

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

<u>Group</u>	Note	Second Quarter Ended		Cumulative 6 Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Interest income	A21	4,313,944	4,926,240	8,648,090	10,488,483
Interest expense	A22	(1,294,016)	(2,228,382)	(2,720,895)	(4,879,464)
Net interest income		3,019,928	2,697,858	5,927,195	5,609,019
Income from Islamic Banking Scheme operations	A41a	1,959,307	1,251,627	3,843,496	2,872,397
Net earned insurance premiums	A23	2,166,541	1,740,883	4,695,771	3,685,821
Other operating income	A25	1,150,109	2,427,426	2,165,252	3,760,531
Total operating income		8,295,885	8,117,794	16,631,714	15,927,768
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A26	(2,122,136)	(2,469,248)	(3,632,862)	(3,555,052)
Net operating income		6,173,749	5,648,546	12,998,852	12,372,716
Overhead expenses	A27	(2,920,778)	(2,706,339)	(5,742,444)	(5,648,346)
Operating profit before impairment losses		3,252,971	2,942,207	7,256,408	6,724,370
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(524,783)	(1,739,267)	(1,375,022)	(2,700,934)
Allowances for impairment losses on financial investments, net	A29	(43,993)	(9,151)	(126,265)	(43,917)
Writeback of/(allowances for) impairment losses on other financial assets, net	A30	1,582	7,687	65,567	(20,156)
Operating profit		2,685,777	1,201,476	5,820,688	3,959,363
Share of profits in associates and joint ventures		40,275	54,271	76,867	94,138
Profit before taxation and zakat		2,726,052	1,255,747	5,897,555	4,053,501
Taxation and zakat	B5	(693,010)	(229,111)	(1,436,630)	(984,973)
Profit for the financial period		2,033,042	1,026,636	4,460,925	3,068,528
Attributable to:					
Equity holders of the Bank		1,962,526	941,732	4,354,656	2,991,382
Non-controlling interests		70,516	84,904	106,269	77,146
		2,033,042	1,026,636	4,460,925	3,068,528
Earnings per share attributable to equity holders of the Bank					
Basic/diluted	B12	17.05 sen	8.38 sen	38.00 sen	26.61 sen

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Profit for the financial period	2,033,042	1,026,636	4,460,925	3,068,528
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial gain/(loss)	2,684	(6,063)	1,747	(6,228)
Income tax effect	(1,277)	(755)	(1,277)	(755)
Net gain/(loss) from change in fair value on equity instruments at fair value through other comprehensive income	9,409	(17,697)	6,546	43,265
	10,816	(24,515)	7,016	36,282
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on debt instruments at fair value through other comprehensive income	702,132	1,463,159	(3,002,839)	1,132,513
- Net gain/(loss) from change in fair value	849,113	1,566,414	(3,274,237)	1,038,424
- Changes in expected credit losses	36,757	266,219	(435,373)	307,666
- Income tax effect	(183,738)	(369,474)	706,771	(213,577)
Net (loss)/gain on foreign exchange translation	(10,067)	1,730,888	421,495	667,239
Net gain on cash flow hedge	-	55	-	1
Net gain/(loss) on net investment hedge	57	948	(5,085)	(7,154)
Cost of hedging for fair value hedge	(5,124)	5,173	(14,884)	20,634
Net gain/(loss) on capital reserve	74	(742)	379	(962)
Share of change in associates' reserve	7,986	10,615	23,153	33,975
	695,058	3,210,096	(2,577,781)	1,846,246
Other comprehensive income/(loss) for the financial period, net of tax	705,874	3,185,581	(2,570,765)	1,882,528
Total comprehensive income for the financial period	2,738,916	4,212,217	1,890,160	4,951,056
Other comprehensive income/(loss) for the financial period, attributable to:				
Equity holders of the Bank	687,096	3,142,299	(2,527,957)	1,877,183
Non-controlling interests	18,778	43,282	(42,808)	5,345
	705,874	3,185,581	(2,570,765)	1,882,528
Total comprehensive income for the financial period, attributable to:				
Equity holders of the Bank	2,649,622	4,084,031	1,826,699	4,868,565
Non-controlling interests	89,294	128,186	63,461	82,491
	2,738,916	4,212,217	1,890,160	4,951,056

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

<u>Bank</u>	Note	Second Quarter Ended		Cumulative 6 Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Interest income	A21	2,930,019	3,290,288	5,828,664	7,057,829
Interest expense	A22	(827,522)	(1,449,806)	(1,697,973)	(3,268,403)
Net interest income		2,102,497	1,840,482	4,130,691	3,789,426
Dividends from subsidiaries	A24	1,569,620	1,604,017	1,599,454	2,079,308
Other operating income	A25	457,799	775,798	1,692,089	2,531,615
		2,027,419	2,379,815	3,291,543	4,610,923
Net operating income		4,129,916	4,220,297	7,422,234	8,400,349
Overhead expenses	A27	(1,312,937)	(1,152,962)	(2,510,005)	(2,284,361)
Operating profit before impairment losses		2,816,979	3,067,335	4,912,229	6,115,988
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(103,462)	(955,172)	(1,174,346)	(1,734,824)
(Allowances for)/writeback of impairment losses on financial investments, net	A29	(42,020)	1,792	79,301	(23,991)
Writeback of/(allowances for) impairment losses on other financial assets, net	A30	201	(981)	47,193	(10,844)
Profit before taxation and zakat		2,671,698	2,112,974	3,864,377	4,346,329
Taxation and zakat	B5	(287,408)	(88,849)	(578,278)	(542,090)
Profit for the financial period		2,384,290	2,024,125	3,286,099	3,804,239

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

<u>Bank</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	2,384,290	2,024,125	3,286,099	3,804,239
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	1,499	(21,816)	1,190	46,770
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on debt instruments at fair value through other comprehensive income	496,418	1,118,875	(2,232,713)	825,454
- Net gain/(loss) from change in fair value	605,337	1,114,000	(2,363,707)	678,093
- Changes in expected credit losses	36,158	266,988	(436,339)	303,900
- Income tax effect	(145,077)	(262,113)	567,333	(156,539)
Net gain on foreign exchange translation	4,741	43,820	183,918	194,434
Cost of hedging for fair value hedge	(5,124)	5,173	(14,884)	20,634
	496,035	1,167,868	(2,063,679)	1,040,522
Other comprehensive income/(loss) for the financial period, net of tax	497,534	1,146,052	(2,062,489)	1,087,292
Total comprehensive income for the financial period	2,881,824	3,170,177	1,223,610	4,891,531

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	Group		Bank	
		30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
ASSETS					
Cash and short-term funds		56,932,668	43,884,714	32,211,217	24,106,030
Deposits and placements with financial institutions		13,281,376	10,128,931	19,452,859	15,268,348
Financial assets purchased under resale agreements		15,399,242	17,543,987	14,690,758	14,849,421
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	13,670,483	14,028,031	-	-
Financial investments at fair value through profit or loss	A10(ii)	25,509,466	27,179,846	14,126,721	18,189,480
Financial investments at fair value through other comprehensive income	A10(iii)	119,002,209	127,502,681	68,279,991	75,533,793
Financial investments at amortised cost	A10(iv)	50,771,764	46,475,916	38,382,413	39,856,983
Loans, advances and financing to financial institutions	A11(i)	1,025,645	899,986	32,094,849	30,042,986
Loans, advances and financing to customers	A11(ii)	527,353,085	511,310,107	205,673,270	199,881,476
Derivative assets	A37	16,163,568	19,907,957	15,918,969	19,713,802
Reinsurance/retakaful assets and other insurance receivables	A12	7,431,255	5,778,581	-	-
Other assets	A13	10,675,764	10,236,874	2,393,551	4,116,602
Investment properties		941,865	941,545	-	-
Statutory deposits with central banks		7,433,136	7,468,213	1,837,465	1,647,066
Investment in subsidiaries		-	-	31,610,103	30,903,363
Interest in associates and joint ventures		2,681,256	2,680,402	440,730	440,730
Property, plant and equipment		2,165,691	2,206,849	908,748	941,767
Right-of-use assets		1,144,395	1,245,454	431,385	424,139
Intangible assets		6,643,932	6,648,504	391,334	387,660
Deferred tax assets		1,126,397	790,936	257,881	-
TOTAL ASSETS		879,353,197	856,859,514	479,102,244	476,303,646
LIABILITIES					
Customers' funding:					
- Deposits from customers	A14	579,486,671	556,349,372	267,712,335	250,025,335
- Investment accounts of customers ¹	A41g	25,475,794	23,840,796	-	-
Deposits and placements from financial institutions	A15	39,978,300	37,878,866	37,117,046	34,720,115
Obligations on financial assets sold under repurchase agreements		6,365,164	11,131,215	29,240,495	36,922,305
Derivative liabilities	A37	14,870,580	19,151,751	14,578,493	18,724,393
Financial liabilities at fair value through profit or loss	A16	9,501,948	10,161,921	9,501,948	10,161,921
Bills and acceptances payable		1,217,935	997,663	443,734	458,617
Insurance/takaful contract liabilities and other insurance payables	A18	40,236,476	37,694,765	-	-
Other liabilities	A19	24,588,170	21,027,915	8,053,918	7,810,067
Provision for taxation and zakat		791,982	151,919	364,266	66,120
Deferred tax liabilities		574,300	1,470,856	-	377,830
Borrowings	A17(i)	37,514,175	38,097,224	28,948,916	33,134,255
Subordinated obligations	A17(ii)	9,035,589	8,967,831	8,876,086	8,808,639
Capital securities	A17(iii)	2,828,127	2,827,793	2,828,127	2,827,793
TOTAL LIABILITIES		792,465,211	769,749,887	407,665,364	404,037,390

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

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	Group		Bank	
		30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		51,713,981	48,280,355	51,713,981	48,280,355
Retained profits		28,316,289	29,494,627	14,563,741	16,809,095
Reserves		4,180,090	6,661,665	5,159,158	7,176,806
		84,210,360	84,436,647	71,436,880	72,266,256
Non-controlling interests		2,677,626	2,672,980	-	-
		86,887,986	87,109,627	71,436,880	72,266,256
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		879,353,197	856,859,514	479,102,244	476,303,646
COMMITMENTS AND CONTINGENCIES	A35	1,278,074,016	1,305,384,589	1,186,763,552	1,225,860,019
<u>CAPITAL ADEQUACY</u>					
	A36				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		14.643%	15.313%	14.602%	15.581%
Tier 1 Capital Ratio		15.330%	16.026%	15.324%	16.343%
Total Capital Ratio		17.861%	18.683%	17.535%	18.639%
Net assets per share attributable to equity holders of the Bank					
		RM7.20	RM7.51	RM6.11	RM6.43

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

<===== 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 2021	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
Profit for the financial period	-	-	-	-	-	-	-	4,354,656	4,354,656	106,269	4,460,925
Other comprehensive (loss)/income	-	-	-	(2,983,074)	474,235	-	(19,118)	-	(2,527,957)	(42,808)	(2,570,765)
Defined benefit plan actuarial gain	-	-	-	-	-	-	489	-	489	(19)	470
Share of associates' reserve	-	-	-	(25,956)	49,109	-	-	-	23,153	-	23,153
Net gain/(loss) on foreign exchange translation	-	-	-	-	425,126	-	-	-	425,126	(3,631)	421,495
Net loss on financial investments at fair value through other comprehensive income	-	-	-	(2,957,118)	-	-	-	-	(2,957,118)	(39,175)	(2,996,293)
Net loss on net investment hedge	-	-	-	-	-	-	(5,085)	-	(5,085)	-	(5,085)
Cost of hedging for fair value hedge	-	-	-	-	-	-	(14,884)	-	(14,884)	-	(14,884)
Net gain on capital reserve	-	-	-	-	-	-	362	-	362	17	379
Total comprehensive (loss)/income for the financial period	-	-	-	(2,983,074)	474,235	-	(19,118)	4,354,656	1,826,699	63,461	1,890,160
Carried forward	48,280,355	317,823	2,115,455	1,589,495	346,668	96,186	(331,919)	33,849,283	86,263,346	2,736,441	88,999,787

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

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

Group (cont'd.)	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	317,823	2,115,455	1,589,495	346,668	96,186	(331,919)	33,849,283	86,263,346	2,736,441	88,999,787
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(825)	-	-	-	825	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	41,031	-	-	41,031	-	41,031
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	25,931	25,931
Transfer to statutory reserve	-	11,538	-	-	-	-	-	(11,538)	-	-	-
Transfer from regulatory reserve	-	-	(5,362)	-	-	-	-	5,362	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a))	3,433,626	-	-	-	-	-	-	-	3,433,626	-	3,433,626
Dividends (Note A9(a) & (b))	-	-	-	-	-	-	-	(5,527,643)	(5,527,643)	(84,746)	(5,612,389)
Total transactions with shareholders/ other equity movements	3,433,626	11,538	(5,362)	(825)	-	41,031	-	(5,532,994)	(2,052,986)	(58,815)	(2,111,801)
At 30 June 2021	51,713,981	329,361	2,110,093	1,588,670	346,668	137,217	(331,919)	28,316,289	84,210,360	2,677,626	86,887,986

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 RM695.6 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.

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

<===== 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			Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Other ¹ Reserves RM'000	Retained ² Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
				Reserve RM'000	Reserve RM'000	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 period	-	-	-	-	-	-	-	2,991,382	2,991,382	77,146	3,068,528		
Other comprehensive income	-	-	-	1,247,128	624,511	-	5,544	-	1,877,183	5,345	1,882,528		
Defined benefit plan actuarial (loss)/gain	-	-	-	-	-	-	(7,016)	-	(7,016)	33	(6,983)		
Share of associates' reserve	-	-	-	73,775	(39,800)	-	-	-	33,975	-	33,975		
Net gain on foreign exchange translation	-	-	-	-	664,311	-	-	-	664,311	2,928	667,239		
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,173,353	-	-	-	-	1,173,353	2,425	1,175,778		
Net loss on net investment hedge	-	-	-	-	-	-	(7,154)	-	(7,154)	-	(7,154)		
Net gain on cash flow hedge	-	-	-	-	-	-	1	-	1	-	1		
Cost of hedging for fair value hedge	-	-	-	-	-	-	20,634	-	20,634	-	20,634		
Net loss on capital reserve	-	-	-	-	-	-	(921)	-	(921)	(41)	(962)		
Total comprehensive income for the financial period	-	-	-	1,247,128	624,511	-	5,544	2,991,382	4,868,565	82,491	4,951,056		
Carried forward	48,280,355	279,355	2,771,806	4,220,279	1,024,337	37,195	(328,105)	30,154,281	86,439,503	2,580,777	89,020,280		

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

<===== 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	4,220,279	1,024,337	37,195	(328,105)	30,154,281	86,439,503	2,580,777	89,020,280
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(2,961)	-	-	-	2,961	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	27,751	-	-	27,751	-	27,751
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	(2,991)	(2,991)
Transfer to statutory reserve	-	37,007	-	-	-	-	-	(37,007)	-	-	-
Transfer from regulatory reserve	-	-	(655,075)	-	-	-	-	655,075	-	-	-
Dividends	-	-	-	-	-	-	-	(4,384,131)	(4,384,131)	(88,717)	(4,472,848)
Total transactions with shareholders/ other equity movements	-	37,007	(655,075)	(2,961)	-	27,751	-	(3,763,102)	(4,356,380)	(91,708)	(4,448,088)
At 30 June 2020	48,280,355	316,362	2,116,731	4,217,318	1,024,337	64,946	(328,105)	26,391,179	82,083,123	2,489,069	84,572,192

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 RM550.4 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

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

	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Fair Value Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Bank									
At 1 January 2021	48,280,355	69,518	1,495,500	3,261,447	2,241,350	96,186	12,805	16,809,095	72,266,256
Profit for the financial period	-	-	-	-	-	-	-	3,286,099	3,286,099
Other comprehensive (loss)/income	-	-	-	(2,231,523)	183,918	-	(14,884)	-	(2,062,489)
Net gain on foreign exchange translation	-	-	-	-	183,918	-	-	-	183,918
Net loss on financial investments at fair value through other comprehensive income	-	-	-	(2,231,523)	-	-	-	-	(2,231,523)
Cost of hedging for fair value hedge	-	-	-	-	-	-	(14,884)	-	(14,884)
Total comprehensive (loss)/income for the financial period	-	-	-	(2,231,523)	183,918	-	(14,884)	3,286,099	1,223,610
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(778)	-	-	-	778	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	41,031	-	-	41,031
Transfer to statutory reserve	-	4,588	-	-	-	-	-	(4,588)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a))	3,433,626	-	-	-	-	-	-	-	3,433,626
Dividends (Note A9(a))	-	-	-	-	-	-	-	(5,527,643)	(5,527,643)
Total transactions with shareholders/ other equity movements	3,433,626	4,588	-	(778)	-	41,031	-	(5,531,453)	(2,052,986)
At 30 June 2021	51,713,981	74,106	1,495,500	1,029,146	2,425,268	137,217	(2,079)	14,563,741	71,436,880

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

<===== 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 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 period	-	-	-	-	-	-	-	3,804,239	3,804,239
Other comprehensive income	-	-	-	872,224	194,434	-	20,634	-	1,087,292
Net gain on foreign exchange translation	-	-	-	-	194,434	-	-	-	194,434
Net gain on financial investments at fair value through other comprehensive income	-	-	-	872,224	-	-	-	-	872,224
Cost of hedging for fair value hedge	-	-	-	-	-	-	20,634	-	20,634
Total comprehensive income for the financial period	-	-	-	872,224	194,434	-	20,634	3,804,239	4,891,531
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	27,751	-	-	27,751
Transfer to statutory reserve	-	8,539	-	-	-	-	-	(8,539)	-
Transfer from regulatory reserve	-	-	(399,421)	-	-	-	-	399,421	-
Dividends	-	-	-	-	-	-	-	(4,384,131)	(4,384,131)
Total transactions with shareholders/ other equity movements	-	8,539	(399,421)	-	-	27,751	-	(3,993,249)	(4,356,380)
At 30 June 2020	48,280,355	68,041	1,495,500	3,132,495	2,502,890	64,946	20,289	15,034,012	70,598,528

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

	Group		Bank	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	5,897,555	4,053,501	3,864,377	4,346,329
Adjustments for:				
Share of profits in associates and joint ventures	(76,867)	(94,138)	-	-
Depreciation of property, plant and equipment	150,336	154,014	47,293	51,552
Depreciation of right-of-use assets	227,024	223,455	55,184	59,760
Amortisation of intangible assets	145,894	140,311	31,306	28,020
Loss/(gain) on disposal of property, plant and equipment	938	(11,477)	1,164	(10,926)
Net loss on liquidation/disposal of subsidiaries	7,143	10,160	-	-
Net (gain)/loss on disposal of financial assets at fair value through profit or loss	(73,330)	283,419	12,338	(102,390)
Net gain on disposal of financial investments at fair value through other comprehensive income	(461,521)	(1,547,468)	(338,740)	(1,174,692)
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss and derivatives	914,356	(960,057)	137,841	(737,046)
Unrealised (gain)/loss on revaluation of financial liabilities at fair value through profit or loss	(797,107)	290,176	(797,107)	290,176
Unrealised gain on revaluation of loans, advances and financing at fair value through profit or loss	-	(952)	-	(952)
Allowances for impairment losses on loans, advances and financing, net	1,502,089	2,813,414	1,229,175	1,786,847
Allowances for impairment losses on other debts	4,829	1,960	678	154
Allowances for/(writeback of) impairment losses on financial investments, net	126,265	43,917	(79,301)	23,991
(Writeback of)/allowances for impairment losses on other financial assets, net	(65,567)	20,156	(47,193)	10,844
Dividend income	(90,008)	(55,122)	(1,603,641)	(2,082,500)
ESGP expenses	56,589	38,754	30,140	19,944
Other adjustments for non-operating and non-cash items	131,762	36,890	(59,127)	(153,235)
Operating profit before working capital changes	7,600,380	5,440,913	2,484,387	2,355,876
Change in cash and short-term funds with original maturity of more than three months	9,797,535	2,129,991	8,871,052	128,879
Change in deposits and placements with financial institutions with original maturity of more than three months	(6,580,164)	(1,499,609)	(8,007,921)	12,527,065
Change in financial investments portfolio	2,096,239	(8,887,554)	10,759,343	(6,954,060)
Change in loans, advances and financing	(13,694,087)	1,155,094	(7,395,476)	(4,518,665)
Change in statutory deposits with central banks	35,385	8,102,414	(190,399)	2,507,316
Change in deposits from customers	19,326,541	7,979,831	16,012,001	4,553,290
Change in investment accounts of customers	1,634,998	1,799,953	-	-
Change in deposits and placements from financial institutions	2,099,434	(7,435,891)	2,396,930	(9,671,549)
Change in financial liabilities at fair value through profit or loss	18,520	(5)	18,520	(5)
Change in reinsurance/retakaful assets and other insurance receivables	(1,629,111)	(828,140)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	2,541,711	2,370,446	-	-
Change in other operating activities	431,621	(4,670,751)	(5,736,022)	2,573,665
Cash generated from operations	23,679,002	5,656,692	19,212,415	3,501,812
Taxes and zakat paid	(1,260,969)	(493,649)	(365,649)	(328,595)
Net cash generated from operating activities	22,418,033	5,163,043	18,846,766	3,173,217

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021

	Group		Bank	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Cash flows from investing activities				
Dividends received from:				
- financial investments portfolio	90,008	55,122	4,187	3,192
- subsidiaries	-	-	1,599,454	2,079,308
Purchase of property, plant and equipment	(92,767)	(63,632)	(7,671)	(11,059)
Purchase of intangible assets	(105,952)	(102,363)	(36,481)	(19,837)
Purchase of investment properties	(266)	(455)	-	-
Purchase of additional ordinary shares in existing subsidiaries	-	-	(706,740)	(732,788)
Proceeds from disposal of property, plant and equipment	2,915	484,641	119	11,841
Net effect arising from transaction with non-controlling interests	25,929	(2,991)	-	-
Net effect arising from capital repayment of a subsidiary	-	-	-	1,213,920
Net cash (used in)/generated from investing activities	(80,133)	370,322	852,868	2,544,577
Cash flows from financing activities				
Proceeds from issuance of shares	3,433,626	-	3,433,626	-
(Repayment)/drawdown of borrowings, net	(859,109)	(224,522)	(4,445,125)	287,077
Issuance of subordinated obligations	-	94,250	-	-
Issuance of financial liabilities at fair value through profit or loss	1,390,585	2,655,150	1,390,585	2,655,150
Redemption of financial liabilities at fair value through profit or loss	(1,393,899)	(60,328)	(1,393,899)	(60,328)
Repayment of lease liabilities	(99,544)	(63,936)	(35,608)	(17,672)
Recourse obligations on loans and financing sold to Cagamas, net	-	(1,526,225)	-	(1,526,225)
Dividends paid	(5,911,971)	(4,384,131)	(5,911,971)	(4,384,131)
Dividends paid to non-controlling interests	(84,746)	(88,717)	-	-
Net cash used in financing activities	(3,525,058)	(3,598,459)	(6,962,392)	(3,046,129)
Net increase in cash and cash equivalents	18,812,842	1,934,906	12,737,242	2,671,665
Cash and cash equivalents at beginning of period	43,813,448	47,306,745	27,902,551	21,934,867
Effects of foreign exchange rate changes	604,560	494,237	417,813	306,236
Cash and cash equivalents at end of period	63,230,850	49,735,888	41,057,606	24,912,768
Cash and cash equivalents comprise:				
Cash and short-term funds	56,946,091	45,949,002	32,218,928	21,852,984
Deposits and placements with financial institutions	13,296,159	16,466,113	19,458,961	15,832,689
	70,242,250	62,415,115	51,677,889	37,685,673
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(7,011,400)	(12,679,227)	(10,620,283)	(12,772,905)
Cash and cash equivalents at end of period	63,230,850	49,735,888	41,057,606	24,912,768

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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

Part A: Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting

A1. Basis of Preparation

The unaudited condensed interim financial statements for the Group and the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial assets at fair value through other comprehensive income, financial assets and liabilities at fair value through profit or loss, derivative financial instruments and investment properties.

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

The unaudited condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the financial year ended 31 December 2020.

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

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2020 except for adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs"), which are effective for annual periods beginning on or after 1 January 2021:

- Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 - *Interest Rate Benchmark Reform Phase 2*
- Amendment to MFRS 16 - *COVID-19-Related Rent Concessions beyond 30 June 2021*

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.

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.

Amendment to MFRS 16 - *COVID-19-Related Rent Concessions beyond 30 June 2021*

The amendment extends the availability of the practical expedient provided in 2020 where the amendment provides lessees with an option to treat qualifying COVID-19 related rent concession not as lease modification. Lessees may account the concession as a variable lease payment in the period it is granted. This practical expedient applies to rent concession that due on or before 30 June 2022.

Measures announced by Bank Negara Malaysia ("BNM") to assist individuals, small-medium enterprise ("SMEs") and microenterprises affected by COVID-19

During the financial half year ended 30 June 2021, BNM had announced the extension of regulatory measures to facilitate loan/financing repayment assistance to borrowers/customers affected by the COVID-19 pandemic in line with the Government economic stimulus packages. The support measures include the following:

Targeted repayment assistance ("TRA") and moratorium

- (i) *Enhanced targeted repayment assistance under Perlindungan Ekonomi dan Rakyat Malaysia ("PERMAI")*

An extension of TRA under PERMAI was announced on 18 January 2021. The extension applied to all TRA schemes announced previously where borrowers/customers can apply for 3-month deferment of instalment or a 50% reduction in their monthly instalment payment for a period of 6 months. The TRA was applicable to all B40 (who registered in Bantuan Sara Hidup ("BSH") or Bantuan Prihatin Rakyat ("BPR")), M40 (who are recipient of Bantuan Prihatin Nasional ("BPN")) and microenterprises with loan/financing facilities not more than RM150,000 whose loans/financing were approved on or before 30 September 2020 and not in arrears for more than 90 days.

- (ii) *Targeted repayment assistance under Program Strategik Memperkasa Rakyat dan Ekonomi Tambahan ("PEMERKASA+")*

TRA under PEMERKASA+ was announced on 31 May 2021. The TRA was applicable to all borrowers/customers who have lost their employment, B40 borrowers/customers registered under BSH/BPR, SMEs and microenterprises with loan/financing facilities not more than RM150,000 whose loans/financing were approved on or before 30 June 2021 and not in arrears for more than 90 days. All these affected borrowers/customers may opt for 3-month deferment of instalment or a 50% reduction in their monthly instalment payment for a period of 6 months.

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

A1. Basis of Preparation (cont'd.)

Measures announced by Bank Negara Malaysia ("BNM") to assist individuals, small-medium enterprise ("SMEs") and microenterprises affected by COVID-19 (cont'd.)

Targeted repayment assistance ("TRA") and moratorium (cont'd.)

(iii) *Six-month moratorium under Perlindungan Rakyat dan Pemulihan Ekonomi ("PEMULIH")*

The six-month moratorium under PEMULIH was announced on 28 June 2021. The moratorium applies to ringgit and foreign currency denominated loans/financing approved on or before 30 June 2021, not in arrears exceeding 90 days and customers must not be adjudicated bankrupts or under bankruptcy proceedings. All individual, SMEs and microenterprises may opt for 6-month deferment of instalment or 50% reduction in their monthly instalment payment for a period of 6 months. There will be no compounding interest/profit and any penalty interest/profit during the moratorium period.

The repayment assistance/moratorium does not applicable to credit card balances. For outstanding credit card balances, customers were offered an option to convert the outstanding balance into an instalment programme of 36 months (3 years).

Credit risk monitoring, stress testing and classification in the Central Credit Reference Information System ("CCRIS")

The repayment assistance/moratorium 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"). The Group and the Bank will continue to apply judgement and perform more holistic assessment of all relevant indicator and information such as historical repayment and delinquency trend in determining SICR.

The loan/financing that are approved under repayment assistance on or before 31 December 2021 are exempted to be reported as rescheduling and restructuring ("R&R") in CCRIS. However, the Group and the Bank are required to report the credit-impaired status consistently with the accounting classification.

A2. Significant Accounting Policies

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2020 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2020 except for the adoption of the amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2021 as disclosed in Note A1.

A3. Significant Accounting Estimates and Judgements

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

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

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 2020 was not qualified.

A5. Seasonal or Cyclical Factors

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the financial half year ended 30 June 2021.

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

During the financial half year ended 30 June 2021, save as disclosed in Note A8 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

A7. Changes in Estimates

There were no material changes in estimates during the financial half year ended 30 June 2021.

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

A8. Changes in Debt and Equity Securities

- (i) The following are the changes in debt and equity securities for the Group and the Bank during the financial half year ended 30 June 2021:

(a) **Share capital**

The share capital of the Bank increased from RM48,280,355,135 as at 31 December 2020 to RM51,713,981,228 as at 30 June 2021 as follow:

- (A) Issuance of 172,632,753 new ordinary shares amounting to RM1,325,130,714 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; and
- (B) Issuance of 279,343,269 new ordinary shares amounting to RM2,108,495,379 arising from the DRP relating to electable portion of the single-tier final dividend of 21.0 sen in respect of the financial year ended 31 December 2020.

The issued ordinary shares of the Bank as at 30 June 2021 is 11,693,337,909 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*	335.0
USD	Fixed Rate Notes	63.0
HKD	Fixed Rate Notes	505.0
AUD	Fixed Rate Notes	63.0
CNY	Fixed Rate Notes	2,150.0
Redemption of medium term notes		
HKD	Fixed Rate Notes	300.0
HKD	Floating Rate Notes	450.0
USD	Zero Coupon Notes *	347.0
USD	Floating Rate Notes	20.0
RM	Zero Coupon Notes	50.0

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

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	500,000.0
Redemption of bonds		
IDR	Fixed Rate Notes	1,282,500.0

Issuance of commercial papers by the Bank

The aggregate nominal value of the commercial papers issued by the Bank and outstanding as at 30 June 2021 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
RM	Zero Coupon Notes	2,550.0
USD	Zero Coupon Notes	150.0
SGD	Fixed Rate Notes*	315.1
USD	Fixed Rate Notes*	30.0

* Extendible money market certificates

Issuance of Islamic commercial papers by Maybank Islamic Berhad

The aggregate nominal value of the Islamic commercial papers ("ICP") issued by Maybank Islamic Berhad and outstanding as at 30 June 2021 are as follows:

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

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

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

- (i) The following are the changes in debt and equity securities for the Group and the Bank during the financial half year ended 30 June 2021 (cont'd.):

(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.

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the financial half year ended 30 June 2021 and have not been reflected in the financial statements for the financial half year ended 30 June 2021:

(a) **Borrowings**

Issuance/redemption of medium term notes by the Bank

Currency	Description	Aggregate Nominal Value (in million)
Issuance of medium term notes		
CNY	Fixed Rate Notes	480.0
HKD	Fixed Rate Notes	700.0
Redemption of medium term notes		
HKD	Fixed Rate Notes	500.0
CHF	Zero Coupon Notes	100.0

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

Currency	Description	Aggregate Nominal Value (in million)
IDR	Fixed Rate Notes	500,000.0

(b) **Subordinated Obligations**

Redemption of subordinated bonds by PT Bank Maybank Indonesia Tbk

Redemption	Maturity Date	Nominal Value	Description	Tenor
Redemption	8 July 2021	IDR1,500.0 billion	Shelf Subordinated Bonds II Bank BII Tranche I Year 2014	7 years

Issuance of Tier 2 Subordinated Sukuk Murabahah pursuant to the RM30.0 billion Sukuk Programme by the Bank

Issuance	Issue Date	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	5 August 2021	5 August 2026	5 August 2031	RM3.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years

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

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

A9. Dividends

Dividends paid during the financial half year ended 30 June 2021 are as follows:

- (a) On 27 November 2020, the Board of Directors declared a single-tier interim dividend in respect of the financial year ended 31 December 2020 of 13.5 sen per ordinary share, in which the entire 13.5 sen can be elected to be reinvested in new Maybank shares in accordance with Dividend Reinvestment Plan ("DRP").

The single-tier interim dividend of 13.5 sen per ordinary share amounting to RM1,517,583,477 was paid on 15 January 2021.

The financial statements reflect the net interim dividend of RM1,133,255,366 of which RM384,328,111 was the dividend payable made during the financial year ended 31 December 2020 on 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).

During the Adjourned 61st Annual General Meeting held on 6 May 2021, a final dividend in respect of the financial year ended 31 December 2020 of 38.5 sen single-tier dividend per ordinary share, amounting to RM4,394,387,936 was approved by the shareholders.

The dividend consists of cash portion of 17.5 sen per ordinary share amounting to RM1,997,449,062 and an electable portion of 21.0 sen per ordinary share amounting to RM2,396,938,874 where the electable portion could be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The payment date for cash dividends and crediting of ordinary shares under the DRP was completed on 28 June 2021.

- (b) Dividends paid by Maybank's subsidiaries to non-controlling interests amounted to RM84,746,000 during the financial half year ended 30 June 2021.

A10. Financial Investments Portfolio

	Note	Group		Bank	
		30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	13,670,483	14,028,031	-	-
Financial investments at fair value through profit or loss	(ii)	25,509,466	27,179,846	14,126,721	18,189,480
Financial investments at fair value through other comprehensive income	(iii)	119,002,209	127,502,681	68,279,991	75,533,793
Financial investments at amortised cost	(iv)	50,771,764	46,475,916	38,382,413	39,856,983
		208,953,922	215,186,474	120,789,125	133,580,256

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	330,393	233,228	-	-
Malaysian Government Investment Issues	351,044	406,583	-	-
	681,437	639,811	-	-
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	112,163	114,951	-	-
Unit trusts	3,932	3,932	-	-
Outside Malaysia:				
Shares, warrants and loan stocks	18,107	11,270	-	-
	134,202	130,153	-	-

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

A10. Financial Investments Portfolio (cont'd.)

(i) Financial assets designated upon initial recognition at fair value through profit or loss ("FVTPL") (cont'd.)

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At fair value				
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	12,572,130	13,008,116	-	-
Outside Malaysia:				
Corporate Bonds and Sukuk	282,714	249,951	-	-
	<u>12,854,844</u>	<u>13,258,067</u>	<u>-</u>	<u>-</u>
Total financial assets designated upon initial recognition at FVTPL	13,670,483	14,028,031	-	-

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	1,126,085	2,464,259	1,073,816	2,404,369
Malaysian Government Investment Issues	722,582	2,240,840	419,131	2,133,207
Cagamas Bonds	-	47,024	-	47,024
Negotiable instruments of deposits	128,034	120,485	128,034	120,485
Foreign Government Securities	2,765,783	3,227,160	2,096,300	2,934,336
Malaysian Government Treasury Bills	2,272,302	1,065,724	1,849,011	1,065,724
Bank Negara Malaysia Bills and Notes	373,551	1,656,882	373,551	1,656,882
Foreign Government Treasury Bills	985,710	1,395,379	985,710	1,395,379
	<u>8,374,047</u>	<u>12,217,753</u>	<u>6,925,553</u>	<u>11,757,406</u>
Quoted securities:				
In Malaysia:				
Shares, warrants, mutual funds and loan stocks	6,125,493	4,962,630	-	79,685
Unit trusts	430,203	478,003	192,537	201,260
Outside Malaysia:				
Shares, warrants, mutual funds and loan stocks	313,268	285,720	593	116
Unit trusts	649,398	457,683	260,431	237,644
Corporate Bonds and Sukuk	1,287,980	1,207,422	-	-
Government Bonds	612,716	707,185	-	-
Government Treasury Bills	462,890	668,020	-	-
	<u>9,881,948</u>	<u>8,766,663</u>	<u>453,561</u>	<u>518,705</u>

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

A10. Financial Investments Portfolio (cont'd.)

(ii) Financial investments at fair value through profit or loss ("FVTPL") (cont'd.)

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At fair value				
Unquoted securities:				
In Malaysia:				
Shares	938,217	931,054	682,508	682,508
Unit trusts	1,960	1,928	-	-
Corporate Bonds and Sukuk	822,969	757,346	227,628	298,648
Structured deposits	90,675	87,737	-	-
Outside Malaysia:				
Shares	396	764	-	-
Mutual funds	82,285	16,517	-	-
Corporate Bonds and Sukuk	2,490,102	3,750,966	3,010,604	4,283,095
Government Bonds	2,826,867	649,118	2,826,867	649,118
	<u>7,253,471</u>	<u>6,195,430</u>	<u>6,747,607</u>	<u>5,913,369</u>
Total financial investments at FVTPL	<u>25,509,466</u>	<u>27,179,846</u>	<u>14,126,721</u>	<u>18,189,480</u>

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	11,315,254	13,448,869	10,923,161	13,249,223
Malaysian Government Investment Issues	20,805,799	23,197,246	7,985,786	9,164,855
Negotiable instruments of deposits	119,909	150,337	119,909	150,337
Foreign Government Securities	12,947,268	13,088,016	4,247,083	4,535,913
Foreign Government Treasury Bills	11,611,286	16,939,946	1,998,437	4,014,112
Khazanah Bonds	280,291	353,303	251,017	324,271
Cagamas Bonds	167,557	358,627	167,557	358,627
	<u>57,247,364</u>	<u>67,536,344</u>	<u>25,692,950</u>	<u>31,797,338</u>
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	66,200	6,992	17,658	17,836
Outside Malaysia:				
Shares, warrants and loan stocks	34	33	-	-
Corporate Bonds and Sukuk	3,900,512	2,762,299	-	-
Government Bonds	617,757	730,155	-	-
	<u>4,584,503</u>	<u>3,499,479</u>	<u>17,658</u>	<u>17,836</u>
Unquoted securities:				
In Malaysia:				
Shares and loan stocks	336,794	336,378	322,726	322,417
Government Bonds	520,078	378,606	477,616	336,714
Corporate Bonds and Sukuk	24,031,773	23,992,461	13,228,350	15,552,830
Outside Malaysia:				
Shares	2,428	2,444	-	-
Government Bonds	17,147,215	14,660,955	16,696,883	14,524,455
Corporate Bonds and Sukuk	15,132,054	17,096,014	11,843,808	12,982,203
	<u>57,170,342</u>	<u>56,466,858</u>	<u>42,569,383</u>	<u>43,718,619</u>
Total financial investments at FVOCI	<u>119,002,209</u>	<u>127,502,681</u>	<u>68,279,991</u>	<u>75,533,793</u>

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

A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income ("FVOCI") (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 30 June 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	34,819	1,718	107,281	143,818
Transferred to Stage 1	551	(551)	-	-
Net remeasurement of allowances	(422)	1,490	(180)	888
New financial assets originated or purchased	11,287	-	16,570	27,857
Financial assets derecognised	(12,062)	-	-	(12,062)
Changes in models/risk parameters	(530)	(40)	-	(570)
Exchange differences	(2,666)	25	769	(1,872)
At 30 June 2021	30,977	2,642	124,440	158,059

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

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

A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income ("FVOCI") (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 RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Bank				
As at 30 June 2021				RM'000
At 1 January 2021	16,676	495	71,056	88,227
Net remeasurement of allowances	523	-	(180)	343
New financial assets originated or purchased	5,311	-	16,570	21,881
Financial assets derecognised	(6,504)	-	-	(6,504)
Changes in models/risk parameters	(209)	(40)	-	(249)
Exchange differences	(384)	-	34	(350)
At 30 June 2021	<u>15,413</u>	<u>455</u>	<u>87,480</u>	<u>103,348</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	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	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>

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

A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments at amortised cost

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Money market instruments:				
Malaysian Government Securities	9,221,803	8,664,711	9,221,700	8,664,609
Malaysian Government Investment Issues	13,081,115	11,456,207	6,115,389	6,867,868
Foreign Government Securities	2,007,802	1,068,622	-	-
Khazanah Bonds	857,371	1,073,781	43,086	141,493
Cagamas Bonds	50,259	50,259	50,259	50,259
	25,218,350	22,313,580	15,430,434	15,724,229
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	22,456,881	20,912,781	19,776,085	20,327,704
Outside Malaysia:				
Corporate Bonds and Sukuk	2,129,663	2,925,090	3,229,588	3,965,708
Government Bonds	1,629,494	872,817	131,037	114,756
	26,216,038	24,710,688	23,136,710	24,408,168
Allowances for impairment losses	(662,624)	(548,352)	(184,731)	(275,414)
Total financial investments at amortised cost	50,771,764	46,475,916	38,382,413	39,856,983

(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 30 June 2021				RM'000
At 1 January 2021	57,578	395,043	95,731	548,352
Transferred to Stage 1	346	(346)	-	-
Net remeasurement of allowances	(1,221)	(4,066)	30,091	24,804
New financial assets originated or purchased	8,540	433,797	-	442,337
Financial assets derecognised	(5,104)	(352,946)	-	(358,050)
Changes in models/risk parameters	76	985	-	1,061
Exchange differences	54	4,066	-	4,120
At 30 June 2021	60,269	476,533	125,822	662,624

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

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 2020	RM'000	RM'000	RM'000	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

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 June 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	16,077	163,606	95,731	275,414
Net remeasurement of allowances	(1,049)	(4,066)	30,091	24,976
New financial assets originated or purchased	5,708	-	-	5,708
Financial assets derecognised	(4,593)	(122,027)	-	(126,620)
Changes in models/risk parameters	179	985	-	1,164
Exchange differences	23	4,066	-	4,089
At 30 June 2021	16,345	42,564	125,822	184,731

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

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

A11. Loans, Advances and Financing

	Note	Group		Bank	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RM'000	RM'000	RM'000	RM'000
Loans, advances and financing to financial institutions	(i)	1,025,645	899,986	32,094,849	30,042,986
Loans, advances and financing to customers	(ii)	527,353,085	511,310,107	205,673,270	199,881,476
		528,378,730	512,210,093	237,768,119	229,924,462
(i) Loans, advances and financing to financial institutions[^]:					
(A) Loans, advances and financing to financial institutions at amortised cost		929,519	906,576	32,690,009	30,490,995
(B) Loans, advances and financing to financial institutions at fair value through other comprehensive income		103,346	-	339,446	-
Gross loans, advances and financing to financial institutions		1,032,865	906,576	33,029,455	30,490,995
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(6,981)	(6,223)	(33,695)	(21,722)
- Stage 2 - Lifetime ECL not credit impaired		(239)	(367)	(452,789)	(17,223)
- Stage 3 - Lifetime ECL credit impaired		-	-	(448,122)	(409,064)
Net loans, advances and financing to financial institutions		1,025,645	899,986	32,094,849	30,042,986
(ii) Loans, advances and financing to customers:					
(A) Loans, advances and financing to customers at fair value through profit or loss		15,487	170,712	15,487	170,712
(B) Loans, advances and financing to customers at fair value through other comprehensive income		17,691,892	16,031,857	14,651,921	13,290,590
(C) Loans, advances and financing to customers at amortised cost		606,493,333	593,837,430	199,348,192	193,755,229
		624,200,712	610,039,999	214,015,600	207,216,531
Unearned interest and income		(83,718,017)	(87,222,999)	(1,040,566)	(1,139,318)
Gross loans, advances and financing to customers		540,482,695	522,817,000	212,975,034	206,077,213
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(2,017,445)	(1,994,831)	(854,068)	(856,954)
- Stage 2 - Lifetime ECL not credit impaired		(4,471,170)	(3,376,730)	(2,479,153)	(1,705,204)
- Stage 3 - Lifetime ECL credit impaired		(6,640,995)	(6,135,332)	(3,968,543)	(3,633,579)
Net loans, advances and financing to customers		527,353,085	511,310,107	205,673,270	199,881,476
Net loans, advances and financing	(i) & (ii)	528,378,730	512,210,093	237,768,119	229,924,462

[^] 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 RM958.5 million (31 December 2020: RM945.9 million), and under the Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM31,033.2 million net of expected credit losses (31 December 2020: RM28,997.4 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.

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

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
(iii) Loans, advances and financing to financial institutions and customers				
Loans/financing to financial institutions	1,032,865	906,576	33,029,455	30,490,995
Overdrafts/cashline	18,168,641	19,065,309	6,925,519	7,481,675
Term loans:				
- Housing loans/financing	179,971,981	174,145,515	43,727,751	43,022,417
- Syndicated loans/financing	52,648,383	50,214,403	41,493,776	40,563,771
- Hire purchase receivables	75,327,244	75,607,626	12,043,479	13,009,452
- Lease receivables	738,168	521,253	-	-
- Other loans/financing	203,223,335	207,218,162	62,097,660	61,901,874
Credit card receivables	7,952,578	8,664,565	5,120,903	5,652,016
Bills receivables	4,574,997	2,718,711	4,120,569	2,189,748
Trust receipts	5,556,983	2,716,310	4,990,616	2,189,538
Claims on customers under acceptance credits	10,300,555	9,302,357	4,878,964	4,259,393
Revolving credits	51,322,908	49,360,283	25,584,477	24,244,977
Share margin financing	7,419,289	5,960,978	2,477,512	2,135,038
Staff loans	3,764,923	3,721,072	553,170	565,441
Loans to:				
- Directors of the Bank	4,386	4,489	1,179	1,120
- Directors of subsidiaries	6,134	5,954	15	69
Others	3,220,207	813,012	10	2
	<u>625,233,577</u>	<u>610,946,575</u>	<u>247,045,055</u>	<u>237,707,526</u>
Unearned interest and income	<u>(83,718,017)</u>	<u>(87,222,999)</u>	<u>(1,040,566)</u>	<u>(1,139,318)</u>
Gross loans, advances and financing	<u>541,515,560</u>	<u>523,723,576</u>	<u>246,004,489</u>	<u>236,568,208</u>
Allowances for loans, advances and financing:				
- Stage 1 - 12-month ECL	(2,024,426)	(2,001,054)	(887,763)	(878,676)
- Stage 2 - Lifetime ECL not credit impaired	(4,471,409)	(3,377,097)	(2,931,942)	(1,722,427)
- Stage 3 - Lifetime ECL credit impaired	(6,640,995)	(6,135,332)	(4,416,665)	(4,042,643)
Net loans, advances and financing	<u>528,378,730</u>	<u>512,210,093</u>	<u>237,768,119</u>	<u>229,924,462</u>
(iv) Loans, advances and financing analysed by type of customers are as follows:				
	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Domestic banking institutions	1,035,501	901,894	33,036,637	30,490,995
Domestic non-banking financial institutions	19,461,308	18,364,255	15,333,840	13,654,089
Domestic business enterprises:				
- Small and medium enterprises	62,149,086	61,403,405	25,273,686	25,363,794
- Others	119,798,815	116,540,316	67,093,495	64,623,343
Government and statutory bodies	16,056,530	16,260,952	144,947	116,564
Individuals	270,548,942	262,645,679	64,477,744	66,284,495
Other domestic entities	11,870,983	11,961,524	3,149,150	2,778,440
Foreign entities	40,594,395	35,645,551	37,494,990	33,256,488
Gross loans, advances and financing	<u>541,515,560</u>	<u>523,723,576</u>	<u>246,004,489</u>	<u>236,568,208</u>

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

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

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Malaysia	331,145,678	326,828,279	155,469,010	152,682,615
Singapore	132,874,134	122,904,956	56,339,519	52,187,746
Indonesia	29,320,349	31,151,046	-	-
Labuan Offshore	12,918,220	14,486,857	12,918,220	14,486,857
Hong Kong SAR	17,525,964	11,673,338	14,069,507	10,698,916
United States of America	904,481	810,455	903,895	809,890
People's Republic of China	3,215,273	2,943,282	3,215,273	2,943,282
Vietnam	1,553,164	1,257,994	1,096,268	921,657
United Kingdom	1,215,082	1,033,429	1,215,082	1,033,429
Brunei	535,644	533,429	535,644	533,429
Cambodia	3,356,219	3,138,433	-	-
Philippines	4,722,997	5,153,819	-	-
Thailand	1,986,284	1,537,872	-	-
Laos	62,442	68,927	62,442	68,927
Myanmar	179,629	201,460	179,629	201,460
Gross loans, advances and financing	541,515,560	523,723,576	246,004,489	236,568,208

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Fixed rate:				
- Housing loans/financing	25,454,663	21,686,920	435,634	439,894
- Hire purchase receivables	57,138,159	58,098,807	9,942,953	11,043,302
- Other fixed rate loans/financing	70,747,810	68,698,013	54,507,389	51,067,697
Variable rate:				
- Base lending/financing rate/ base rate plus	211,883,608	206,192,623	76,558,852	75,789,317
- Cost plus	59,619,359	57,502,327	43,858,480	43,262,247
- Other variable rates	116,671,961	111,544,886	60,701,181	54,965,751
Gross loans, advances and financing	541,515,560	523,723,576	246,004,489	236,568,208

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Purchase of securities	39,945,916	36,337,689	7,365,673	7,199,018
Purchase of transport vehicles	68,321,352	68,521,829	9,626,466	10,932,965
Purchase of landed properties:				
- Residential	143,443,675	134,192,016	43,192,658	41,585,622
- Non-residential	40,495,374	40,258,823	17,302,906	17,448,919
Purchase of fixed assets (excluding landed properties)	3,404,114	3,522,105	2,670,891	2,838,799
Personal use	9,631,780	11,533,431	4,038,260	4,476,932
Credit card	8,014,033	8,701,661	5,150,312	5,654,347
Purchase of consumer durables	6,126	9,715	5,548	9,369
Constructions	15,868,590	16,482,318	8,297,075	9,061,197
Mergers and acquisitions	1,233,009	1,467,097	1,219,242	1,460,384
Working capital	168,968,079	163,786,319	114,110,250	105,602,857
Others	42,183,512	38,910,573	33,025,208	30,297,799
Gross loans, advances and financing	541,515,560	523,723,576	246,004,489	236,568,208

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

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

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Within one year	128,038,596	115,325,443	74,227,515	67,488,355
One year to three years	50,598,518	55,128,115	39,371,173	40,521,401
Three years to five years	55,568,620	52,964,359	25,291,517	24,256,065
After five years	307,309,826	300,305,659	107,114,284	104,302,387
Gross loans, advances and financing	541,515,560	523,723,576	246,004,489	236,568,208

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
At 1 January	11,674,491	13,857,936	7,120,298	8,825,195
Impaired during the financial period	1,674,197	3,899,391	518,542	1,398,869
Reclassified as non-impaired	(436,983)	(1,126,502)	(122,646)	(330,357)
Amount recovered	(870,828)	(1,766,812)	(302,685)	(760,065)
Amount written-off	(439,116)	(3,485,303)	(183,872)	(2,311,501)
Exchange differences	224,003	295,781	219,394	298,157
Gross impaired loans at 30 June 2021/ 31 December 2020	11,825,764	11,674,491	7,249,031	7,120,298
Less: Stage 3 - Lifetime ECL credit impaired	(6,727,719)	(6,208,777)	(4,503,389)	(4,116,088)
Net impaired loans at 30 June 2021/ 31 December 2020	5,098,045	5,465,714	2,745,642	3,004,210

Calculation of ratio of net impaired loans:

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Gross impaired loans at 30 June 2021/ 31 December 2020 (excluding financing funded by Investment Account*)	11,737,709	11,586,572	7,249,031	7,120,298
Less: Stage 3 - Lifetime ECL credit impaired	(6,727,719)	(6,208,777)	(4,503,389)	(4,116,088)
Net impaired loans	5,009,990	5,377,795	2,745,642	3,004,210
Gross loans, advances and financing	541,515,560	523,723,576	246,004,489	236,568,208
Less: Funded by Investment Account*	(25,475,794)	(23,840,796)	-	-
Less: Allowances for impaired loans, advances and financing at fair value through other comprehensive income and at amortised cost	(13,578,010)	(12,404,277)	(8,671,550)	(7,530,386)
Net loans, advances and financing	502,461,756	487,478,503	237,332,939	229,037,822
Ratio of net impaired loans	1.00%	1.10%	1.16%	1.31%

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

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

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

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Purchase of securities	84,571	144,436	10,004	16,428
Purchase of transport vehicles	530,075	543,608	93,572	94,880
Purchase of landed properties:				
- Residential	1,071,047	1,178,937	342,008	375,072
- Non-residential	503,152	515,602	199,784	214,484
Purchase of fixed assets (excluding landed properties)	1,286,210	1,427,124	1,273,332	1,413,945
Personal use	247,948	257,705	157,275	162,320
Credit card	71,853	65,846	28,999	24,064
Purchase of consumer durables	3,555	6,659	3,553	6,657
Constructions	1,083,114	950,179	1,010,691	859,978
Working capital	5,935,225	5,606,863	3,368,744	3,220,169
Others	1,009,014	977,532	761,069	732,301
Gross impaired loans, advances and financing	11,825,764	11,674,491	7,249,031	7,120,298

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Malaysia	4,955,380	5,063,672	3,229,208	3,191,060
Singapore	3,847,397	3,834,761	3,360,269	3,258,461
Indonesia	1,796,394	1,567,942	-	-
Labuan Offshore	77,946	70,755	77,946	70,755
Hong Kong SAR	130,097	132,863	121,701	124,744
United States of America	213,737	209,065	213,152	208,498
People's Republic of China	169,096	162,307	169,096	162,307
Vietnam	4,681	39,781	4,253	39,193
Brunei	72,526	64,419	72,526	64,419
Cambodia	105,411	67,493	-	-
Philippines	418,749	416,341	-	-
Thailand	33,470	34,487	-	-
Laos	880	861	880	861
Others	-	9,744	-	-
Gross impaired loans, advances and financing	11,825,764	11,674,491	7,249,031	7,120,298

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

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 RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 30 June 2021				
At 1 January 2021	40,781	776,568	73,445	890,794
Transferred to Stage 2	(2,655)	2,655	-	-
Net remeasurement of allowances	(2,488)	(476,870)	12,949	(466,409)
New financial assets originated or purchased	6,593	-	-	6,593
Financial assets derecognised	(2,460)	(3,081)	(959)	(6,500)
Changes in models/risk parameters	7,311	(3,689)	-	3,622
Exchange differences	980	10,811	1,289	13,080
At 30 June 2021	48,062	306,394	86,724	441,180

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				
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

Bank	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 30 June 2021				
At 1 January 2021	39,122	774,073	73,445	886,640
Transferred to Stage 2	(2,655)	2,655	-	-
Net remeasurement of allowances	(2,531)	(476,870)	12,949	(466,452)
New financial assets originated or purchased	6,557	-	-	6,557
Financial assets derecognised	(2,096)	(3,081)	(959)	(6,136)
Changes in models/risk parameters	5,925	(4,423)	-	1,502
Exchange differences	970	10,810	1,289	13,069
At 30 June 2021	45,292	303,164	86,724	435,180

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

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 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

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 30 June 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	2,001,054	3,377,097	6,135,332	11,513,483
Transferred to Stage 1	343,177	(321,621)	(21,556)	-
Transferred to Stage 2	(62,605)	107,982	(45,377)	-
Transferred to Stage 3	(6,138)	(91,340)	97,478	-
Net remeasurement of allowances	(374,919)	1,313,567	974,986	1,913,634
New financial assets originated or purchased	290,581	288,707	-	579,288
Financial assets derecognised	(180,897)	(231,580)	(127,609)	(540,086)
Changes in models/risk parameters	(15,480)	(4,314)	(1,609)	(21,403)
Amount written-off	-	-	(439,116)	(439,116)
Exchange differences	29,653	32,911	68,466	131,030
At 30 June 2021	2,024,426	4,471,409	6,640,995	13,136,830

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

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 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	2,001,054	3,377,097	6,135,332	11,513,483

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 June 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	878,676	1,722,427	4,042,643	6,643,746
Transferred to Stage 1	114,688	(107,457)	(7,231)	-
Transferred to Stage 2	(41,588)	62,108	(20,520)	-
Transferred to Stage 3	(2,435)	(72,477)	74,912	-
Net remeasurement of allowances	(122,611)	858,108	479,623	1,215,120
New financial assets originated or purchased	125,811	542,636	-	668,447
Financial assets derecognised	(93,915)	(104,139)	(18,502)	(216,556)
Changes in models/risk parameters	5,928	3,999	-	9,927
Amount written-off	-	-	(183,872)	(183,872)
Exchange differences	23,209	26,737	49,612	99,558
At 30 June 2021	887,763	2,931,942	4,416,665	8,236,370

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

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 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	<u>878,676</u>	<u>1,722,427</u>	<u>4,042,643</u>	<u>6,643,746</u>

A12. Reinsurance/Retakaful Assets and Other Insurance Receivables

	Note	Group	
		30 June 2021	31 December 2020
		RM'000	RM'000
Reinsurance/retakaful assets	(i)	6,386,243	5,045,832
Other insurance receivables	(ii)	1,045,012	732,749
		<u>7,431,255</u>	<u>5,778,581</u>

(i) Reinsurance/retakaful assets		Group	
		30 June 2021	31 December 2020
		RM'000	RM'000
Reinsurers' share of:		5,843,756	4,590,468
Life insurance contract liabilities		698,707	480,310
General insurance contract liabilities		5,145,049	4,110,158
Retakaful operators' share of:		553,967	474,578
Family takaful certificate liabilities		191,712	162,130
General takaful certificate liabilities		362,255	312,448
Allowances for impairment losses	(iii)	(11,480)	(19,214)
		<u>6,386,243</u>	<u>5,045,832</u>

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

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

	Group	
	30 June 2021 RM'000	31 December 2020 RM'000
(ii) Other insurance receivables		
Due premium including agents/brokers and co-insurers balances	888,283	639,008
Due from reinsurers and cedants/retakaful operators	179,561	131,640
	<u>1,067,844</u>	<u>770,648</u>
Allowances for impairment losses	(iii) (22,832)	(37,899)
	<u>1,045,012</u>	<u>732,749</u>

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group As at 30 June 2021				RM'000
At 1 January 2021	57,113	-	-	57,113
Net remeasurement of allowances	(23,193)	-	-	(23,193)
Exchange differences	392	-	-	392
At 30 June 2021	<u>34,312</u>	<u>-</u>	<u>-</u>	<u>34,312</u>

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group As at 31 December 2020				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>

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

A13. Other Assets

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Other debtors, net of allowances for impairment losses	4,720,109	5,631,409	2,193,567	3,928,749
Amount due from brokers and clients	4,591,061	2,943,008	-	-
Prepayments and deposits	855,130	1,167,957	171,484	159,353
Tax recoverable	147,460	148,569	-	-
Foreclosed properties	362,004	345,931	28,500	28,500
	10,675,764	10,236,874	2,393,551	4,116,602

A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	247,791,618	236,489,723	132,921,435	119,594,928
- More than one year	15,054,710	16,387,002	665,807	1,224,903
	262,846,328	252,876,725	133,587,242	120,819,831
Money market deposits	62,401,495	73,678,562	9,118,601	12,355,003
Savings deposits	101,976,699	92,157,487	36,854,947	33,763,701
Demand deposits	152,262,149	137,636,598	88,151,545	83,086,800
	579,486,671	556,349,372	267,712,335	250,025,335

(ii) By type of customer

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Business enterprises	246,157,467	232,438,733	150,152,651	134,459,714
Individuals	234,403,898	231,305,676	87,553,465	84,669,685
Government and statutory bodies	52,315,960	46,151,797	14,423,974	12,831,965
Others	46,609,346	46,453,166	15,582,245	18,063,971
	579,486,671	556,349,372	267,712,335	250,025,335

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Within six months	188,673,631	186,092,752	99,451,436	98,146,714
Six months to one year	59,117,987	50,396,971	33,469,999	21,448,214
One year to three years	14,658,867	15,839,042	603,410	1,163,363
Three years to five years	395,843	547,960	62,397	61,540
	262,846,328	252,876,725	133,587,242	120,819,831

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

A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Licensed banks	36,117,443	32,147,684	34,932,451	30,935,440
Licensed finance companies	140,014	603,389	140,014	603,389
Licensed investment banks	831,829	986,576	831,829	986,576
Other financial institutions	2,889,014	4,141,217	1,212,752	2,194,710
	39,978,300	37,878,866	37,117,046	34,720,115

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
One year or less	31,722,540	33,194,515	32,622,300	33,968,995
More than one year	8,255,760	4,684,351	4,494,746	751,120
	39,978,300	37,878,866	37,117,046	34,720,115

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

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Structured deposits	18,540	-	18,540	-
Borrowings				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	9,483,408	10,161,921	9,483,408	10,161,921
Total financial liabilities at fair value through profit or loss	9,501,948	10,161,921	9,501,948	10,161,921

The carrying amounts of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 30 June 2021 were RM10,588,936,000 (31 December 2020: RM10,451,802,000). The fair value changes of the financial liabilities at FVTPL that are attributable to the changes in own credit risk are not significant.

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

A17. Borrowings, Subordinated Obligations and Capital Securities

	Group		Bank	
	30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
(i) Borrowings				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- IDR	114,512	14,296	-	-
	<u>114,512</u>	<u>14,296</u>	<u>-</u>	<u>-</u>
- More than one year				
Denominated in:				
- IDR	1,476,172	2,062,856	-	-
	<u>1,476,172</u>	<u>2,062,856</u>	<u>-</u>	<u>-</u>
Total secured borrowings	<u>1,590,684</u>	<u>2,077,152</u>	<u>-</u>	<u>-</u>
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	631,148	5,884,816	622,650	5,840,621
- CNY	378,047	-	378,047	-
- SGD	3,015,494	1,020,472	1,103,218	1,020,472
- THB	1,663,833	1,425,133	-	-
- HKD	1,854,636	176,184	-	176,184
- IDR	33,960	44,959	-	-
- AUD	-	773,724	-	773,724
- RM	2,533,076	2,830,790	2,533,000	2,830,790
	<u>10,110,194</u>	<u>12,156,078</u>	<u>4,636,915</u>	<u>10,641,791</u>
- More than one year				
Denominated in:				
- USD	829,700	1,467,065	-	764,815
- IDR	670,648	668,135	-	-
- CNY	415,190	-	415,190	-
- JPY	948	1,145	-	-
- RM (Note (a))	1,934,883	1,614,483	1,934,883	1,614,483
	<u>3,851,369</u>	<u>3,750,828</u>	<u>2,350,073</u>	<u>2,379,298</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 RM1,584,883,000 (31 December 2020: 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.

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

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

	Group		Bank	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
(iii) Capital Securities				
Unsecured				
- More than one year				
Denominated in:				
- RM	2,828,127	2,827,793	2,828,127	2,827,793
	<u>2,828,127</u>	<u>2,827,793</u>	<u>2,828,127</u>	<u>2,827,793</u>

A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables

Group	Note	30 June 2021	31 December 2020
		RM'000	RM'000
Insurance/takaful contract liabilities	(i)	39,390,971	36,830,150
Other insurance payables	(ii)	845,505	864,615
		<u>40,236,476</u>	<u>37,694,765</u>

(i) Insurance/takaful contract liabilities

	Gross contract liabilities RM'000	Reinsurance/ retakaful assets RM'000	Net contract liabilities RM'000
At 30 June 2021			
Life insurance/family takaful	30,959,295	(890,419)	30,068,876
General insurance/general takaful	8,431,676	(5,495,824)	2,935,852
	<u>39,390,971</u>	<u>(6,386,243)</u>	<u>33,004,728</u>
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>

(ii) Other insurance payables

	30 June 2021	31 December 2020
	RM'000	RM'000
Due to agents and intermediaries	197,993	218,840
Due to reinsurers and cedants	587,117	604,582
Due to retakaful operators	60,395	41,193
	<u>845,505</u>	<u>864,615</u>

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

A19. Other Liabilities

	Note	Group		Bank	
		30 June 2021 RM'000	31 December 2020 RM'000	30 June 2021 RM'000	31 December 2020 RM'000
Amount due to brokers and clients		8,833,911	4,918,837	-	-
Deposits, other creditors and accruals		11,587,972	11,214,207	7,235,125	6,895,028
Defined benefit pension plans		560,953	542,947	-	-
Provisions for commitments and contingencies		26,392	75,798	26,392	27,880
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i)	245,787	247,147	154,617	164,194
Lease liabilities		1,097,656	1,178,902	421,761	410,438
Structured deposits		2,235,499	2,850,077	216,023	312,527
		24,588,170	21,027,915	8,053,918	7,810,067

(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 30 June 2021				RM'000
At 1 January 2021	97,130	61,222	88,795	247,147
Transferred to Stage 1	12,047	(11,879)	(168)	-
Transferred to Stage 2	(3,415)	3,433	(18)	-
Transferred to Stage 3	(95)	(186)	281	-
Net remeasurement of allowances	(9,834)	3,602	2,919	(3,313)
New credit exposures originated or purchased	19,670	8,401	-	28,071
Financial assets derecognised	(16,253)	(6,706)	(6,583)	(29,542)
Changes in models/risk parameters	1,403	21	(120)	1,304
Exchange differences	651	1,167	302	2,120
At 30 June 2021	101,304	59,075	85,408	245,787
Group	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2020	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired 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

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

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 30 June 2021				RM'000
At 1 January 2021	42,445	37,100	84,649	164,194
Transferred to Stage 1	1,744	(1,724)	(20)	-
Transferred to Stage 2	(2,548)	2,548	-	-
Net remeasurement of allowances	(1,044)	45	(7,587)	(8,586)
New credit exposures originated or purchased	12,040	5,572	-	17,612
Financial assets derecognised	(9,565)	(4,308)	(6,129)	(20,002)
Changes in models/risk parameters	(168)	13	-	(155)
Exchange differences	282	1,098	174	1,554
At 30 June 2021	43,186	40,344	71,087	154,617
	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 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

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

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 2021	12,092	(2,712)	28,069	(350,250)	(312,801)
Other comprehensive income/(loss)	362	-	489	(19,969)	(19,118)
Defined benefit plan actuarial gain	-	-	489	-	489
Net loss on net investment hedge	-	-	-	(5,085)	(5,085)
Cost of hedging for fair value hedge	-	-	-	(14,884)	(14,884)
Net gain on capital reserve	362	-	-	-	362
Total comprehensive income/(loss) for the financial period	362	-	489	(19,969)	(19,118)
At 30 June 2021	12,454	(2,712)	28,558	(370,219)	(331,919)

<===== 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	(921)	-	(7,016)	13,481	5,544
Defined benefit plan actuarial loss	-	-	(7,016)	-	(7,016)
Net loss on net investment hedge	-	-	-	(7,154)	(7,154)
Net gain on cash flow hedge	-	-	-	1	1
Cost of hedging for fair value hedge	-	-	-	20,634	20,634
Net loss on capital reserve	(921)	-	-	-	(921)
Total comprehensive (loss)/income for the financial period	(921)	-	(7,016)	13,481	5,544
At 30 June 2020	13,323	(2,712)	14,125	(352,841)	(328,105)

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

A21. Interest Income

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Loans, advances and financing (Note (a))	2,942,220	3,500,224	5,894,238	7,480,331
Money at call and deposits and placements with financial institutions	98,694	116,006	181,147	275,033
Financial assets purchased under resale agreements	30,024	60,523	82,792	169,058
Financial assets at FVTPL	266,003	277,936	520,493	569,523
Financial investments at FVOCI	706,888	696,274	1,410,273	1,442,105
Financial investments at amortised cost	316,158	291,007	634,370	549,666
	<u>4,359,987</u>	<u>4,941,970</u>	<u>8,723,313</u>	<u>10,485,716</u>
(Amortisation of premiums)/accretion of discounts, net	(46,043)	(15,730)	(75,223)	2,767
	<u>4,313,944</u>	<u>4,926,240</u>	<u>8,648,090</u>	<u>10,488,483</u>

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Loans, advances and financing (Note (a))	1,910,750	2,142,367	3,778,703	4,581,972
Money at call and deposits and placements with financial institutions	131,032	110,164	234,366	321,588
Financial assets purchased under resale agreements	9,005	24,141	21,235	83,257
Financial assets at FVTPL	65,764	104,790	140,681	213,997
Financial investments at FVOCI	467,708	544,621	959,784	1,124,706
Financial investments at amortised cost	309,461	300,850	627,300	570,571
	<u>2,893,720</u>	<u>3,226,933</u>	<u>5,762,069</u>	<u>6,896,091</u>
Accretion of discounts, net	36,299	63,355	66,595	161,738
	<u>2,930,019</u>	<u>3,290,288</u>	<u>5,828,664</u>	<u>7,057,829</u>

Included in interest income for the half year financial period ended 30 June 2021 was interest on impaired assets amounting to approximately RM132,249,000 (30 June 2020: RM185,935,000) for the Group and RM93,385,000 (30 June 2020: RM137,668,000) for the Bank.

Note (a): During the financial half year ended 30 June 2020, included in interest income on loans, financing and advance was the net effects under government support measures to assist borrowers and customer adversely impacted by COVID-19 in order to sustain their business operations amounting to RM71,637,000 for the Group and RM46,376,000 for the Bank.

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

A22. Interest Expense

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	73,597	163,780	139,811	401,996
Deposits from customers	868,255	1,479,095	1,835,316	3,235,612
Loans sold to Cagamas	-	4,612	-	20,755
Obligations on financial assets sold under repurchase agreements	4,274	68,249	33,896	149,733
Borrowings	170,872	280,777	356,741	610,466
Subordinated notes	117,891	137,149	234,180	260,657
Capital securities	28,843	28,843	57,372	57,687
Structured deposits	4,751	17,435	10,237	44,163
Financial liabilities at FVTPL	25,533	48,442	53,342	98,395
	1,294,016	2,228,382	2,720,895	4,879,464

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	64,895	194,490	121,980	468,772
Deposits from customers	478,992	816,688	976,586	1,833,297
Loans sold to Cagamas	-	4,612	-	20,755
Obligations on financial assets sold under repurchase agreements	35,364	80,293	89,577	203,863
Borrowings	106,968	169,394	225,731	372,426
Subordinated notes	85,725	105,022	170,465	209,348
Capital securities	28,843	28,843	57,372	57,687
Structured deposits	1,202	2,022	2,920	3,860
Financial liabilities at FVTPL	25,533	48,442	53,342	98,395
	827,522	1,449,806	1,697,973	3,268,403

A23. Net Earned Insurance Premiums

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	2,519,171	2,072,565	5,697,174	4,439,390
Premiums ceded to reinsurers	(352,630)	(331,682)	(1,001,403)	(753,569)
	2,166,541	1,740,883	4,695,771	3,685,821

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

A24. Dividends from Subsidiaries

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Bank	RM'000	RM'000	RM'000	RM'000
Gross dividend income from: Subsidiaries	1,569,620	1,604,017	1,599,454	2,079,308
	1,569,620	1,604,017	1,599,454	2,079,308

A25. Other Operating Income

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Group	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	324,339	218,048	713,471	577,899
Service charges and fees	402,802	311,522	812,984	625,994
Underwriting fees	6,655	5,300	28,913	9,798
Brokerage income	124,409	120,618	285,545	233,598
Fees on loans, advances and financing	40,261	55,146	83,218	99,037
	898,466	710,634	1,924,131	1,546,326
(b) Investment income:				
Net gain/(loss) on disposal of financial assets at FVTPL	19,891	30,903	75,510	(292,942)
Net gain on disposal of financial investments at FVOCI	162,866	429,067	407,936	1,496,348
Net loss on liquidation/disposal of subsidiaries	(54)	(10,160)	(7,143)	(10,160)
	182,703	449,810	476,303	1,193,246
(c) Gross dividend income from: Financial investments portfolio	51,092	29,591	90,008	55,122
(d) Unrealised gain/(loss) on revaluation of: Financial assets designated upon initial recognition at FVTPL	264,606	669,165	(690,213)	188,909
Financial investments at FVTPL	(159,291)	709,228	(320,422)	(161,562)
Financial liabilities at FVTPL	(695,510)	147,028	797,107	(290,176)
Derivatives	990,920	(565,259)	104,676	941,237
Loans, advances and financing at FVTPL	-	1,726	-	952
	400,725	961,888	(108,852)	679,360
(e) Other income:				
Foreign exchange (loss)/gain, net	(30,220)	197,256	95,272	145,737
Realised (loss)/gain on derivatives	(399,657)	6,047	(279,563)	(93)
Realised loss on financial liabilities at FVTPL	-	-	(138,277)	-
Rental income	9,567	3,641	22,310	13,783
(Loss)/gain on disposal of property, plant and equipment	(1,024)	51	(938)	11,477
Gain/(loss) on disposal of foreclosed properties	1,056	(5,355)	(947)	(5,211)
Fair value adjustments on investments properties	(37)	(37)	(74)	(73)
Others	37,438	73,900	85,879	120,857
	(382,877)	275,503	(216,338)	286,477
Total other operating income	1,150,109	2,427,426	2,165,252	3,760,531

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

A25. Other Operating Income (cont'd.)

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Bank				
(a) Fee income:				
Commission	217,015	148,931	465,814	372,118
Service charges and fees	220,787	191,189	439,615	391,354
Underwriting fees	2,671	3,420	5,347	6,789
Fees on loans, advances and financing	21,945	32,870	45,429	49,490
	462,418	376,410	956,205	819,751
(b) Investment income:				
Net (loss)/gain on disposal of financial assets at FVTPL	(18)	(9,568)	(12,338)	102,390
Net gain on disposal of financial investments at FVOCI	137,342	400,234	338,740	1,174,692
	137,324	390,666	326,402	1,277,082
(c) Gross dividend income from:				
Financial investments portfolio	4,187	3,192	4,187	3,192
(c) Unrealised gain/(loss) on revaluation of:				
Financial investments at FVTPL	10,176	121,347	(70,603)	(64,640)
Financial liabilities at FVTPL	(695,510)	147,028	797,107	(290,176)
Derivatives	966,610	(382,988)	(67,238)	801,686
Loans, advances and financing at FVTPL	-	1,726	-	952
	281,276	(112,887)	659,266	447,822
(d) Other income:				
Foreign exchange (loss)/gain, net	(90,455)	136,771	35,092	68,842
Realised loss on derivatives	(407,485)	(40,520)	(241,389)	(139,133)
Realised loss on financial liabilities at FVTPL	-	-	(138,277)	-
Rental income	14,631	5,985	29,207	13,715
(Loss)/gain on disposal of property, plant and equipment	(1,164)	(244)	(1,164)	10,926
Others	57,067	16,425	62,560	29,418
	(427,406)	118,417	(253,971)	(16,232)
Total other operating income	457,799	775,798	1,692,089	2,531,615

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

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

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Gross benefits and claims paid	1,235,395	768,880	2,356,393	1,826,452
Claims ceded to reinsurers	(212,307)	(6,914)	(279,305)	(114,843)
Gross change to contract liabilities	1,469,782	1,754,445	2,621,534	1,964,892
Change in contract liabilities ceded to reinsurers	(455,583)	(188,635)	(1,188,382)	(324,007)
Net insurance benefits and claims incurred	2,037,287	2,327,776	3,510,240	3,352,494
Net fee and commission expenses	74,676	60,690	164,628	154,193
Change in expense liabilities	(31,261)	6,602	(28,066)	35,099
Taxation of life and takaful fund	41,434	74,180	(13,940)	13,266
Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	84,849	141,472	122,622	202,558
Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	2,122,136	2,469,248	3,632,862	3,555,052

A27. Overhead Expenses

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,298,788	1,281,222	2,596,996	2,586,476
Social security cost	11,553	11,085	22,802	22,439
Pension costs - defined contribution plan	155,560	152,757	316,558	307,212
ESGP expenses	27,979	22,468	56,589	38,754
Other staff related expenses	215,948	176,469	439,555	416,083
	1,709,828	1,644,001	3,432,500	3,370,964
(b) Establishment costs				
Depreciation of property, plant and equipment	74,336	77,395	150,336	154,014
Depreciation of right-of-use assets	113,180	115,023	227,024	223,455
Amortisation of intangible assets	73,393	71,646	145,894	140,311
Rental of leasehold land and premises	7,433	9,970	12,880	27,240
Repairs and maintenance of property, plant and equipment	40,750	31,304	85,248	72,599
Information technology expenses	166,087	130,102	320,640	251,994
Finance cost on lease liabilities	10,139	15,700	21,244	32,235
Others	5,532	7,269	10,743	14,597
	490,850	458,409	974,009	916,445
(c) Marketing expenses				
Advertisement and publicity	40,497	21,304	67,190	57,471
Others	66,177	55,189	134,248	127,711
	106,674	76,493	201,438	185,182

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

A27. Overhead Expenses (cont'd.)

Group (cont'd.)	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
(d) Administration and general expenses				
Fees and brokerage	249,224	199,772	490,448	477,735
Administrative expenses	150,605	149,587	282,628	281,837
General expenses	199,091	184,434	332,360	419,190
Others	14,506	(6,357)	29,061	(3,007)
	<u>613,426</u>	<u>527,436</u>	<u>1,134,497</u>	<u>1,175,755</u>
Total overhead expenses	<u>2,920,778</u>	<u>2,706,339</u>	<u>5,742,444</u>	<u>5,648,346</u>
Cost to income ratio ("CIR")¹	47.3%	47.9%	44.2%	45.6%

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	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	680,157	648,533	1,345,662	1,297,425
Social security cost	5,670	5,345	11,463	11,127
Pension costs - defined contribution plan	102,044	96,198	204,508	194,304
ESGP expenses	14,901	10,644	30,140	19,944
Other staff related expenses	105,280	86,276	219,831	198,556
	<u>908,052</u>	<u>846,996</u>	<u>1,811,604</u>	<u>1,721,356</u>
(b) Establishment costs				
Depreciation of property, plant and equipment	23,170	25,602	47,293	51,552
Depreciation of right-of-use assets	27,171	31,535	55,184	59,760
Amortisation of intangible assets	15,793	14,286	31,306	28,020
Rental of leasehold land and premises	2,085	2,084	3,910	4,109
Repairs and maintenance of property, plant and equipment	19,918	14,791	41,108	34,968
Information technology expenses	258,780	204,676	485,469	396,246
Finance cost on lease liabilities	3,067	4,297	5,873	8,433
Others	3,112	632	3,472	1,168
	<u>353,096</u>	<u>297,903</u>	<u>673,615</u>	<u>584,256</u>
(c) Marketing expenses				
Advertisement and publicity	18,129	5,712	27,768	18,346
Others	22,302	24,564	54,374	61,407
	<u>40,431</u>	<u>30,276</u>	<u>82,142</u>	<u>79,753</u>
(d) Administration and general expenses				
Fees and brokerage	161,494	135,058	314,367	302,554
Administrative expenses	48,698	47,695	90,409	94,977
General expenses	75,413	70,320	129,958	131,308
Others	141	257	1,310	1,208
	<u>285,746</u>	<u>253,330</u>	<u>536,044</u>	<u>530,047</u>
(e) Overhead expenses allocated to subsidiaries, net	(274,388)	(275,543)	(593,400)	(631,051)
Total overhead expenses	<u>1,312,937</u>	<u>1,152,962</u>	<u>2,510,005</u>	<u>2,284,361</u>
Cost to income ratio ("CIR")²	31.8%	27.3%	33.8%	27.2%

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

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

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

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(76,253)	101,541	(276,773)	(31,389)
- Stage 2 - Lifetime ECL not credit impaired, net	292,813	905,633	888,058	1,455,243
- Stage 3 - Lifetime ECL credit impaired, net	355,925	760,622	853,974	1,359,022
Bad debts and financing written-off	20,518	11,558	36,830	30,538
Bad debts and financing recovered	(71,778)	(41,361)	(131,896)	(114,440)
Allowances for impairment losses on other debts	3,558	1,274	4,829	1,960
	524,783	1,739,267	1,375,022	2,700,934

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(25,110)	(92,699)	(75,669)	40,186
- Stage 2 - Lifetime ECL not credit impaired, net	36,849	717,721	817,552	1,016,237
- Stage 3 - Lifetime ECL credit impaired, net	106,248	337,004	459,395	709,865
Bad debts and financing written-off	15,094	8,140	27,897	20,559
Bad debts and financing recovered	(31,017)	(15,578)	(55,507)	(52,177)
Allowances for impairment losses on other debts	1,398	584	678	154
	103,462	955,172	1,174,346	1,734,824

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

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(3,951)	(20,541)	(1,727)	7,908
- Stage 2 - Lifetime ECL not credit impaired, net	1,291	130	1,450	762
- Stage 3 - Lifetime ECL credit impaired, net	16,136	(333)	16,390	(3,923)
Net	13,476	(20,744)	16,113	4,747
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(614)	3,101	2,291	5,871
- Stage 2 - Lifetime ECL not credit impaired, net	823	28,073	77,770	36,368
- Stage 3 - Lifetime ECL credit impaired, net	30,308	(1,279)	30,091	(3,069)
Net	30,517	29,895	110,152	39,170
	43,993	9,151	126,265	43,917

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

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Bank	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(3,978)	(18,283)	(879)	5,728
- Stage 2 - Lifetime ECL not credit impaired, net	(8)	(76)	(40)	(96)
- Stage 3 - Lifetime ECL credit impaired, net	16,480	(168)	16,390	(3,700)
Net	<u>12,494</u>	<u>(18,527)</u>	<u>15,471</u>	<u>1,932</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(1,605)	838	245	3,584
- Stage 2 - Lifetime ECL not credit impaired, net	823	17,176	(125,108)	21,544
- Stage 3 - Lifetime ECL credit impaired, net	30,308	(1,279)	30,091	(3,069)
Net	<u>29,526</u>	<u>16,735</u>	<u>(94,772)</u>	<u>22,059</u>
	<u>42,020</u>	<u>(1,792)</u>	<u>(79,301)</u>	<u>23,991</u>

A30. (Writeback of)/allowances for Impairment Losses on Other Financial Assets, net

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Group	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	725	(5,657)	3,564	(1,612)
Net	<u>725</u>	<u>(5,657)</u>	<u>3,564</u>	<u>(1,612)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	(1,854)	(9,572)	(3,907)	3,295
Net	<u>(1,854)</u>	<u>(9,572)</u>	<u>(3,907)</u>	<u>3,295</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(451)	4,854	1,221	5,777
Net	<u>(451)</u>	<u>4,854</u>	<u>1,221</u>	<u>5,777</u>
Reinsurance/retakaful assets and other insurance receivables				
- Stage 1 - 12-month ECL, net	(1,012)	1,211	(23,193)	6,767
Net	<u>(1,012)</u>	<u>1,211</u>	<u>(23,193)</u>	<u>6,767</u>
Other assets				
- Stage 1 - 12-month ECL, net	919	(2,723)	(228)	390
- Stage 2 - Lifetime ECL not credit impaired	(40)	(29)	3	(12)
- Stage 3 - Lifetime ECL credit impaired	245	5,364	(42,718)	4,239
Net	<u>1,124</u>	<u>2,612</u>	<u>(42,943)</u>	<u>4,617</u>
Statutory deposit with central banks				
- Stage 1 - 12-month ECL, net	(114)	(1,135)	(309)	1,312
Net	<u>(114)</u>	<u>(1,135)</u>	<u>(309)</u>	<u>1,312</u>
	<u>(1,582)</u>	<u>(7,687)</u>	<u>(65,567)</u>	<u>20,156</u>

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

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Bank				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	(456)	(4,935)	2,758	(2,990)
Net	(456)	(4,935)	2,758	(2,990)
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	38	(2,603)	(52)	2,999
Net	38	(2,603)	(52)	2,999
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	327	4,344	(1,248)	4,503
Net	327	4,344	(1,248)	4,503
Other assets				
- Stage 3 - Lifetime ECL credit impaired, net	(110)	4,175	(48,651)	6,332
Net	(110)	4,175	(48,651)	6,332
	(201)	981	(47,193)	10,844

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

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.

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

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.

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

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		
Six Months Ended 30 June 2021								
Net interest income:								
- External	3,483,487	2,131,470	147,467	5	629,882	(465,116)	5,927,195	
- Inter-segment	-	-	(6,244)	1,168	25,832	(20,756)	-	
	<u>3,483,487</u>	<u>2,131,470</u>	<u>141,223</u>	<u>1,173</u>	<u>655,714</u>	<u>(485,872)</u>	<u>5,927,195</u>	
Net interest income	3,483,487	2,131,470	141,223	1,173	655,714	(485,872)	5,927,195	
Income from IBS operations	2,151,100	937,275	23,598	-	-	731,523	3,843,496	
Net earned insurance premiums	-	-	-	-	4,695,771	-	4,695,771	
Other operating income/(loss)	1,432,044	1,085,175	629,345	66,042	(667,289)	(380,065)	2,165,252	
Total operating income	<u>7,066,631</u>	<u>4,153,920</u>	<u>794,166</u>	<u>67,215</u>	<u>4,684,196</u>	<u>(134,414)</u>	<u>16,631,714</u>	
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(3,764,988)	132,126	(3,632,862)	
Net operating income	<u>7,066,631</u>	<u>4,153,920</u>	<u>794,166</u>	<u>67,215</u>	<u>919,208</u>	<u>(2,288)</u>	<u>12,998,852</u>	
Overhead expenses	<u>(3,699,216)</u>	<u>(959,482)</u>	<u>(507,246)</u>	<u>(65,138)</u>	<u>(511,362)</u>	<u>-</u>	<u>(5,742,444)</u>	
Operating profit/(loss) before impairment losses	<u>3,367,415</u>	<u>3,194,438</u>	<u>286,920</u>	<u>2,077</u>	<u>407,846</u>	<u>(2,288)</u>	<u>7,256,408</u>	
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	<u>(622,424)</u>	<u>(755,871)</u>	<u>450</u>	<u>(102)</u>	<u>2,925</u>	<u>-</u>	<u>(1,375,022)</u>	
Writeback of/(allowances for) impairment losses on financial investments, net	<u>286</u>	<u>(123,427)</u>	<u>-</u>	<u>-</u>	<u>(3,124)</u>	<u>-</u>	<u>(126,265)</u>	
(Allowances for)/writeback of impairment losses on other financial assets, net	<u>(24)</u>	<u>48,330</u>	<u>(6,255)</u>	<u>(4)</u>	<u>23,520</u>	<u>-</u>	<u>65,567</u>	
Operating profit/(loss)	<u>2,745,253</u>	<u>2,363,470</u>	<u>281,115</u>	<u>1,971</u>	<u>431,167</u>	<u>(2,288)</u>	<u>5,820,688</u>	
Share of profits in associates and joint ventures	-	74,901	1,966	-	-	-	76,867	
Profit/(loss) before taxation and zakat	<u>2,745,253</u>	<u>2,438,371</u>	<u>283,081</u>	<u>1,971</u>	<u>431,167</u>	<u>(2,288)</u>	<u>5,897,555</u>	
Taxation and zakat							<u>(1,436,630)</u>	
Profit after taxation and zakat							<u>4,460,925</u>	
Non-controlling interests							<u>(106,269)</u>	
Profit for the financial period attributable to equity holders of the Bank							<u>4,354,656</u>	

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

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		
Six Months Ended 30 June 2021 (cont'd.)								
Included in other operating income are:								
Fee income:								
Commission	680,916	47,469	46,540	19,512	-	(80,966)	713,471	
Service charges and fees	453,039	168,402	145,242	87,146	24,609	(65,454)	812,984	
Underwriting fees	-	5,347	23,566	-	-	-	28,913	
Brokerage income	-	-	285,545	-	-	-	285,545	
Fees on loans, advances and financing	33,530	54,537	406	-	-	(5,255)	83,218	
Fee income from IBS operations	152,608	59,421	23,560	-	-	5,197	240,786	
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(97,612)	(25,077)	(17,465)	(251)	(9,931)	-	(150,336)	
Depreciation of right-of-use assets	(135,400)	(49,586)	(27,950)	(2,260)	(11,828)	-	(227,024)	
Amortisation of intangible assets	(100,688)	(27,439)	(2,328)	-	(15,439)	-	(145,894)	

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

A31. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Total RM'000
	<===== Group Global Banking =====>						
Six Months Ended 30 June 2020	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000	
Net interest income:							
- External	3,580,252	2,065,430	116,134	69	576,812	(729,678)	5,609,019
- Inter-segment	-	-	(347)	1,215	54,697	(55,565)	-
	<u>3,580,252</u>	<u>2,065,430</u>	<u>115,787</u>	<u>1,284</u>	<u>631,509</u>	<u>(785,243)</u>	<u>5,609,019</u>
Net interest income	3,580,252	2,065,430	115,787	1,284	631,509	(785,243)	5,609,019
Income from IBS operations	1,467,766	765,705	26,154	-	-	612,772	2,872,397
Net earned insurance premiums	-	-	-	-	3,685,821	-	3,685,821
Other operating income	1,270,555	1,710,690	476,513	50,505	230,649	21,619	3,760,531
Total operating income	<u>6,318,573</u>	<u>4,541,825</u>	<u>618,454</u>	<u>51,789</u>	<u>4,547,979</u>	<u>(150,852)</u>	<u>15,927,768</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(3,687,924)	132,872	(3,555,052)
Net operating income	<u>6,318,573</u>	<u>4,541,825</u>	<u>618,454</u>	<u>51,789</u>	<u>860,055</u>	<u>(17,980)</u>	<u>12,372,716</u>
Overhead expenses	(3,698,588)	(937,333)	(493,413)	(54,644)	(464,368)	-	(5,648,346)
Operating profit/(loss) before impairment losses	<u>2,619,985</u>	<u>3,604,492</u>	<u>125,041</u>	<u>(2,855)</u>	<u>395,687</u>	<u>(17,980)</u>	<u>6,724,370</u>
Allowances for impairment losses on loans, advances, financing and other debts, net	(925,760)	(1,766,130)	(4,941)	-	(4,103)	-	(2,700,934)
(Allowances for)/writeback of impairment losses on financial investments, net	(21)	(43,977)	(152)	-	233	-	(43,917)
Writeback of/(allowances for) impairment losses on other financial assets, net	33	(12,490)	(252)	(4)	(8,994)	1,551	(20,156)
Operating profit/(loss)	<u>1,694,237</u>	<u>1,781,895</u>	<u>119,696</u>	<u>(2,859)</u>	<u>382,823</u>	<u>(16,429)</u>	<u>3,959,363</u>
Share of profits in associates and joint ventures	-	93,350	788	-	-	-	94,138
Profit/(loss) before taxation and zakat	<u>1,694,237</u>	<u>1,875,245</u>	<u>120,484</u>	<u>(2,859)</u>	<u>382,823</u>	<u>(16,429)</u>	<u>4,053,501</u>
Taxation and zakat							(984,973)
Profit after taxation and zakat							<u>3,068,528</u>
Non-controlling interests							(77,146)
Profit for the financial period attributable to equity holders of the Bank							<u>2,991,382</u>

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

A31. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Head Office and Others RM'000	Total RM'000
	<===== Group Global Banking =====>							
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Group Insurance and Takaful RM'000		
Six Months Ended 30 June 2020 (cont'd.)								
Included in other operating income are:								
Fee income:								
Commission	559,797	54,890	9,262	19,911	-	(65,961)	577,899	
Service charges and fees	393,017	146,486	76,454	34,672	1,031	(25,666)	625,994	
Underwriting fees	-	6,789	3,009	-	-	-	9,798	
Brokerage income	-	-	233,598	-	-	-	233,598	
Fees on loans, advances and financing	39,510	58,622	606	-	-	299	99,037	
Fee income from IBS operations	151,942	47,745	15,817	-	-	(19,426)	196,078	
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(98,712)	(26,658)	(19,149)	(268)	(9,227)	-	(154,014)	
Depreciation of right-of-use assets	(145,549)	(37,846)	(27,453)	(1,276)	(11,331)	-	(223,455)	
Amortisation of intangible assets	(94,889)	(26,230)	(6,178)	(123)	(12,891)	-	(140,311)	

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

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 2020.

A33. Subsequent Events

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

A34. Changes in the Composition of the Group

There were no significant changes to the composition of the Group during the financial half year ended 30 June 2021.

A35. Commitments and Contingencies

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

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

Group	As at 30 June 2021			As at 31 December 2020		
	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
Contingent liabilities						
Direct credit substitutes	10,962,297	9,650,648	7,080,468	10,940,746	9,408,679	6,667,779
Certain transaction-related contingent items	20,155,694	7,488,126	5,084,931	14,338,122	6,901,117	4,717,191
Short-term self-liquidating trade-related contingencies	4,588,019	1,049,877	681,283	2,788,743	715,672	419,682
Obligations under underwriting agreements	72,214	-	-	-	-	-
	35,778,224	18,188,651	12,846,682	28,067,611	17,025,468	11,804,652
Commitments						
Irrevocable commitments to extend credit:						
- Maturity within one year	121,435,649	13,720,004	4,391,767	128,087,058	13,806,768	4,562,969
- Maturity exceeding one year	41,250,266	52,829,837	27,285,595	39,195,697	55,482,054	26,617,515
	162,685,915	66,549,841	31,677,362	167,282,755	69,288,822	31,180,484
Miscellaneous commitments and contingencies	10,365,206	659,392	373,374	5,728,133	986,226	371,132
Total credit-related commitments and contingencies	208,829,345	85,397,884	44,897,418	201,078,499	87,300,516	43,356,268
Derivative financial instruments						
Foreign exchange related contracts:						
- Less than one year	463,902,021	5,865,652	1,363,297	544,059,314	8,706,925	1,529,800
- One year to less than five years	29,019,173	2,413,964	1,225,697	30,742,568	2,619,230	1,315,007
- Five years and above	8,218,513	1,221,407	644,514	6,596,360	958,528	335,022
	501,139,707	9,501,023	3,233,508	581,398,242	12,284,683	3,179,829
Interest rate related contracts:						
- Less than one year	177,127,430	73,038	25,905	186,361,268	72,980	32,188
- One year to less than five years	258,967,173	1,432,295	838,376	221,399,527	1,504,867	852,397
- Five years and above	124,052,391	2,493,303	1,650,209	109,622,660	2,168,784	1,403,142
	560,146,994	3,998,636	2,514,490	517,383,455	3,746,631	2,287,727

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

A35. Commitments and Contingencies (cont'd.)

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

	As at 30 June 2021			As at 31 December 2020		
	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
Group (cont'd.)						
<u>Derivative financial instruments</u> <u>(cont'd.)</u>						
Equity and commodity related contracts:						
- Less than one year	6,187,238	328,200	171,214	5,383,643	245,702	101,334
- One year to less than five years	1,686,122	140,422	62,943	65,390	13,880	12,253
	7,873,360	468,622	234,157	5,449,033	259,582	113,587
Credit related contracts:						
- Less than one year	74,610	-	-	75,360	-	-
- One year to less than five years	10,000	-	-	-	-	-
	84,610	-	-	75,360	-	-
Total treasury-related commitments and contingencies	1,069,244,671	13,968,281	5,982,155	1,104,306,090	16,290,896	5,581,143
Total commitments and contingencies	1,278,074,016	99,366,165	50,879,573	1,305,384,589	103,591,412	48,937,411
Bank						
<u>Contingent liabilities</u>						
Direct credit substitutes	7,322,503	6,132,235	4,489,896	7,466,677	6,041,129	3,990,003
Certain transaction-related contingent items	16,612,786	5,733,858	3,850,761	11,506,071	5,475,238	3,806,228
Short-term self-liquidating trade-related contingencies	3,780,974	840,451	517,936	2,092,315	478,043	223,572
	27,716,263	12,706,544	8,858,593	21,065,063	11,994,410	8,019,803
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	76,459,944	6,634,458	1,692,139	83,806,525	6,955,310	1,897,783
- Maturity exceeding one year	20,313,381	30,014,568	17,697,181	17,828,264	34,888,721	18,252,090
	96,773,325	36,649,026	19,389,320	101,634,789	41,844,031	20,149,873
Miscellaneous commitments and contingencies	6,121,033	1,021,602	445,845	3,294,116	1,855,264	545,148
Total credit-related commitments and contingencies	130,610,621	50,377,172	28,693,758	125,993,968	55,693,705	28,714,824
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	455,803,559	5,617,887	1,211,753	545,723,025	8,429,411	1,377,250
- One year to less than five years	28,257,968	2,200,676	1,068,352	29,651,424	2,470,975	1,146,587
- Five years and above	7,260,897	1,076,417	489,984	5,673,466	828,538	203,181
	491,322,424	8,894,980	2,770,089	581,047,915	11,728,924	2,727,018

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

A35. Commitments and Contingencies (cont'd.)

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

	As at 30 June 2021			As at 31 December 2020		
	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	176,834,914	71,592	28,589	185,732,911	72,296	31,673
- One year to less than five years	259,207,165	1,243,899	661,810	221,822,106	1,323,301	680,533
- Five years and above	123,954,883	2,491,572	1,648,521	109,622,660	2,168,036	1,402,488
	559,996,962	3,807,063	2,338,920	517,177,677	3,563,633	2,114,694
Equity and commodity related contracts:						
- Less than one year	3,062,813	328,200	171,214	1,499,709	154,587	66,484
- One year to less than five years	1,686,122	140,422	62,943	65,390	13,880	12,253
	4,748,935	468,622	234,157	1,565,099	168,467	78,737
Credit related contracts:						
- Less than one year	74,610	-	-	75,360	-	-
- One year to less than five years	10,000	-	-	-	-	-
	84,610	-	-	75,360	-	-
Total treasury-related commitments and contingencies	1,056,152,931	13,170,665	5,343,166	1,099,866,051	15,461,024	4,920,449
Total commitments and contingencies	1,186,763,552	63,547,837	34,036,924	1,225,860,019	71,154,729	33,635,273

* 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 30 June 2021, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM16,163.6 million (31 December 2020: RM19,908.0 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.

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

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 ending 31 December 2021 (2020: 4.5%, 6.0% and 8.0% of total RWA).

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

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 ending 31 December 2021 (2020: 4.5%, 6.0% and 8.0% of total RWA).

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

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

The minimum regulatory capital adequacy requirement for PT Bank Maybank Indonesia Tbk for the financial year ending 31 December 2021 is 9% up to less than 10% (2020: 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 14 June 2021) issued by the Monetary Authority of Singapore ("MAS"). The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 6.5%, 8.0% and 10.0% of total RWA for the financial year ending 31 December 2021 (2020: 6.5%, 8.0% and 10.0% of total RWA).

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

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

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

For the financial half year ended 30 June 2021, the Bank has proposed a single-tier first interim dividend of 28.0 sen, which consists of a cash portion of 14.0 sen and an electable portion of 14.0 sen per ordinary share. The electable portion can be elected to be reinvested in new ordinary shares in accordance with the DRP.

In arriving the capital adequacy ratios for the financial half year ended 30 June 2021, the proposed single-tier first interim dividend has not been deducted from the calculation of CET1 Capital.

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

	Group		Bank	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
CET1 Capital Ratio	14.643%	15.313%	14.602%	15.581%
Tier 1 Capital Ratio	15.330%	16.026%	15.324%	16.343%
Total Capital Ratio	17.861%	18.683%	17.535%	18.639%

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

A36. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
CET1 Capital				
Share capital	51,713,981	48,280,355	51,713,981	48,280,355
Retained profits ¹	20,722,550	22,447,018	14,566,091	16,811,402
Other reserves ¹	3,512,170	5,473,660	4,620,635	6,201,908
Qualifying non-controlling interests	115,964	115,096	-	-
CET1 Capital before regulatory adjustments	76,064,665	76,316,129	70,900,707	71,293,665
Less: Regulatory adjustments applied on CET1 Capital:				
Deferred tax assets	(1,044,900)	(722,391)	(257,881)	-
Goodwill	(5,576,492)	(5,536,309)	(81,015)	(81,015)
Other intangibles	(881,016)	(955,439)	(310,319)	(306,645)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(613,782)	(1,922,600)	(321,372)	(1,279,711)
Regulatory reserve	(2,110,093)	(2,115,455)	(1,495,500)	(1,495,500)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(3,265,866)	(3,265,013)	(32,021,494)	(31,314,753)
Total CET1 Capital	62,572,516	61,798,922	36,413,126	36,816,041
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	134,624	78,005	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(1,000,000)	(1,000,000)
Total Tier 1 Capital	65,507,140	64,676,927	38,213,126	38,616,041
Tier 2 Capital				
Subordinated obligations	8,775,274	8,707,823	8,775,274	8,707,823
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	36,905	41,209	-	-
General provisions ³	271,495	332,053	40,900	69,408
Surplus of total eligible provision over total expected loss	1,728,408	1,640,773	1,072,053	989,825
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(4,374,741)	(4,341,683)
Total Tier 2 Capital	10,812,082	10,721,858	5,513,486	5,425,373
Total Capital	76,319,222	75,398,785	43,726,612	44,041,414

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.

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

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 30 June 2021</u>				
CET1 Capital Ratio	14.180%	23.280%	-	13.465%
Tier 1 Capital Ratio	15.390%	23.280%	-	13.465%
Total Capital Ratio	18.329%	25.234%	26.274%	17.595%
<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	18.063%	22.906%	24.312%	18.049%

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

A36. Capital Adequacy (cont'd.)

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

At 30 June 2021

	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	56,948,057	22,129,299	2,473,969	780,981	23,366,588	15,569,390
Internal Ratings-Based Approach exposure after scaling factor	288,068,014	178,675,530	90,188,156	-	-	26,254,571
Credit valuation adjustment	-	-	-	-	-	43,859
Total RWA for credit risk	345,016,071	200,804,829	92,662,125	780,981	23,366,588	41,867,820
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(20,415,619)	-	-	-
Total RWA for market risk	38,138,348	26,856,675	1,315,359	1,132,531	625,969	10,918
Total RWA for operational risk	44,152,721	21,708,188	9,074,076	908,639	5,597,966	3,607,792
Total RWA	427,307,140	249,369,692	82,635,941	2,822,151	29,590,523	45,486,530

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

* 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.

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

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 30 June 2021	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	61,044,159	353,819	(303,863)	44,115,987	235,065	(204,796)
- One year to three years	1,533,548	36,678	(20,363)	1,319,031	36,678	(20,363)
- More than three years	4,528,683	28,790	(19,825)	3,338,891	28,790	(19,825)
	<u>67,106,390</u>	<u>419,287</u>	<u>(344,051)</u>	<u>48,773,909</u>	<u>300,533</u>	<u>(244,984)</u>
Currency swaps:						
- Less than one year	377,480,755	1,701,689	(1,563,376)	387,521,871	1,702,355	(1,567,906)
Currency spots:						
- Less than one year	4,743,910	4,138	(7,960)	4,494,793	4,161	(5,293)
Currency options:						
- Less than one year	6,270,191	41,272	(15,531)	6,311,693	41,136	(13,872)
- One year to three years	879,191	49,286	(106,087)	1,999,952	49,286	(80,244)
	<u>7,149,382</u>	<u>90,558</u>	<u>(121,618)</u>	<u>8,311,645</u>	<u>90,422</u>	<u>(94,116)</u>
Cross currency interest rate swaps ¹ :						
- Less than one year	10,023,691	208,929	(171,414)	9,019,900	197,901	(165,550)
- One year to three years	13,412,074	264,943	(350,361)	12,269,750	235,731	(332,655)
- More than three years	11,162,693	318,717	(107,598)	10,869,744	309,083	(103,943)
	<u>34,598,458</u>	<u>792,589</u>	<u>(629,373)</u>	<u>32,159,394</u>	<u>742,715</u>	<u>(602,148)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- Less than one year	165,877,450	821,497	(1,033,901)	165,917,020	820,096	(1,032,239)
- One year to three years	117,318,858	973,190	(1,034,379)	117,553,493	965,516	(1,027,567)
- More than three years	217,071,691	7,121,074	(5,615,836)	217,187,093	7,227,608	(5,668,249)
	<u>500,267,999</u>	<u>8,915,761</u>	<u>(7,684,116)</u>	<u>500,657,606</u>	<u>9,013,220</u>	<u>(7,728,055)</u>
Interest rate futures:						
- Less than one year	10,601,659	2,347,174	(2,311,794)	10,269,574	2,347,138	(2,311,634)
- One year to three years	35,491,053	18,772	(7,809)	35,283,500	18,720	(7,809)
	<u>46,092,712</u>	<u>2,365,946</u>	<u>(2,319,603)</u>	<u>45,553,074</u>	<u>2,365,858</u>	<u>(2,319,443)</u>
Interest rate options:						
- Less than one year	25,671	-	(55)	25,670	-	(55)
- One year to three years	1,532,862	19,145	(12)	1,532,862	19,145	(12)
- More than three years	10,866,222	1,514,126	(2,045,219)	10,866,222	1,514,126	(2,045,219)
	<u>12,424,755</u>	<u>1,533,271</u>	<u>(2,045,286)</u>	<u>12,424,754</u>	<u>1,533,271</u>	<u>(2,045,286)</u>

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

A37. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<----- Fair Value ----->		Principal Amount RM'000	<----- Fair Value ----->	
At 30 June 2021 (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	44,346	-	(139)	44,346	-	(139)
Equity options:						
- Less than one year	2,015,682	146,712	(100,179)	-	-	-
Equity swaps:						
- Less than one year	1,108,743	32,126	(88,699)	-	-	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	1,793,898	92,251	(92,251)	1,793,898	92,251	(92,251)
- One year to three years	1,655,253	96,434	(96,434)	1,655,253	96,434	(96,434)
	<u>3,449,151</u>	<u>188,685</u>	<u>(188,685)</u>	<u>3,449,151</u>	<u>188,685</u>	<u>(188,685)</u>
Commodity swaps:						
- Less than one year	1,224,569	106,972	(106,192)	1,224,569	106,972	(106,192)
- One year to three years	30,869	1,864	(1,503)	30,869	1,864	(1,503)
	<u>1,255,438</u>	<u>108,836</u>	<u>(107,695)</u>	<u>1,255,438</u>	<u>108,836</u>	<u>(107,695)</u>
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	74,610	423	(35)	74,610	423	(35)
- One year to three years	10,000	129	-	10,000	129	-
	<u>84,610</u>	<u>552</u>	<u>(35)</u>	<u>84,610</u>	<u>552</u>	<u>(35)</u>
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps ¹ :						
- Less than one year	4,339,315	34,422	(31,975)	4,339,315	34,422	(31,975)
- One year to three years	3,658,091	158,311	(64,509)	3,658,091	158,311	(64,509)
- More than three years	2,063,406	69,297	(25,065)	2,063,406	69,297	(25,065)
	<u>10,060,812</u>	<u>262,030</u>	<u>(121,549)</u>	<u>10,060,812</u>	<u>262,030</u>	<u>(121,549)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- Less than one year	622,650	7,396	(3,698)	622,650	7,396	(3,698)
- One year to three years	83,020	-	(251)	83,020	-	(251)
- More than three years	655,858	50,936	(1,211)	655,858	50,936	(1,211)
	<u>1,361,528</u>	<u>58,332</u>	<u>(5,160)</u>	<u>1,361,528</u>	<u>58,332</u>	<u>(5,160)</u>
Netting effects for reporting under MFRS 132	-	(456,944)	456,944	-	(452,001)	452,001
Total	<u>1,069,244,671</u>	<u>16,163,568</u>	<u>(14,870,580)</u>	<u>1,056,152,931</u>	<u>15,918,969</u>	<u>(14,578,493)</u>

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

A37. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<----- Fair Value ----->		Principal Amount RM'000	<----- Fair Value ----->	
<u>At 31 December 2020</u>		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>

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

A37. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
<u>At 31 December 2020 (cont'd.)</u>	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 contract</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)

¹ The contractual notional amount of cross currency interest rate swaps held for hedging which is based on interbank offered rates is RM6,499.4 million (31 December 2020: RM5,554.6 million) for the Group and the Bank.

² The contractual notional amount of interest rate swaps held for hedging which is based on interbank offered rates is RM759.6 million (31 December 2020: RM482.0 million) for the Group and the Bank.

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

A38. Fair Value Measurements of Financial Instruments

Valuation principles

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

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

Refers to 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 classification in the fair value hierarchy of the Group's and the Bank's financial assets and financial liabilities measured at fair value as at 30 June 2021 and 31 December 2020 is summarised in the table:

Group	<u>Valuation technique using</u>			Total
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 30 June 2021				
<i>Financial assets measured at fair value:</i>				
Financial assets designated upon initial recognition at fair value through profit or loss				
	134,202	13,536,281	-	13,670,483
Money market instruments	-	681,437	-	681,437
Quoted securities	134,202	-	-	134,202
Unquoted securities	-	12,854,844	-	12,854,844
Financial investments at fair value through profit or loss				
	9,881,948	14,756,284	871,234	25,509,466
Money market instruments	-	8,374,047	-	8,374,047
Quoted securities	9,881,948	-	-	9,881,948
Unquoted securities	-	6,382,237	871,234	7,253,471
Financial investments at fair value through other comprehensive income				
	4,584,503	113,871,976	545,730	119,002,209
Money market instruments	-	57,247,364	-	57,247,364
Quoted securities	4,584,503	-	-	4,584,503
Unquoted securities	-	56,624,612	545,730	57,170,342
Loans, advances and financing at fair value through profit or loss				
	-	-	15,487	15,487
Loans, advances and financing at fair value through other comprehensive income				
	-	-	17,795,238	17,795,238

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

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

The classification in the fair value hierarchy of the Group's and the Bank's financial assets and financial liabilities measured at fair value as at 30 June 2021 and 31 December 2020 is summarised in the table (cont'd.):

Group (cont'd.) At 30 June 2021	<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	-	15,876,008	287,560	16,163,568
Foreign exchange related contracts	-	3,270,291	-	3,270,291
Interest rate related contracts	-	12,873,310	-	12,873,310
Equity and commodity related contracts	-	188,799	287,560	476,359
Credit related contracts	-	552	-	552
Netting effects under MFRS 132 Amendments	-	(456,944)	-	(456,944)
	14,600,653	158,040,549	19,515,249	192,156,451
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	9,501,948	-	9,501,948
Structured deposits	-	18,540	-	18,540
Borrowings	-	9,483,408	-	9,483,408
Derivative liabilities	-	14,583,020	287,560	14,870,580
Foreign exchange related contracts	-	2,787,927	-	2,787,927
Interest rate related contracts	-	12,054,165	-	12,054,165
Equity and commodity related contracts	-	197,837	287,560	485,397
Credit related contracts	-	35	-	35
Netting effects under MFRS 132 Amendments	-	(456,944)	-	(456,944)
	-	24,084,968	287,560	24,372,528
Group				
<u>Valuation technique using</u>				
At 31 December 2020	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	Total RM'000
Financial assets measured at fair value:				
Financial assets 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

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

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

The classification in the fair value hierarchy of the Group's and the Bank's financial assets and financial liabilities measured at fair value as at 30 June 2021 and 31 December 2020 is summarised in the table (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)
	<u>12,396,295</u>	<u>174,753,237</u>	<u>17,671,552</u>	<u>204,821,084</u>
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)
	<u>-</u>	<u>29,259,759</u>	<u>53,913</u>	<u>29,313,672</u>
Bank				
<u>Valuation technique using</u>				
Bank At 30 June 2021	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	Total RM'000
Financial assets measured at fair value:				
Financial investments at fair value through profit or loss	453,561	12,990,652	682,508	14,126,721
Money market instruments	-	6,925,553	-	6,925,553
Quoted securities	453,561	-	-	453,561
Unquoted securities	-	6,065,099	682,508	6,747,607
Financial investments at fair value through other comprehensive income	17,658	67,749,209	513,124	68,279,991
Money market instruments	-	25,692,950	-	25,692,950
Quoted securities	17,658	-	-	17,658
Unquoted securities	-	42,056,259	513,124	42,569,383
Loans, advances and financing at fair value through profit or loss	-	-	15,487	15,487
Loans, advances and financing at fair value through other comprehensive income	-	-	14,991,367	14,991,367
Derivative assets	-	15,631,409	287,560	15,918,969
Foreign exchange related contracts	-	3,102,216	-	3,102,216
Interest rate related contracts	-	12,970,681	-	12,970,681
Equity and commodity related contracts	-	9,961	287,560	297,521
Credit related contracts	-	552	-	552
Netting effects under MFRS 132 Amendments	-	(452,001)	-	(452,001)
	<u>471,219</u>	<u>96,371,270</u>	<u>16,490,046</u>	<u>113,332,535</u>

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

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

The classification in the fair value hierarchy of the Group's and the Bank's financial assets and financial liabilities measured at fair value as at 30 June 2021 and 31 December 2020 is summarised in the table (cont'd.):

Bank (cont'd.) At 31 December 2020	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	-	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 MFRS132 Amendments	-	(1,557,700)	-	(1,557,700)
	-	28,832,401	53,913	28,886,314

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.

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

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

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

Group	At 1 January 2021 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 30 June 2021 RM'000
As at 30 June 2021											
Financial investments at fair value through profit or loss											
Unquoted securities	871,228	-	-	-	-	-	-	6	-	-	871,234
Financial investments at fair value through other comprehensive income											
Unquoted securities	543,842	-	-	1,507	-	-	-	381	-	-	545,730
Loans, advances and financing at fair value through profit or loss											
	170,712	-	-	-	2	-	(160,404)	5,177	-	-	15,487
Loans, advances and financing at fair value through other comprehensive income											
	16,031,857	-	-	111,007	3,042,112	-	(1,642,786)	253,048	-	-	17,795,238
Derivative assets											
Equity and commodity related contracts	53,913	127,719	69,029	-	191,939	(155,040)	-	-	-	-	287,560
Total Level 3 financial assets	17,671,552	127,719	69,029	112,514	3,234,053	(155,040)	(1,803,190)	258,612	-	-	19,515,249
Derivative liabilities											
Equity and commodity related contracts	(53,913)	133,798	69,029	-	191,939	(53,293)	-	-	-	-	287,560
Total Level 3 financial liabilities	(53,913)	133,798	69,029	-	191,939	(53,293)	-	-	-	-	287,560
Total net Level 3 financial assets/(liabilities)	17,617,639	261,517	138,058	112,514	3,425,992	(208,333)	(1,803,190)	258,612	-	-	19,802,809

* Included within 'Other operating income', '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'.

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

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

<u>Group</u> As at 31 December 2020	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
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	<u>13,576,766</u>	<u>460,677</u>	<u>142,589</u>	<u>293,554</u>	<u>6,664,968</u>	<u>(4,680)</u>	<u>(3,443,950)</u>	<u>(18,372)</u>	<u>-</u>	<u>-</u>	<u>17,671,552</u>
Derivative liabilities											
Equity and commodity related contracts	(83,393)	457,440	77,240	-	(36,870)	-	(468,330)	-	-	-	(53,913)
Total Level 3 financial liabilities	<u>(83,393)</u>	<u>457,440</u>	<u>77,240</u>	<u>-</u>	<u>(36,870)</u>	<u>-</u>	<u>(468,330)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,913)</u>
Total net Level 3 financial assets/(liabilities)	<u>13,493,373</u>	<u>918,117</u>	<u>219,829</u>	<u>293,554</u>	<u>6,628,098</u>	<u>(4,680)</u>	<u>(3,912,280)</u>	<u>(18,372)</u>	<u>-</u>	<u>-</u>	<u>17,617,639</u>

* Included within 'Other operating income', '(Allowances for)/writeback of impairment losses on financial investments' and 'Income from Islamic Banking Scheme operations'.

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

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

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 2021 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 30 June 2021 RM'000
Bank											
As at 30 June 2021											
Financial investments at fair value through profit or loss											
Unquoted securities	682,508	-	-	-	-	-	-	-	-	-	682,508
Financial investments at fair value through other comprehensive income											
Unquoted securities	511,617	-	-	1,507	-	-	-	-	-	-	513,124
Loans, advances and financing at fair value through profit or loss											
	170,712	-	-	-	2	-	(160,404)	5,177	-	-	15,487
Loans, advances and financing at fair value through other comprehensive income											
	13,290,590	-	-	85,271	2,843,263	-	(1,477,184)	249,427	-	-	14,991,367
Derivative assets											
Equity and commodity related contracts	53,913	127,719	69,029	-	191,939	(155,040)	-	-	-	-	287,560
Total Level 3 financial assets	14,709,340	127,719	69,029	86,778	3,035,204	(155,040)	(1,637,588)	254,604	-	-	16,490,046
Derivative liabilities											
Equity and commodity related contracts	(53,913)	133,798	69,029	-	191,939	(53,293)	-	-	-	-	287,560
Total Level 3 financial liabilities	(53,913)	133,798	69,029	-	191,939	(53,293)	-	-	-	-	287,560
Total net Level 3 financial assets/(liabilities)	14,655,427	261,517	138,058	86,778	3,227,143	(208,333)	(1,637,588)	254,604	-	-	16,777,606

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

Included within 'Other operating income'.

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

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 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	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	<u>12,917,827</u>	<u>456,777</u>	<u>138,051</u>	<u>260,621</u>	<u>4,317,710</u>	<u>-</u>	<u>(3,363,350)</u>	<u>(18,296)</u>	<u>-</u>	<u>-</u>	<u>14,709,340</u>
Derivative liabilities											
Equity and commodity related contracts	(83,393)	457,440	77,240	-	(36,870)	-	(468,330)	-	-	-	(53,913)
Total Level 3 financial liabilities	<u>(83,393)</u>	<u>457,440</u>	<u>77,240</u>	<u>-</u>	<u>(36,870)</u>	<u>-</u>	<u>(468,330)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,913)</u>
Total net Level 3 financial assets/(liabilities)	<u>12,834,434</u>	<u>914,217</u>	<u>215,291</u>	<u>260,621</u>	<u>4,280,840</u>	<u>-</u>	<u>(3,831,680)</u>	<u>(18,296)</u>	<u>-</u>	<u>-</u>	<u>14,655,427</u>

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

Included within 'Other operating income'.

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

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the financial half year ended 30 June 2021.

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 financial half year ended 30 June 2021.

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

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	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Outstanding credit exposures with connected parties (RM'000)	<u>27,802,961</u>	<u>23,847,402</u>	<u>25,341,953</u>	<u>21,608,355</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>3.3%</u>	<u>2.9%</u>	<u>5.4%</u>	<u>4.7%</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.

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

A40. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 27 September 2019, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund and Shareholders' and General Fund are disclosed as follows:

(a) Unaudited Income Statements for the Financial Half Year Ended 30 June 2021

Group Six-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Interest income	273,348	244,049	223,700	226,523	38,386	37,308	124,677	124,677	660,111	632,557
Interest expense	-	-	-	-	-	-	(4,397)	(1,049)	(4,397)	(1,049)
Net interest income	273,348	244,049	223,700	226,523	38,386	37,308	120,280	123,628	655,714	631,508
Net earned insurance premiums	2,391,152	1,679,473	891,276	763,958	629,689	663,487	783,654	578,903	4,695,771	3,685,821
Other operating income	(363,108)	(162,318)	(296,261)	250,927	(5,182)	34,104	(2,738)	106,597	(667,289)	229,310
Total operating income	2,301,392	1,761,204	818,715	1,241,408	662,893	734,899	901,196	809,128	4,684,196	4,546,639
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(2,181,893)	(1,650,124)	(815,266)	(1,219,727)	(669,869)	(733,699)	(97,960)	(84,374)	(3,764,988)	(3,687,924)
Net operating income	119,499	111,080	3,449	21,681	(6,976)	1,200	803,236	724,754	919,208	858,715
Overhead expenses	(121,289)	(109,702)	(11,158)	(16,687)	(163)	(92)	(367,570)	(341,586)	(500,180)	(468,067)
Operating (loss)/profit before impairment losses	(1,790)	1,378	(7,709)	4,994	(7,139)	1,108	435,666	383,168	419,028	390,648
Writeback of/(allowances for) impairment losses on loans, advances, financing and other debts, net	2	(209)	-	-	(5)	-	2,928	(3,894)	2,925	(4,103)
(Allowances for)/writeback of impairment losses on financial investments, net	(2,405)	(148)	-	-	-	-	(719)	381	(3,124)	233
Writeback of/(allowances for) impairment on other financial assets, net	4,193	(1,021)	7,709	(4,994)	7,144	(1,108)	4,473	(1,871)	23,519	(8,994)
Profit before taxation and zakat	-	-	-	-	-	-	442,348	377,784	442,348	377,784
Taxation and zakat	-	-	-	-	-	-	(120,144)	(137,315)	(120,144)	(137,315)
Profit for the financial period	-	-	-	-	-	-	322,204	240,469	322,204	240,469

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

A40. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business (cont'd.)

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 27 September 2019, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund and Shareholders' and General Fund are disclosed as follows (cont'd.):

(b) Unaudited Statements of Financial Position as at 30 June 2021

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	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	858,636	722,325	12,598	5,783	4,510	38,477	363,286	252,170	1,239,030	1,018,755
Deposits and placements with financial institutions	768,132	1,896,199	1,306,648	2,811,690	236,521	969,131	1,344,532	1,829,400	3,655,833	7,506,420
Financial assets designated upon initial recognition at fair value through profit or loss	6,543,123	6,719,541	5,768,913	5,910,702	20,012	20,424	1,110,180	1,166,021	13,442,228	13,816,688
Financial investments at fair value through profit or loss	4,796,253	4,860,250	602,408	540,374	102,720	28,190	594,732	569,661	6,096,113	5,998,475
Financial investments at fair value through other comprehensive income	6,536,218	4,054,891	4,370,717	3,059,659	1,877,764	1,227,357	4,692,519	3,960,583	17,477,218	12,302,490
Loans, advances and financing	261,479	261,372	-	-	-	-	72,755	63,883	334,234	325,255
Derivative assets	24,124	140,502	-	-	-	-	-	12,037	24,124	152,539
Reinsurance/retakaful assets and other insurance receivables	750,779	541,915	420,839	316,950	471,905	356,542	5,787,732	4,563,174	7,431,255	5,778,581
Other assets	166,096	82,112	4,017	27,314	775	4,400	926,863	530,815	1,097,751	644,641
Investment properties	796,516	796,250	-	-	-	-	138,875	138,840	935,391	935,090
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	89,859	91,931	-	-	-	-	63,690	64,391	153,549	156,322
Right-of-use assets	161	86	-	-	-	-	20,165	24,923	20,326	25,009
Intangible assets	51,966	50,920	-	-	-	-	91,809	59,268	143,775	110,188
Deferred tax assets	3,883	3,438	6,406	3,746	6,240	4,572	64,967	56,789	81,496	68,545
TOTAL ASSETS	21,647,225	20,221,732	12,492,546	12,676,218	2,720,447	2,649,093	15,272,257	13,292,107	52,132,475	48,839,150
LIABILITIES										
Derivative liabilities	75,693	3,473	-	-	-	-	2,147	-	77,840	3,473
Insurance/takaful contract liabilities and other insurance payables	18,980,285	17,670,026	11,983,704	11,984,943	2,277,759	2,238,292	6,994,728	5,801,504	40,236,476	37,694,765
Other liabilities #	2,561,785	2,501,180	483,451	636,813	438,454	397,599	259,253	(455,433)	3,742,943	3,080,159
Provision for taxation and zakat	(19,166)	(32,868)	463	(938)	-	-	68,220	93,264	49,517	59,458
Deferred tax liabilities	48,628	79,921	24,928	55,400	4,234	13,202	316,071	338,858	393,861	487,381
TOTAL LIABILITIES	21,647,225	20,221,732	12,492,546	12,676,218	2,720,447	2,649,093	7,640,419	5,778,193	44,500,637	41,325,236
EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE SUBSIDIARIES										
Share capital	-	-	-	-	-	-	660,865	660,865	660,865	660,865
Other reserves	-	-	-	-	-	-	6,970,973	6,853,049	6,970,973	6,853,049
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,647,225	20,221,732	12,492,546	12,676,218	2,720,447	2,649,093	15,272,257	13,292,107	52,132,475	48,839,150

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.

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

A41. The Operations of Islamic Banking Scheme

A41a. Unaudited Income Statements for the Financial Half Year Ended 30 June 2021

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Income derived from investment of depositors' funds (Note (a))	2,281,903	1,907,811	4,513,325	4,370,154
Income derived from investment of investment account funds (Note (a))	231,147	265,922	455,064	516,261
Income derived from investment of Islamic Banking Funds (Note (a))	131,798	107,237	244,751	224,972
Allowances for impairment losses on financing and advances, net	(164,375)	(358,616)	(343,967)	(553,451)
(Allowances for)/writeback of impairment losses on financial investments, net	(475)	(10,709)	242,814	(16,508)
Writeback of /(allowances for) impairment losses on other financial assets, net	1,667	-	(732)	-
Total distributable income	2,481,665	1,911,645	5,111,255	4,541,428
Profit share from restricted investment account	25	-	25	-
Profit distributed to depositors	(870,055)	(1,237,391)	(1,723,774)	(2,617,262)
Profit distributed to investment account holders	(71,986)	(101,189)	(143,881)	(217,067)
Total net income	1,539,649	573,065	3,243,625	1,707,099
Finance cost	(101,738)	(122,231)	(203,167)	(248,478)
Overhead expenses	(436,016)	(353,573)	(794,805)	(849,582)
Profit before taxation and zakat	1,001,895	97,261	2,245,653	609,039
Taxation	(242,509)	(53,270)	(540,064)	(174,154)
Zakat	(4,111)	(3,792)	(11,820)	(12,236)
Profit for the financial period	755,275	40,199	1,693,769	422,649

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

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Income derived from investment of depositors' funds (Note (a))	2,281,903	1,907,811	4,513,325	4,370,154
Income derived from investment of investment account funds (Note (a))	231,147	265,922	455,064	516,261
Income derived from investment of Islamic Banking Funds (Note (a))	131,798	107,237	244,751	224,972
Total income before allowances for impairment losses on financial assets and overhead expenses	2,644,848	2,280,970	5,213,140	5,111,387
Profit share from restricted investment account	25	-	25	-
Profit distributed to depositors	(870,055)	(1,237,391)	(1,723,774)	(2,617,262)
Profit distributed to investment account holders	(71,986)	(101,189)	(143,881)	(217,067)
	1,702,832	942,390	3,345,510	2,277,058
Finance cost	(101,738)	(122,231)	(203,167)	(248,478)
Net of intercompany income and expenses	358,213	431,468	701,153	843,817
Income from Islamic Banking Scheme operations reported in the Income Statement of the Group	1,959,307	1,251,627	3,843,496	2,872,397

Note (a): During the financial half year ended 30 June 2020, included in income derived from investment of depositors' funds/ investment account funds / Islamic Banking Funds were the net effects under government support measures to assist customers adversely impacted by COVID-19 in order to sustain their business operations amounting to RM238,839,000.

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

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

A41b. Unaudited Statements of Comprehensive Income for the Financial Half Year Ended 30 June 2021

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Profit for the financial period	755,275	40,199	1,693,769	422,649
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain on foreign exchange translation	(17)	24	(473)	(122)
Net gain/(loss) on financial investments at fair value through other comprehensive income	52,161	195,178	(400,663)	177,947
- Net gain/(loss) from change in fair value	66,032	258,243	(528,631)	232,810
- Changes in expected credit losses	1,977	(1,087)	1,097	1,011
- Income tax effect	(15,848)	(61,978)	126,871	(55,874)
	52,144	195,202	(401,136)	177,825
Other comprehensive income/(loss) for the financial period, net of tax	52,144	195,202	(401,136)	177,825
Total comprehensive income for the financial period	807,419	235,401	1,292,633	600,474

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

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

A41c. Unaudited Statement of Financial Position as at 30 June 2021

<u>Group</u>	Note	30 June 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and short-term funds		18,241,178	9,919,980
Deposits and placements with financial institutions		2,502,861	-
Financial assets purchased under resale agreements		3,207,787	3,625,611
Financial investments at fair value through profit or loss		686,085	-
Financial investments at fair value through other comprehensive income		16,544,237	18,453,139
Financial investments at amortised cost		20,532,196	16,381,007
Financing and advances	A41e	207,730,008	203,666,875
Derivative assets		223,163	385,303
Other assets		5,120,412	3,459,012
Statutory deposit with central banks		12,565	12,591
Property, plant and equipment		776	979
Right-of-use assets		8,379	9,901
Deferred tax assets		33,377	-
Total Assets		274,843,024	255,914,398
LIABILITIES			
Customers' funding:			
- Deposits from customers	A41f	174,718,518	165,268,243
- Investment accounts of customers ¹	A41g	25,475,794	23,840,796
Deposits and placements from financial institutions		46,209,245	38,770,852
Bills and acceptances payable		35,935	38,086
Derivative liabilities		167,757	656,302
Other liabilities		1,294,904	783,382
Deferred tax liabilities		-	449,812
Provision for taxation and zakat		265,796	21,256
Term funding	A41h	10,905,479	10,895,058
Subordinated sukuk	A41i	2,021,532	2,028,303
Capital securities	A41j	1,002,305	1,002,441
Total Liabilities		262,097,265	243,754,531
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		8,641,184	7,934,444
Retained profits		3,264,115	2,983,827
Other reserves		840,460	1,241,596
		12,745,759	12,159,867
Total liabilities and Islamic Banking Capital Funds		274,843,024	255,914,398
Restricted investment accounts managed by the Group	A41g	541,728	-
TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE GROUP		275,384,752	255,914,398
COMMITMENTS AND CONTINGENCIES		81,318,020	76,524,814

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

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

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

A41d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2021

<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	¹ Equity contribution from the holding company RM'000			
At 1 January 2021	7,934,444	594,474	645,022	403	1,697	2,983,827	12,159,867	
Profit for the financial period	-	-	-	-	-	1,693,769	1,693,769	
Other comprehensive loss	-	-	(400,663)	(473)	-	-	(401,136)	
Net loss on foreign exchange translation	-	-	-	(473)	-	-	(473)	
Net loss on financial investments at fair value through other comprehensive income	-	-	(400,663)	-	-	-	(400,663)	
Total comprehensive (loss)/income for the financial period	-	-	(400,663)	(473)	-	1,693,769	1,292,633	
Issue of ordinary shares	706,740	-	-	-	-	-	706,740	
Dividends paid	-	-	-	-	-	(1,413,481)	(1,413,481)	
At 30 June 2021	8,641,184	594,474	244,359	(70)	1,697	3,264,115	12,745,759	

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

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

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

A41d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2021 (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	¹ Equity contribution from the holding company RM'000	Distributable Retained Profits RM'000	
At 1 January 2020	7,202,398	846,497	338,320	259	1,697	2,887,335	11,276,506
Profit for the financial period	-	-	-	-	-	422,649	422,649
Other comprehensive gain/(loss)	-	-	177,947	(122)	-	-	177,825
Net loss on foreign exchange translation	-	-	-	(122)	-	-	(122)
Net gain on financial investments at fair value through other comprehensive income	-	-	177,947	-	-	-	177,947
Total comprehensive income/(loss) for the financial period	-	-	177,947	(122)	-	422,649	600,474
Transfer from regulatory reserve	-	(252,023)	-	-	-	252,023	-
Issue of ordinary shares	732,046	-	-	-	-	-	732,046
Dividends paid	-	-	-	-	-	(1,464,091)	(1,464,091)
At 30 June 2020	7,934,444	594,474	516,267	137	1,697	2,097,916	11,144,935

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

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

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

A41e. Financing and Advances

Group	Note	30 June 2021 RM'000	31 December 2020 RM'000
Financing and advances to financial institution	(i)	103,346	-
Financing and advances to customers	(ii)	207,626,662	203,666,875
		<u>207,730,008</u>	<u>203,666,875</u>
(i) Financing and advances to financial institution:			
(A) Financing and advances at fair value through other comprehensive income [^]		103,346	-
Net financing and advances to financial institution		<u>103,346</u>	<u>-</u>
(ii) Financing and advances to customers:			
(A) Financing and advances at fair value through other comprehensive income		3,039,970	2,741,267
(B) Financing and advances at amortised cost		290,291,202	289,662,732
		<u>293,331,172</u>	<u>292,403,999</u>
Unearned income		(82,346,800)	(85,698,158)
Gross financing and advances to customers		210,984,372	206,705,841
Allowances for impaired financing and advances:			
- Stage 1 - 12-month ECL		(600,476)	(574,213)
- Stage 2 - Lifetime ECL not credit impaired		(1,488,870)	(1,209,931)
- Stage 3 - Lifetime ECL credit impaired		(1,268,364)	(1,254,822)
Net financing and advances to customers		<u>207,626,662</u>	<u>203,666,875</u>
Net financing and advances	(i) & (ii)	<u>207,730,008</u>	<u>203,666,875</u>

[^] Included in the financing and advances to financial institution is financing granted under RPSIA amounting to RM103.3 million (31 December 2020: Nil). The RPSIA is a contract based on the Mudharabah principle between two parties to finance a financing where the Group acts as the investor who solely provides capital to financial institution. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Group.

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

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 30 June 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	6,205,033	-	-	-	-	6,205,033
Term financing							
- Housing financing	13,306,265	79,305,667	1,788,618	-	-	608	94,401,158
- Syndicated financing	-	8,774,422	-	-	-	-	8,774,422
- Hire purchase receivables	-	10,863,040	-	35,043,851	-	-	45,906,891
- Lease receivables	-	-	-	-	540,001	-	540,001
- Other term financing	8,909,580	104,108,439	559,250	-	-	118,903	113,696,172
Bills receivables	-	-	-	-	-	1,632	1,632
Trust receipts	-	115,333	-	-	-	-	115,333
Claims on customers under acceptance credits	-	5,004,911	-	-	-	-	5,004,911
Staff financing	361,945	2,214,873	7,828	169,422	-	30,274	2,784,342
Credit card receivables	-	-	-	-	-	1,183,171	1,183,171
Revolving credit	-	14,775,391	-	-	-	-	14,775,391
Share margin financing	-	40,285	-	-	-	-	40,285
Financing to:							
- Directors of the Bank	-	3,193	-	-	-	14	3,207
- Directors of subsidiaries	-	2,286	-	274	-	9	2,569
	22,577,790	231,412,873	2,355,696	35,213,547	540,001	1,334,611	293,434,518
Unearned income							(82,346,800)
Gross financing and advances ⁴							211,087,718
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							(600,476)
- Stage 2 - Lifetime ECL not credit impaired							(1,488,870)
- Stage 3 - Lifetime ECL credit impaired							(1,268,364)
Net financing and advances							207,730,008

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").

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

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
	<u>24,890,371</u>	<u>228,013,814</u>	<u>2,496,921</u>	<u>35,383,727</u>	<u>303,050</u>	<u>1,316,116</u>	<u>292,403,999</u>
Unearned income							(85,698,158)
Gross financing and advances ⁴							<u>206,705,841</u>
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							<u>203,666,875</u>

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").

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

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:

Group	30 June 2021 RM'000	31 December 2020 RM'000
At 1 January	2,452,406	3,115,266
Newly impaired	231,951	584,878
Reclassified as non-impaired	(116,769)	(485,955)
Amount recovered	(159,545)	(437,564)
Amount written-off	(102,025)	(317,043)
Amount related to Restricted Investment Account	10,504	(7,176)
Gross impaired financing at 30 June 2021/31 December 2020	<u>2,316,522</u>	2,452,406
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,268,364)</u>	(1,254,822)
Net impaired financing at 30 June 2021/31 December 2020	<u>1,048,158</u>	<u>1,197,584</u>

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

Gross impaired financing at 30 June 2021/31 December 2020	1,629,488	1,776,012
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,268,364)</u>	<u>(1,254,822)</u>
Net impaired financing at 30 June 2021/31 December 2020	<u>361,124</u>	<u>521,190</u>
Gross financing and advances	159,638,727	156,381,322
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	<u>(3,363,712)</u>	<u>(3,043,122)</u>
Net financing and advances	<u>156,275,015</u>	<u>153,338,200</u>
Net impaired financing as a percentage of net financing and advances	<u>0.23%</u>	<u>0.34%</u>

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

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 30 June 2021				
At 1 January 2021	1,662	2,494	-	4,156
Net remeasurement of allowances	41	-	-	41
New financial assets originated or purchased	37	-	-	37
Financial assets derecognised	(363)	-	-	(363)
Changes in models/risk parameters	1,387	734	-	2,121
Exchange differences	10	-	-	10
At 30 June 2021	2,774	3,228	-	6,002

	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

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 30 June 2021				
At 1 January 2021	574,213	1,209,931	1,254,822	3,038,966
Transferred to Stage 1	139,575	(133,534)	(6,041)	-
Transferred to Stage 2	(16,024)	41,035	(25,011)	-
Transferred to Stage 3	(2,819)	(23,129)	25,948	-
Net remeasurement of allowances	(113,832)	390,314	80,835	357,317
New financial assets originated or purchased	87,843	74,294	-	162,137
Financial assets derecognised	(48,542)	(66,933)	(8,599)	(124,074)
Changes in models/risk parameters	(20,394)	(5,583)	-	(25,977)
Amount related to Restricted Investment Accounts*	174	1,661	28,415	30,250
Amount written-off	-	-	(102,025)	(102,025)
Exchange differences	282	814	20,020	21,116
At 30 June 2021	600,476	1,488,870	1,268,364	3,357,710

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

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 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	<u>574,213</u>	<u>1,209,931</u>	<u>1,254,822</u>	<u>3,038,966</u>

* As at 30 June 2021, the gross exposure of the financing funded by RPSIA was RM25,973.2 million (31 December 2020: RM26,483.7 million). The expected credit losses relating to these financing amounting to RM487.6 million (31 December 2020: RM446.6 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 30 June 2021 was RM25,475.8 million (31 December 2020: RM23,840.8 million).

A41f. Deposits from Customers

Group	30 June 2021 RM'000	31 December 2020 RM'000
Savings deposits		
Qard	<u>28,501,572</u>	<u>23,708,048</u>
Demand deposits		
Qard	<u>35,413,688</u>	<u>26,703,462</u>
Term deposits		
Murabahah	<u>109,553,321</u>	114,498,944
Qard	<u>1,249,937</u>	<u>357,789</u>
	<u>110,803,258</u>	<u>114,856,733</u>
Total deposits from customers	<u>174,718,518</u>	<u>165,268,243</u>

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

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

A41g. Investment Accounts of Customers

Group	30 June 2021 RM'000	31 December 2020 RM'000
Mudharabah		
Unrestricted investment accounts ¹	<u>25,475,794</u>	<u>23,840,796</u>
Restricted investment accounts managed by the Group ²	<u>541,728</u>	<u>-</u>

¹ Included in the unrestricted investment accounts are funds received from the Multi-Asset Investment Account-i ("MAIA") product which are managed by the Group. 50% of the funds are invested in the Group's financing assets managed by a subsidiary of the Bank as part of its Islamic banking activities and are recorded as on-balance sheet. The remaining 50% of the funds are invested in marketable securities with net asset value of RM256.7 million as at 30 June 2021 managed by a subsidiary of the Bank as part of its investment management activities and are recorded as off-balance sheet.

² Included in restricted investment accounts managed by the Group is an arrangement between the Group and third party where the Group acts as an investment agent to manage and administer the restricted investment accounts, with underlying assets amounting to RM541.7 million.

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

Group	Unrestricted investment accounts RM'000
As at 30 June 2021	
Business enterprises	14,212,790
Individuals	9,453,303
Government and statutory bodies	141,141
Others	<u>1,668,560</u>
	<u>25,475,794</u>
As at 31 December 2020	
Business enterprises	13,328,580
Individuals	9,200,552
Government and statutory bodies	112,309
Others	<u>1,199,355</u>
	<u>23,840,796</u>

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

Group	Unrestricted investment accounts RM'000
As at 30 June 2021	
- without maturity	20,191,435
- with maturity	
Within six months	4,498,778
Six months to one year	769,597
One year to three years	10,423
Three years to five years	<u>5,561</u>
	<u>5,284,359</u>
Total investment accounts of customers	<u>25,475,794</u>

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

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.):

Group As at 31 December 2020	Unrestricted investment accounts RM'000
- without maturity	18,243,257
- with maturity	
Within six months	4,241,279
Six months to one year	1,342,789
One year to three years	9,158
Three years to five years	4,313
	5,597,539
Total investment accounts of customers	23,840,796

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

Group As at 30 June 2021	Unrestricted investment accounts RM'000
Retail financing	23,802,230
Non-retail financing	1,673,564
	25,475,794
 As at 31 December 2020	
Retail financing	22,550,499
Non-retail financing	1,290,297
	23,840,796

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

Group	Investment account holder ("IAH")	
	Average profit sharing ratio (%)	Average rate of return (%)
 As at 30 June 2021		
Unrestricted investment accounts	30.85	1.19
 As at 31 December 2020		
Unrestricted investment accounts	36.53	1.64

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

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

A41h. Term Funding

Group	30 June 2021 RM'000	31 December 2020 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	7,944,024	7,945,896
(ii) Medium Term Notes		
- More than one year	2,002,992	2,003,222
(iii) Term funding		
- More than one year (Note (a))	958,463	945,940
Total term funding	10,905,479	10,895,058

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

Group	30 June 2021 RM'000	31 December 2020 RM'000
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2026	-	1,017,454
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2029	1,010,726	1,010,849
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2031	1,010,806	-
	2,021,532	2,028,303

A41j. Capital Securities

Group	30 June 2021 RM'000	31 December 2020 RM'000
RM1.0 billion 4.95% Additional Tier 1 Sukuk Wakalah	1,002,305	1,002,441

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

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

B1. Performance Review

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

The Group posted profit after tax and zakat attributable to equity holders of RM4,354.7 million for the six-month financial period ended 30 June 2021, an increase of RM1,363.3 million or 45.6% as compared to the previous corresponding six-month financial period ended 30 June 2020.

The Group's net interest income and Islamic Banking income for the six-month financial period ended 30 June 2021 increased by RM1,289.3 million or 15.2% to RM9,770.7 million as compared to the previous corresponding six-month financial period ended 30 June 2020.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM1,010.0 million or 27.4% to RM4,695.8 million for the six-month financial period ended 30 June 2021 as compared to the previous corresponding six-month financial period ended 30 June 2020.

Other operating income of the Group for the six-month financial period ended 30 June 2021 was RM2,165.3 million, a decrease of RM1,595.3 million or 42.4% from RM3,760.5 million in the previous corresponding six-month financial period ended 30 June 2020. The decrease was mainly due to unrealised mark-to-market loss on revaluation of financial assets designated upon initial recognition at FVTPL of RM690.2 million for the six-month financial period ended 30 June 2021 as compared to unrealised mark-to-market gain of RM188.9 million for the previous corresponding six-month financial period ended 30 June 2020, lower unrealised mark-to-market gain on revaluation of derivatives of RM836.6 million, lower net gain in investment income of RM716.9 million, higher realised loss on derivatives of RM279.5 million, higher unrealised mark-to-market loss of financial investments at FVTPL of RM158.9 million and realised loss on financial liabilities at FVTPL of RM138.3 million for the six-month financial period ended 30 June 2021. The decreases were, however, mitigated by unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM797.1 million for the six-month financial period ended 30 June 2021 as compared to unrealised mark-to-market loss of RM290.2 million for the previous corresponding six-month financial period ended 30 June 2020 and higher fee income of RM377.8 million.

The Group's overhead expenses for the six-month financial period ended 30 June 2021 recorded an increase of RM94.1 million or 1.7% to RM5,742.4 million as compared to the previous corresponding six-month financial period ended 30 June 2020. The increase in overhead expenses was mainly due to higher personnel expenses of RM61.5 million, higher establishment costs of RM57.6 million and higher marketing expenses of RM16.3 million. The increases were, however, mitigated by lower administration and general expenses of RM41.3 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM1,325.9 million or 49.1% to RM1,375.0 million as compared to the previous corresponding six-month financial period ended 30 June 2020.

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

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 six-month financial period ended 30 June 2021 compared to the previous corresponding six-month financial period ended 30 June 2020 is further segmented based on the operating segments of the Group as follows:

Group Community Financial Services ("Group CFS")

Group CFS's profit before taxation and zakat increased by RM1,051.1 million or 62.0% to RM2,745.3 million for six-month financial period ended 30 June 2021 from RM1,694.2 million for the previous corresponding six-month financial period ended 30 June 2020. The increase was mainly due to higher net interest income and income from IBS operations of RM586.6 million, higher other operating income of RM161.5 million, lower net allowance for impairment losses on loans, advances, financing and other debts of RM303.3 million and higher writeback of impairment losses on financial investments and other financial assets of RM0.3 million. The increases were however, offset by higher overhead expenses of RM0.6 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation and zakat increased by RM563.2 million or 30.0% to RM2,438.4 million for the six-month financial period ended 30 June 2021 from RM1,875.2 million for the previous corresponding six-month financial period ended 30 June 2020. The increase was mainly due to lower net allowances for impairment losses on loans, advances, financing and other debts of RM1,010.3 million and higher net interest income and income from IBS operations of RM237.6 million. The increases were, however, offset by, lower other operating income of RM625.5 million, higher overhead expenses of RM22.1 million, higher net allowances for impairment losses on financial investments and other financial assets of RM18.6 million and lower share of profits in associates and joint ventures of RM18.4 million.

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

Group Investment Banking's profit before taxation and zakat increased by RM162.6 million to RM283.1 million for the six-month financial period ended 30 June 2021 from RM120.5 million for the previous corresponding six-month financial period ended 30 June 2020. The increase was mainly due to higher other operating income of RM152.8 million, higher net interest income and income from IBS operations of RM22.9 million, net writeback for impairment losses on loans, advances, financing and other debts of RM0.5 million from net allowance of RM4.9 million and higher share of profits in associates and joint ventures of RM1.2 million. The increases were, however, offset by higher overhead expenses of RM13.8 million and higher net allowance for impairment losses on financial investments and other financial assets of RM5.9 million.

c) Group Asset Management

Group Asset Management recorded a profit before taxation and zakat of RM2.0 million for the six-month financial period ended 30 June 2021 compared to a loss before taxation and zakat of RM2.9 million for the previous corresponding six-month financial period ended 30 June 2020. The profit was mainly due to higher other operating income of RM15.5 million. The profit was, however, offset by higher overhead expenses of RM10.5 million, lower net interest income of RM0.1 million and net allowance for impairment losses on loans, advances, financing and other debts of RM0.1 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat increased by RM48.4 million or 12.6% to RM431.2 million for the six-month financial period ended 30 June 2021 from RM382.8 million for the previous corresponding six-month financial period ended 30 June 2020. The increase was contributed mainly by higher net earned insurance premiums of RM1,010.0 million, net writeback of impairment losses on financial investments and other financial assets of RM20.4 million from net allowance of RM8.8 million, net writeback of impairment losses on loans, advances, financing and other debts of RM2.9 million from net allowance of RM4.1 million. The increases were, however, offset by lower other operating income of RM897.9 million, higher net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM77.1 million and higher overhead expenses of RM47.0 million.

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

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 RM1,962.5 million for the quarter ended 30 June 2021, an increase of RM1,020.8 million or 108.4% as compared to the previous period corresponding quarter ended 30 June 2020.

The Group's net interest income and Islamic Banking income for the quarter ended 30 June 2021 increased by RM1,029.8 million or 26.1% to RM4,979.2 million as compared to the previous period corresponding quarter ended 30 June 2020.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM425.7 million or 24.5% to RM2,166.5 million as compared to the previous period corresponding quarter ended 30 June 2020.

The Group's other operating income decreased by RM1,277.3 million to RM1,150.1 million for the quarter ended 30 June 2021 as compared to the previous period corresponding quarter ended 30 June 2020. The decrease was mainly due to unrealised mark-to-market loss on revaluation of financial investments at FVTPL of RM159.3 million and financial liabilities at FVTPL of RM695.5 million, realised loss on derivatives of RM399.7 million for the quarter ended 30 June 2021 as compared to unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM709.2 million and financial liabilities at FVTPL of RM147.0 million, realised gain on derivatives of RM6.0 million for the previous period corresponding quarter ended 30 June 2020, lower unrealised mark-to-market gain on revaluation of financial assets designated upon initial recognition at FVTPL of RM404.6 million, lower net gain in investment income of RM267.1 million and net foreign exchange loss of RM30.2 million for the quarter ended 30 June 2021 as compared to net gain of RM197.3 million for the previous period corresponding quarter ended 30 June 2020. The decreases were, however, mitigated by higher unrealised mark-to-market gain on revaluation of derivatives of RM990.9 million for the quarter ended 30 June 2021 as compared to unrealised mark-to-market loss on revaluation of derivatives of RM565.3 million for the previous period corresponding quarter ended 30 June 2020 and higher fee income of RM187.8 million.

The Group's overhead expenses for the quarter ended 30 June 2021 recorded an increase of RM214.4 million or 7.9% to RM2,920.8 million as compared to the previous period corresponding quarter ended 30 June 2020. The increase in overhead expenses was mainly due to higher administration and general expenses of RM86.0 million, higher personnel expenses of RM65.8 million, higher establishment costs of RM32.4 million and higher marketing expenses of RM30.2 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM1,214.5 million or 69.8% to RM524.8 million as compared to the previous period corresponding quarter ended 30 June 2020.

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

B1. Performance Review (cont'd.)

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

The Group's profit before taxation and zakat for the quarter ended 30 June 2021 compared to the previous period corresponding quarter ended 30 June 2020 is further segmented based on the operating segments of the Group as follows:

Group Community Financial Services ("Group CFS")

Group CFS's profit before taxation and zakat increased by RM932.3 million to RM1,420.3 million for the quarter ended 30 June 2021 from RM488.0 million for the previous period corresponding quarter ended 30 June 2020. The increase was mainly due to higher net interest income and income from IBS operations of RM552.1 million, lower net allowance for impairment losses on loans, advances, financing and other debts of RM372.2 million and higher other operating income of RM147.8 million. The increases were, however, offset by, higher overhead expenses of RM139.0 million and net allowance for impairment losses on financial investments and other financial assets of RM0.7 million from net writeback of RM0.1 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets's profit before taxation and zakat increased by RM487.4 million to RM1,094.7 million for the quarter ended 30 June 2021 from RM607.3 million for the previous period corresponding quarter ended 30 June 2020. The increase was mainly due to lower allowance for impairment losses on loans, advances, financing and other debts of RM836.2 million and higher other operating income of RM133.5 million. The increases were, however, offset by, lower net interest income and income from IBS operations of RM414.7 million, higher net allowance for impairment losses on financial investments and other financial assets of RM31.7 million, higher overhead expenses of RM21.9 million and lower share of profits in associates and joint ventures of RM14.0 million.

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

Group Investment Banking's profit before taxation and zakat decreased by RM12.5 million to RM82.3 million for the quarter ended 30 June 2021 from RM94.8 million for the previous period corresponding quarter ended 30 June 2020. The decrease was mainly due to higher overhead expenses of RM25.5 million and net allowance for impairment losses on financial investments and other financial assets of RM1.0 million from net writeback of RM2.9 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM9.6 million, higher other operating income of RM6.7 million and lower net allowance for impairment losses on loans, advances, financing and other debts of RM0.7 million.

c) Group Asset Management

Group Asset Management's profit before taxation and zakat increased by RM0.3 million to RM2.6 million for the quarter ended 30 June 2021 from RM2.3 million for the previous period corresponding quarter ended 30 June 2020. The increase was mainly due to higher other operating income of RM1.5 million. The increase 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 decreased by RM47.1 million or 14.3% to RM282.1 million for the quarter ended 30 June 2021 from RM329.2 million for the previous period corresponding quarter ended 30 June 2020. The decrease was contributed mainly by lower other operating income of RM806.4 million and higher overhead expenses of RM26.8 million. The decreases were, however, mitigated by higher net earned insurance premiums of RM425.7 million, lower net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM332.9 million, higher net interest income of RM21.7 million, net writeback of impairment losses on loans, advances, financing and other debts of RM1.3 million from net allowance of RM4.0 million and lower net allowance for impairment losses on financial investments and other financial assets of RM0.5 million.

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

B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax and zakat attributable to equity holders for the quarter ended 30 June 2021 decreased by RM429.6 million to RM1,962.5 million against the preceding quarter ended 31 March 2021 of RM2,392.1 million.

The Group's net interest income for the quarter ended 30 June 2021 increased by RM112.6 million to RM3,019.9 million against the preceding quarter of RM2,907.3 million. Income from Islamic Banking Scheme operations increased by RM75.1 million to RM1,959.3 million for the quarter ended 30 June 2021 compared to RM1,884.2 million in the preceding quarter ended 31 March 2021.

The Group's net earned insurance premiums for the quarter ended 30 June 2021 decreased by RM362.7 million to RM2,166.5 million compared to RM2,529.2 million in the preceding quarter ended 31 March 2021.

Other operating income of the Group for the quarter ended 30 June 2021 increased by RM135.0 million to RM1,150.1 million compared to RM1,015.1 million in the preceding quarter ended 31 March 2021. The increase was mainly due to unrealised mark-to-market gain on revaluation of derivatives of RM990.9 million and financial assets designated upon initial recognition at FVTPL of RM264.6 million for the quarter ended 30 June 2021 as compared to unrealised mark-to-market loss on revaluation of derivatives of RM779.0 million and financial assets designated upon initial recognition at FVTPL of RM954.8 million in the preceding quarter ended 31 March 2021. The increases were, however, offset by unrealised mark-to-market loss on revaluation of financial liabilities at FVTPL of RM695.5 million for the quarter ended 30 June 2021 as compared to unrealised mark-to-market gain of RM1,492.6 million in the preceding quarter ended 31 March 2021, realised loss on derivatives of RM399.7 million for the quarter ended 30 June 2021 as compared to mark-to-market gain of RM120.1 million in the preceding quarter ended 31 March 2021, net foreign exchange loss of RM30.2 million for the quarter ended 30 June 2021 as compared to net gain of RM125.5 million in the preceding quarter ended 31 March 2021, realised loss on financial liabilities at FVTPL of RM138.3 million in the preceding quarter ended 31 March 2021, lower fee income of RM127.2 million and lower net investment income of RM110.9 million.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund increased by RM611.4 million to RM2,122.1 million for the quarter ended 30 June 2021 compared to RM1,510.7 million in the preceding quarter ended 31 March 2021. The increase was mainly due to higher net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM564.3 million.

The Group posted an increase of RM99.1 million in overhead expenses to RM2,920.8 million for the quarter ended 30 June 2021 compared to RM2,821.7 million in the preceding quarter ended 31 March 2021. The increase was mainly due to higher administration and general costs of RM92.3 million, higher marketing expenses of RM11.9 million and higher establishment costs of RM7.7 million. The increases were, however, mitigated by lower personnel expenses of RM12.8 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts decreased by RM325.5 million to RM524.8 million for the quarter ended 30 June 2021 compared to RM850.2 million in the preceding quarter ended 31 March 2021.

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

B3. Prospects

The global economy is expected to rebound by +6.1% in 2021 (2020: -3.3%), following the gradual resumption of economic activities spurred by progress in vaccination programmes, coupled with continued accommodative monetary policies and expansionary fiscal policies.

In Malaysia, economic recovery is expected to rebound (2021E: +4.2%; 2020: -5.6%) even with the resurgence of COVID-19 cases and the reimposition of nationwide containment measures in 2021. Monetary, fiscal and economic stimulus will continue, focusing on targeted support and interventions for the most-affected individuals and businesses. Overnight Policy Rate (OPR) is expected to remain at a record low of 1.75% throughout 2021 despite a moderate return of inflation this year from deflation in 2020, while the expansionary fiscal policy will continue via Budget 2021's record spending allocation of RM322.5 billion and two additional economic stimulus packages worth RM190 billion announced in 2Q 2021.

Singapore's recovery remains on track to achieve a forecasted real GDP growth of +6.8% in 2021 (2020: -5.4%). With the full vaccination rate rising to about 75% of its eligible population in August 2021, the government has been gradually easing lockdown measures and border controls, providing support to economic growth. The Monetary Authority of Singapore (MAS) maintained its neutral policy stance in April 2021 following the unprecedented twin policy easing action of re-centering the SGD band downwards and reducing the slope of SGD appreciation to zero in March 2020. Headline inflation has however been rising above 2% but core inflation remains below 1%. We expect the MAS to maintain its neutral stance at the October policy meeting and may start tightening only in April next year. Compared to the 13.9% of GDP deficit spending in 2020, Budget 2021 remains expansionary via a smaller fiscal deficit of 2.2% of GDP.

Indonesia's expected growth is +4.2% for 2021 (2020: -2.1%). While vaccine deployment was initiated in January 2021, rollout has been slower than expected, and rise in infections have prolonged movement restrictions, dampening private consumption 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 to 3.50% announced in February 2021. To boost domestic consumption, Bank Indonesia eased bank lending rules and the Government announced tax incentives for auto and property purchases. Bank Indonesia will also continue purchasing government bonds to finance this year's Budget. Inflation is forecasted to pick up, driven by the recovery of energy and food prices, but remain within the central bank's target range.

Given the challenging environment and prolonged impact on economic recovery resulting from the resurgence of COVID-19 cases and ongoing nationwide movement restrictions, Maybank Group will continue to prioritise maintaining its capital and liquidity strength. The Group remains vigilant in ensuring that impacted customers continue to have access to the financial assistance and support they require, and from its position of strength, the Group will continue to proactively engage and address asset quality concerns.

To mitigate against revenue pressures due to a softer growth environment and low policy rates across our home markets, the Group will focus on net interest margin expansion by maintaining its low cost of funds. 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.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the financial half year ended 30 June 2021.

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

B5. Taxation and Zakat

The analysis of the tax expense for the financial half year ended 30 June 2021 are as follows:

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Malaysian income tax	875,590	(89,563)	1,700,834	542,611
Foreign income tax	96,955	62,599	199,377	159,095
	972,545	(26,964)	1,900,211	701,706
Over provision in respect of prior period:				
Foreign income tax	(3,702)	(24,596)	(16,834)	(25,338)
	968,843	(51,560)	1,883,377	676,368
Deferred tax				
- Relating to origination and reversal of temporary differences	(281,136)	270,010	(465,511)	281,594
Tax expense for the financial period	687,707	218,450	1,417,866	957,962
Zakat	5,303	10,661	18,764	27,011
	693,010	229,111	1,436,630	984,973

The Group's effective tax rate for the financial half year ended 30 June 2021 was higher than the statutory tax rate due to effects of certain non-deductible expenses.

<u>Bank</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Malaysian income tax	326,072	(7,261)	659,201	420,759
Foreign income tax	2,301	7,334	4,595	4,616
	328,373	73	663,796	425,375
(Over) provision in respect of prior period:				
Foreign income tax	-	(24,713)	-	(24,713)
	328,373	(24,640)	663,796	400,662
Deferred tax				
- Relating to origination and reversal of temporary differences	(40,965)	113,489	(85,518)	141,428
Tax expense for the financial period	287,408	88,849	578,278	542,090

The Bank's effective tax rate for the financial half year ended 30 June 2021 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 period. Taxation for foreign subsidiaries in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

B6. Status of Corporate Proposals Announced but Not Completed

There are no corporate proposals announced but not completed during the financial half year ended 30 June 2021.

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 half year ended 30 June 2021.

B11. Dividend

The Board of Directors have declared a single-tier first interim dividend in respect of the financial year ending 31 December 2021 of 28.0 sen (30 June 2020: Nil) per ordinary share.

The Board of Directors have also determined that the Dividend Reinvestment Plan will apply to the single-tier first interim dividend in which an electable portion of 14.0 sen per ordinary share can be elected to be reinvested in new ordinary shares and the remaining portion of 14.0 sen per ordinary share will be paid in cash.

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

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

B12. Earnings Per Share ("EPS")

Basic EPS

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	1,962,526	941,732	4,354,656	2,991,382
Weighted average number of ordinary shares in issue ('000)	11,507,109	11,241,362	11,460,552	11,241,362
Basic earnings per share	17.05 sen	8.38 sen	38.00 sen	26.61 sen

Diluted EPS

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

By Order of the Board

Wan Marzimin Wan Muhammad
LS0009924
Company Secretary
26 August 2021