-	-	-	-	-	-	1,556	-	1,556	-	1,556
Net loss on cash flow hedge	-	-	-	-	-	-	(433)	-	(433)	-	(433)
Cost of hedging for fair value hedge	-	-	-	-	-	-	(345)	-	(345)	-	(345)
Net gain on capital reserve	-	-	-	-	-	-	687	-	687	221	908
Total comprehensive income for the financial year	-	-	-	2,526,450	286,316	-	6,103	8,198,074	11,016,943	330,220	11,347,163
Carried forward	46,747,442	239,009	2,127,290	2,983,495	399,826	-	(333,649)	34,183,657	86,347,070	2,737,353	89,084,423

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	46,747,442	239,009	2,127,290	2,983,495	399,826	-	(333,649)	34,183,657	86,347,070	2,737,353	89,084,423
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(10,344)	-	-	-	10,344	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	37,195	-	-	37,195	-	37,195
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	(128,395)	(128,395)
Transfer to statutory reserve	-	40,346	-	-	-	-	-	(40,346)	-	-	-
Transfer to regulatory reserve	-	-	644,516	-	-	-	-	(644,516)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	1,532,913	-	-	-	-	-	-	-	1,532,913	-	1,532,913
Dividends paid	-	-	-	-	-	-	-	(6,346,240)	(6,346,240)	(110,672)	(6,456,912)
Total transactions with shareholders/ other equity movements	1,532,913	40,346	644,516	(10,344)	-	37,195	-	(7,020,758)	(4,776,132)	(239,067)	(5,015,199)
At 31 December 2019	48,280,355	279,355	2,771,806	2,973,151	399,826	37,195	(333,649)	27,162,899	81,570,938	2,498,286	84,069,224

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

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM536.2 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 audited 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
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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
At 1 January 2020	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 year	-	-	-	-	-	-	-	5,965,127	5,965,127
Other comprehensive income/(loss)	-	-	-	1,001,176	(67,106)	-	13,150	-	947,220
Net loss on foreign exchange translation	-	-	-	-	(67,106)	-	-	-	(67,106)
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,001,176	-	-	-	-	1,001,176
Cost of hedging for fair value hedge	-	-	-	-	-	-	13,150	-	13,150
Total comprehensive income/(loss) for the financial year	-	-	-	1,001,176	(67,106)	-	13,150	5,965,127	6,912,347
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	58,991	-	-	58,991
Transfer to statutory reserve	-	10,016	-	-	-	-	-	(10,016)	-
Transfer from regulatory reserve	-	-	(399,421)	-	-	-	-	399,421	-
Dividends paid (Note A9(a))	-	-	-	-	-	-	-	(4,384,131)	(4,384,131)
Dividends payable (Note A9(b))	-	-	-	-	-	-	-	(384,328)	(384,328)
Total transactions with shareholders/ other equity movements	-	10,016	(399,421)	-	-	58,991	-	(4,379,054)	(4,709,468)
At 31 December 2020	48,280,355	69,518	1,495,500	3,261,447	2,241,350	96,186	12,805	16,809,095	72,266,256

(These audited 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
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Bank	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Fair Value Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2019	46,747,442	53,032	1,778,997	279,332	2,328,702	-	-	14,401,762	65,589,267
Profit for the financial year	-	-	-	-	-	-	-	7,279,300	7,279,300
Other comprehensive income/(loss)	-	-	-	1,991,533	(20,246)	-	(345)	-	1,970,942
Net loss on foreign exchange translation	-	-	-	-	(20,246)	-	-	-	(20,246)
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,991,533	-	-	-	-	1,991,533
Cost of hedging for fair value hedge	-	-	-	-	-	-	(345)	-	(345)
Total comprehensive income/(loss) for the financial year	-	-	-	1,991,533	(20,246)	-	(345)	7,279,300	9,250,242
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")	-	-	-	-	-	37,195	-	-	37,195
Transfer to statutory reserve	-	6,470	-	-	-	-	-	(6,470)	-
Transfer to regulatory reserve	-	-	115,924	-	-	-	-	(115,924)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	1,532,913	-	-	-	-	-	-	-	1,532,913
Dividends paid	-	-	-	-	-	-	-	(6,346,240)	(6,346,240)
Total transactions with shareholders/ other equity movements	1,532,913	6,470	115,924	(10,594)	-	37,195	-	(6,458,040)	(4,776,132)
At 31 December 2019	48,280,355	59,502	1,894,921	2,260,271	2,308,456	37,195	(345)	15,223,022	70,063,377

(These audited 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
AUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	8,656,956	11,013,880	6,929,010	8,415,383
Adjustments for:				
Share of profits in associates and joint ventures	(209,147)	(158,373)	-	-
Depreciation of property, plant and equipment	311,984	297,231	101,097	116,073
Depreciation of right-of-use assets	450,736	389,273	113,197	108,371
Amortisation of intangible assets	286,899	252,423	56,520	49,533
Gain on disposal of property, plant and equipment	(20,791)	(6,213)	(17,279)	(2,203)
Gain on sale and leaseback transaction	-	(1,540)	-	(1,540)
Net loss on disposal of subsidiary	10,161	158,531	-	113,470
Net (gain)/loss on disposal/change in structure of deemed controlled structured entities	(3,128)	(67,700)	3,275	(7,751)
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	(25,575)	(546,907)	(134,605)	(259,162)
Net gain on disposal of financial investments at fair value through other comprehensive income	(1,977,378)	(1,212,410)	(1,517,671)	(1,056,482)
Net gain on redemption of financial investments at amortised cost	-	(48)	-	(48)
Unrealised gain on revaluation of financial assets at fair value through profit or loss and derivatives	(1,763,959)	(1,529,390)	(966,285)	(230,641)
Unrealised (gain)/loss on revaluation of financial liabilities at fair value through profit or loss	(94,503)	528,906	(94,503)	529,607
Unrealised (gain)/loss on revaluation of loans, advances and financing at fair value through profit or loss	(479)	10,573	(479)	10,573
Allowances for impairment losses on loans, advances and financing, net	4,985,025	2,707,387	2,771,970	2,054,379
Allowances for impairment losses on other debts	11,256	10,223	1,257	12,636
Allowances for/(writeback of) impairment losses on financial investments, net	413,918	(20,400)	149,466	(11,997)
Allowances for impairment losses on other financial assets, net	57,741	56,344	30,926	3,775
Dividend income	(104,155)	(98,515)	(2,645,916)	(3,654,820)
ESGP expenses	80,775	43,290	42,627	25,762
Other adjustments for non-operating and non-cash items	485,311	(146,442)	(175,510)	(364,518)
Operating profit before working capital changes	11,551,647	11,678,960	4,647,097	5,852,593
Change in cash and short-term funds with original maturity of more than three months	(11,941,106)	(2,479,267)	(9,506,641)	(34,181)
Change in deposits and placements with financial institutions with original maturity of more than three months	15,021,943	(351,951)	23,452,073	(15,691,548)
Change in financial investments portfolio	(18,618,655)	(8,565,596)	(4,644,481)	(974,502)
Change in loans, advances and financing	(5,028,270)	(7,626,220)	(4,519,496)	1,685,927
Change in statutory deposits with central banks	7,583,005	1,212,097	2,453,866	940,628
Change in deposits from customers	12,566,903	11,177,184	5,796,663	(12,188,146)
Change in investment accounts of customers	3,103,126	(2,827,391)	-	-
Change in deposits and placements from financial institutions	(5,678,343)	(293,368)	(16,634,420)	(1,586,212)
Change in financial liabilities at fair value through profit or loss	(22,772)	(1,620,239)	(22,772)	(1,235,253)
Change in reinsurance/retakaful assets and other insurance receivables	(1,559,600)	(463,419)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	6,809,134	4,032,528	-	-
Change in other operating activities	(9,805,389)	(11,002,061)	4,198,862	217,495
Cash generated from/(used in) operations	3,981,623	(7,128,743)	5,220,751	(23,013,199)
Taxes and zakat paid	(1,733,508)	(2,839,415)	(870,990)	(1,210,565)
Net cash generated from/(used in) operating activities	2,248,115	(9,968,158)	4,349,761	(24,223,764)

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	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Cash flows from investing activities				
Dividends received from:				
- financial investments portfolio	104,155	98,515	5,802	6,593
- subsidiaries	-	-	2,639,337	3,647,538
- associates	-	-	777	689
Purchase of property, plant and equipment	(202,801)	(283,652)	(29,364)	(90,389)
Purchase of intangible assets	(276,822)	(339,100)	(92,302)	(66,366)
Purchase of investment properties	(1,370)	(2,797)	-	-
Purchase of additional ordinary shares in existing subsidiaries	-	-	(732,788)	(194,070)
Proceeds from disposal of property, plant and equipment	29,764	19,694	18,058	5,922
Proceeds from disposal of a subsidiary	171,233	-	169,521	-
Proceeds from disposal of deemed controlled structured entities	-	-	184,033	40,068
Purchase of shares in deemed controlled entities	-	-	(12,557)	(62,010)
Net effect arising from transaction with non-controlling interests	27,363	(60,695)	-	-
Net effect arising from change of structure of deemed controlled structured entities	-	-	-	21,820
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 effect arising from increase in shares in existing subsidiary	-	-	-	(193,863)
Net cash (used in)/generated from investing activities	(148,478)	(755,206)	3,364,437	3,122,831
Cash flows from financing activities				
Proceeds from issuance of shares	-	1,532,913	-	1,532,913
(Repayment)/drawdown of borrowings, net	(2,571,076)	9,748,366	742,415	9,377,344
Issuance of subordinated obligations	3,000,000	3,700,000	3,000,000	3,700,000
Issuance of capital securities	-	2,800,000	-	2,800,000
Redemption of subordinated obligations	(3,300,000)	(5,095,222)	(3,300,000)	(3,700,000)
Redemption of capital securities	-	(3,500,000)	-	(3,500,000)
Drawdown of financial liabilities at fair value through profit or loss	4,499,040	1,432,900	4,499,040	1,432,900
Redemption of financial liabilities at fair value through profit or loss	(715,368)	(2,669,250)	(715,368)	(2,669,250)
Repayment of lease liabilities	(464,386)	(386,883)	(99,624)	(100,948)
Recourse obligations on loans and financing sold to Cagamas, net	(1,526,225)	(21,047)	(1,526,225)	(21,047)
Dividends paid	(4,384,131)	(6,346,240)	(4,384,131)	(6,346,240)
Dividends paid to non-controlling interests	(89,507)	(110,672)	-	-
Net cash (used in)/generated from financing activities	(5,551,653)	1,084,865	(1,783,893)	2,505,672
Net (decrease)/increase in cash and cash equivalents	(3,452,016)	(9,638,499)	5,930,305	(18,595,261)
Cash and cash equivalents at beginning of period	47,306,745	57,084,530	21,934,867	40,682,109
Effects of foreign exchange rate changes	(41,281)	(139,286)	37,379	(151,981)
Cash and cash equivalents at end of period	43,813,448	47,306,745	27,902,551	21,934,867
Cash and cash equivalents comprise:				
Cash and short-term funds	43,895,144	46,485,233	24,111,660	19,053,083
Deposits and placements with financial institutions	10,147,074	14,131,121	15,274,310	28,310,635
	54,042,218	60,616,354	39,385,970	47,363,718
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(10,228,770)	(13,309,609)	(11,483,419)	(25,428,851)
Cash and cash equivalents at end of period	43,813,448	47,306,745	27,902,551	21,934,867

(These audited 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 audited 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 audited 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 audited 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 audited 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 audited 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 Revised Conceptual Framework and 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 4 *Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9*
- Amendments to MFRS 101 and MFRS 108 - *Definition of Material*
- Amendments to MFRS 7, MFRS 9 and MFRS 139 - *Interest Rate Benchmark Reform*
- Amendment to MFRS 16 *Leases - COVID-19 Related Rent Concessions*

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.

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 9 December 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 Guidelines on the Recognition and Measurement of Profit Sharing Investment Account as Risk Absorbent dated 22 July 2011, Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components), both dated 5 February 2020.

The revised Policy documents were updated to include:

- (i) Additional capital buffer requirements on the HLA requirements for financial institution that is designated as a D-SIB; and

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A1. Basis of Preparation (cont'd.)

Revised Policy Documents on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued by BNM (cont'd.)

The revised Policy documents were updated to include (cont'd.):

- (ii) The transitional arrangements for regulatory capital treatment of accounting provisions. Financial institutions which elect to apply the transitional arrangements are allowed to add back a portion of the Stage 1 and Stage 2 provisions for expected credit losses ("ECL") to Common Equity Tier 1 Capital over a four-year period from financial year beginning 2020 or a three-year period from financial year beginning 2021. This is consistent with the guidance issued by the Basel Committee of Banking Supervision on "Regulatory treatment of accounting provisions – interim approach and transitional arrangement" (March 2017) and "Measures to reflect the impact of Covid-19" (April 2020).

For the financial year ended 31 December 2020, the Group and the Bank did not elect to apply the transitional arrangement and will reassess the position in 2021. The application of the revised Policy documents do not have any significant impact to the financial statements of the Group and of the Bank.

Measures announced by BNM to assist individuals, small-medium enterprises ("SMEs") and corporates affected by COVID-19

During the financial year ended 31 December 2020, BNM had announced various COVID-19 assistance programmes which aimed to support economy at large and provide relief to all affected individuals, SMEs and corporations. The support measures include the following:

Automatic six-month moratorium

The automatic moratorium applies to ringgit-denominated loans/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 an option to convert the outstanding balances into term-loan of not more than three years.

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.

Repayment assistance and classification in the Central Credit Reference Information System ("CCRIS")

Recognising the challenging environment, financial institutions are granting additional repayment assistance for individuals and SMEs whose income have been affected by the pandemic, to support economic recovery and safeguard livelihood of Malaysians.

The assistance is extended to facilities approved before 1 October 2020 which are not in arrears of more than 90 days at the time a borrower/customer requests for repayment assistance. The additional repayment assistance will be available to eligible borrowers/customers until 30 June 2021.

The repayment assistance does not automatically result in a stage transfer under MFRS 9 in the absence of other factors indication evidence of significant increase in credit risk ("SICR"). Judgement and more holistic assessment of all relevant indicators and information, such as historical repayment and delinquency trend pre-COVID-19 pandemic, are applied in determining SICR. In addition, the loan/financing that is approved under repayment assistance is exempted to be reported as rescheduling and restructuring ("R&R") and credit impaired in CCRIS.

Supervisory and Prudential Measures

During the financial year ended 31 December 2020, financial institutions are allowed to operate below the minimum Net Stable Funding Ratio and Liquidity Coverage Ratio of 100%, draw down the capital conservation buffer of 2.5% and reduce the regulatory reserves held against expected losses to 0%. However, financial institutions are expected to restore their buffer to the minimum regulatory requirement by 30 September 2021.

As at 31 December 2020, the Group and the Bank did not opt for any of the prudential buffers.

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A1. Basis of Preparation (cont'd.)

Standards and annual improvements to standards issued but not yet effective

The following are standards and annual improvements to standards issued by Malaysian Accounting Standards Board ("MASB"), but not yet effective, up to the date of issuance of the Group's and of the Bank's financial statements. The Group and the Bank intend to adopt these standards and annual improvements to standards, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 - <i>Interest Rate Benchmark Reform Phase 2</i>	1 January 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment - <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 3 Business Combination - <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and <i>Onerous Contract - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 and MFRS 108 - <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 - Interest Rate Benchmark Reform Phase 2

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest/profit rate benchmark reform, but would instead update the effective interest/profit rate to reflect the change in the interest/profit rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

The amendments are effective for annual reporting periods beginning on or after 1 January 2021, retrospectively in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, without the need to restate comparative information. Restatement of prior periods is permitted if, and only if, it is possible without the use of hindsight. Earlier application is permitted.

The Group and the Bank have established a project team to evaluate the potential impact of adopting this standard on the required effective date.

Annual Improvements to MFRS Standards 2018 - 2020

The amendments permit a subsidiary that elects to apply paragraph D13(a) of MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to MFRS. The amendments are also applied to an associate or joint venture that elects to apply paragraph D13(a) of MFRS 1. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have any impact on the Group's and the Bank's financial statements.

Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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A1. Basis of Preparation (cont'd.)

Standards and annual improvements to standards issued but not yet effective (cont'd.)

Amendments to MFRS 116 Property, Plant and Equipment - *Proceeds before Intended Use*

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have any impact on the Group's and the Bank's financial statements.

Amendments to MFRS 3 Business Combination - *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements with reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirement.

The amendments explain the exception to the recognition principle of MFRS 3 to avoid the issue of potential gains or losses arising for liabilities and contingent liabilities that would be within the scope of MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately.

The existing guidance in MFRS 3 for contingent assets that would not be affected by replacing with the reference to the *Framework for the Preparation and Presentation of Financial Statements*.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2022, earlier application is permitted. The amendments are not expected to have any impact on the Group's and the Bank's financial statements.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - *Onerous Contract - Cost of Fulfilling a Contract*

The amendment clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendment is to be applied prospectively in annual periods beginning on or after 1 January 2022, earlier application is permitted. The amendments are not expected to have any impact on the Group's and the Bank's financial statements.

Amendments to MFRS 101 and MFRS 108 - *Classification of Liabilities as Current or Non-current*

The amendments clarify the followings:

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

MFRS 17 Insurance Contracts

MFRS 17 will replace MFRS 4 *Insurance Contracts* that was issued in 2005. MFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The main features of the new accounting model for insurance contracts are, as follows:

- (i) The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows);
- (ii) A Contractual Service Margin ("CSM") that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in profit or loss over the service period (i.e. coverage period);
- (iii) Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- (iv) The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;

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A1. Basis of Preparation (cont'd.)

Standards and annual improvements to standards issued but not yet effective (cont'd.)

MFRS 17 Insurance Contracts (cont'd.)

The main features of the new accounting model for insurance contracts are, as follows (cont'd.):

- (v) The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period;
- (vi) Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet;
- (vii) Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense; and
- (viii) Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

The standard is effective for annual periods beginning on or after 1 January 2023. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17. An entity shall apply MFRS 17 retrospectively for estimating the CSM on the transition date. However, if full retrospective approach application for estimating the CSM, as defined by MFRS 108 for a group of insurance contracts, is impracticable, an entity is required to choose one of the following two alternatives:

(i) Modified retrospective approach

Based on reasonable and supportable information available without undue cost and effort to the entity, certain modifications are applied to the extent full retrospective application is not possible, but still with the objective to achieve the closest possible outcome to retrospective application.

(ii) Fair value approach

The CSM is determined as the positive difference between the fair value determined in accordance with MFRS 13 *Fair Value Measurement* and the fulfilment cash flows (any negative difference would be recognised in retained earnings at the transition date).

Both the modified retrospective approach and the fair value approach provide transitional reliefs for determining the grouping of contracts. If an entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, it is required to apply the fair value approach.

The Group has established a project team, with assistance from the Actuarial, Finance, Risk, IT and various Business sectors to study the implication and to evaluate the potential impact of adopting this standard on the required effective date.

Amendments to MFRS 17 Insurance Contracts

The amendments are to address the concerns raised by stakeholders and ease transition by providing the additional relief to reduce the effort required when adopting MFRS 17 for the first time. The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023. The amendments will be assessed together with other MFRS 17 requirement as mentioned above.

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- Gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- Gains and losses resulting from transactions involving the sale or contribution of assets to an associate or a joint venture that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by the MASB. Earlier application is permitted. The amendments are not expected to have material impact on the Group's and the Bank's financial statements.

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A2. Significant Accounting Policies

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 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 audited 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 audited condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these audited condensed interim financial statements, the significant judgements made by management in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 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 fourth quarter and 12 months financial year ended 31 December 2020.

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

During the fourth quarter and 12 months financial year ended 31 December 2020, save as disclosed in Note A8, A17, A21, A41(a) and A41(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 fourth quarter and 12 months financial year ended 31 December 2020.

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 fourth quarter and 12 months financial year ended 31 December 2020.

(a) **Borrowings**

Issuance/redemption of medium term notes by the Bank

Currency	Description	Aggregate Nominal Value (in million)
Issuance of medium term notes		
USD	Zero Coupon Notes*	1,120.0
USD	Fixed Rate Notes	40.0
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
Redemption of medium term notes		
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	910.0
CNY	Fixed Rate Notes (Panda Bonds)	2,000.0
RM	Fixed Rate Notes (Sukuk)	60.0
RM	Zero Coupon Notes	91.9
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")

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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 fourth quarter and 12 months financial year ended 31 December 2020 (cont'd.).

(a) **Borrowings (cont'd.)**

Issuance of commercial papers by the Bank

The aggregate nominal value of the commercial papers issued by the Bank and outstanding as at 31 December 2020 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
RM	Zero Coupon Notes	2,796.1
USD	Zero Coupon Notes	499.6
AUD	Zero Coupon Notes	250.0
HKD	Zero Coupon Notes	340.0
SGD	Fixed Rate Notes*	315.0
USD	Fixed Rate Notes*	15.0

* Extensible money market certificates

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

Currency	Description	Aggregate Nominal Value (in million)
Issuance of bonds		
IDR	Fixed Rate Notes	760,300.0
Redemption of bonds		
IDR	Fixed Rate Notes	3,945,300.0

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 31 December 2020 are as follows:

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

(b) **Subordinated Obligations**

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

Issuance	Issue Date	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	9 October 2020	9 October 2025	9 October 2030	RM2.3 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years
Issuance	9 October 2020	8 October 2027	8 October 2032	RM700.0 million	Tier 2 Subordinated Sukuk Murabahah (12 non-call 7)	12 years

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

Redemption	Issue Date	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Redemption	19 October 2015	19 October 2020	17 October 2025	RM2.2 billion	Tier 2 Subordinated Notes (10 non-call 5) ¹	10 years
Redemption	27 October 2015	27 October 2020	27 October 2025	RM1.1 billion	Tier 2 Subordinated Notes (10 non-call 5) ¹	10 years

¹These subordinated notes were fully redeemed on the respective First Call Dates.

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

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

- (ii) The following are the changes in debt and equity securities for the Group and the Bank subsequent to the fourth quarter and 12 months financial year ended 31 December 2020 and have not been reflected in the financial statements for the fourth quarter and 12 months financial year ended 31 December 2020:

(a) **Increase in share capital**

The share capital of the Bank increased from RM48,280,355,135 as at 31 December 2020 to RM49,606,174,678 as at 15 January 2021 via issuance of 172,632,753 new ordinary shares amounting to RM1,325,819,543 arising from the Dividend Reinvestment Plan ("DRP") relating to electable portion of the single-tier interim dividend of 13.5 sen in respect of the financial year ended 31 December 2020.

The issued ordinary shares of the Bank as at 15 January 2021 is 11,413,994,640 units (31 December 2020: 11,241,361,887 units).

(b) **Borrowings**

Issuance/redemption of medium term notes by the Bank

Currency	Description	Aggregate Nominal Value (in million)
Issuance of medium term notes		
USD	Zero Coupon Notes*	175.0
HKD	Fixed Rate Notes	205.0
AUD	Fixed Rate Notes	63.0
CNY	Fixed Rate Notes	300.0
Redemption of medium term notes		
HKD	Floating Rate Notes	300.0
USD	Zero Coupon Notes *	347.0

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

(c) **Subordinated Obligations**

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

Issuance/redemption	Issue Date	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	15 February 2021	16 February 2026	14 February 2031	RM1.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years
Redemption	15 February 2016	15 February 2021	13 February 2026	RM1.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5) ¹	10 years

¹The subordinated sukuk was fully redeemed on the First Call Date.

A9. Dividends Paid/Payable

Dividends paid/payable during the 12 months financial year ended 31 December 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) A single-tier interim dividend, in respect of the financial year ended 31 December 2020 of 13.5 sen per ordinary share amounting to RM1,517,583,477 was declared by the Board of Directors on 27 November 2020.

The Board of Directors had 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.

The financial statements for the current financial year ended 31 December 2020 record a portion of the electable portion of the single-tier interim dividends assumed to be paid in cash in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components).

The book closure date and the payment date for the single-tier interim dividend and DRP were fixed on 18 December 2020 and 15 January 2021 respectively.

- (c) Dividends paid by Maybank's subsidiaries to non-controlling interests amounted to RM89,507,000 during the 12 months financial year ended 31 December 2020.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	14,028,031	14,323,303	-	-
Financial investments at fair value through profit or loss	(ii)	27,179,846	20,370,865	18,189,480	12,912,823
Financial investments at fair value through other comprehensive income	(iii)	127,502,681	123,351,533	75,533,793	80,798,700
Financial investments at amortised cost	(iv)	46,475,916	34,784,476	39,856,983	32,574,918
		215,186,474	192,830,177	133,580,256	126,286,441

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

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	233,228	161,713	-	-
Malaysian Government Investment Issues	406,583	312,635	-	-
	639,811	474,348	-	-
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	114,951	109,715	-	-
Unit trusts	3,932	3,932	-	-
Outside Malaysia:				
Shares, warrants and loan stocks	11,270	-	-	-
	130,153	113,647	-	-
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	13,008,116	13,627,322	-	-
Outside Malaysia:				
Corporate Bonds and Sukuk	249,951	107,986	-	-
	13,258,067	13,735,308	-	-
Total financial assets designated upon initial recognition at fair value through profit or loss	14,028,031	14,323,303	-	-

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A10. Financial Investments Portfolio (cont'd.)

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

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	2,464,259	771,484	2,404,369	750,077
Malaysian Government Investment Issues	2,240,840	614,546	2,133,207	216,467
Cagamas Bonds	47,024	-	47,024	-
Negotiable instruments of deposits	120,485	142,811	120,485	142,811
Foreign Government Securities	3,227,160	3,483,519	2,934,336	3,001,984
Malaysian Government Treasury Bills	1,065,724	-	1,065,724	-
Bank Negara Malaysia Bills and Notes	1,656,882	596,545	1,656,882	596,545
Foreign Government Treasury Bills	1,395,379	2,199,436	1,395,379	2,199,436
	<u>12,217,753</u>	<u>7,808,341</u>	<u>11,757,406</u>	<u>6,907,320</u>
Quoted securities:				
In Malaysia:				
Shares, warrants, mutual funds and loan stocks	4,962,630	4,187,256	79,685	78,146
Unit trusts	478,003	159,380	201,260	29,775
Outside Malaysia:				
Shares, warrants, mutual funds and loan stocks	285,720	565,518	116	233
Unit trusts	457,683	385,869	237,644	210,138
Corporate Bonds and Sukuk	1,207,422	1,136,926	-	-
Government Bonds	707,185	104,193	-	-
Government Treasury Bills	668,020	51,310	-	-
	<u>8,766,663</u>	<u>6,590,452</u>	<u>518,705</u>	<u>318,292</u>
Unquoted securities:				
In Malaysia:				
Shares	931,054	816,618	682,508	622,176
Unit trusts	1,928	268	-	-
Corporate Bonds and Sukuk	757,346	564,653	298,648	97,197
Structured deposits	87,737	175,602	-	-
Outside Malaysia:				
Shares	764	1,006	-	-
Mutual funds	16,517	2,279	-	-
Corporate Bonds and Sukuk	3,750,966	1,689,631	4,283,095	2,245,823
Government Bonds	649,118	2,722,015	649,118	2,722,015
	<u>6,195,430</u>	<u>5,972,072</u>	<u>5,913,369</u>	<u>5,687,211</u>
Total financial investments at fair value through profit or loss	<u>27,179,846</u>	<u>20,370,865</u>	<u>18,189,480</u>	<u>12,912,823</u>

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A10. Financial Investments Portfolio (cont'd.)

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

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	13,448,869	11,006,987	13,249,223	10,794,195
Malaysian Government Investment Issues	23,197,246	24,211,583	9,164,855	11,653,233
Negotiable instruments of deposits	150,337	1,682,836	150,337	484,703
Foreign Government Securities	13,088,016	7,872,991	4,535,913	3,830,465
Foreign Government Treasury Bills	16,939,946	16,891,126	4,014,112	3,942,737
Khazanah Bonds	353,303	1,761,446	324,271	1,761,446
Cagamas Bonds	358,627	723,459	358,627	723,459
Bankers' acceptances and Islamic accepted bills	-	139,392	-	139,392
	67,536,344	64,289,820	31,797,338	33,329,630
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	6,992	7,869	17,836	18,435
Outside Malaysia:				
Shares, warrants and loan stocks	33	1,298	-	-
Corporate Bonds and Sukuk	2,762,299	1,286,663	-	-
Government Bonds	730,155	349,126	-	-
	3,499,479	1,644,956	17,836	18,435
Unquoted securities:				
In Malaysia:				
Shares and loan stocks	336,378	275,668	322,417	259,949
Government Bonds	378,606	109,143	336,714	65,769
Corporate Bonds and Sukuk	23,992,461	27,279,593	15,552,830	19,477,370
Outside Malaysia:				
Shares	2,444	3,735	-	-
Government Bonds	14,660,955	15,999,809	14,524,455	15,899,116
Corporate Bonds and Sukuk	17,096,014	13,748,809	12,982,203	11,748,431
	56,466,858	57,416,757	43,718,619	47,450,635
Total financial investments at fair value through other comprehensive income	127,502,681	123,351,533	75,533,793	80,798,700

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A10. Financial Investments Portfolio (cont'd.)

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

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	23,070	540	118,727	142,337
Transferred to Stage 2	(337)	337	-	-
Net remeasurement of allowances	4,181	965	(534)	4,612
New financial assets originated or purchased	20,856	-	-	20,856
Financial assets derecognised	(10,968)	(81)	(3,357)	(14,406)
Changes in models/risk parameters	(267)	(43)	(659)	(969)
Amount written-off	-	-	(6,942)	(6,942)
Exchange differences	(1,716)	-	46	(1,670)
At 31 December 2020	34,819	1,718	107,281	143,818
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	28,066	1,579	183,330	212,975
Transferred to Stage 1	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)
At 31 December 2019	23,070	540	118,727	142,337

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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.):

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Bank				
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	13,472	400	81,877	95,749
Transferred to Stage 2	(58)	58	-	-
Net remeasurement of allowances	611	153	(534)	230
New financial assets originated or purchased	8,420	-	-	8,420
Financial assets derecognised	(5,470)	(73)	(3,345)	(8,888)
Changes in models/risk parameters	(351)	(43)	-	(394)
Amount written-off	-	-	(6,942)	(6,942)
Exchange differences	52	-	-	52
At 31 December 2020	<u>16,676</u>	<u>495</u>	<u>71,056</u>	<u>88,227</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Bank				
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000
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)
At 31 December 2019	<u>13,472</u>	<u>400</u>	<u>81,877</u>	<u>95,749</u>

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments at amortised cost

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Money market instruments:				
Malaysian Government Securities	8,664,711	6,594,595	8,664,609	6,594,491
Malaysian Government Investment Issues	11,456,207	6,695,792	6,867,868	4,852,735
Foreign Government Securities	1,068,622	1,199,287	-	-
Khazanah Bonds	1,073,781	135,277	141,493	135,277
Cagamas Bonds	50,259	50,259	50,259	50,259
	22,313,580	14,675,210	15,724,229	11,632,762
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	20,912,781	15,913,839	20,327,704	18,552,529
Outside Malaysia:				
Corporate Bonds and Sukuk	2,925,090	2,745,710	3,965,708	2,478,746
Government Bonds	872,817	1,594,357	114,756	36,304
	24,710,688	20,253,906	24,408,168	21,067,579
Accumulated impairment losses	(548,352)	(144,640)	(275,414)	(125,423)
Total financial investments at amortised cost	46,475,916	34,784,476	39,856,983	32,574,918

(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	
As at 31 December 2020				RM'000
At 1 January 2020	29,061	23,961	91,618	144,640
Transferred to Stage 2	(2,824)	2,824	-	-
Net remeasurement of allowances	19,012	368,573	4,113	391,698
New financial assets originated or purchased	19,667	-	-	19,667
Financial assets derecognised	(7,371)	(103)	-	(7,474)
Changes in models/risk parameters	67	(133)	-	(66)
Exchange differences	(34)	(79)	-	(113)
At 31 December 2020	57,578	395,043	95,731	548,352

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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)
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 31 December 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	(945)	945	-	-
Net remeasurement of allowances	2,226	139,154	4,113	145,493
New financial assets originated or purchased	8,308	-	-	8,308
Financial assets derecognised	(3,461)	(103)	-	(3,564)
Changes in models/risk parameters	(6)	(133)	-	(139)
Exchange differences	(23)	(84)	-	(107)
At 31 December 2020	16,077	163,606	95,731	275,414

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
At 31 December 2019	9,978	23,827	91,618	125,423

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A11. Loans, Advances and Financing

	Note	Group		Bank	
		31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Loans, advances and financing to financial institutions	(i)	899,986	1,128,618	30,042,986	19,400,239
Loans, advances and financing to customers	(ii)	511,310,107	512,291,092	199,881,476	207,188,981
		512,210,093	513,419,710	229,924,462	226,589,220
(i) Loans, advances and financing to financial institutions[^]:					
Gross loans, advances and financing to financial institutions at amortised cost		906,576	1,140,538	30,490,995	19,665,356
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(6,223)	(11,920)	(21,722)	(18,657)
- Stage 2 - Lifetime ECL not credit impaired		(367)	-	(17,223)	(5,530)
- Stage 3 - Lifetime ECL credit impaired		-	-	(409,064)	(240,930)
Net loans, advances and financing to financial institutions		899,986	1,128,618	30,042,986	19,400,239
(ii) Loans, advances and financing to customers:					
(A) Loans, advances and financing to customers at fair value through profit or loss		170,712	401,703	170,712	401,703
(B) Loans, advances and financing to customers at fair value through other comprehensive income		16,031,857	11,821,285	13,290,590	11,380,901
(C) Loans, advances and financing to customers at amortised cost		593,837,430	601,389,303	193,755,229	202,771,305
		610,039,999	613,612,291	207,216,531	214,553,909
Unearned interest and income		(87,222,999)	(91,265,351)	(1,139,318)	(1,559,752)
Gross loans, advances and financing to customers		522,817,000	522,346,940	206,077,213	212,994,157
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(1,994,831)	(1,423,097)	(856,954)	(507,155)
- Stage 2 - Lifetime ECL not credit impaired		(3,376,730)	(1,865,171)	(1,705,204)	(869,858)
- Stage 3 - Lifetime ECL credit impaired		(6,135,332)	(6,767,580)	(3,633,579)	(4,428,163)
Net loans, advances and financing to customers		511,310,107	512,291,092	199,881,476	207,188,981
Net loans, advances and financing	(i) & (ii)	512,210,093	513,419,710	229,924,462	226,589,220

[^] Included in the Bank's loans/financing to financial institutions is financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, under a government financing scheme as part of the government support measures in response to COVID-19 pandemic for the purpose of SME lending amounting to RM945.9 million, and under the Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM28,997.4 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	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
(iii) Loans, advances and financing to financial institutions and customers				
Loans/financing to financial institutions	906,576	1,140,538	30,490,995	19,665,356
Overdrafts/cashline	19,065,309	21,524,681	7,481,675	8,068,447
Term loans:				
- Housing loans/financing	174,145,515	165,058,688	43,022,417	39,773,201
- Syndicated loans/financing	50,214,403	52,154,119	40,563,771	41,710,800
- Hire purchase receivables	75,607,626	77,170,795	13,009,452	14,770,104
- Lease receivables	521,253	445,288	-	-
- Other loans/financing	207,218,162	206,219,952	61,901,874	63,244,663
Credit card receivables	8,664,565	9,703,036	5,652,016	6,338,893
Bills receivables	2,718,711	3,312,082	2,189,748	2,470,458
Trust receipts	2,716,310	4,527,077	2,189,538	3,477,743
Claims on customers under acceptance credits	9,302,357	11,086,391	4,259,393	5,294,619
Revolving credits	49,360,283	52,824,052	24,244,977	26,897,897
Share margin financing	5,960,978	5,919,340	2,135,038	1,981,958
Staff loans	3,721,072	3,516,628	565,441	523,526
Loans to:				
- Directors of the Bank	4,489	8,154	1,120	1,399
- Directors of subsidiaries	5,954	3,795	69	170
Others	813,012	138,213	2	31
	610,946,575	614,752,829	237,707,526	234,219,265
Unearned interest and income	(87,222,999)	(91,265,351)	(1,139,318)	(1,559,752)
Gross loans, advances and financing	523,723,576	523,487,478	236,568,208	232,659,513
Allowances for loans, advances and financing:				
- Stage 1 - 12-month ECL	(2,001,054)	(1,435,017)	(878,676)	(525,812)
- Stage 2 - Lifetime ECL not credit impaired	(3,377,097)	(1,865,171)	(1,722,427)	(875,388)
- Stage 3 - Lifetime ECL credit impaired	(6,135,332)	(6,767,580)	(4,042,643)	(4,669,093)
Net loans, advances and financing	512,210,093	513,419,710	229,924,462	226,589,220
(iv) Loans, advances and financing analysed by type of customers are as follows:				
	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Domestic banking institutions	901,894	1,139,626	30,490,995	19,669,557
Domestic non-banking financial institutions	18,364,255	21,893,187	13,654,089	14,657,649
Domestic business enterprises:				
- Small and medium enterprises	61,403,405	54,841,634	25,363,794	24,496,469
- Others	116,540,316	133,017,413	64,623,343	73,796,567
Government and statutory bodies	16,260,952	14,381,320	116,564	128,131
Individuals	262,645,679	250,614,985	66,284,495	64,254,229
Other domestic entities	11,961,524	12,719,297	2,778,440	3,125,275
Foreign entities	35,645,551	34,880,016	33,256,488	32,531,636
Gross loans, advances and financing	523,723,576	523,487,478	236,568,208	232,659,513

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

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

	Group		Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Malaysia	326,828,279	316,953,176	152,682,615	143,871,310
Singapore	122,904,956	125,228,021	52,187,746	56,076,155
Indonesia	31,151,046	37,688,031	-	-
Labuan Offshore	14,486,857	14,842,983	14,486,857	14,842,983
Hong Kong SAR	11,673,338	10,027,775	10,698,916	9,767,276
United States of America	810,455	1,291,202	809,890	1,290,625
People's Republic of China	2,943,282	4,055,036	2,943,282	4,055,036
Vietnam	1,257,994	1,218,454	921,657	908,484
United Kingdom	1,033,429	940,422	1,033,429	940,376
Brunei	533,429	583,433	533,429	583,433
Cambodia	3,138,433	2,826,629	-	-
Philippines	5,153,819	5,903,119	-	-
Thailand	1,537,872	1,605,362	-	-
Laos	68,927	82,097	68,927	82,097
Myanmar	201,460	241,738	201,460	241,738
Gross loans, advances and financing	523,723,576	523,487,478	236,568,208	232,659,513

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

	Group		Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	21,686,920	17,282,242	439,894	404,442
- Hire purchase receivables	58,098,807	67,528,995	11,043,302	13,146,631
- Other fixed rate loans/financing	68,698,013	62,192,300	51,067,697	43,602,330
Variable rate:				
- Base lending/financing rate/ base rate plus	206,192,623	207,219,598	75,789,317	77,368,532
- Cost plus	57,502,327	61,639,026	43,262,247	46,888,315
- Other variable rates	111,544,886	107,625,317	54,965,751	51,249,263
Gross loans, advances and financing	523,723,576	523,487,478	236,568,208	232,659,513

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

	Group		Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	36,337,689	35,999,387	7,199,018	7,572,559
Purchase of transport vehicles	68,521,829	68,239,626	10,932,965	11,861,216
Purchase of landed properties:				
- Residential	134,192,016	122,875,200	41,585,622	38,615,665
- Non-residential	40,258,823	40,553,322	17,448,919	18,604,350
Purchase of fixed assets (excluding landed properties)	3,522,105	4,163,699	2,838,799	3,524,042
Personal use	11,533,431	10,889,877	4,476,932	4,453,122
Credit card	8,701,661	9,745,404	5,654,347	6,339,202
Purchase of consumer durables	9,715	9,893	9,369	9,667
Constructions	16,482,318	17,381,155	9,061,197	10,356,794
Mergers and acquisitions	1,467,097	1,676,999	1,460,384	1,650,184
Working capital	163,786,319	168,019,588	105,602,857	95,481,470
Others	38,910,573	43,933,328	30,297,799	34,191,242
Gross loans, advances and financing	523,723,576	523,487,478	236,568,208	232,659,513

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

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

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Within one year	115,325,443	128,277,526	67,488,355	69,137,959
One year to three years	55,128,115	62,079,218	40,521,401	46,877,075
Three years to five years	52,964,359	55,292,098	24,256,065	29,273,506
After five years	300,305,659	277,838,636	104,302,387	87,370,973
Gross loans, advances and financing	523,723,576	523,487,478	236,568,208	232,659,513

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

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 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 year	3,899,391	5,994,345	1,398,869	3,386,932
Reclassified as non-impaired	(1,126,502)	(1,113,466)	(330,357)	(616,982)
Amount recovered	(1,766,812)	(2,090,434)	(760,065)	(1,529,147)
Amount written-off	(3,485,303)	(1,917,090)	(2,311,501)	(848,945)
Exchange differences	295,781	498,160	298,157	378,348
Gross impaired loans at 31 December	11,674,491	13,857,936	7,120,298	8,825,195
Less: Stage 3 - Lifetime ECL credit impaired	(6,208,777)	(7,184,821)	(4,116,088)	(5,086,334)
Net impaired loans at 31 December	5,465,714	6,673,115	3,004,210	3,738,861

Calculation of ratio of net impaired loans:

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Gross impaired loans at 31 December (excluding financing funded by Investment Account*)	11,586,572	13,733,600	7,120,298	8,825,195
Less: Stage 3 - Lifetime ECL credit impaired	(6,208,777)	(7,184,821)	(4,116,088)	(5,086,334)
Net impaired loans	5,377,795	6,548,779	3,004,210	3,738,861
Gross loans, advances and financing	523,723,576	523,487,478	236,568,208	232,659,513
Less: Funded by Investment Account*	(23,840,796)	(20,737,670)	-	-
Less: Allowances for impaired loans, advances and financing at fair value through other comprehensive income and at amortised cost	(12,404,277)	(10,714,146)	(7,530,386)	(6,713,770)
Net loans, advances and financing	487,478,503	492,035,662	229,037,822	225,945,743
Ratio of net impaired loans	1.10%	1.33%	1.31%	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	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Purchase of securities	144,436	171,743	16,428	112,956
Purchase of transport vehicles	543,608	435,278	94,880	95,373
Purchase of landed properties:				
- Residential	1,178,937	998,683	375,072	328,128
- Non-residential	515,602	555,679	214,484	235,716
Purchase of fixed assets (excluding landed properties)	1,427,124	1,766,064	1,413,945	1,708,703
Personal use	257,705	235,194	162,320	148,998
Credit card	65,846	73,700	24,064	33,377
Purchase of consumer durables	6,659	6,444	6,657	6,441
Constructions	950,179	1,789,711	859,978	1,486,400
Working capital	5,606,863	5,968,016	3,220,169	3,046,550
Others	977,532	1,857,424	732,301	1,622,553
Gross impaired loans, advances and financing	11,674,491	13,857,936	7,120,298	8,825,195

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

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Malaysia	5,063,672	6,242,161	3,191,060	3,713,462
Singapore	3,834,761	4,802,502	3,258,461	4,246,554
Indonesia	1,567,942	1,678,934	-	-
Labuan Offshore	70,755	201,848	70,755	201,848
Hong Kong SAR	132,863	69,016	124,744	60,782
United States of America	209,065	217,606	208,498	217,030
People's Republic of China	162,307	257,080	162,307	257,080
Vietnam	39,781	57,195	39,193	56,016
Brunei	64,419	70,067	64,419	70,067
Cambodia	67,493	59,753	-	-
Philippines	416,341	163,996	-	-
Thailand	34,487	35,422	-	-
Laos	861	2,356	861	2,356
Others	9,744	-	-	-
Gross impaired loans, advances and financing	11,674,491	13,857,936	7,120,298	8,825,195

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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 31 December 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	-	-
Net remeasurement of allowances	(640)	318,891	366,674	684,925
New financial assets originated or purchased	30,411	259,336	-	289,747
Financial assets derecognised	(15,259)	(3,792)	(243,679)	(262,730)
Changes in models/risk parameters	1,833	116	-	1,949
Amount written-off	-	-	(466,034)	(466,034)
Exchange differences	(799)	(1,885)	(757)	(3,441)
At 31 December 2020	40,781	776,568	73,445	890,794

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	29,184	199,953	417,241	646,378

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 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	-	-
Net remeasurement of allowances	(640)	318,891	366,674	684,925
New financial assets originated or purchased	29,375	259,336	-	288,711
Financial assets derecognised	(15,259)	(3,792)	(243,679)	(262,730)
Changes in models/risk parameters	1,732	-	-	1,732
Amount written-off	-	-	(466,034)	(466,034)
Exchange differences	(799)	(1,885)	(757)	(3,441)
At 31 December 2020	39,122	774,073	73,445	886,640

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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	
Bank				
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000
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	
Group				
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	1,435,017	1,865,171	6,767,580	10,067,768
Transferred to Stage 1	449,149	(415,653)	(33,496)	-
Transferred to Stage 2	(78,599)	321,206	(242,607)	-
Transferred to Stage 3	(12,437)	(328,277)	340,714	-
Net remeasurement of allowances	177,035	1,915,961	3,429,617	5,522,613
New financial assets originated or purchased	590,062	432,554	-	1,022,616
Financial assets derecognised	(404,938)	(418,549)	(1,010,020)	(1,833,507)
Changes in models/risk parameters	(144,167)	37,124	3,980	(103,063)
Amount related to RPSIA	-	-	(48,424)	(48,424)
Amount written-off	-	-	(3,019,269)	(3,019,269)
Exchange differences	(10,068)	(32,440)	(52,743)	(95,251)
At 31 December 2020	<u>2,001,054</u>	<u>3,377,097</u>	<u>6,135,332</u>	<u>11,513,483</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.)

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	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)
At 31 December 2019	1,435,017	1,865,171	6,767,580	10,067,768

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	525,812	875,388	4,669,093	6,070,293
Transferred to Stage 1	166,049	(156,329)	(9,720)	-
Transferred to Stage 2	(38,511)	74,309	(35,798)	-
Transferred to Stage 3	(8,007)	(183,947)	191,954	-
Net remeasurement of allowances	186,733	1,143,203	1,831,599	3,161,535
New financial assets originated or purchased	320,032	222,242	-	542,274
Financial assets derecognised	(238,886)	(233,783)	(764,113)	(1,236,782)
Changes in models/risk parameters	(27,043)	8,211	-	(18,832)
Amount written-off	-	-	(1,845,467)	(1,845,467)
Exchange differences	(7,503)	(26,867)	5,095	(29,275)
At 31 December 2020	878,676	1,722,427	4,042,643	6,643,746

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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	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	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	
		31 December 2020	31 December 2019
		RM'000	RM'000
Reinsurance/retakaful assets	(i)	5,045,832	3,550,665
Other insurance receivables	(ii)	732,749	681,424
		<u>5,778,581</u>	<u>4,232,089</u>

(i) Reinsurance/retakaful assets	Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
Reinsurers' share of:	4,590,468	3,187,733
Life insurance contract liabilities	480,310	74,534
General insurance contract liabilities	4,110,158	3,113,199
Retakaful operators' share of:	474,578	374,767
Family takaful certificate liabilities	162,130	135,692
General takaful certificate liabilities	312,448	239,075
Allowances for impairment losses	(19,214)	(11,835)
	<u>5,045,832</u>	<u>3,550,665</u>

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

	Group	
	31 December 2020	31 December 2019
	RM'000	RM'000
(ii) Other insurance receivables		
Due premium including agents/brokers and co-insurers balances	639,008	421,774
Due from reinsurers and cedants/retakaful operators	131,640	290,566
	<u>770,648</u>	<u>712,340</u>
Allowances for impairment losses	(iii) (37,899)	(30,916)
	<u>732,749</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 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	42,751	-	-	42,751
Net remeasurement of allowances	13,108	-	-	13,108
Exchange differences	1,254	-	-	1,254
At 31 December 2020	<u>57,113</u>	<u>-</u>	<u>-</u>	<u>57,113</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	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Other debtors, net of allowances for impairment losses	5,631,409	5,614,028	3,928,749	4,641,193
Amount due from brokers and clients	2,943,008	2,010,123	-	-
Prepayments and deposits	1,167,957	1,401,622	159,353	259,144
Tax recoverable	148,569	161,322	-	13,441
Foreclosed properties	345,931	291,989	28,500	29,412
	10,236,874	9,479,084	4,116,602	4,943,190

A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	236,489,723	272,334,535	119,594,928	122,285,418
- More than one year	16,387,002	8,242,827	1,224,903	2,159,609
	252,876,725	280,577,362	120,819,831	124,445,027
Money market deposits	73,678,562	76,453,978	12,355,003	20,769,412
Savings deposits	92,157,487	78,030,371	33,763,701	28,119,100
Demand deposits	137,636,598	109,469,201	83,086,800	69,424,078
	556,349,372	544,530,912	250,025,335	242,757,617

(ii) By type of customer

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Business enterprises	232,438,733	230,436,071	134,459,714	136,645,520
Individuals	231,305,676	221,452,568	84,669,685	76,658,858
Government and statutory bodies	46,151,797	44,022,847	12,831,965	13,425,698
Others	46,453,166	48,619,426	18,063,971	16,027,541
	556,349,372	544,530,912	250,025,335	242,757,617

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

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Within six months	186,092,752	215,576,704	98,146,714	102,260,693
Six months to one year	50,396,971	56,757,831	21,448,214	20,024,725
One year to three years	15,839,042	7,729,734	1,163,363	2,105,839
Three years to five years	547,960	513,093	61,540	53,770
	252,876,725	280,577,362	120,819,831	124,445,027

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A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Licensed banks	32,147,684	38,758,617	30,935,440	48,975,323
Licensed finance companies	603,389	142,861	603,389	142,861
Licensed investment banks	986,576	482,606	986,576	482,606
Other financial institutions	4,141,217	4,173,125	2,194,710	1,753,745
	37,878,866	43,557,209	34,720,115	51,354,535

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

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
One year or less	33,194,515	41,112,765	33,968,995	50,593,909
More than one year	4,684,351	2,444,444	751,120	760,626
	37,878,866	43,557,209	34,720,115	51,354,535

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

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Structured deposits	-	22,772	-	22,772
Borrowings				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	10,161,921	6,447,653	10,161,921	6,447,653
- RM	-	60,328	-	60,328
	10,161,921	6,507,981	10,161,921	6,507,981
Total financial liabilities at fair value through profit or loss	10,161,921	6,530,753	10,161,921	6,530,753

The carrying amounts of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 31 December 2020 were RM10,451,802,000 (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	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
(i) Borrowings				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- SGD	-	237,799	-	-
- IDR	14,296	1,253,572	-	-
- VND	-	3,530	-	-
	<u>14,296</u>	<u>1,494,901</u>	<u>-</u>	<u>-</u>
- More than one year				
Denominated in:				
- IDR	2,062,856	1,996,482	-	-
	<u>2,062,856</u>	<u>1,996,482</u>	<u>-</u>	<u>-</u>
Total secured borrowings	<u>2,077,152</u>	<u>3,491,383</u>	<u>-</u>	<u>-</u>
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	5,884,816	5,453,711	5,840,621	5,383,508
- SGD	1,020,472	1,427,935	1,020,472	-
- THB	1,425,133	1,324,965	-	-
- HKD	176,184	210,108	176,184	105,159
- IDR	44,959	867,424	-	-
- VND	-	50	-	-
- AUD	773,724	-	773,724	-
- RM	2,830,790	1,638,130	2,830,790	1,638,130
	<u>12,156,078</u>	<u>10,922,323</u>	<u>10,641,791</u>	<u>7,126,797</u>
- More than one year				
Denominated in:				
- USD	1,467,065	4,625,605	764,815	3,909,789
- IDR	668,135	690,235	-	-
- JPY	1,145	1,430	-	-
- RM (Note (a))	1,614,483	-	1,614,483	-
	<u>3,750,828</u>	<u>5,317,270</u>	<u>2,379,298</u>	<u>3,909,789</u>

Note (a): Included in the borrowings is the amount received by the Group and the Bank under government financing scheme as part of the government support measure in response amounting to COVID-19 pandemic of RM1,564,483,000 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	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
(i) Borrowings (cont'd.)				
Unsecured (cont'd.)				
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- USD	80,865	806,826	80,865	806,826
- HKD	931,825	1,565,984	931,825	1,565,984
- SGD	686	686	686	686
- JPY	-	1,232,594	-	1,232,594
- CNH	17,588	547,362	17,588	547,362
- CHF	452,172	39	452,172	39
- CNY	8,621	1,201,217	8,621	1,201,217
- RM	750	42,320	750	42,320
	<u>1,492,507</u>	<u>5,397,028</u>	<u>1,492,507</u>	<u>5,397,028</u>
- More than one year				
Denominated in:				
- USD	8,629,473	8,375,338	8,629,473	8,375,338
- HKD	2,190,257	2,543,543	2,190,257	2,543,543
- JPY	5,827,903	3,344,937	5,827,903	3,344,937
- AUD	420,279	390,326	420,279	390,326
- CNH	939,057	547,975	939,057	547,975
- CHF	-	422,386	-	422,386
- CNY	613,690	586,906	613,690	586,906
	<u>18,620,659</u>	<u>16,211,411</u>	<u>18,620,659</u>	<u>16,211,411</u>
Total unsecured borrowings	<u>36,020,072</u>	<u>37,848,032</u>	<u>33,134,255</u>	<u>32,645,025</u>
Total borrowings	<u>38,097,224</u>	<u>41,339,415</u>	<u>33,134,255</u>	<u>32,645,025</u>
	Group	Group	Bank	Bank
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
(ii) Subordinated Obligations				
Unsecured				
- More than one year				
Denominated in:				
- RM	6,787,309	7,097,715	6,787,309	7,097,715
- USD	2,021,330	2,059,101	2,021,330	2,059,101
- IDR	159,192	164,309	-	-
	<u>8,967,831</u>	<u>9,321,125</u>	<u>8,808,639</u>	<u>9,156,816</u>

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

	Group		Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
(iii) Capital Securities				
Unsecured				
- More than one year				
Denominated in:				
- RM	<u>2,827,793</u>	2,827,123	<u>2,827,793</u>	2,827,123
	<u>2,827,793</u>	<u>2,827,123</u>	<u>2,827,793</u>	<u>2,827,123</u>

A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables

Group	Note	31 December 2020 RM'000	31 December 2019 RM'000
Insurance/takaful contract liabilities	(i)	36,830,150	30,218,443
Other insurance payables	(ii)	864,615	667,187
		<u>37,694,765</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
At 31 December 2020			
Life insurance/family takaful	29,529,240	(642,440)	28,886,800
General insurance/general takaful	7,300,910	(4,403,392)	2,897,518
	<u>36,830,150</u>	<u>(5,045,832)</u>	<u>31,784,318</u>
At 31 December 2019			
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

	31 December 2020 RM'000	31 December 2019 RM'000
Due to agents and intermediaries	218,840	174,645
Due to reinsurers and cedants	604,582	447,301
Due to retakaful operators	41,193	45,241
	<u>864,615</u>	<u>667,187</u>

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A19. Other Liabilities

	Note	Group		Bank	
		31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Amount due to brokers and clients		4,918,837	4,231,486	-	-
Deposits, other creditors and accruals		11,214,207	8,642,439	6,895,028	6,601,312
Defined benefit pension plans		542,947	521,985	-	-
Provisions for commitments and contingencies		75,798	27,880	27,880	27,880
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i)	247,147	678,232	164,194	618,048
Lease liabilities		1,178,902	1,461,498	410,438	410,156
Structured deposits		2,850,077	6,006,007	312,527	295,012
		21,027,915	21,569,527	7,810,067	7,952,408

(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	
As at 31 December 2020				RM'000
At 1 January 2020	92,086	108,132	478,014	678,232
Transferred to Stage 1	11,741	(11,520)	(221)	-
Transferred to Stage 2	(7,727)	7,989	(262)	-
Transferred to Stage 3	(133)	(287)	420	-
Net remeasurement of allowances	(9,304)	(39,803)	(88,402)	(137,509)
New credit exposures originated or purchased	42,500	15,675	-	58,175
Financial assets derecognised	(31,246)	(19,931)	(301,212)	(352,389)
Changes in models/risk parameters	(738)	1,043	13	318
Exchange differences	(49)	(76)	445	320
At 31 December 2020	97,130	61,222	88,795	247,147
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 credit exposures 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	92,086	108,132	478,014	678,232

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A19. Other Liabilities (cont'd.)

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Bank				
As at 31 December 2020				RM'000
At 1 January 2020	48,324	99,999	469,725	618,048
Transferred to Stage 1	1,456	(1,456)	-	-
Transferred to Stage 2	(673)	820	(147)	-
Transferred to Stage 3	(46)	(13)	59	-
Net remeasurement of allowances	(8,292)	(59,070)	(93,006)	(160,368)
New credit exposures originated or purchased	19,966	9,219	-	29,185
Financial assets derecognised	(18,903)	(12,689)	(292,563)	(324,155)
Changes in models/risk parameters	86	545	-	631
Exchange differences	527	(255)	581	853
At 31 December 2020	42,445	37,100	84,649	164,194
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
Bank				
As at 31 December 2019				RM'000
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 credit exposures 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	48,324	99,999	469,725	618,048

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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
At 1 January 2020	14,244	(2,712)	21,141	(366,322)	(333,649)
Other comprehensive (loss)/income	(2,152)	-	6,928	16,072	20,848
Defined benefit plan actuarial gain	-	-	6,928	-	6,928
Net gain on net investment hedge	-	-	-	2,922	2,922
Cost of hedging for fair value hedge	-	-	-	13,150	13,150
Net loss on capital reserve	(2,152)	-	-	-	(2,152)
Total comprehensive (loss)/income for the financial year	(2,152)	-	6,928	16,072	20,848
At 31 December 2020	12,092	(2,712)	28,069	(350,250)	(312,801)

<===== 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
At 1 January 2019	13,557	(2,712)	16,503	(367,100)	(339,752)
Other comprehensive income	687	-	4,638	778	6,103
Defined benefit plan actuarial gain	-	-	4,638	-	4,638
Net gain on net investment hedge	-	-	-	1,556	1,556
Net loss on cash flow hedge	-	-	-	(433)	(433)
Cost of hedging for fair value hedge	-	-	-	(345)	(345)
Net gain on capital reserve	687	-	-	-	687
Total comprehensive income for the financial year	687	-	4,638	778	6,103
At 31 December 2019	14,244	(2,712)	21,141	(366,322)	(333,649)

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A21. Interest Income

Group	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2020 RM'000	31 December 2019 RM'000	Cumulative 12 Months Ended 31 December 2020 RM'000	31 December 2019 RM'000
Loans, advances and financing (Note (a))	2,999,732	4,273,675	13,601,081	17,476,614
Money at call and deposits and placements with financial institutions	73,365	180,168	439,373	779,954
Financial assets purchased under resale agreements	54,284	76,186	258,263	199,153
Financial assets at FVTPL	265,842	278,810	1,090,594	1,098,729
Financial investments at fair value through other comprehensive income	695,173	838,837	2,831,750	3,451,771
Financial investments at amortised cost	325,219	265,198	1,198,124	974,453
	4,413,615	5,912,874	19,419,185	23,980,674
(Amortisation of premiums)/accretion of discounts, net	(43,245)	25,793	(68,421)	150,347
	4,370,370	5,938,667	19,350,764	24,131,021

Bank	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2020 RM'000	31 December 2019 RM'000	Cumulative 12 Months Ended 31 December 2020 RM'000	31 December 2019 RM'000
Loans, advances and financing (Note (a))	1,900,326	2,596,928	8,410,182	10,618,598
Money at call and deposits and placements with financial institutions	71,070	218,483	465,048	1,064,615
Financial assets purchased under resale agreements	8,467	54,132	99,626	104,470
Financial assets at FVTPL	66,880	96,718	361,139	311,220
Financial investments at fair value through other comprehensive income	515,551	619,157	2,169,608	2,672,269
Financial investments at amortised cost	324,221	270,553	1,215,028	967,190
	2,886,515	3,855,971	12,720,631	15,738,362
Accretion of discounts, net	33,371	105,682	238,553	383,582
	2,919,886	3,961,653	12,959,184	16,121,944

Included in interest income for the 12 months financial year ended 31 December 2020 was interest on impaired assets amounting to approximately RM339,413,000 (31 December 2019: RM414,032,000) for the Group and RM242,627,000 (31 December 2019: RM290,158,000) for the Bank.

Note (a): Included the net effects under government support measures to assist borrowers and customers adversely impacted by COVID-19 amounting to RM74,240,000 for the Group and RM48,979,000 for the Bank.

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A22. Interest Expense

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	60,728	246,458	549,202	1,121,914
Deposits from customers	1,097,540	1,906,847	5,573,679	8,083,741
Loans sold to Cagamas	-	16,321	20,755	64,750
Obligations on financial assets sold under repurchase agreements	32,957	65,032	210,856	227,525
Borrowings	201,689	356,105	1,040,371	1,347,241
Subordinated notes	125,894	125,866	523,956	536,374
Subordinated bonds	-	-	-	5,535
Capital securities	29,159	29,214	116,005	184,560
Structured deposits	7,568	35,195	62,126	146,992
Financial liabilities at fair value through profit or loss	31,360	73,737	163,425	317,384
	1,586,895	2,854,775	8,260,375	12,036,016

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	63,236	292,628	644,718	1,323,778
Deposits from customers	556,506	1,115,667	3,039,755	4,868,513
Loans sold to Cagamas	-	16,321	20,755	64,750
Obligations on financial assets sold under repurchase agreements	38,021	112,112	275,118	348,876
Borrowings	123,573	215,456	632,303	783,486
Subordinated notes	93,582	105,162	408,272	440,834
Capital securities	29,159	29,214	116,005	184,560
Structured deposits	1,955	3,317	8,087	10,638
Financial liabilities at fair value through profit or loss	31,360	73,737	163,425	317,384
	937,392	1,963,614	5,308,438	8,342,819

A23. Net Earned Insurance Premiums

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	3,383,745	2,058,407	11,154,401	7,872,317
Premiums ceded to reinsurers	(600,972)	(297,248)	(1,695,545)	(1,111,699)
	2,782,773	1,761,159	9,458,856	6,760,618

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A24. Dividends from Subsidiaries and Associates

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Gross dividend income from:				
Subsidiaries	343,217	544,907	2,639,337	3,647,538
Associates	777	-	777	689
	343,994	544,907	2,640,114	3,648,227

A25. Other Operating Income

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	352,661	422,661	1,263,020	1,442,717
Service charges and fees	450,028	393,842	1,349,038	1,396,071
Underwriting fees	16,730	4,099	31,826	57,085
Brokerage income	126,651	79,442	493,009	309,037
Fees on loans, advances and financing	91,432	70,112	237,004	225,703
	1,037,502	970,156	3,373,897	3,430,613
(b) Investment income:				
Net (loss)/gain on disposal of financial assets at FVTPL	(28,893)	108,778	16,391	538,249
Net gain on disposal of financial investments at fair value through other comprehensive income	32,893	167,491	1,876,108	1,138,298
Net gain on redemption of financial investments at amortised cost	-	30	-	48
Net gain on disposal/change in structure of deemed controlled structured entities	3,128	67,700	3,128	67,700
Net loss on disposal of subsidiaries	(1)	(158,531)	(10,161)	(158,531)
Net gain on liquidation/disposal of interest in associates	-	-	-	1,163
	7,127	185,468	1,885,466	1,586,927
(c) Gross dividend income from:				
Financial investments portfolio	23,123	21,491	104,155	98,515
(d) Unrealised (loss)/gain on revaluation of:				
Financial assets designated upon initial recognition at FVTPL	(108,083)	(131,564)	282,533	978,010
Financial investments at FVTPL	595,652	144,510	483,350	404,153
Financial liabilities at FVTPL	52,135	447,252	94,503	(529,607)
Derivatives	(314,259)	45,476	1,013,953	145,715
Loans, advances and financing at FVTPL	1,480	(192)	479	(10,573)
	226,925	505,482	1,874,818	987,698
(e) Other income:				
Foreign exchange gain, net	283,712	168,317	455,171	732,581
Realised (loss)/gain on derivatives	(173,615)	(196,743)	(626,940)	354,500
Realised loss on financial liabilities at FVTPL	-	(283,118)	(87,217)	(283,118)
Rental income	9,951	10,369	30,547	37,147
Gain on disposal of property, plant and equipment	610	2,687	20,791	6,213
Gain on sale and leaseback transaction	-	1,540	-	1,540
(Loss)/gain on disposal of foreclosed properties	(8,639)	17,719	(14,162)	18,001
Fair value adjustments on investments properties	18,633	22,886	18,522	22,781
Others	76,832	44,569	264,154	283,600
	207,484	(211,774)	60,866	1,173,245
Total other operating income	1,502,161	1,470,823	7,299,202	7,276,998

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A25. Other Operating Income (cont'd.)

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Bank				
(a) Fee income:				
Commission	207,246	246,273	786,130	950,740
Service charges and fees	200,134	251,900	792,397	902,687
Underwriting fees	2,736	3,401	12,268	21,720
Fees on loans, advances and financing	84,881	48,297	154,757	127,162
	494,997	549,871	1,745,552	2,002,309
(b) Investment income:				
Net (loss)/gain on disposal of financial assets at FVTPL	(41,490)	53,423	134,605	259,162
Net gain on disposal of financial investments at fair value through other comprehensive income	26,285	155,638	1,517,671	1,056,482
Net gain on redemption of financial investments at amortised cost	-	30	-	48
Net (loss)/gain on disposal/change in structure of deemed controlled structured entities	(3,275)	10,438	(3,275)	7,751
Net loss on disposal of a subsidiary	-	(113,470)	-	(113,470)
Net loss on liquidation/disposal of interest in associates	-	-	-	(2,193)
	(18,480)	106,059	1,649,001	1,207,780
(c) Gross dividend income from: Financial investments portfolio	-	1,166	5,802	6,593
(d) Unrealised gain/(loss) on revaluation of:				
Financial investments at FVTPL	207,411	70,480	114,255	52,261
Financial liabilities at FVTPL	52,135	447,252	94,503	(529,607)
Derivatives	(253,659)	927	852,030	178,380
Loans, advances and financing at FVTPL	1,480	(192)	479	(10,573)
	7,367	518,467	1,061,267	(309,539)
(e) Other income:				
Foreign exchange gain, net	215,029	110,431	315,223	650,042
Realised (loss)/gain on derivatives	(16,630)	(73,654)	(639,467)	499,224
Realised loss on financial liabilities at FVTPL	-	(283,118)	(87,217)	(283,118)
Rental income	14,587	7,572	56,607	29,780
Gain on disposal of property, plant and equipment	61	1,776	17,279	2,203
Gain on sale and leaseback transaction	-	1,540	-	1,540
Others	11,334	15,097	36,958	68,923
	224,381	(220,356)	(300,617)	968,594
Total other operating income	708,265	955,207	4,161,005	3,875,737

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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	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Gross benefits and claims paid	1,161,110	1,187,491	4,105,104	4,173,899
Claims ceded to reinsurers	(213,332)	(288,241)	(442,401)	(641,415)
Gross change to contract liabilities	2,023,005	510,871	6,760,466	3,727,700
Change in contract liabilities ceded to reinsurers	(592,584)	(79,350)	(1,565,281)	(335,004)
Net insurance benefits and claims incurred	2,378,199	1,330,771	8,857,888	6,925,180
Net fee and commission expenses	48,387	75,130	284,481	300,989
Change in expense liabilities	(2,124)	(2,939)	28,562	32,497
Taxation of life and takaful fund	4,420	5,424	49,872	112,652
Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	50,683	77,615	362,915	446,138
Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	2,428,882	1,408,386	9,220,803	7,371,318

A27. Overhead Expenses

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,195,870	1,163,129	4,999,856	5,008,059
Social security cost	10,407	11,149	43,999	44,627
Pension costs - defined contribution plan	144,082	135,094	594,817	596,328
ESGP expenses	24,260	15,731	80,775	43,290
Other staff related expenses	236,063	276,384	843,742	932,733
	1,610,682	1,601,487	6,563,189	6,625,037
(b) Establishment costs				
Depreciation of property, plant and equipment	80,737	77,604	311,984	297,231
Depreciation of right-of-use assets	113,140	96,364	450,736	389,273
Amortisation of intangible assets	73,704	66,041	286,899	252,423
Rental of leasehold land and premises	6,878	18,955	30,408	72,993
Repairs and maintenance of property, plant and equipment	46,377	39,603	173,040	174,570
Information technology expenses	163,302	205,525	563,795	604,387
Finance cost on lease liabilities	2,504	17,610	49,769	66,353
Others	6,844	13,197	25,826	48,502
	493,486	534,899	1,892,457	1,905,732
(c) Marketing expenses				
Advertisement and publicity	36,030	38,655	120,957	197,835
Others	69,782	108,782	254,129	398,878
	105,812	147,437	375,086	596,713

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A27. Overhead Expenses (cont'd.)

Group (cont'd.)	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
(d) Administration and general expenses				
Fees and brokerage	283,564	298,094	1,000,292	1,043,203
Administrative expenses	162,156	167,289	586,528	602,471
General expenses	200,040	210,866	787,740	769,669
Others	36,685	9,040	39,885	19,114
	682,445	685,289	2,414,445	2,434,457
Total overhead expenses	2,892,425	2,969,112	11,245,177	11,561,939
Cost to income ratio ("CIR")¹	45.8%	45.7%	45.4%	46.7%

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

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	656,859	635,517	2,567,911	2,592,327
Social security cost	5,449	5,466	22,141	22,487
Pension costs - defined contribution plan	98,149	90,194	382,915	388,039
ESGP expenses	13,260	9,793	42,627	25,762
Other staff related expenses	114,313	225,936	414,163	549,059
	888,030	966,906	3,429,757	3,577,674
(b) Establishment costs				
Depreciation of property, plant and equipment	24,572	26,654	101,097	116,073
Depreciation of right-of-use assets	26,929	27,290	113,197	108,371
Amortisation of intangible assets	14,039	13,271	56,520	49,533
Rental of leasehold land and premises	1,573	9,325	7,265	15,342
Repairs and maintenance of property, plant and equipment	23,325	19,016	77,125	89,586
Information technology expenses	261,573	263,105	891,927	833,131
Finance cost on lease liabilities	2,148	3,936	13,550	16,186
Others	1,258	802	3,332	3,127
	355,417	363,399	1,264,013	1,231,349
(c) Marketing expenses				
Advertisement and publicity	20,346	22,767	52,179	83,784
Others	25,549	60,147	110,688	232,006
	45,895	82,914	162,867	315,790
(d) Administration and general expenses				
Fees and brokerage	232,027	212,719	697,599	661,545
Administrative expenses	41,508	51,297	187,359	199,861
General expenses	88,341	89,494	280,497	272,403
Others	6,062	5,514	9,258	11,428
	367,938	359,024	1,174,713	1,145,237
(e) Overhead expenses allocated to subsidiaries, net	(315,548)	(289,025)	(1,247,162)	(1,249,465)
Total overhead expenses	1,341,732	1,483,218	4,784,188	5,020,585
Cost to income ratio ("CIR")²	44.2%	42.4%	33.1%	32.8%

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

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

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	330,229	(218,379)	235,549	(765,539)
- Stage 2 - Lifetime ECL not credit impaired, net	748,466	(234,919)	2,498,625	(259,009)
- Stage 3 - Lifetime ECL credit impaired, net	155,486	876,868	2,156,971	3,634,615
Bad debts and financing written-off	25,827	25,569	93,880	97,320
Bad debts and financing recovered	(168,177)	(107,254)	(397,700)	(430,120)
Allowances for impairment losses on other debts	1,459	(8,017)	11,256	10,223
	1,093,290	333,868	4,598,581	2,287,490

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	185,234	(119,800)	248,901	(295,560)
- Stage 2 - Lifetime ECL not credit impaired, net	340,270	3,401	1,652,313	(20,253)
- Stage 3 - Lifetime ECL credit impaired, net	(205,429)	616,881	804,912	2,311,494
Bad debts and financing written-off	16,971	17,339	65,844	58,698
Bad debts and financing recovered	(95,192)	(56,795)	(214,952)	(191,672)
Allowances for impairment losses on other debts	776	(1,557)	1,257	12,636
	242,630	459,469	2,558,275	1,875,343

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

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(2,704)	(5,208)	13,802	(4,490)
- Stage 2 - Lifetime ECL not credit impaired, net	(545)	(104)	841	(1,031)
- Stage 3 - Lifetime ECL credit impaired, net	(702)	(17,514)	(4,550)	(42,821)
Net	(3,951)	(22,826)	10,093	(48,342)
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	17,897	(5,340)	31,375	(3,678)
- Stage 2 - Lifetime ECL not credit impaired, net	346,082	(7,523)	368,337	(4,758)
- Stage 3 - Lifetime ECL credit impaired, net	8,524	(1,144)	4,113	36,378
Net	372,503	(14,007)	403,825	27,942
	368,552	(36,833)	413,918	(20,400)

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

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Bank	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(539)	(5,216)	3,210	(8,196)
- Stage 2 - Lifetime ECL not credit impaired, net	(1,218)	(145)	37	(923)
- Stage 3 - Lifetime ECL credit impaired, net	(89)	(57)	(3,879)	(28,990)
Net	<u>(1,846)</u>	<u>(5,418)</u>	<u>(632)</u>	<u>(38,109)</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	1,494	(3,500)	7,067	(5,481)
- Stage 2 - Lifetime ECL not credit impaired, net	120,159	(7,569)	138,918	(4,785)
- Stage 3 - Lifetime ECL credit impaired, net	8,524	(1,144)	4,113	36,378
Net	<u>130,177</u>	<u>(12,213)</u>	<u>150,098</u>	<u>26,112</u>
	<u>128,331</u>	<u>(17,631)</u>	<u>149,466</u>	<u>(11,997)</u>

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

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Group	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	715	(5,303)	(4,313)	(13,318)
Net	<u>715</u>	<u>(5,303)</u>	<u>(4,313)</u>	<u>(13,318)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	(29,286)	(18,085)	(21,503)	32,955
Net	<u>(29,286)</u>	<u>(18,085)</u>	<u>(21,503)</u>	<u>32,955</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	7,228	2,259	4,760	1,990
Net	<u>7,228</u>	<u>2,259</u>	<u>4,760</u>	<u>1,990</u>
Reinsurance/retakaful assets and other insurance receivables				
- Stage 1 - 12-month ECL, net	(192)	17,029	13,108	31,377
Net	<u>(192)</u>	<u>17,029</u>	<u>13,108</u>	<u>31,377</u>
Other assets				
- Stage 1 - 12-month ECL, net	(2,531)	592	(806)	1,087
- Stage 2 - Lifetime ECL not credit impaired	(24)	(40)	(13)	(71)
- Stage 3 - Lifetime ECL credit impaired	61,334	5,441	64,974	2,324
Net	<u>58,779</u>	<u>5,993</u>	<u>64,155</u>	<u>3,340</u>
Statutory deposit with central banks				
- Stage 1 - 12-month ECL, net	261	-	1,534	-
Net	<u>261</u>	<u>-</u>	<u>1,534</u>	<u>-</u>
	<u>37,505</u>	<u>1,893</u>	<u>57,741</u>	<u>56,344</u>

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

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
Bank				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	(41)	(6,505)	(5,808)	(12,228)
Net	<u>(41)</u>	<u>(6,505)</u>	<u>(5,808)</u>	<u>(12,228)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	(21,876)	(12,206)	(19,233)	18,590
Net	<u>(21,876)</u>	<u>(12,206)</u>	<u>(19,233)</u>	<u>18,590</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	1,295	27	1,279	(1,072)
Net	<u>1,295</u>	<u>27</u>	<u>1,279</u>	<u>(1,072)</u>
Other assets				
- Stage 3 - Lifetime ECL credit impaired	49,214	2,328	54,688	(1,515)
Net	<u>49,214</u>	<u>2,328</u>	<u>54,688</u>	<u>(1,515)</u>
	<u>28,592</u>	<u>(16,356)</u>	<u>30,926</u>	<u>3,775</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 businesses.

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		
Twelve Months Ended 31 December 2020								
Net interest income:								
- External	6,947,974	4,191,030	245,232	268	1,164,890	(1,459,005)	11,090,389	
- Inter-segment	-	-	(3,180)	2,024	95,511	(94,355)	-	
	<u>6,947,974</u>	<u>4,191,030</u>	<u>242,052</u>	<u>2,292</u>	<u>1,260,401</u>	<u>(1,553,360)</u>	<u>11,090,389</u>	
Net interest income	6,947,974	4,191,030	242,052	2,292	1,260,401	(1,553,360)	11,090,389	
Income from IBS operations	3,315,495	1,578,693	74,882	-	-	1,166,512	6,135,582	
Net earned insurance premiums	-	-	-	-	9,458,856	-	9,458,856	
Other operating income/(loss)	2,650,453	2,977,525	1,211,179	141,586	821,931	(503,472)	7,299,202	
Total operating income	<u>12,913,922</u>	<u>8,747,248</u>	<u>1,528,113</u>	<u>143,878</u>	<u>11,541,188</u>	<u>(890,320)</u>	<u>33,984,029</u>	
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(9,559,623)	338,820	(9,220,803)	
Net operating income	<u>12,913,922</u>	<u>8,747,248</u>	<u>1,528,113</u>	<u>143,878</u>	<u>1,981,565</u>	<u>(551,500)</u>	<u>24,763,226</u>	
Overhead expenses	<u>(7,260,028)</u>	<u>(1,900,132)</u>	<u>(1,010,557)</u>	<u>(110,163)</u>	<u>(964,297)</u>	<u>-</u>	<u>(11,245,177)</u>	
Operating profit/(loss) before impairment losses	5,653,894	6,847,116	517,556	33,715	1,017,268	(551,500)	13,518,049	
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(1,986,793)	(2,604,030)	(1,566)	-	(6,192)	-	(4,598,581)	
(Allowances for)/writeback of impairment losses on financial investments, net	(22)	(412,864)	255	-	(1,287)	-	(413,918)	
Allowances for impairment losses on other financial assets, net	(62)	(31,575)	(12,364)	(4)	(13,736)	-	(57,741)	
Operating profit/(loss)	<u>3,667,017</u>	<u>3,798,647</u>	<u>503,881</u>	<u>33,711</u>	<u>996,053</u>	<u>(551,500)</u>	<u>8,447,809</u>	
Share of profits in associates and joint ventures	-	209,305	(158)	-	-	-	209,147	
Profit/(loss) before taxation and zakat	<u>3,667,017</u>	<u>4,007,952</u>	<u>503,723</u>	<u>33,711</u>	<u>996,053</u>	<u>(551,500)</u>	<u>8,656,956</u>	
Taxation and zakat							<u>(1,937,877)</u>	
Profit after taxation and zakat							<u>6,719,079</u>	
Non-controlling interests							<u>(237,860)</u>	
Profit for the financial year attributable to equity holders of the Bank							<u>6,481,219</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			
Twelve Months Ended 31 December 2020 (cont'd.)								
Included in other operating income are:								
Fee income:								
Commission	1,169,210	114,001	35,190	45,259	-	(100,640)	1,263,020	
Service charges and fees	802,742	296,061	233,908	130,303	(1,855)	(112,121)	1,349,038	
Underwriting fees	-	12,268	19,558	-	-	-	31,826	
Brokerage income	-	-	493,009	-	-	-	493,009	
Fees on loans, advances and financing	69,356	168,479	1,794	-	-	(2,625)	237,004	
Fee income from IBS operations	326,415	100,129	55,159	-	-	(48,930)	432,773	
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(197,309)	(53,757)	(37,600)	(530)	(22,788)	-	(311,984)	
Depreciation of right-of-use assets	(267,666)	(101,574)	(55,216)	(2,561)	(23,719)	-	(450,736)	
Amortisation of intangible assets	(192,614)	(54,929)	(11,878)	(219)	(27,259)	-	(286,899)	

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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	
Twelve Months Ended 31 December 2019							
Net interest income:							
- External	7,441,383	4,313,893	258,952	(919)	1,259,549	(1,177,853)	12,095,005
- Inter-segment	-	-	150	1,919	27,281	(29,350)	-
	<u>7,441,383</u>	<u>4,313,893</u>	<u>259,102</u>	<u>1,000</u>	<u>1,286,830</u>	<u>(1,207,203)</u>	<u>12,095,005</u>
Net interest income	7,441,383	4,313,893	259,102	1,000	1,286,830	(1,207,203)	12,095,005
Income from IBS operations	3,309,089	1,281,411	71,377	-	-	1,317,700	5,979,577
Net earned insurance premiums	-	-	-	-	6,760,618	-	6,760,618
Other operating income/(loss)	3,041,799	2,746,026	813,936	124,346	1,559,305	(1,008,414)	7,276,998
Total operating income	<u>13,792,271</u>	<u>8,341,330</u>	<u>1,144,415</u>	<u>125,346</u>	<u>9,606,753</u>	<u>(897,917)</u>	<u>32,112,198</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(7,683,572)	312,254	(7,371,318)
Net operating income	<u>13,792,271</u>	<u>8,341,330</u>	<u>1,144,415</u>	<u>125,346</u>	<u>1,923,181</u>	<u>(585,663)</u>	<u>24,740,880</u>
Overhead expenses	(7,543,035)	(1,883,932)	(1,070,198)	(113,454)	(951,320)	-	(11,561,939)
Operating profit/(loss) before impairment losses	<u>6,249,236</u>	<u>6,457,398</u>	<u>74,217</u>	<u>11,892</u>	<u>971,861</u>	<u>(585,663)</u>	<u>13,178,941</u>
Writeback of/(allowances for) impairment losses on loans, advances, financing and other debts, net	215,562	(2,491,757)	(7,940)	2	(3,357)	-	(2,287,490)
Writeback of impairment losses on financial investments, net	716	2,372	17,317	(6)	1	-	20,400
(Allowances for)/writeback of impairment losses on other financial assets, net	(818)	(8,661)	(4,418)	4	(31,681)	(10,770)	(56,344)
Operating profit/(loss)	<u>6,464,696</u>	<u>3,959,352</u>	<u>79,176</u>	<u>11,892</u>	<u>936,824</u>	<u>(596,433)</u>	<u>10,855,507</u>
Share of profits in associates and joint ventures	-	156,900	1,473	-	-	-	158,373
Profit/(loss) before taxation and zakat	<u>6,464,696</u>	<u>4,116,252</u>	<u>80,649</u>	<u>11,892</u>	<u>936,824</u>	<u>(596,433)</u>	<u>11,013,880</u>
Taxation and zakat							(2,538,231)
Profit after taxation and zakat							<u>8,475,649</u>
Non-controlling interests							(277,575)
Profit for the financial period attributable to equity holders of the Bank							<u>8,198,074</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		
Twelve Months Ended 31 December 2019 (cont'd.)								
Included in other operating income are:								
Fee income:								
Commission	1,338,586	152,222	42,329	28,871	-	(119,291)	1,442,717	
Service charges and fees	910,460	345,589	214,564	86,911	(4,749)	(156,704)	1,396,071	
Underwriting fees	-	21,720	35,365	-	-	-	57,085	
Brokerage income	-	-	309,037	-	-	-	309,037	
Fees on loans, advances and financing	82,537	143,594	1,758	-	-	(2,186)	225,703	
Fee income from IBS operations	331,370	130,694	57,035	-	-	(52,301)	466,798	
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(183,994)	(48,145)	(46,797)	(823)	(17,472)	-	(297,231)	
Depreciation of right-of-use assets	(251,541)	(64,247)	(53,642)	(2,237)	(17,606)	-	(389,273)	
Amortisation of intangible assets	(164,814)	(48,376)	(15,822)	(387)	(23,024)	-	(252,423)	

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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 fourth quarter and 12 months financial year ended 31 December 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 31 December 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
<u>Contingent liabilities</u>						
Direct credit substitutes	10,940,746	9,408,679	6,667,779	11,651,981	10,549,467	6,180,568
Certain transaction-related contingent items	14,338,122	6,901,117	4,717,191	17,933,219	8,010,772	4,956,866
Short-term self-liquidating trade-related contingencies	2,788,743	715,672	419,682	2,963,469	614,984	378,984
	28,067,611	17,025,468	11,804,652	32,548,669	19,175,223	11,516,418
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	128,087,058	13,806,768	4,562,969	120,543,741	12,568,585	5,201,397
- Maturity exceeding one year	39,195,697	55,482,054	26,617,515	43,154,904	43,431,330	19,424,913
	167,282,755	69,288,822	31,180,484	163,698,645	55,999,915	24,626,310
Miscellaneous commitments and contingencies	5,728,133	986,226	371,132	8,965,841	836,389	88,766
Total credit-related commitments and contingencies	201,078,499	87,300,516	43,356,268	205,213,155	76,011,527	36,231,494
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	544,059,314	8,706,925	1,529,800	538,237,679	5,300,386	897,466
- One year to less than five years	30,742,568	2,619,230	1,315,007	31,495,367	1,856,999	930,782
- Five years and above	6,596,360	958,528	335,022	5,314,451	749,621	314,812
	581,398,242	12,284,683	3,179,829	575,047,497	7,907,006	2,143,060
Interest rate related contracts:						
- Less than one year	186,361,268	72,980	32,188	78,438,765	263,545	76,054
- One year to less than five years	221,399,527	1,504,867	852,397	256,963,893	1,737,197	1,026,458
- Five years and above	109,622,660	2,168,784	1,403,142	87,560,165	1,861,518	1,238,571
	517,383,455	3,746,631	2,287,727	422,962,823	3,862,260	2,341,083

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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 31 December 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
<u>Derivative financial instruments (cont'd.)</u>						
Equity and commodity related contracts:						
- Less than one year	5,383,643	245,702	101,334	4,075,338	257,581	150,897
- One year to less than five years	65,390	13,880	12,253	1,260,171	101,036	72,194
	5,449,033	259,582	113,587	5,335,509	358,617	223,091
Credit related contracts:						
- Less than one year	75,360	-	-	63,690	-	-
Total treasury-related commitments and contingencies	1,104,306,090	16,290,896	5,581,143	1,003,409,519	12,127,883	4,707,234
Total commitments and contingencies	1,305,384,589	103,591,412	48,937,411	1,208,622,674	88,139,410	40,938,728
Bank						
	As at 31 December 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
<u>Contingent liabilities</u>						
Direct credit substitutes	7,466,677	6,041,129	3,990,003	8,851,551	7,795,307	4,096,596
Certain transaction-related contingent items	11,506,071	5,475,238	3,806,228	14,052,638	6,099,774	3,644,076
Short-term self-liquidating trade-related contingencies	2,092,315	478,043	223,572	2,224,986	415,279	231,897
	21,065,063	11,994,410	8,019,803	25,129,175	14,310,360	7,972,569
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	83,806,525	6,955,310	1,897,783	74,635,545	5,851,189	2,420,816
- Maturity exceeding one year	17,828,264	34,888,721	18,252,090	30,025,147	26,990,403	13,104,508
	101,634,789	41,844,031	20,149,873	104,660,692	32,841,592	15,525,324
Miscellaneous commitments and contingencies	3,294,116	1,855,264	545,148	4,580,758	1,206,450	158,688
Total credit-related commitments and contingencies	125,993,968	55,693,705	28,714,824	134,370,625	48,358,402	23,656,581
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	545,723,025	8,429,411	1,377,250	530,308,700	5,198,743	798,031
- One year to less than five years	29,651,424	2,470,975	1,146,587	30,708,880	1,920,409	948,238
- Five years and above	5,673,466	828,538	203,181	4,403,125	584,069	223,548
	581,047,915	11,728,924	2,727,018	565,420,705	7,703,221	1,969,817

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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 31 December 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
Bank (cont'd.)						
<u>Derivative financial instruments</u>						
<u>(cont'd.)</u>						
Interest rate related contracts:						
- Less than one year	185,732,911	72,296	31,673	77,500,667	37,384	9,174
- One year to less than five years	221,822,106	1,323,301	680,533	257,295,512	1,284,684	593,440
- Five years and above	109,622,660	2,168,036	1,402,488	87,620,165	1,859,086	1,236,139
	517,177,677	3,563,633	2,114,694	422,416,344	3,181,154	1,838,753
Equity and commodity related contracts:						
- Less than one year	1,499,709	154,587	66,484	1,908,063	178,382	111,125
- One year to less than five years	65,390	13,880	12,253	1,260,171	101,036	72,194
	1,565,099	168,467	78,737	3,168,234	279,418	183,319
Credit related contracts:						
- Less than one year	75,360	-	-	63,690	-	-
Total treasury-related commitments and contingencies	1,099,866,051	15,461,024	4,920,449	991,068,973	11,163,793	3,991,889
Total commitments and contingencies	1,225,860,019	71,154,729	33,635,273	1,125,439,598	59,522,195	27,648,470

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

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

Market Risk

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

Credit Risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 31 December 2020, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM19,908.0 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 9 December 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 9 December 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 9 December 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 ended 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 9 December 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 ended 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 ended 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 ended 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.

In respect of the financial year ended 31 December 2020, the Board has proposed the payment of a final single-tier dividend of 38.5 sen per ordinary share, which consists of a cash portion of 17.5 sen and an electable portion of 21.0 sen per ordinary share. The electable portion can be elected to be reinvested by shareholders in new Maybank shares in accordance with the DRP. The proposed single-tier final dividend will be subject to shareholders' approval.

In arriving the capital adequacy ratios for the financial year ended 31 December 2020, the proposed single-tier final dividend has not been deducted from the calculation of CET1 Capital.

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

	Group		Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
CET1 Capital Ratio	15.313%	15.729%	15.581%	15.314%
Tier 1 Capital Ratio	16.026%	16.486%	16.343%	16.120%
Total Capital Ratio	18.683%	19.387%	18.639%	19.387%

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A36. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	31 December 2020 RM'000	31 December 2019 RM'000	31 December 2020 RM'000	31 December 2019 RM'000
CET1 Capital				
Share capital	48,280,355	48,280,355	48,280,355	48,280,355
Retained profits ¹	22,447,018	20,606,011	16,811,402	15,231,992
Other reserves ¹	5,473,660	5,189,258	6,201,908	5,820,765
Qualifying non-controlling interests	115,096	134,080	-	-
CET1 Capital before regulatory adjustments	<u>76,316,129</u>	<u>74,209,704</u>	<u>71,293,665</u>	<u>69,333,112</u>
Less: Regulatory adjustments applied on CET1 Capital:	<u>(14,517,207)</u>	<u>(14,374,667)</u>	<u>(34,477,624)</u>	<u>(35,110,987)</u>
Deferred tax assets	(722,391)	(678,978)	-	-
Goodwill	(5,536,309)	(5,709,503)	(81,015)	(81,015)
Other intangibles	(955,439)	(952,424)	(306,645)	(280,120)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(1,922,600)	(1,186,797)	(1,279,711)	(884,294)
Regulatory reserve	(2,115,455)	(2,771,806)	(1,495,500)	(1,894,921)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(3,265,013)	(3,075,159)	(31,314,753)	(31,970,637)
Total CET1 Capital	<u>61,798,922</u>	<u>59,835,037</u>	<u>36,816,041</u>	<u>34,222,125</u>
Additional Tier 1 Capital				
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	78,005	79,175	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(1,000,000)	(1,000,000)
Total Tier 1 Capital	<u>64,676,927</u>	<u>62,714,212</u>	<u>38,616,041</u>	<u>36,022,125</u>
Tier 2 Capital				
Subordinated obligations	8,707,823	9,045,420	8,707,823	9,045,420
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	41,209	41,287	-	-
General provisions ³	332,053	399,044	69,408	97,242
Surplus of total eligible provision over total expected loss	1,640,773	1,550,042	989,825	959,033
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(4,341,683)	(2,801,145)
Total Tier 2 Capital	<u>10,721,858</u>	<u>11,035,793</u>	<u>5,425,373</u>	<u>7,300,550</u>
Total Capital	<u>75,398,785</u>	<u>73,750,005</u>	<u>44,041,414</u>	<u>43,322,675</u>

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

² For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM10,289,000 and (iii) Maybank Agro Fund Sdn. Bhd. of 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.

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

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

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

	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Maybank Indonesia Tbk	Maybank Singapore Limited
<u>At 31 December 2020</u>				
CET1 Capital Ratio	13.773%	20.560%	-	13.906%
Tier 1 Capital Ratio	15.030%	20.560%	-	13.906%
Total Capital Ratio	<u>18.063%</u>	<u>22.906%</u>	<u>24.312%</u>	<u>18.049%</u>
<u>At 31 December 2019</u>				
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 31 December 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	53,316,271	23,834,870	2,970,081	869,357	25,386,773	14,807,055
Internal Ratings-Based Approach exposure after scaling factor	273,462,139	164,970,850	80,460,704	-	-	25,869,467
Credit valuation adjustment	-	-	-	-	-	87,700
Total RWA for credit risk	326,778,410	188,805,720	83,430,785	869,357	25,386,773	40,764,222
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(13,537,755)	-	-	-
Total RWA for market risk	33,242,608	25,137,353	1,177,963	873,356	865,980	15,082
Total RWA for operational risk	43,557,083	22,345,775	8,499,254	836,086	5,672,335	3,528,759
Total RWA	403,578,101	236,288,848	79,570,247	2,578,799	31,925,088	44,308,063

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
Total RWA for credit risk	310,269,454	178,843,605	72,552,853	1,207,422	30,637,949	38,209,826
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
Total RWA	380,411,877	223,463,973	71,072,798	2,352,792	36,971,554	42,060,397

* 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 ---->	
At 31 December 2020		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	41,389,068	237,115	(680,895)	28,410,818	186,133	(595,247)
- One year to three years	1,280,097	57,707	(51,623)	1,156,198	57,707	(51,623)
- More than three years	3,824,022	18,398	(114,482)	2,811,973	18,399	(114,482)
	<u>46,493,187</u>	<u>313,220</u>	<u>(847,000)</u>	<u>32,378,989</u>	<u>262,239</u>	<u>(761,352)</u>
Currency swaps:						
- Less than one year	481,879,831	4,494,746	(4,498,757)	496,973,717	4,659,177	(4,491,525)
- One year to three years	320,901	-	(32)	320,901	-	(32)
	<u>482,200,732</u>	<u>4,494,746</u>	<u>(4,498,789)</u>	<u>497,294,618</u>	<u>4,659,177</u>	<u>(4,491,557)</u>
Currency spots:						
- Less than one year	3,080,992	22,698	(11,278)	3,126,492	12,349	(11,070)
Currency options:						
- Less than one year	6,254,401	51,265	(52,737)	6,282,615	51,198	(52,690)
- One year to three years	993,461	39,997	(104,402)	1,716,514	39,997	(75,716)
	<u>7,247,862</u>	<u>91,262</u>	<u>(157,139)</u>	<u>7,999,129</u>	<u>91,195</u>	<u>(128,406)</u>
Cross currency interest rate swaps ¹ :						
- Less than one year	8,209,260	238,581	(254,225)	7,683,621	226,756	(244,675)
- One year to three years	15,768,295	382,221	(425,017)	14,460,192	324,557	(410,212)
- More than three years	9,639,761	435,795	(274,694)	9,346,721	414,137	(274,433)
	<u>33,617,316</u>	<u>1,056,597</u>	<u>(953,936)</u>	<u>31,490,534</u>	<u>965,450</u>	<u>(929,320)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- Less than one year	162,613,631	862,776	(864,853)	162,628,000	860,387	(862,676)
- One year to three years	123,186,294	1,294,699	(1,989,367)	123,489,360	1,286,580	(1,984,052)
- More than three years	193,156,912	9,172,516	(7,253,272)	193,276,425	9,132,520	(7,250,276)
	<u>478,956,837</u>	<u>11,329,991</u>	<u>(10,107,492)</u>	<u>479,393,785</u>	<u>11,279,487</u>	<u>(10,097,004)</u>
Interest rate futures:						
- Less than one year	23,722,391	1,690,975	(1,654,652)	23,079,665	1,690,975	(1,653,793)
Interest rate options:						
- Less than one year	25,246	-	(111)	25,246	-	(111)
- One year to three years	3,010,667	32,306	(5,325)	3,010,667	32,306	(5,325)
- More than three years	10,603,809	1,523,065	(1,947,716)	10,603,809	1,523,065	(1,947,716)
	<u>13,639,722</u>	<u>1,555,371</u>	<u>(1,953,152)</u>	<u>13,639,722</u>	<u>1,555,371</u>	<u>(1,953,152)</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 ---->	
At 31 December 2020 (cont'd.)	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	73,109	120,534	(125,544)	73,109	120,534	(125,544)
Equity options:						
- Less than one year	2,942,526	117,408	(193,832)	-	-	-
Equity swaps:						
- Less than one year	1,011,998	52,657	(97,826)	70,590	1,113	(8,670)
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	40,721	6,760	(6,760)	40,721	6,760	(6,760)
- One year to three years	2,600	333	(333)	2,600	333	(333)
	43,321	7,093	(7,093)	43,321	7,093	(7,093)
Commodity swaps:						
- Less than one year	1,315,289	53,041	(52,862)	1,315,289	53,041	(52,862)
- One year to three years	62,790	8,068	(7,381)	62,790	8,068	(7,381)
	1,378,079	61,109	(60,243)	1,378,079	61,109	(60,243)
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	75,360	334	(21)	75,360	334	(21)
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps ¹ :						
- Less than one year	3,245,762	193,317	-	3,245,762	193,317	-
- One year to three years	3,845,728	220,833	(19,124)	3,845,728	220,833	(19,124)
- More than three years	1,666,663	72,919	(30,430)	1,666,663	72,919	(30,430)
	8,758,153	487,069	(49,554)	8,758,153	487,069	(49,554)
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- One year to three years	682,890	10,671	(5,314)	682,890	10,671	(5,314)
- More than three years	381,615	67,336	-	381,615	67,336	-
	1,064,505	78,007	(5,314)	1,064,505	78,007	(5,314)
Netting effects for reporting under MFRS 132	-	(1,571,114)	1,571,114	-	(1,557,700)	1,557,700
Total	1,104,306,090	19,907,957	(19,151,751)	1,099,866,051	19,713,802	(18,724,393)

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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
Trading derivatives						
<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 ¹ :						
- 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 ² :						
- 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
At 31 December 2019 (cont'd.)						
Trading derivatives (cont'd.)						
<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)
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps ¹ :						
- 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 ² :						
- 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 for reporting under MFRS 132	-	(863,289)	863,289	-	(854,792)	854,792
Total	<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>

¹ The contractual notional amount of cross currency interest rate swaps held for hedging which is based on IBOR is RM5,554.6 million (2019: RM6,648.6 million) for the Group and the Bank.

² The contractual notional amount of interest rate swaps held for hedging which is based on IBOR is RM482.0 million (2019: RM409.4 million) for the Group and the Bank.

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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 31 December 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	
At 31 December 2020				
Non-financial assets measured at fair value:				
Investment properties	-	-	941,545	941,545
Financial assets measured at fair value:				
Financial assets designated upon initial recognition at fair value through profit or loss	130,153	13,897,878	-	14,028,031
Money market instruments	-	639,811	-	639,811
Quoted securities	130,153	-	-	130,153
Unquoted securities	-	13,258,067	-	13,258,067
Financial investments at fair value through profit or loss	8,766,663	17,541,955	871,228	27,179,846
Money market instruments	-	12,217,753	-	12,217,753
Quoted securities	8,766,663	-	-	8,766,663
Unquoted securities	-	5,324,202	871,228	6,195,430
Financial investments at fair value through other comprehensive income	3,499,479	123,459,360	543,842	127,502,681
Money market instruments	-	67,536,344	-	67,536,344
Quoted securities	3,499,479	-	-	3,499,479
Unquoted securities	-	55,923,016	543,842	56,466,858
Loans, advances and financing at fair value through profit or loss	-	-	170,712	170,712
Loans, advances and financing at fair value through other comprehensive income	-	-	16,031,857	16,031,857

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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 31 December 2020 and 31 December 2019 (cont'd.).

Group (cont'd.) At 31 December 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.):				
Derivative assets	-	19,854,044	53,913	19,907,957
Foreign exchange related contracts	-	6,465,592	-	6,465,592
Interest rate related contracts	-	14,654,344	-	14,654,344
Equity and commodity related contracts	-	304,888	53,913	358,801
Credit related contracts	-	334	-	334
Netting effects under MFRS 132 Amendments	-	(1,571,114)	-	(1,571,114)
	12,396,295	174,753,237	17,671,552	204,821,084

Financial liabilities measured at fair value:

Financial liabilities at fair value through profit or loss	-	10,161,921	-	10,161,921
Borrowings	-	10,161,921	-	10,161,921
Derivative liabilities	-	19,097,838	53,913	19,151,751
Foreign exchange related contracts	-	6,517,696	-	6,517,696
Interest rate related contracts	-	13,720,610	-	13,720,610
Equity and commodity related contracts	-	430,625	53,913	484,538
Credit related contracts	-	21	-	21
Netting effects under MFRS 132 Amendments	-	(1,571,114)	-	(1,571,114)
	-	29,259,759	53,913	29,313,672

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	
Non-financial assets measured at fair value:				
Investment properties	-	-	921,471	921,471
Financial assets measured at fair value:				
Financial assets designated upon initial recognition at fair value through profit or loss	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
Financial investments at fair value through profit or loss	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
Financial investments at fair value through other comprehensive income	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
Loans, advances and financing at fair value through profit or loss	-	-	401,703	401,703
Loans, advances and financing at fair value through other comprehensive income	-	-	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 31 December 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.):				
Derivative assets	-	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:

Financial liabilities at fair value through profit or loss	-	6,530,753	-	6,530,753
Structured deposits	-	22,772	-	22,772
Borrowings	-	6,507,981	-	6,507,981
Derivative liabilities	-	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 31 December 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:				
Financial investments at fair value through profit or loss	518,705	16,988,267	682,508	18,189,480
Money market instruments	-	11,757,406	-	11,757,406
Quoted securities	518,705	-	-	518,705
Unquoted securities	-	5,230,861	682,508	5,913,369
Financial investments at fair value through other comprehensive income	17,836	75,004,340	511,617	75,533,793
Money market instruments	-	31,797,338	-	31,797,338
Quoted securities	17,836	-	-	17,836
Unquoted securities	-	43,207,002	511,617	43,718,619
Loans, advances and financing at fair value through profit or loss	-	-	170,712	170,712
Loans, advances and financing at fair value through other comprehensive income	-	-	13,290,590	13,290,590
Derivative assets	-	19,659,889	53,913	19,713,802
Foreign exchange related contracts	-	6,477,479	-	6,477,479
Interest rate related contracts	-	14,603,840	-	14,603,840
Equity and commodity related contracts	-	135,936	53,913	189,849
Credit related contracts	-	334	-	334
Netting effects under MFRS 132 Amendments	-	(1,557,700)	-	(1,557,700)
	<u>536,541</u>	<u>111,652,496</u>	<u>14,709,340</u>	<u>126,898,377</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 31 December 2020 and 31 December 2019 (cont'd.).

Bank (cont'd.) At 31 December 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 liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	10,161,921	-	10,161,921
Borrowings	-	10,161,921	-	10,161,921
Derivative liabilities	-	18,670,480	53,913	18,724,393
Foreign exchange related contracts	-	6,371,259	-	6,371,259
Interest rate related contracts	-	13,709,263	-	13,709,263
Equity and commodity related contracts	-	147,637	53,913	201,550
Credit related contracts	-	21	-	21
Netting effects under MFRS 132 Amendments	-	(1,557,700)	-	(1,557,700)
	-	28,832,401	53,913	28,886,314

Bank 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:				
Financial investments at fair value through profit or loss	318,292	11,972,355	622,176	12,912,823
Money market instruments	-	6,907,320	-	6,907,320
Quoted securities	318,292	-	-	318,292
Unquoted securities	-	5,065,035	622,176	5,687,211
Financial investments at fair value through other comprehensive income	18,435	80,350,611	429,654	80,798,700
Money market instruments	-	33,329,630	-	33,329,630
Quoted securities	18,435	-	-	18,435
Unquoted securities	-	47,020,981	429,654	47,450,635
Loans, advances and financing at fair value through profit or loss	-	-	401,703	401,703
Loans, advances and financing at fair value through other comprehensive income	-	-	11,380,901	11,380,901
Derivative assets	-	9,918,610	83,393	10,002,003
Foreign exchange related contracts	-	3,169,901	-	3,169,901
Interest rate related contracts	-	7,556,412	-	7,556,412
Equity and commodity related contracts	-	47,057	83,393	130,450
Credit related contracts	-	32	-	32
Netting effects under MFRS132 Amendments	-	(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 31 December 2020 and 31 December 2019 (cont'd.).

Bank (cont'd.) At 31 December 2019	Quoted Market Price (Level 1) RM'000	Valuation technique using		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	6,530,753	-	6,530,753
Structured deposits	-	22,772	-	22,772
Borrowings	-	6,507,981	-	6,507,981
Derivative liabilities	-	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.

Investment properties

The fair values of investment properties are determined by an accredited independent valuer using a variety of approaches such as comparison method and income capitalisation approach. Under the comparison method, fair value is estimated by considering the selling price per square foot of comparable investment properties sold adjusted for location, quality and finishes of the building, design and size of the building, title conditions, market trends and time factor. Income capitalisation approach considers the capitalisation of net income of the investment properties such as the gross rental less current maintenance expenses and outgoings. This process may consider the relationships including yield and discount rates.

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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:

<u>Group</u> As at 31 December 2020	At 1 January 2020 RM'000	Other gains recognised in income statements* RM'000	Unrealised 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 31 December 2020 RM'000
Financial investments at fair value through profit or loss											
Unquoted securities	807,125	3,900	64,870	-	-	(4,680)	-	13	-	-	871,228
Financial investments at fair value through other comprehensive income											
Unquoted securities	463,260	-	-	80,671	-	-	-	(89)	-	-	543,842
Loans, advances and financing at fair value through profit or loss	401,703	-	479	-	155,483	-	(382,457)	(4,496)	-	-	170,712
Loans, advances and financing at fair value through other comprehensive income	11,821,285	-	-	212,883	6,472,615	-	(2,461,126)	(13,800)	-	-	16,031,857
Derivative assets											
Equity and commodity related contracts	83,393	456,777	77,240	-	36,870	-	(600,367)	-	-	-	53,913
Total Level 3 financial assets	13,576,766	460,677	142,589	293,554	6,664,968	(4,680)	(3,443,950)	(18,372)	-	-	17,671,552
Derivative liabilities											
Equity and commodity related contracts	(83,393)	457,440	77,240	-	(36,870)	-	(468,330)	-	-	-	(53,913)
Total Level 3 financial liabilities	(83,393)	457,440	77,240	-	(36,870)	-	(468,330)	-	-	-	(53,913)
Total net Level 3 financial assets/(liabilities)	13,493,373	918,117	219,829	293,554	6,628,098	(4,680)	(3,912,280)	(18,372)	-	-	17,617,639

* 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
Financial investments at fair value through profit or loss											
Unquoted securities	779,947	-	26,910	-	-	-	-	-	268	-	807,125
Financial investments at fair value through other comprehensive income											
Unquoted securities	513,355	10,339	-	(29,403)	51,131	(80,020)	-	(2,142)	-	-	463,260
Loans, advances and financing at fair value through profit or loss	396,950	-	(10,573)	-	382,225	-	(365,280)	(1,619)	-	-	401,703
Loans, advances and financing at fair value through other comprehensive income	8,968,438	-	-	(152,421)	7,227,166	-	(4,211,911)	(9,987)	-	-	11,821,285
Derivative assets											
Equity and commodity related contracts	203,947	77,682	(83,260)	-	24,102	-	(139,078)	-	-	-	83,393
Total Level 3 financial assets	<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>
Derivative liabilities											
Equity and commodity related contracts	(203,947)	79,407	(82,551)	-	(22,903)	-	146,601	-	-	-	(83,393)
Total Level 3 financial liabilities	<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>
Total net Level 3 financial assets/(liabilities)	<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', 'Writeback of/(allowances for) 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*	Unrealised gains recognised in income statements#	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 December 2020 RM'000
Bank											
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through profit or loss											
Unquoted securities	622,176	-	60,332	-	-	-	-	-	-	-	682,508
Financial investments at fair value through other comprehensive income											
Unquoted securities	429,654	-	-	81,963	-	-	-	-	-	-	511,617
Loans, advances and financing at fair value through profit or loss											
	401,703	-	479	-	155,483	-	(382,457)	(4,496)	-	-	170,712
Loans, advances and financing at fair value through other comprehensive income											
	11,380,901	-	-	178,658	4,125,357	-	(2,380,526)	(13,800)	-	-	13,290,590
Derivative assets											
Equity and commodity related contracts	83,393	456,777	77,240	-	36,870	-	(600,367)	-	-	-	53,913
Total Level 3 financial assets	12,917,827	456,777	138,051	260,621	4,317,710	-	(3,363,350)	(18,296)	-	-	14,709,340
Derivative liabilities											
Equity and commodity related contracts	(83,393)	457,440	77,240	-	(36,870)	-	(468,330)	-	-	-	(53,913)
Total Level 3 financial liabilities	(83,393)	457,440	77,240	-	(36,870)	-	(468,330)	-	-	-	(53,913)
Total net Level 3 financial assets/(liabilities)	12,834,434	914,217	215,291	260,621	4,280,840	-	(3,831,680)	(18,296)	-	-	14,655,427

* 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.):

<u>Bank</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
Financial investments at fair value through profit or loss											
Unquoted securities	600,549	-	21,627	-	-	-	-	-	-	-	622,176
Financial investments at fair value through other comprehensive income											
Unquoted securities	459,057	-	-	(29,403)	-	-	-	-	-	-	429,654
Loans, advances and financing at fair value through profit or loss	396,950	-	(10,573)	-	382,225	-	(365,280)	(1,619)	-	-	401,703
Loans, advances and financing at fair value through other comprehensive income	8,680,217	-	-	(156,333)	7,218,415	-	(4,351,411)	(9,987)	-	-	11,380,901
Derivative assets											
Equity and commodity related contracts	203,947	77,682	(83,260)	-	24,102	-	(139,078)	-	-	-	83,393
Total Level 3 financial assets	<u>10,340,720</u>	<u>77,682</u>	<u>(72,206)</u>	<u>(185,736)</u>	<u>7,624,742</u>	<u>-</u>	<u>(4,855,769)</u>	<u>(11,606)</u>	<u>-</u>	<u>-</u>	<u>12,917,827</u>
Derivative liabilities											
Equity and commodity related contracts	(203,947)	79,407	(82,551)	-	(22,903)	-	146,601	-	-	-	(83,393)
Total Level 3 financial liabilities	<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>
Total net Level 3 financial assets/(liabilities)	<u>10,136,773</u>	<u>157,089</u>	<u>(154,757)</u>	<u>(185,736)</u>	<u>7,601,839</u>	<u>-</u>	<u>(4,709,168)</u>	<u>(11,606)</u>	<u>-</u>	<u>-</u>	<u>12,834,434</u>

* Included within 'Other operating income' and 'Writeback of/(allowances for) 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 12 months financial year ended 31 December 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 12 months financial year ended 31 December 2020.

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A39. Credit Exposure Arising from Credit Transactions with Connected Parties

The credit exposures disclosed below are based on requirement of Paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties:

	Group		Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Outstanding credit exposures with connected parties (RM'000)	<u>23,847,402</u>	<u>15,154,533</u>	<u>21,608,355</u>	<u>19,497,359</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>2.9%</u>	<u>1.9%</u>	<u>4.7%</u>	<u>4.3%</u>
Percentage of outstanding credit exposures to connected parties which is impaired* or in default	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Impaired refers to non-performing as stated in Paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

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A40. Audited 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 Audited 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) Audited Income Statements for the Financial Year Ended 31 December 2020

Group Twelve-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	496,801	495,439	448,186	482,604	72,285	79,175	245,876	246,293	1,263,148	1,303,511
Interest expense	-	-	-	-	-	-	(3,045)	(17,327)	(3,045)	(17,327)
Net interest income	496,801	495,439	448,186	482,604	72,285	79,175	242,831	228,966	1,260,103	1,286,184
Net earned insurance premiums	5,350,500	2,525,152	1,334,696	1,533,577	1,355,587	1,333,300	1,418,073	1,368,589	9,458,856	6,760,618
Other operating income	203,066	809,173	374,353	490,413	40,419	11,728	186,745	235,461	804,583	1,546,775
Total operating income	6,050,367	3,829,764	2,157,235	2,506,594	1,468,291	1,424,203	1,847,649	1,833,016	11,523,542	9,593,577
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(5,816,277)	(3,604,670)	(2,120,702)	(2,476,140)	(1,470,906)	(1,421,328)	(151,738)	(181,434)	(9,559,623)	(7,683,572)
Net operating income	234,090	225,094	36,533	30,454	(2,615)	2,875	1,695,911	1,651,582	1,963,919	1,910,005
Overhead expenses	(230,187)	(224,001)	(32,476)	(28,880)	(268)	(627)	(669,784)	(676,594)	(932,715)	(930,102)
Operating profit/(loss) before impairment losses	3,903	1,093	4,057	1,574	(2,883)	2,248	1,026,127	974,988	1,031,204	979,903
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(104)	174	-	143	2,689	1,701	(8,777)	(5,375)	(6,192)	(3,357)
(Allowances for)/writeback of impairment losses on financial investments, net	(1,174)	(291)	-	188	-	65	(113)	39	(1,287)	1
(Allowances for)/writeback of impairment on other financial assets, net	(2,625)	(976)	(4,057)	(1,905)	194	(4,014)	(7,248)	(24,786)	(13,736)	(31,681)
Profit before taxation and zakat	-	-	-	-	-	-	1,009,989	944,866	1,009,989	944,866
Taxation and zakat	-	-	-	-	-	-	(276,048)	(250,278)	(276,048)	(250,278)
Profit for the financial year	-	-	-	-	-	-	733,941	694,588	733,941	694,588

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A40. Audited 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 Audited 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) Audited Statements of Financial Position as at 31 December 2020

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
Cash and short-term funds	722,325	125,182	5,783	14,654	38,477	34,918	246,925	456,375	1,013,510	631,129
Deposits and placements with financial institutions	1,896,199	1,464,365	2,811,690	1,020,658	969,131	253,229	1,829,400	515,784	7,506,420	3,254,036
Financial assets designated upon initial recognition at fair value through profit or loss	6,719,541	6,407,316	5,910,702	6,404,318	20,424	25,704	1,166,021	1,317,121	13,816,688	14,154,459
Financial investments at fair value through profit or loss	4,860,250	3,703,634	540,374	480,219	28,190	21,542	358,364	362,903	5,787,178	4,568,298
Financial investments at fair value through other comprehensive income	4,054,891	1,917,511	3,059,659	3,796,314	1,227,357	1,723,489	3,960,583	4,086,067	12,302,490	11,523,381
Loans, advances and financing	261,372	242,940	-	-	-	-	63,629	49,193	325,001	292,133
Derivative assets	140,502	33,873	-	-	-	-	12,037	1,278	152,539	35,151
Reinsurance/retakaful assets and other insurance receivables	541,915	126,453	316,950	290,270	356,542	283,068	4,563,174	3,532,298	5,778,581	4,232,089
Other assets	82,112	36,297	27,314	20,702	4,400	3,897	505,466	340,400	619,292	401,296
Investment properties	796,250	778,810	-	-	-	-	138,840	137,580	935,090	916,390
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	91,931	87,256	-	-	-	-	62,277	65,125	154,208	152,381
Right-of-use assets	86	-	-	-	-	-	23,255	32,680	23,341	32,680
Intangible assets	50,920	50,291	-	-	-	-	46,386	47,973	97,306	98,264
Deferred tax assets	3,438	2,963	3,746	4,429	4,572	6,247	29,542	21,654	41,298	35,293
TOTAL ASSETS	20,221,732	14,976,891	12,676,218	12,031,564	2,649,093	2,352,094	13,006,051	10,966,583	48,553,094	40,327,132
LIABILITIES										
Derivative liabilities	3,473	-	-	-	-	-	-	-	3,473	-
Insurance/takaful contract liabilities and other insurance payables	17,670,026	12,688,980	11,984,943	11,583,400	2,238,292	2,004,782	5,801,504	4,608,468	37,694,765	30,885,630
Other liabilities #	2,501,180	2,281,910	636,813	396,244	397,599	332,653	(571,150)	(897,763)	2,964,442	2,113,044
Provision for taxation and zakat	(32,868)	(59,341)	(938)	(1,035)	-	-	97,881	98,652	64,075	38,276
Deferred tax liabilities	79,921	65,342	55,400	52,955	13,202	14,659	338,858	319,090	487,381	452,046
TOTAL LIABILITIES	20,221,732	14,976,891	12,676,218	12,031,564	2,649,093	2,352,094	5,667,093	4,128,447	41,214,136	33,488,996
EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE SUBSIDIARIES										
Share capital	-	-	-	-	-	-	660,865	660,865	660,865	660,865
Other reserves	-	-	-	-	-	-	6,678,093	6,177,271	6,678,093	6,177,271
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	20,221,732	14,976,891	12,676,218	12,031,564	2,649,093	2,352,094	13,006,051	10,966,583	48,553,094	40,327,132

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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A41. The Operations of Islamic Banking Scheme

A41a. Income Statements for the Fourth Quarter and Financial Year Ended 31 December 2020

<u>Group</u>	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds (Note (a))	2,100,166	2,474,302	8,577,690	9,538,085
Income derived from investment of investment account funds (Note (a))	246,479	248,938	1,008,062	1,051,729
Income derived from investment of Islamic Banking Funds (Note (a))	130,332	140,941	468,227	500,831
(Allowances for)/writeback of impairment losses on financing and advances, net	(392,689)	254,654	(929,159)	303,353
(Allowances for)/writeback of impairment losses on financial investments, net	(240,345)	1,105	(253,252)	(3,933)
(Allowances for)/writeback of impairment losses on other financial assets, net	(1,362)	(2)	(1,452)	4
Total distributable income	1,842,581	3,119,938	8,870,116	11,390,069
Profit distributed to depositors	(951,710)	(1,387,383)	(4,610,219)	(5,557,993)
Profit distributed to investment account holders	(77,328)	(126,758)	(370,986)	(566,816)
Total net income	813,543	1,605,797	3,888,911	5,265,260
Finance cost	(112,555)	(121,361)	(482,323)	(416,622)
Overhead expenses	(387,362)	(355,390)	(1,629,392)	(1,512,462)
Profit before taxation and zakat	313,626	1,129,046	1,777,196	3,336,176
Taxation	(70,397)	(279,370)	(454,140)	(753,540)
Zakat	7,209	(25,127)	(14,673)	(31,455)
Profit for the financial period/year	250,438	824,549	1,308,383	2,551,181

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

<u>Group</u>	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds (Note (a))	2,100,166	2,474,302	8,577,690	9,538,085
Income derived from investment of investment account funds (Note (a))	246,479	248,938	1,008,062	1,051,729
Income derived from investment of Islamic Banking Funds (Note (a))	130,332	140,941	468,227	500,831
Total income before allowances for impairment losses on financial assets and overhead expenses	2,476,977	2,864,181	10,053,979	11,090,645
Profit distributed to depositors	(951,710)	(1,387,383)	(4,610,219)	(5,557,993)
Profit distributed to investment account holders	(77,328)	(126,758)	(370,986)	(566,816)
	1,447,939	1,350,040	5,072,774	4,965,836
Finance cost	(112,555)	(121,361)	(482,323)	(416,622)
Net of intercompany income and expenses	337,815	356,777	1,545,131	1,430,363
Income from Islamic Banking Scheme operations reported in the Income Statement of the Group	1,673,199	1,585,456	6,135,582	5,979,577

Note (a): Included the net effects under government support measures to assist customers adversely impacted by COVID-19 amounting to RM240,920,000.

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41b. Audited Statements of Comprehensive Income for the Fourth Quarter and Financial Year Ended 31 December 2020

<u>Group</u>	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2020 RM'000	31 December 2019 RM'000	Cumulative 12 Months Ended 31 December 2020 RM'000	31 December 2019 RM'000
Profit for the financial period/year	250,438	824,549	1,308,383	2,551,181
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial loss	-	(576)	-	(1,170)
Income tax effect	-	189	-	337
	-	(387)	-	(833)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on foreign exchange translation	269	(68)	321	8,732
Net gain/(loss) on financial investments at fair value through other comprehensive income	27,447	(62,970)	306,702	344,185
- Net gain/(loss) from change in fair value	39,685	(81,883)	399,934	454,139
- Changes in expected credit losses	(2,713)	(737)	2,752	(960)
- Income tax effect	(9,525)	19,650	(95,984)	(108,994)
	27,716	(63,038)	307,023	352,917
Other comprehensive income/(loss) for the financial period/year, net of tax	27,716	(63,425)	307,023	352,084
Total comprehensive income for the financial period/year	278,154	761,124	1,615,406	2,903,265

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41c. Audited Statement of Financial Position as at 31 December 2020

<u>Group</u>	Note	31 December 2020 RM'000	31 December 2019 RM'000
ASSETS			
Cash and short-term funds		9,919,980	21,732,551
Financial assets purchased under resale agreements		3,625,611	-
Financial investments at fair value through profit or loss		-	383,194
Financial investments at fair value through other comprehensive income		18,453,139	15,292,520
Financial investments at amortised cost		16,381,007	9,671,676
Financing and advances	A41e	203,666,875	189,762,974
Derivative assets		385,303	200,414
Other assets		3,459,012	4,574,547
Statutory deposit with central banks		12,591	4,242,037
Property, plant and equipment		979	1,458
Right-of-use assets		9,901	12,966
Total Assets		255,914,398	245,874,337
LIABILITIES			
Customers' funding:			
- Deposits from customers	A41f	165,268,243	161,039,137
- Investment accounts of customers ¹	A41g	23,840,796	20,737,670
Deposits and placements from financial institutions		38,770,852	38,827,556
Bills and acceptances payable		38,086	137,893
Derivative liabilities		656,302	221,674
Other liabilities		783,382	591,055
Deferred tax liabilities		449,812	83,002
Provision for taxation and zakat		21,256	37,370
Term funding	A41h	10,895,058	9,891,993
Subordinated sukuk	A41i	2,028,303	2,028,311
Capital securities	A41j	1,002,441	1,002,170
Total Liabilities		243,754,531	234,597,831
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		7,934,444	7,202,398
Retained profits		2,983,827	2,887,335
Other reserves		1,241,596	1,186,773
		12,159,867	11,276,506
Total liabilities and Islamic Banking Capital Funds		255,914,398	245,874,337
COMMITMENTS AND CONTINGENCIES			
		76,524,814	63,976,328

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A41e(ii).

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41d. Audited Statements of Changes in Islamic Banking Capital Funds for the Financial Year Ended 31 December 2020

<u>Group</u>	<-----Non-distributable----->					Distributable Retained Profits RM'000	Total RM'000
	Islamic Banking Funds RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	Equity contribution from the holding company RM'000 ¹		
At 1 January 2020	7,202,398	846,497	338,320	259	1,697	2,887,335	11,276,506
Profit for the financial year	-	-	-	-	-	1,308,383	1,308,383
Other comprehensive income	-	-	306,702	321	-	-	307,023
Net gain on foreign exchange translation	-	-	-	321	-	-	321
Net gain on financial investments at fair value through other comprehensive income	-	-	306,702	-	-	-	306,702
Total comprehensive income for the financial year	-	-	306,702	321	-	1,308,383	1,615,406
Issue of ordinary shares	732,046	-	-	-	-	-	732,046
Transfer (to)/from conventional banking operations	-	-	-	(177)	-	177	-
Transfer from regulatory reserve	-	(252,023)	-	-	-	252,023	-
Dividends paid	-	-	-	-	-	(1,464,091)	(1,464,091)
At 31 December 2020	7,934,444	594,474	645,022	403	1,697	2,983,827	12,159,867

¹This equity contribution reserve from the holding company is pertaining to waiver of intercompany balances between respective subsidiaries and its holding company.

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41d. Audited Statements of Changes in Islamic Banking Capital Funds for the Financial Year Ended 31 December 2020 (cont'd.)

<u>Group</u>	<-----Non-distributable----->							Total RM'000
	Islamic Banking Funds RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	Equity¹ contribution from the holding company RM'000	Defined Benefit Reserve RM'000	Distributable Retained Profits RM'000	
At 1 January 2019	7,473,540	313,516	(5,865)	(473)	1,697	808	3,050,868	10,834,091
Profit for the financial year	-	-	-	-	-	-	2,551,181	2,551,181
Other comprehensive income/(loss)	-	-	344,185	8,732	-	(833)	-	352,084
Net gain on foreign exchange translation	-	-	-	8,732	-	-	-	8,732
Net gain on financial investments at fair value through other comprehensive income	-	-	344,185	-	-	-	-	344,185
Defined benefit plan actuarial loss	-	-	-	-	-	(833)	-	(833)
Total comprehensive income/(loss) for the financial year	-	-	344,185	8,732	-	(833)	2,551,181	2,903,265
Transfer from/(to) conventional banking operations	7,861	-	-	(8,000)	-	25	(3,646)	(3,760)
Disposal of a subsidiary	(279,003)	-	-	-	-	-	102,777	(176,226)
Transfer to regulatory reserve	-	532,981	-	-	-	-	(532,981)	-
Dividends paid	-	-	-	-	-	-	(2,280,864)	(2,280,864)
At 31 December 2019	7,202,398	846,497	338,320	259	1,697	-	2,887,335	11,276,506

¹ This equity contribution reserve from the holding company is pertaining to waiver of intercompany balances between respective subsidiaries and its holding company.

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances

	31 December 2020 RM'000	31 December 2019 RM'000
<u>Group</u>		
Financing and advances:		
(A) Financing and advances at fair value through other comprehensive income	2,741,267	440,383
(B) Financing and advances at amortised cost	<u>289,662,732</u>	<u>280,650,934</u>
	292,403,999	281,091,317
Unearned income	<u>(85,698,158)</u>	<u>(89,087,920)</u>
Gross financing and advances	206,705,841	192,003,397
Allowances for impaired financing and advances:		
- Stage 1 - 12-month ECL	(574,213)	(371,029)
- Stage 2 - Lifetime ECL not credit impaired	(1,209,931)	(616,576)
- Stage 3 - Lifetime ECL credit impaired	<u>(1,254,822)</u>	<u>(1,252,818)</u>
Net financing and advances	<u>203,666,875</u>	<u>189,762,974</u>

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances (cont'd.)

Group	Bai¹	Murabahah	Musharakah	Al-Ijarah Thumma Al-Bai ("AITAB")²	Ijarah³	Others	Total Financing and Advances
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	6,354,760	-	-	-	-	6,354,760
Term financing							
- Housing financing	13,846,268	77,006,822	1,877,969	-	-	609	92,731,668
- Syndicated financing	-	7,106,556	-	-	-	-	7,106,556
- Hire purchase receivables	-	9,635,007	-	35,204,145	-	-	44,839,152
- Lease receivables	-	-	-	-	303,050	-	303,050
- Other term financing	10,653,246	106,866,849	610,568	-	-	18,364	118,149,027
Bills receivables	-	-	-	-	-	50	50
Trust receipts	-	106,257	-	-	-	-	106,257
Claims on customers under acceptance credits	-	4,723,695	-	-	-	-	4,723,695
Staff financing	390,857	2,110,096	8,384	179,242	-	33,633	2,722,212
Credit card receivables	-	-	-	-	-	1,263,404	1,263,404
Revolving credit	-	14,068,861	-	-	-	-	14,068,861
Share margin financing	-	29,008	-	-	-	-	29,008
Financing to:							
- Directors of the Bank	-	3,361	-	-	-	8	3,369
- Directors of subsidiaries	-	2,542	-	340	-	48	2,930
	24,890,371	228,013,814	2,496,921	35,383,727	303,050	1,316,116	292,403,999
Unearned income							(85,698,158)
Gross financing and advances ⁴							206,705,841
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							(574,213)
- Stage 2 - Lifetime ECL not credit impaired							(1,209,931)
- Stage 3 - Lifetime ECL credit impaired							(1,254,822)
Net financing and advances							203,666,875

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

² 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.

³ 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.

⁴ 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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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances (cont'd.)

Group	Bai¹	Murabahah	Musharakah	Al-Ijarah Thumma Al-Bai ("AITAB")²	Ijarah³	Others	Total Financing and Advances
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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	99,842,852	692,965	-	-	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
	28,868,821	210,947,626	2,677,310	37,070,569	195,970	1,331,021	281,091,317
Unearned income							(89,087,920)
Gross financing and advances ⁴							192,003,397
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							189,762,974

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

² 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.

³ 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.

⁴ 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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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances (cont'd.)

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

<u>Group</u>	31 December 2020 RM'000	31 December 2019 RM'000
At 1 January	3,115,266	2,450,984
Newly impaired	584,878	996,099
Reclassified as non-impaired	(485,955)	(118,390)
Amount recovered	(437,564)	(92,496)
Amount written-off	(317,043)	(359,705)
Amount related to Restricted Investment Account	(7,176)	238,774
Gross impaired financing at 31 December	<u>2,452,406</u>	3,115,266
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,254,822)</u>	(1,252,818)
Net impaired financing at 31 December	<u>1,197,584</u>	1,862,448

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

Gross impaired financing at 31 December	1,776,012	2,395,279
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,254,822)</u>	(1,252,818)
Net impaired financing at 31 December	<u>521,190</u>	1,142,461
Gross financing and advances	156,381,322	153,974,211
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	<u>(3,043,122)</u>	(2,243,324)
Net financing and advances	<u>153,338,200</u>	151,730,887
Net impaired financing as a percentage of net financing and advances	<u>0.34%</u>	0.75%

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances (cont'd.)

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

At fair value through other comprehensive income

	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
As at 31 December 2020				
At 1 January 2020	523	2,378	-	2,901
New financial assets originated or purchased	1,036	-	-	1,036
Changes in models/risk parameters	103	116	-	219
At 31 December 2020	1,662	2,494	-	4,156

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

At amortised cost

	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
As at 31 December 2020				
At 1 January 2020	371,029	616,576	1,252,818	2,240,423
Transferred to Stage 1	192,492	(180,987)	(11,505)	-
Transferred to Stage 2	(24,260)	216,014	(191,754)	-
Transferred to Stage 3	(5,653)	(133,942)	139,595	-
Net remeasurement of allowances	89,882	615,209	436,543	1,141,634
New financial assets originated or purchased	111,779	105,132	-	216,911
Financial assets derecognised	(53,808)	(78,272)	(163,013)	(295,093)
Changes in models/risk parameters	(110,039)	40,745	-	(69,294)
Amount related to Restricted Investment Accounts*	3,084	11,681	122,297	137,062
Amount written-off	-	-	(317,043)	(317,043)
Exchange differences	(293)	(2,225)	(13,116)	(15,634)
At 31 December 2020	574,213	1,209,931	1,254,822	3,038,966

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41e. Financing and Advances (cont'd.)

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

At amortised cost (cont'd.)

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 December 2019				
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	371,029	616,576	1,252,818	2,240,423

* As at 31 December 2020, the gross exposure of the financing funded by RPSIA was RM26,483.7 million (31 December 2019: RM17,291.5 million). The expected credit losses relating to these financing amounting to RM446.6 million (31 December 2019: RM263.7 million) are reflected 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 31 December 2020 was RM23,840.8 million (31 December 2019: RM20,737.7 million).

A41f. Deposits from Customers

Group	31 December 2020 RM'000	31 December 2019 RM'000
Savings deposits		
Qard	23,708,048	17,504,325
Demand deposits		
Qard	26,703,462	19,704,595
Term deposits		
Murabahah	114,498,944	123,236,922
Qard	357,789	593,295
	114,856,733	123,830,217
Total deposits from customers	165,268,243	161,039,137

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41g. Investment Accounts of Customers

<u>Group</u>	31 December 2020 RM'000	31 December 2019 RM'000
Mudharabah		
Unrestricted Investment accounts	23,840,796	20,616,075
Restricted Investment accounts*	-	121,595
	<u>23,840,796</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
As at 31 December 2020			
Business enterprises	13,328,580	-	13,328,580
Individuals	9,200,552	-	9,200,552
Government and statutory bodies	112,309	-	112,309
Others	1,199,355	-	1,199,355
	<u>23,840,796</u>	<u>-</u>	<u>23,840,796</u>
As at 31 December 2019			
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
As at 31 December 2020			
- without maturity	18,243,257	-	18,243,257
- with maturity			
Due within six months	4,241,279	-	4,241,279
Six months to one year	1,342,789	-	1,342,789
One year to three years	9,158	-	9,158
Three years to five years	4,313	-	4,313
	<u>5,597,539</u>	<u>-</u>	<u>5,597,539</u>
Total investment accounts of customers	<u>23,840,796</u>	<u>-</u>	<u>23,840,796</u>

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41g. 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
As at 31 December 2019			
- 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
As at 31 December 2020			
Retail financing	22,550,499	-	22,550,499
Non-retail financing	1,290,297	-	1,290,297
	<u>23,840,796</u>	<u>-</u>	<u>23,840,796</u>
As at 31 December 2019			
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 (%)
As at 31 December 2020		
Unrestricted investment accounts	36.53	1.64
Restricted investment accounts	<u>99.95</u>	<u>4.03</u>
As at 31 December 2019		
Unrestricted investment accounts	51.62	2.61
Restricted investment accounts	<u>99.95</u>	<u>4.19</u>

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A41. The Operations of Islamic Banking Scheme (cont'd.)

A41h. Term Funding

<u>Group</u>	31 December 2020 RM'000	31 December 2019 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	7,945,896	7,888,771
(ii) Medium Term Notes		
- More than one year	2,003,222	2,003,222
(iii) Term funding		
- More than one year (Note (a))	945,940	-
Total term funding	<u>10,895,058</u>	<u>9,891,993</u>

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

A41i. Subordinated Sukuk

<u>Group</u>	31 December 2020 RM'000	31 December 2019 RM'000
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2026	1,017,454	1,017,708
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2029	1,010,849	1,010,603
	<u>2,028,303</u>	<u>2,028,311</u>

A41j. Capital Securities

<u>Group</u>	31 December 2020 RM'000	31 December 2019 RM'000
RM1.0 billion Additional Tier 1 Sukuk Wakalah	<u>1,002,441</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 RM6,481.2 million for the financial year ended 31 December 2020, a decrease of RM1,716.9 million or 20.9% as compared to the previous corresponding financial year ended 31 December 2019.

The Group's net interest income and Islamic Banking income for the financial year ended 31 December 2020 decreased by RM848.6 million or 4.7% to RM17,226.0 million as compared to the previous corresponding financial year ended 31 December 2019.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM2,698.2 million or 39.9% to RM9,458.9 million for the financial year ended 31 December 2020 as compared to the previous corresponding financial year ended 31 December 2019.

Other operating income of the Group for the financial year ended 31 December 2020 was RM7,299.2 million, an increase of RM22.2 million or 0.3% from RM7,277.0 million in the previous corresponding financial year ended 31 December 2019. The increase was mainly due to higher unrealised mark-to-market gain on revaluation of derivatives of RM868.2 million, unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM94.5 million for the financial year ended 31 December 2020 as compared to unrealised mark-to-market loss of financial liabilities at FVTPL of RM529.6 million for the previous corresponding financial year ended 31 December 2019, higher net gain in investment income of RM298.5 million and lower realised loss on financial liabilities at FVTPL of RM195.9 million for the financial year ended 31 December 2020. The increases were, however, offset by realised loss on derivatives of RM626.9 million for the financial year ended 31 December 2020 as compared to realised gain on derivatives of RM354.5 million for the previous corresponding financial year ended 31 December 2019, lower unrealised mark-to-market gain on revaluation of financial assets at FVTPL of RM695.5 million and lower net gain on foreign exchange of RM277.4 million.

The Group's overhead expenses for the financial year ended 31 December 2020 recorded a decrease of RM316.7 million or 2.7% to RM11,245.2 million as compared to the previous corresponding financial year ended 31 December 2019. The decrease in overhead expenses was mainly due to lower marketing expenses of RM221.6 million, lower personnel expenses of RM61.8 million, lower administration and general expenses of RM20.0 million and lower establishment costs of RM13.3 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM2,311.1 million or 101.0% to RM4,598.6 million as compared to the previous corresponding financial year ended 31 December 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 financial year ended 31 December 2020 compared to the previous corresponding financial year ended 31 December 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 RM2,797.7 million or 43.3% to RM3,667.0 million for the financial year ended 31 December 2020 from RM6,464.7 million for the previous corresponding financial year ended 31 December 2019. The decrease was mainly due to net allowance for impairment losses on loans, advances, financing and other debts of RM1,986.8 million from net writeback of RM215.6 million, lower net interest income and income from IBS operations of RM487.0 million, lower other operating income of RM391.3 million. The decreases were, however, mitigated by lower overhead expenses of RM283.0 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation and zakat decreased by RM108.3 million or 2.7% to RM4,008.0 million for the financial year ended 31 December 2020 from RM4,116.3 million for the previous corresponding twelve-month financial year ended 31 December 2019. The decrease was mainly due to higher net allowances for impairment losses on financial investments and other financial assets of RM438.2 million, higher net allowances for impairment losses on loans, advances, financing and other debts of RM112.3 million and higher overhead expenses of RM16.2 million. The decreases were, however, mitigated by higher other operating income of RM231.5 million, higher net interest income and income from IBS operations of RM174.4 million and higher share of profits in associates and joint ventures of RM52.4 million.

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

Group Investment Banking's profit before taxation and zakat increased by RM423.1 million or 524.9% to RM503.7 million for the financial year ended 31 December 2020 from RM80.6 million for the previous corresponding financial year ended 31 December 2019. The increase was mainly due to higher other operating income of RM397.2 million, lower overhead expenses of RM59.6 million and lower net allowance for impairment losses on loans, advances, financing and other debts of RM6.4 million. The increases were, however, offset by net allowance for impairment losses on financial investments and other financial assets of RM12.1 million from net writeback of RM12.9 million and lower net interest income and income from IBS operations of RM13.5 million.

c) Group Asset Management

Group Asset Management's profit before taxation and zakat increased by RM21.8 million or 183.2% to RM33.7 million for the financial year ended 31 December 2020 from RM11.9 million for the previous corresponding financial year ended 31 December 2019. The increase was mainly due to higher other operating income of RM17.2 million, lower overhead expenses of RM3.3 million and higher net interest income of RM1.3 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat increased by RM59.3 million or 6.3% to RM996.1 million for the financial year ended 31 December 2020 from RM936.8 million for the previous corresponding financial year ended 31 December 2019. The increase was mainly contributed by higher net earned insurance premiums of RM2,698.2 million and lower net allowance for impairment losses on financial investments and other financial assets of RM16.7 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 RM1,876.1 million, lower other operating income of RM737.4 million, higher overhead expenses of RM13.0 million and higher net allowance for impairment losses on loans, advances, financing and other debts of RM2.8 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 RM1,537.4 million for the quarter ended 31 December 2020, a decrease of RM911.7 million or 37.2% as compared to the previous period corresponding quarter ended 31 December 2019.

The Group's net interest income and Islamic Banking income for the quarter ended 31 December 2020 decreased by RM212.7 million or 4.6% to RM4,456.7 million as compared to the previous period corresponding quarter ended 31 December 2019.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM1,021.6 million or 58.0% to RM2,782.8 million as compared to the previous period corresponding quarter ended 31 December 2019.

The Group's other operating income increased by RM31.3 million to RM1,502.2 million for the quarter ended 31 December 2020 as compared to the previous period corresponding quarter ended 31 December 2019. The increase was mainly due to higher unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM451.1 million, realised loss on financial liabilities at FVTPL of RM283.1 million in the previous period corresponding quarter ended 31 December 2019, higher net foreign exchange gain of RM115.4 million, higher fee income of RM67.3 million and lower realised loss on derivatives of RM23.1 million. The increases were, however, offset by lower unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM395.1 million, unrealised mark-to-market loss on revaluation of derivatives of RM314.3 million for the quarter ended 31 December 2020 as compared to unrealised mark-to-market gain on revaluation of derivatives of RM45.5 million for the previous period corresponding quarter ended 31 December 2019 and lower net gain in investment income of RM178.3 million.

The Group's overhead expenses for the quarter ended 31 December 2020 recorded a decrease of RM76.7 million or 2.6% to RM2,892.4 million as compared to the previous period corresponding quarter ended 31 December 2019. The decrease in overhead expenses was mainly due to lower marketing expenses of RM41.6 million, lower establishment costs of RM41.4 million and lower administration and general expenses of RM2.8 million. The decreases were, however, offset by higher personnel expenses of RM9.1 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM759.4 million or 227.5% to RM1,093.3 million as compared to the previous period corresponding quarter ended 31 December 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 31 December 2020 compared to the previous period corresponding quarter ended 31 December 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 RM1,035.9 million or 55.6% to RM827.4 million for the quarter ended 31 December 2020 from RM1,863.3 million for the previous period corresponding quarter ended 31 December 2019. The decrease was mainly due to net allowance for impairment losses on loans, advances, financing and other debts of RM688.6 million from net writeback of RM212.2 million, lower net interest income and income from IBS operations of RM174.5 million and lower other operating income of RM110.9 million. The decreases were, however, mitigated by lower overhead expenses of RM150.4 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets's profit before taxation and zakat decreased by RM180.7 million or 17.7% to RM838.9 million for the quarter ended 31 December 2020 from RM1,019.6 million for the previous period corresponding quarter ended 31 December 2019. The decrease was mainly due to net allowance for impairment losses on financial investments and other financial assets by RM399.0 million from net writeback of RM32.6 million, higher overhead expenses of RM17.4 million and lower other operating income of RM2.6 million. The decreases were, however, mitigated by lower allowance for impairment losses on loans, advances, financing and other debts of RM147.7 million, higher net interest income and income from IBS operations of RM89.1 million and higher share of profits in associates and joint ventures of RM34.0 million.

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

Group Investment Banking's profit before taxation and zakat increased by RM123.4 million or 140.4% to RM211.3 million for the quarter ended 31 December 2020 from RM87.9 million for the previous period corresponding quarter ended 31 December 2019. The increase was mainly due to higher other operating income of RM170.4 million and higher net writeback of impairment losses on loans, advances, financing and other debts of RM1.1 million. The increases were, however, offset by net allowance for impairment losses on financial investments and other financial assets of RM11.5 million from net writeback of RM14.3 million, higher overhead expenses of RM17.1 million, lower net interest income and income from IBS operations of RM3.7 million and lower share of profits in associates and joint ventures of RM1.5 million.

c) Group Asset Management

Group Asset Management recorded profit before taxation and zakat of RM32.9 million for the quarter ended 31 December 2020 from loss before taxation of RM29.5 million for the previous period corresponding quarter ended 31 December 2019. The profit was, mainly due to higher other operating income of RM53.4 million and higher net interest income of RM10.3 million. The profit was, however, offset by higher overhead expenses of RM1.2 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat increased by RM42.9 million or 13.4% to RM363.1 million for the quarter ended 31 December 2020 from RM320.2 million for the previous period corresponding quarter ended 31 December 2019. The increase was mainly contributed by higher net earned insurance premiums of RM1,024.5 million and higher other operating income of RM120.7 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 RM1,048.0 million, higher overhead expenses of RM37.9 million, net allowance for impairment losses on loans, advances, financing and other debts of RM0.6 million from net writeback of RM6.9 million, lower net interest income of RM6.5 million and higher 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 31 December 2020 decreased by RM415.0 million to RM1,537.4 million against the preceding quarter ended 30 September 2020 of RM1,952.4 million.

The Group's net interest income and income from Islamic Banking Scheme operations for the quarter ended 31 December 2020 increased by RM168.8 million to RM4,456.7 million against the preceding quarter of RM4,287.9 million.

The Group's net earned insurance premiums for the quarter ended 31 December 2020 decreased by RM207.5 million to RM2,782.8 million compared to RM2,990.3 million in the preceding quarter ended 30 September 2020.

Other operating income of the Group for the quarter ended 31 December 2020 decreased by RM534.3 million to RM1,502.2 million compared to RM2,036.5 million in the preceding quarter ended 30 September 2020. The decrease was mainly due to unrealised mark-to-market loss on revaluation of derivatives of RM314.3 million and financial assets designated upon initial recognition at FVTPL of RM108.1 million for the quarter ended 31 December 2020 as compared to unrealised mark-to-market gain on revaluation of derivatives of RM387.0 million and financial assets designated upon initial recognition at FVTPL of RM201.7 million in the preceding quarter ended 30 September 2020, lower net investment income of RM678.0 million and lower unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM280.4 million. The decreases were, however, mitigated by higher unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM546.4 million, lower realised loss on derivatives of RM279.6 million, higher net foreign exchange gain of RM258.0 million and higher fee income of RM214.4 million.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund decreased by RM808.0 million to RM2,428.9 million for the quarter ended 31 December 2020 compared to RM3,236.9 million in the preceding quarter ended 30 September 2020. The decrease was mainly due to lower net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM749.0 million.

The Group posted an increase of RM188.0 million in overhead expenses to RM2,892.4 million for the quarter ended 31 December 2020 compared to RM2,704.4 million in the preceding quarter ended 30 September 2020. The increase in overhead expenses was mainly due to higher administration and general expenses of RM126.2 million, higher personnel expenses of RM29.1 million, higher marketing expenses of RM21.7 million and higher establishment costs of RM11.0 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts increased by RM288.9 million to RM1,093.3 million for the quarter ended 31 December 2020 compared to RM804.4 million in the preceding quarter ended 30 September 2020.

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B3. Prospects

The operating landscape in 2020 was extremely challenging, with the COVID-19 pandemic leading to a global recession, following deep contractions in major and ASEAN economies. The global economy is expected to rebound in 2021 following the rollout of COVID-19 vaccines to achieve herd immunity. Global monetary policies are anticipated to remain accommodative and fiscal policies are to stay expansionary, extending economic stimulus, thus avoiding a policy cliff from premature withdrawals, ending or exiting of stimulus packages.

In Malaysia, economic recovery is expected to be gradual and uneven amid pandemic containment measures that include re-imposition of the Conditional Movement Control Order in 4Q 2020, followed by the Movement Control Order and declaration of emergency currently, as well as the rollout of vaccines starting 24 February 2021. Monetary, fiscal and economic stimulus will continue, focusing on targeted supports and interventions for individuals and businesses. Overnight Policy Rate (OPR) is forecasted to remain at its record low level throughout 2021 amid a benign return of inflation from deflation in 2020, while the expansionary fiscal policy will continue via Budget 2021's record spending allocation of RM322.5 billion.

For Singapore, economic recovery will also be gradual as the vaccine rollout since December 2020 is expected to achieve herd immunity by 4Q 2021 amid a more infectious virus wave that prompted renewed lockdowns in the region and major markets, with border controls still in place. Inflation could turn mildly positive but remain manageable due to the soft labour market recovery. The Monetary Authority of Singapore (MAS) will likely maintain its neutral stance following the double easing in March 2020. Following the 13.9% of GDP deficit spending in 2020, Budget 2021 will remain expansionary, but via a smaller fiscal deficit of 2.2% of GDP.

In Indonesia, the start of vaccine deployment in January 2021 is expected to help restore domestic mobility and revive consumer spending and investments that underpin the projected economic recovery in 2021. The accommodative monetary policy has extended into 2021, with an additional 25 bps interest rate cut announced in February 2021. Bank Indonesia will also continue purchasing government bonds to finance this year's Budget. Inflation is forecasted to pick up but remain within the central bank's target range, driven by the recovery of energy and food prices.

Given the challenging environment, Maybank Group will continue to prioritise maintaining its capital and liquidity strength. From this position of strength, the Group will continue to proactively engage its customers to address asset quality concerns early on, and identify and support on a targeted basis customers that remain affected by the pandemic-induced downturn. To mitigate against further net interest margin compression, the Group will focus on growing lower cost current and savings deposit balances.

The Group will also target fee-based income opportunities through its wealth management, global markets, investment banking, asset management and insurance segments. Capitalising on our domestic franchise and leadership position in digital banking, we will focus on accelerating product roll-outs on our digital platform to increase market penetration and generate fee-based revenues. Furthermore, the Group will enhance productivity and efficiencies, while maintaining disciplined cost management to offset top line pressures.

Given the continued impact of the COVID-19 pandemic, the Group has set its Headline KPI of return on equity of circa 9% for FY2021 on the back of low rates across our home markets and the weakening credit environment, which is expected to result in loan loss provisioning remaining elevated.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the fourth quarter and 12 months financial year ended 31 December 2020.

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B5. Taxation and Zakat

The analysis of the tax expense for the fourth quarter and 12 months financial year ended 31 December 2020 are as follows:

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	668,046	726,337	1,516,016	2,223,370
Foreign income tax	39,160	122,057	229,333	378,256
	707,206	848,394	1,745,349	2,601,626
Under/(over) provision in respect of prior period/year:				
Malaysian income tax	3,341	177,468	(30,952)	143,175
Foreign income tax	(15,359)	(168,783)	(40,697)	(178,728)
	695,188	857,079	1,673,700	2,566,073
Deferred tax				
- Relating to origination and reversal of temporary differences	(305,938)	(184,725)	226,758	(67,263)
Tax expense for the financial period/year	354,957	672,354	1,900,458	2,498,810
Zakat	(3,767)	23,386	37,419	39,421
	351,190	695,740	1,937,877	2,538,231

The Group's effective tax rate for the financial period/year ended 31 December 2020 was lower than the statutory tax rate due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	380,835	286,739	995,182	1,107,255
Foreign income tax	(11,672)	719	4,540	9,730
	369,163	287,458	999,722	1,116,985
(Over)/under provision in respect of prior period/year:				
Malaysian income tax	(9,997)	177,463	(9,997)	177,463
Foreign income tax	(14,417)	(171,632)	(39,174)	(177,138)
	344,749	293,289	950,551	1,117,310
Deferred tax				
- Relating to origination and reversal of temporary differences	(173,181)	(30,782)	13,332	18,773
Tax expense for the financial period/year	171,568	262,507	963,883	1,136,083

The Bank's effective tax rate for the financial period/year ended 31 December 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.

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B6. Status of Corporate Proposals Announced but Not Completed

There are no corporate proposals announced but not completed during the financial year ended 31 December 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 A41g.

B9. Derivative Financial Instruments

Please refer to Note A37.

B10. Changes in Material Litigation

There is no material litigation during the financial year ended 31 December 2020.

B11. Dividend

(i) Proposed final dividend

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the current financial year ended 31 December 2020 of 38.5 sen single-tier dividend per ordinary share, amounting to dividend payable of RM4,394,387,936 (based on 11,413,994,640 ordinary shares including new ordinary shares issued on 15 January 2021 pursuant to the DRP) will be proposed for the shareholders' approval.

The proposed final single-tier dividend consists of cash portion of 17.5 sen per ordinary share to be paid in cash amounting to RM1,997,449,062 and an electable portion of 21.0 sen per ordinary share amounting to RM2,396,938,874.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the final 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.

(ii) Total dividend

Total dividend for the financial year ended 31 December 2020 are as follows:

- a) Single-tier interim dividend of 13.5 sen per ordinary share declared on 27 November 2020 and paid on 15 January 2021; and
- b) Proposed single-tier final dividend of 38.5 sen per ordinary share, subject to shareholders' approval.

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B12. Earnings Per Share ("EPS")

Basic EPS

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

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
Net profit for the financial period/year attributable to equity holders of the Bank (RM'000)	1,537,405	2,449,130	6,481,219	8,198,074
Weighted average number of ordinary shares in issue ('000)	11,241,362	11,241,362	11,241,362	11,161,496
Basic earnings per share	13.68 sen	21.79 sen	57.66 sen	73.45 sen

Diluted EPS

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

By Order of the Board

Wan Marzimin Wan Muhammad

LS0009924

Company Secretary

25 February 2021