

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

CONDENSED FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

| <u>Group</u> | Note | Unaudited | | Audited | |
|--|------|------------------|------------------|---|---|
| | | 31 December 2021 | 31 December 2020 | Cumulative 12 Months Ended 31 December 2021 | Cumulative 12 Months Ended 31 December 2020 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | A21 | 4,294,678 | 4,370,370 | 17,205,258 | 19,350,764 |
| Interest expense | A22 | (1,229,950) | (1,586,895) | (5,171,213) | (8,260,375) |
| Net interest income | | 3,064,728 | 2,783,475 | 12,034,045 | 11,090,389 |
| Income from Islamic Banking Scheme operations | A41a | 1,958,405 | 1,673,199 | 7,572,599 | 6,135,582 |
| Net earned insurance premiums | A23 | 2,167,571 | 2,782,773 | 8,846,782 | 9,458,856 |
| Other operating income | A25 | 992,588 | 1,502,161 | 4,470,670 | 7,299,202 |
| Total operating income | | 8,183,292 | 8,741,608 | 32,924,096 | 33,984,029 |
| Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund | A26 | (1,883,665) | (2,428,882) | (7,475,699) | (9,220,803) |
| Net operating income | | 6,299,627 | 6,312,726 | 25,448,397 | 24,763,226 |
| Overhead expenses | A27 | (2,954,757) | (2,869,154) | (11,518,539) | (11,221,906) |
| Operating profit before impairment losses | | 3,344,870 | 3,443,572 | 13,929,858 | 13,541,320 |
| Allowances for impairment losses on loans, advances, financing and other debts, net | A28 | (157,283) | (1,093,290) | (2,658,541) | (4,598,581) |
| Allowances for impairment losses on financial investments, net | A29 | (465,135) | (368,552) | (598,298) | (413,918) |
| (Allowances for)/writeback of impairment losses on other financial assets and goodwill, net | A30 | (45,995) | (60,776) | 27,393 | (81,012) |
| Operating profit | | 2,676,457 | 1,920,954 | 10,700,412 | 8,447,809 |
| Share of profits in associates and joint ventures | | 43,736 | 71,176 | 186,183 | 209,147 |
| Profit before taxation and zakat | | 2,720,193 | 1,992,130 | 10,886,595 | 8,656,956 |
| Taxation and zakat | B5 | (597,596) | (351,190) | (2,565,080) | (1,937,877) |
| Profit for the financial period/year | | 2,122,597 | 1,640,940 | 8,321,515 | 6,719,079 |
| Attributable to: | | | | | |
| Equity holders of the Bank | | 2,056,871 | 1,537,405 | 8,096,229 | 6,481,219 |
| Non-controlling interests | | 65,726 | 103,535 | 225,286 | 237,860 |
| | | 2,122,597 | 1,640,940 | 8,321,515 | 6,719,079 |
| Earnings per share attributable to equity holders of the Bank | | | | | |
| Basic/diluted | B12 | 17.32 sen | 13.68 sen | 69.66 sen | 57.66 sen |

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

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

CONDENSED FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

| <u>Group</u> | Unaudited | | Audited | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Profit for the financial period/year | 2,122,597 | 1,640,940 | 8,321,515 | 6,719,079 |
| Other comprehensive income/(loss): | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Defined benefit plan actuarial gain | 27,617 | 20,901 | 28,694 | 15,586 |
| Income tax effect | (5,121) | (6,209) | (6,426) | (6,911) |
| Net (loss)/gain from change in fair value on equity instruments at fair value through other comprehensive income | (6,648) | 14,284 | (5,910) | 57,365 |
| | 15,848 | 28,976 | 16,358 | 66,040 |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Net (loss)/gain on debt instruments at fair value through other comprehensive income | (113,024) | (113,489) | (3,330,589) | 1,484,970 |
| - Net (loss)/gain from change in fair value | (217,225) | (68,598) | (3,780,807) | 1,566,740 |
| - Changes in expected credit losses | 13,099 | (71,932) | (418,316) | 245,897 |
| - Income tax effect | 91,102 | 27,041 | 868,534 | (327,667) |
| Net gain/(loss) on foreign exchange translation | 11,736 | 78,050 | 611,558 | (484,026) |
| Net loss on cash flow hedge | (139,400) | - | - | - |
| Net gain/(loss) on net investment hedge | 1,804 | 5,256 | (4,687) | 2,922 |
| Cost of hedging for fair value hedge | (595) | (3,875) | (5,810) | 13,150 |
| Net gain/(loss) on capital reserve | 172 | (1,366) | 863 | (2,446) |
| Share of change in associates' reserve | (110,796) | (17,480) | (172,126) | 15,454 |
| | (350,103) | (52,904) | (2,900,791) | 1,030,024 |
| Other comprehensive (loss)/income for the financial period/year, net of tax | (334,255) | (23,928) | (2,884,433) | 1,096,064 |
| Total comprehensive income for the financial period/year | 1,788,342 | 1,617,012 | 5,437,082 | 7,815,143 |
| Other comprehensive (loss)/income for the financial period/year, attributable to: | | | | |
| Equity holders of the Bank | (329,541) | (24,749) | (2,832,798) | 1,093,958 |
| Non-controlling interests | (4,714) | 821 | (51,635) | 2,106 |
| | (334,255) | (23,928) | (2,884,433) | 1,096,064 |
| Total comprehensive income for the financial period/year, attributable to: | | | | |
| Equity holders of the Bank | 1,727,330 | 1,512,656 | 5,263,431 | 7,575,177 |
| Non-controlling interests | 61,012 | 104,356 | 173,651 | 239,966 |
| | 1,788,342 | 1,617,012 | 5,437,082 | 7,815,143 |

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CONDENSED FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

| <u>Bank</u> | Note | Unaudited | | Audited | |
|---|------|--------------------|------------------|---|---|
| | | 31 December 2021 | 31 December 2020 | Cumulative 12 Months Ended 31 December 2021 | Cumulative 12 Months Ended 31 December 2020 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | A21 | 2,926,310 | 2,919,886 | 11,610,664 | 12,959,184 |
| Interest expense | A22 | (861,041) | (937,392) | (3,384,660) | (5,308,438) |
| Net interest income | | 2,065,269 | 1,982,494 | 8,226,004 | 7,650,746 |
| Dividends from subsidiaries and associates | A24 | 177,919 | 343,994 | 3,959,559 | 2,640,114 |
| Other operating income | A25 | 542,886 | 708,265 | 3,004,912 | 4,161,005 |
| | | 720,805 | 1,052,259 | 6,964,471 | 6,801,119 |
| Net operating income | | 2,786,074 | 3,034,753 | 15,190,475 | 14,451,865 |
| Overhead expenses | A27 | (1,253,060) | (1,341,732) | (5,022,895) | (4,784,188) |
| Operating profit before impairment losses | | 1,533,014 | 1,693,021 | 10,167,580 | 9,667,677 |
| Allowances for impairment losses on loans, advances, financing and other debts, net | A28 | (840,480) | (242,630) | (2,554,384) | (2,558,275) |
| Writeback of/(allowances for) impairment losses on financial investments, net | A29 | 22,564 | (128,331) | 89,413 | (149,466) |
| (Allowances for)/writeback of impairment losses on other financial assets, net | A30 | (4,015) | (28,592) | 41,351 | (30,926) |
| Profit before taxation and zakat | | 711,083 | 1,293,468 | 7,743,960 | 6,929,010 |
| Taxation and zakat | B5 | (91,740) | (171,568) | (866,058) | (963,883) |
| Profit for the financial period/year | | 619,343 | 1,121,900 | 6,877,902 | 5,965,127 |

(These audited 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)

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CONDENSED FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

| <u>Bank</u> | Unaudited | | Audited | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Profit for the financial period/year | 619,343 | 1,121,900 | 6,877,902 | 5,965,127 |
| Other comprehensive (loss)/income: | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss:</i> | | | | |
| Net (loss)/gain from change in fair value on equity instruments at fair value through other comprehensive income | (3,958) | 15,495 | (3,544) | 62,422 |
| <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 | 37,407 | (196,345) | (2,327,000) | 938,754 |
| - Net (loss)/gain from change in fair value | (20,198) | (165,676) | (2,560,698) | 917,572 |
| - Changes in expected credit losses | 29,891 | (69,976) | (403,914) | 235,641 |
| - Income tax effect | 27,714 | 39,307 | 637,612 | (214,459) |
| Net gain/(loss) on foreign exchange translation | 3,534 | (107,273) | 189,292 | (67,106) |
| Net loss on cash flow hedge | (139,400) | - | - | - |
| Cost of hedging for fair value hedge | (595) | (3,875) | (5,810) | 13,150 |
| | (99,054) | (307,493) | (2,143,518) | 884,798 |
| Other comprehensive (loss)/income for the financial period, net of tax | (103,012) | (291,998) | (2,147,062) | 947,220 |
| Total comprehensive income for the financial period/year | 516,331 | 829,902 | 4,730,840 | 6,912,347 |

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

CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

| | Note | Group | | Bank | |
|---|----------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| ASSETS | | | | | |
| Cash and short-term funds | | 41,483,926 | 43,884,714 | 25,725,348 | 24,106,030 |
| Deposits and placements with financial institutions | | 16,037,048 | 10,128,931 | 31,482,634 | 15,268,348 |
| Financial assets purchased under resale agreements | | 13,491,753 | 17,543,987 | 12,079,652 | 14,849,421 |
| Financial assets designated upon initial recognition at fair value through profit or loss | A10(i) | 13,181,866 | 14,028,031 | - | - |
| Financial investments at fair value through profit or loss | A10(ii) | 27,775,493 | 27,179,846 | 14,003,854 | 18,189,480 |
| Financial investments at fair value through other comprehensive income | A10(iii) | 122,393,954 | 127,502,681 | 70,663,061 | 75,533,793 |
| Financial investments at amortised cost | A10(iv) | 60,532,190 | 46,475,916 | 41,574,896 | 39,856,983 |
| Loans, advances and financing to financial institutions | A11(i) | 1,048,566 | 899,986 | 30,836,296 | 30,042,986 |
| Loans, advances and financing to customers | A11(ii) | 540,839,323 | 511,310,107 | 209,286,971 | 199,881,476 |
| Derivative assets | A37 | 12,757,475 | 19,907,957 | 12,498,439 | 19,713,802 |
| Reinsurance/retakaful assets and other insurance receivables | A12 | 7,515,864 | 5,778,581 | - | - |
| Other assets | A13 | 8,644,931 | 10,236,874 | 3,550,530 | 4,116,602 |
| Investment properties | | 975,048 | 941,545 | - | - |
| Statutory deposits with central banks | | 7,514,129 | 7,468,213 | 1,695,478 | 1,647,066 |
| Investment in subsidiaries | | - | - | 33,205,773 | 30,903,363 |
| Interest in associates and joint ventures | | 2,491,435 | 2,680,402 | 440,730 | 440,730 |
| Property, plant and equipment | | 2,129,989 | 2,206,849 | 882,119 | 941,767 |
| Right-of-use assets | | 1,170,564 | 1,245,454 | 550,126 | 424,139 |
| Intangible assets | | 6,683,461 | 6,648,504 | 406,681 | 387,660 |
| Deferred tax assets | | 1,505,378 | 790,936 | 468,101 | - |
| TOTAL ASSETS | | 888,172,393 | 856,859,514 | 489,350,689 | 476,303,646 |
| LIABILITIES | | | | | |
| Customers' funding: | | | | | |
| - Deposits from customers | A14 | 588,967,633 | 556,349,372 | 276,558,866 | 250,025,335 |
| - Investment accounts of customers ¹ | A41g | 28,720,799 | 23,840,796 | - | - |
| Deposits and placements from financial institutions | A15 | 36,583,073 | 37,878,866 | 41,567,510 | 34,720,115 |
| Obligations on financial assets sold under repurchase agreements | | 7,873,717 | 11,131,215 | 24,785,841 | 36,922,305 |
| Derivative liabilities | A37 | 12,638,175 | 19,151,751 | 12,374,656 | 18,724,393 |
| Financial liabilities at fair value through profit or loss | A16 | 10,696,966 | 10,161,921 | 10,696,966 | 10,161,921 |
| Bills and acceptances payable | | 1,077,986 | 997,663 | 430,450 | 458,617 |
| Insurance/takaful contract liabilities and other insurance payables | A18 | 42,093,615 | 37,694,765 | - | - |
| Other liabilities | A19 | 21,502,096 | 21,027,915 | 8,882,522 | 7,810,067 |
| Provision for taxation and zakat | | 311,385 | 151,919 | - | 66,120 |
| Deferred tax liabilities | | 539,066 | 1,470,856 | - | 377,830 |
| Borrowings | A17(i) | 35,548,352 | 38,097,224 | 28,289,884 | 33,134,255 |
| Subordinated obligations | A17(ii) | 10,239,277 | 8,967,831 | 9,827,722 | 8,808,639 |
| Capital securities | A17(iii) | 2,827,832 | 2,827,793 | 2,827,832 | 2,827,793 |
| TOTAL LIABILITIES | | 799,619,972 | 769,749,887 | 416,242,249 | 404,037,390 |

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

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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

| | Note | Group | | Bank | |
|--|------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK | | | | | |
| Share capital | | 53,156,473 | 48,280,355 | 53,156,473 | 48,280,355 |
| Shares held-in-trust | | (1,274) | - | (1,274) | - |
| Retained profits | | 29,629,726 | 29,494,627 | 15,236,418 | 16,809,095 |
| Reserves | | 3,026,497 | 6,661,665 | 4,716,823 | 7,176,806 |
| | | 85,811,422 | 84,436,647 | 73,108,440 | 72,266,256 |
| Non-controlling interests | | 2,740,999 | 2,672,980 | - | - |
| | | 88,552,421 | 87,109,627 | 73,108,440 | 72,266,256 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 888,172,393 | 856,859,514 | 489,350,689 | 476,303,646 |
| COMMITMENTS AND CONTINGENCIES | A35 | 1,176,244,045 | 1,305,384,589 | 1,081,179,600 | 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 | | 16.090% | 15.313% | 15.462% | 15.581% |
| Tier 1 Capital Ratio | | 16.810% | 16.026% | 16.223% | 16.343% |
| Total Capital Ratio | | 19.518% | 18.683% | 18.785% | 18.639% |
| Net assets per share attributable to equity holders of the Bank | | RM7.22 | RM7.51 | RM6.15 | RM6.43 |

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MALAYAN BANKING BERHAD
(Co. Reg. No.: 196001000142)
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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

| <u>Group</u> | Share Capital RM'000 | Shares Held-in-trust RM'000 | Statutory Reserve RM'000 | Regulatory Reserve RM'000 | Fair Value Through Other Comprehensive Income Reserve RM'000 | Exchange Fluctuation Reserve RM'000 | 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 year | - | - | - | - | - | - | - | - | 8,096,229 | 8,096,229 | 225,286 | 8,321,515 |
| Other comprehensive (loss)/income | - | - | - | - | (3,323,319) | 478,844 | - | 11,677 | - | (2,832,798) | (51,635) | (2,884,433) |
| Defined benefit plan actuarial gain | - | - | - | - | - | - | - | 21,354 | - | 21,354 | 914 | 22,268 |
| Share of associates' reserve | - | - | - | - | (34,448) | (137,678) | - | - | - | (172,126) | - | (172,126) |
| Net gain/(loss) on foreign exchange translation | - | - | - | - | - | 616,522 | - | - | - | 616,522 | (4,964) | 611,558 |
| Net loss on financial investments at fair value through other comprehensive income | - | - | - | - | (3,288,871) | - | - | - | - | (3,288,871) | (47,628) | (3,336,499) |
| Net loss on net investment hedge | - | - | - | - | - | - | - | (4,687) | - | (4,687) | - | (4,687) |
| Cost of hedging for fair value hedge | - | - | - | - | - | - | - | (5,810) | - | (5,810) | - | (5,810) |
| Net gain on capital reserve | - | - | - | - | - | - | - | 820 | - | 820 | 43 | 863 |
| Total comprehensive (loss)/income for the financial year | - | - | - | - | (3,323,319) | 478,844 | - | 11,677 | 8,096,229 | 5,263,431 | 173,651 | 5,437,082 |
| Carried forward | 48,280,355 | - | 317,823 | 2,115,455 | 1,249,250 | 351,277 | 96,186 | (301,124) | 37,590,856 | 89,700,078 | 2,846,631 | 92,546,709 |

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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

| Group (cont'd.) | Share Capital RM'000 | Shares Held-in-trust RM'000 | Statutory Reserve RM'000 | Regulatory Reserve RM'000 | Fair Value Through Other Comprehensive Income Reserve RM'000 | Exchange Fluctuation Reserve RM'000 | ESGP Reserve RM'000 | Other Reserves¹ RM'000 | Retained Profits² RM'000 | Total Shareholders' Equity RM'000 | Non-Controlling Interests RM'000 | Total Equity RM'000 |
|--|---------------------------------|--|-------------------------------------|--------------------------------------|---|--|--------------------------------|--|--|--|---|--------------------------------|
| Brought forward | 48,280,355 | - | 317,823 | 2,115,455 | 1,249,250 | 351,277 | 96,186 | (301,124) | 37,590,856 | 89,700,078 | 2,846,631 | 92,546,709 |
| Net gain on disposal of financial investments at fair value through other comprehensive income | - | - | - | - | (14,545) | - | - | - | 14,545 | - | - | - |
| Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP") | - | - | - | - | - | - | 39,328 | - | 40,457 | 79,785 | - | 79,785 |
| Effect of changes in corporate structure within the Group | - | - | - | - | - | - | - | - | - | - | (25,183) | (25,183) |
| Effect of net acquisition from/disposal to non-controlling interests | - | - | - | - | - | - | - | - | - | - | 10,137 | 10,137 |
| Transfer to statutory reserve | - | - | 14,549 | - | - | - | - | - | (14,549) | - | - | - |
| Transfer from regulatory reserve | - | - | - | (800,194) | - | - | - | - | 800,194 | - | - | - |
| Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a)(A) - (C)) | 4,833,336 | - | - | - | - | - | - | - | - | 4,833,336 | - | 4,833,336 |
| Issue of shares pursuant to Maybank Group ESGP (Note A8(i)(a)(D)) | 42,782 | (1,274) | - | - | - | - | (41,508) | - | - | - | - | - |
| Dividends paid (Note A9) | - | - | - | - | - | - | - | - | (8,801,777) | (8,801,777) | (90,586) | (8,892,363) |
| Total transactions with shareholders/ other equity movements | 4,876,118 | (1,274) | 14,549 | (800,194) | (14,545) | - | (2,180) | - | (7,961,130) | (3,888,656) | (105,632) | (3,994,288) |
| At 31 December 2021 | 53,156,473 | (1,274) | 332,372 | 1,315,261 | 1,234,705 | 351,277 | 94,006 | (301,124) | 29,629,726 | 85,811,422 | 2,740,999 | 88,552,421 |

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 RM742.3 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

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

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

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM619.0 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

(These audited 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
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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

| | <===== Attributable to equity holders of the Bank =====> | | | | | | | | | |
|--|--|-----------------------------------|--------------------------------|---------------------------------|---|--|---------------------------|----------------------------|--|---------------------------|
| | <===== Non-Distributable =====> | | | | | | | | | |
| Bank | Share Capital RM'000 | Shares Held-in-trust RM'000 | Statutory Reserve RM'000 | Regulatory Reserve RM'000 | Fair Value Through Other Comprehensive Income Reserve RM'000 | Exchange Fluctuation Reserve RM'000 | ESGP Reserve RM'000 | Hedge Reserve RM'000 | Distributable Retained Profits RM'000 | Total Equity RM'000 |
| 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 year | - | - | - | - | - | - | - | - | 6,877,902 | 6,877,902 |
| Other comprehensive (loss)/income | - | - | - | - | (2,330,544) | 189,292 | - | (5,810) | - | (2,147,062) |
| Net gain on foreign exchange translation | - | - | - | - | - | 189,292 | - | - | - | 189,292 |
| Net loss on financial investments at fair value through other comprehensive income | - | - | - | - | (2,330,544) | - | - | - | - | (2,330,544) |
| Cost of hedging for fair value hedge | - | - | - | - | - | - | - | (5,810) | - | (5,810) |
| Total comprehensive (loss)/income for the financial year | - | - | - | - | (2,330,544) | 189,292 | - | (5,810) | 6,877,902 | 4,730,840 |
| Net gain on disposal of financial investments at fair value through other comprehensive income | - | - | - | - | (620) | - | - | - | 620 | - |
| Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP") | - | - | - | - | - | 39,328 | - | - | 40,457 | 79,785 |
| Transfer to statutory reserve | - | - | 5,178 | - | - | - | - | - | (5,178) | - |
| Transfer from regulatory reserve | - | - | - | (315,299) | - | - | - | - | 315,299 | - |
| Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a)(A) - (C)) | 4,833,336 | - | - | - | - | - | - | - | - | 4,833,336 |
| Issue of shares pursuant to Maybank Group ESGP (Note A8(i)(a)(D)) | 42,782 | (1,274) | - | - | - | - | (41,508) | - | - | - |
| Dividends paid (Note A9) | - | - | - | - | - | - | - | - | (8,801,777) | (8,801,777) |
| Total transactions with shareholders/ other equity movements | 4,876,118 | (1,274) | 5,178 | (315,299) | (620) | - | (2,180) | - | (8,450,579) | (3,888,656) |
| At 31 December 2021 | 53,156,473 | (1,274) | 74,696 | 1,180,201 | 930,283 | 2,430,642 | 94,006 | 6,995 | 15,236,418 | 73,108,440 |

(These audited 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)

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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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

| <u>Bank</u> | Share Capital RM'000 | Statutory Reserve RM'000 | Regulatory Reserve RM'000 | Fair Value Through Other Comprehensive Income Reserve RM'000 | Exchange Fluctuation Reserve RM'000 | ESGP Reserve RM'000 | Hedge Reserve RM'000 | Distributable Retained Profits RM'000 | Total Equity RM'000 |
|--|----------------------------|--------------------------------|---------------------------------|---|--|---------------------------|----------------------------|--|---------------------------|
| At 1 January 2020 | 48,280,355 | 59,502 | 1,894,921 | 2,260,271 | 2,308,456 | 37,195 | (345) | 15,223,022 | 70,063,377 |
| Profit for the financial year | - | - | - | - | - | - | - | 5,965,127 | 5,965,127 |
| Other comprehensive income/(loss) | - | - | - | 1,001,176 | (67,106) | - | 13,150 | - | 947,220 |
| Net loss on foreign exchange translation | - | - | - | - | (67,106) | - | - | - | (67,106) |
| Net gain on financial investments at fair value through other comprehensive income | - | - | - | 1,001,176 | - | - | - | - | 1,001,176 |
| Cost of hedging for fair value hedge | - | - | - | - | - | - | 13,150 | - | 13,150 |
| Total comprehensive income/(loss) for the financial year | - | - | - | 1,001,176 | (67,106) | - | 13,150 | 5,965,127 | 6,912,347 |
| Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP") | - | - | - | - | - | 58,991 | - | - | 58,991 |
| Transfer to statutory reserve | - | 10,016 | - | - | - | - | - | (10,016) | - |
| Transfer from regulatory reserve | - | - | (399,421) | - | - | - | - | 399,421 | - |
| Dividends paid | - | - | - | - | - | - | - | (4,384,131) | (4,384,131) |
| Dividends payable | - | - | - | - | - | - | - | (384,328) | (384,328) |
| Total transactions with shareholders/ other equity movements | - | 10,016 | (399,421) | - | - | 58,991 | - | (4,379,054) | (4,709,468) |
| At 31 December 2020 | 48,280,355 | 69,518 | 1,495,500 | 3,261,447 | 2,241,350 | 96,186 | 12,805 | 16,809,095 | 72,266,256 |

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

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Cash flows from operating activities | | | | |
| Profit before taxation and zakat | 10,886,595 | 8,656,956 | 7,743,960 | 6,929,010 |
| Adjustments for: | | | | |
| Share of profits in associates and joint ventures | (186,183) | (209,147) | - | - |
| Depreciation of property, plant and equipment | 299,986 | 311,984 | 89,545 | 101,097 |
| Depreciation of right-of-use assets | 448,564 | 450,736 | 110,589 | 113,197 |
| Amortisation of intangible assets | 282,724 | 286,899 | 64,499 | 56,520 |
| Loss/(gain) on disposal of property, plant and equipment | 103 | (20,791) | 1,246 | (17,279) |
| Net loss on liquidation/disposal of subsidiaries | 7,165 | 10,161 | - | - |
| Net (gain)/loss on disposal/change in structure of deemed controlled structured entities | (8,571) | (3,128) | (34,846) | 3,275 |
| Net loss on dilution of interest in associate | 60,158 | - | - | - |
| Net gain/(loss) on disposal of financial assets at fair value through profit or loss | 14,628 | (25,575) | 23,659 | (134,605) |
| Net gain on disposal of financial investments at fair value through other comprehensive income | (615,087) | (1,977,378) | (437,716) | (1,517,671) |
| Net gain on redemption of financial investments at amortised cost | (909) | - | (10,796) | - |
| Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss and derivatives | 1,144,009 | (1,763,959) | 568,896 | (966,285) |
| Unrealised gain on revaluation of financial liabilities at fair value through profit or loss | (795,287) | (94,503) | (795,287) | (94,503) |
| Unrealised gain on revaluation of loans, advances and financing at fair value through profit or loss | - | (479) | - | (479) |
| Allowances for impairment losses on loans, advances and financing, net | 2,968,592 | 4,985,025 | 2,694,860 | 2,771,970 |
| Allowances for impairment losses on other debts | 14,670 | 11,256 | 1,444 | 1,257 |
| (Writeback of)/allowances for impairment losses on financial investments, net | 598,298 | 413,918 | (89,413) | 149,466 |
| (Writeback of)/allowances for impairment losses on other financial assets and goodwill, net | (27,393) | 81,012 | (41,351) | 30,926 |
| Dividend income | (162,374) | (104,155) | (3,965,748) | (2,645,916) |
| ESGP expenses | 98,193 | 80,775 | 53,736 | 42,627 |
| Other adjustments for non-operating and non-cash items | 381,286 | 462,040 | (90,495) | (175,510) |
| Operating profit before working capital changes | 15,409,167 | 11,551,647 | 5,886,782 | 4,647,097 |
| Change in cash and short-term funds with original maturity of more than three months | 11,162,459 | (11,941,106) | 6,321,216 | (9,506,641) |
| Change in deposits and placements with financial institutions with original maturity of more than three months | (6,606,824) | 15,021,943 | (16,940,452) | 23,452,073 |
| Change in financial investments portfolio | (13,806,639) | (18,618,655) | 5,117,624 | (4,644,481) |
| Change in loans, advances and financing | (29,097,602) | (5,028,270) | (11,216,970) | (4,519,496) |
| Change in statutory deposits with central banks | (45,455) | 7,583,005 | (48,412) | 2,453,866 |
| Change in deposits from customers | 28,599,884 | 12,566,903 | 24,730,252 | 5,796,663 |
| Change in investment accounts of customers | 4,880,003 | 3,103,126 | - | - |
| Change in deposits and placements from financial institutions | (1,295,793) | (5,678,343) | 6,847,395 | (16,634,420) |
| Change in financial liabilities at fair value through profit or loss | 41,001 | (22,772) | 41,001 | (22,772) |
| Change in reinsurance/retakaful assets and other insurance receivables | (1,679,288) | (1,559,600) | - | - |
| Change in insurance/takaful contract liabilities and other insurance payables | 4,398,850 | 6,809,134 | - | - |
| Change in other operating activities | 3,877,909 | (9,805,389) | (7,018,680) | 4,198,862 |
| Cash generated from operations | 15,837,672 | 3,981,623 | 13,719,756 | 5,220,751 |
| Taxes and zakat paid | (2,759,384) | (1,733,508) | (1,225,716) | (870,990) |
| Net cash generated from operating activities | 13,078,288 | 2,248,115 | 12,494,040 | 4,349,761 |

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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Cash flows from investing activities | | | | |
| Dividends received from: | | | | |
| - financial investments portfolio | 162,374 | 104,155 | 6,189 | 5,802 |
| - subsidiaries | - | - | 3,958,663 | 2,639,337 |
| - associates | - | - | 896 | 777 |
| Purchase of property, plant and equipment | (197,754) | (202,801) | (24,218) | (29,364) |
| Purchase of intangible assets | (252,751) | (276,822) | (84,886) | (92,302) |
| Purchase of investment properties | (3,312) | (1,370) | - | - |
| Purchase of additional ordinary shares in existing subsidiaries | - | - | (2,392,931) | (732,788) |
| Proceeds from disposal of property, plant and equipment | 3,514 | 29,764 | 128 | 18,058 |
| Proceeds from disposal of a subsidiary | - | 171,233 | - | 169,521 |
| Proceeds from disposal of deemed controlled structured entities | - | - | 125,366 | 184,033 |
| Purchase of shares in deemed controlled entities | - | - | - | (12,557) |
| Net effect arising from transaction with non-controlling interests | (6,475) | 27,363 | - | - |
| Net effect arising from capital repayment of a subsidiary | - | - | - | 1,213,920 |
| Net cash (used in)/generated from investing activities | (294,404) | (148,478) | 1,589,207 | 3,364,437 |
| Cash flows from financing activities | | | | |
| Proceeds from issuance of shares | 4,833,336 | - | 4,833,336 | - |
| (Repayment)/drawdown of borrowings, net | (2,728,211) | (2,571,076) | (4,895,984) | 742,415 |
| Issuance of subordinated obligations | 3,309,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Redemption of subordinated obligations | (2,163,655) | (3,300,000) | (2,008,500) | (3,300,000) |
| Issuance of financial liabilities at fair value through profit or loss | 2,461,480 | 4,499,040 | 2,461,480 | 4,499,040 |
| Redemption of financial liabilities at fair value through profit or loss | (1,393,899) | (715,368) | (1,393,899) | (715,368) |
| Repayment of lease liabilities | (416,733) | (464,386) | (106,930) | (99,624) |
| Recourse obligations on loans and financing sold to Cagamas, net | - | (1,526,225) | - | (1,526,225) |
| Dividends paid | (9,186,106) | (4,384,131) | (9,186,106) | (4,384,131) |
| Dividends paid to non-controlling interests | (90,586) | (89,507) | - | - |
| Net cash used in financing activities | (5,375,374) | (5,551,653) | (7,296,603) | (1,783,893) |
| Net increase/(decrease) in cash and cash equivalents | 7,408,510 | (3,452,016) | 6,786,644 | 5,930,305 |
| Cash and cash equivalents at beginning of the financial year | 43,813,448 | 47,306,745 | 27,902,551 | 21,934,867 |
| Effects of foreign exchange rate changes | 660,185 | (41,281) | 432,925 | 37,379 |
| Cash and cash equivalents at end of the financial year | 51,882,143 | 43,813,448 | 35,122,120 | 27,902,551 |
| Cash and cash equivalents comprise: | | | | |
| Cash and short-term funds | 41,501,456 | 43,895,144 | 25,736,157 | 24,111,660 |
| Deposits and placements with financial institutions | 16,053,824 | 10,147,074 | 31,488,613 | 15,274,310 |
| | 57,555,280 | 54,042,218 | 57,224,770 | 39,385,970 |
| Less: | | | | |
| Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months | (5,673,137) | (10,228,770) | (22,102,650) | (11,483,419) |
| Cash and cash equivalents at end of the financial year | 51,882,143 | 43,813,448 | 35,122,120 | 27,902,551 |

(These audited 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)

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

A1. Basis of Preparation

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

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

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

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

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 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 *Leases - 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 temporary relief which address the financial reporting effects when interbank offered rate ("IBOR") is replaced with an alternative nearly risk-free rate ("RFR").

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2021, retrospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors, without the need to restate comparative information. Restatement of prior periods is permitted if, and only if, it is possible without the use of hindsight. Earlier application is permitted. These amendments do not have any significant impact to the financial statements of the Group and of the Bank.

Amendment to MFRS 16 *Leases - 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.

The amendment applies to annual reporting periods beginning on or after 1 April 2021, which has been early adopted by the Group and the Bank. This amendment does not have any significant impact to the financial statements of the Group and of the Bank.

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

During the financial year ended 31 December 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.

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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.)

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 that 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 that were approved on or before 30 June 2021 and not in arrears for more than 90 days. All 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.

(iii) *Six-month moratorium under Pakej 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 individuals, 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.

(iv) *Financial management and resilience programme ("URUS")*

Pursuant to the statement issued by the Prime Minister on 13 October 2021, banking industry, represented collectively by The Association of Banks in Malaysia ("ABM"), Association of Islamic Banking and Financial Institutions Malaysia ("AIBIM") and Association of Development Finance Institutions of Malaysia ("ADFIM") had on 14 October 2021 announced its continued support to individual customers. The Bank has worked alongside with Agensi Kaunseling dan Pengurusan Kredit ("AKPK") to offer a comprehensive extended financial assistance scheme called Financial Management and Resilience Programme ("URUS").

Under URUS, AKPK will provide eligible customers with a personalised financial plan with the following options:

- (a) A 3-month interest/profit waiver, commencing the month following the customers' on boarding into the scheme; or
- (b) A 3-month interest/profit waiver together with reduced instalments for a period of up to 24 months. This option will also benefit customers with unsecured personal loan/financing and credit cards.

Application for URUS is open from 15 November 2021 until 31 January 2022 for individual customers:

- (i) from B50 income segment (having gross household income of RM5,880 or lower based on definition by the Department of Statistics Malaysia);
- (ii) that have experienced either loss of employment or reduction of income of at least 50%;
- (iii) under an existing repayment assistance programme (e.g. Targeted Repayment Assistance, PEMERKASA+, PEMULIH, the Bank's own rescheduling and restructuring, etc.) as at 30 September 2021; and
- (iv) whose loan/financing is still performing (not in arrears exceeding 90 days) as at the date of their application.

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 indicating evidence of SICR. The Group and the Bank will continue to apply judgement and perform more holistic assessment of all relevant indicators 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.

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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.)

The support measures include the following (cont'd.):

Supervisory and Prudential Measures

During the financial year ended 31 December 2021, financial institutions are allowed to operate below the minimum Liquidity Coverage Ratio of 100%, lowered Net Stable Funding Ratio to 80% from 100%, draw down the capital conservation buffer of 2.5% and reduce the regulatory reserves held against expected losses to 0%. However, financial institutions are expected to restore their buffer to the minimum regulatory requirement by 30 September 2021. The Group and the Bank did not opt for any of the prudential buffers.

Standards and annual improvements to standards issued but not yet effective

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

| Description | Effective for annual periods beginning on or after |
|---|---|
| Annual Improvements to MFRS Standards 2018 - 2020 | 1 January 2022 |
| Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i> | 1 January 2022 |
| Amendments to MFRS 3 <i>Business Combination - Reference to the Conceptual Framework</i> | 1 January 2022 |
| Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets Onerous Contract - Cost of Fulfilling a Contract</i> | 1 January 2022 |
| Amendments to MFRS 101 <i>Presentation of Financial Statements - Disclosure of Accounting Policies</i> | 1 January 2023 |
| Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i> | 1 January 2023 |
| Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i> | 1 January 2023 |
| Amendments to MFRS 112 <i>Income Taxes - Deferred Tax related to Assets and Liabilities Liabilities arising from a Single Transaction</i> | 1 January 2023 |
| MFRS 17 <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to MFRS 17 <i>Insurance Contracts</i> | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | Deferred |

Annual Improvements to MFRS Standards 2018 - 2020

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

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

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

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

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A1. Basis of Preparation (cont'd.)

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

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

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

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

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

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

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

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

Amendments to MFRS 101 *Presentation of Financial Statements - Disclosure of Accounting Policies*

The amendments require companies to disclose material accounting policies rather than significant accounting policies. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosure on MFRS applications.

The amendments explain that an accounting policy is material if, without it the users of the financial statements would be unable to understand other material information in the financial statements or/and when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decision that the primary users of general purpose financial statements make on the basis of those financial statements. Immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting information.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. These amendments are not expected to have a significant impact on the preparation of the Group's and the Bank's financial statements.

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

The amendments clarify the followings:

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

Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*

The amendments redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". These amendments provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates. The amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate if the changes do not arise from prior period errors.

The distinction is important because changes in accounting estimates are applied prospectively but changes in accounting policies are applied retrospectively. The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. These amendments are not expected to have a significant impact on the preparation of the Group's and the Bank's financial statements.

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A1. Basis of Preparation (cont'd.)

Amendments to MFRS 112 *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments specify the treatment for deferred tax on transactions related to leases and decommissioning obligation. The amendments clarify that the initial recognition exemption set out in MFRS 112 does not apply to transactions that give rise to equal amounts of taxable and deductible temporary difference. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. These amendments are not expected to have a significant impact on the preparation of the Group's and the Bank's financial statements.

MFRS 17 *Insurance Contracts*

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

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

- (i) The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows);
- (ii) A Contractual Service Margin ("CSM") that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in profit or loss over the service period (i.e. coverage period);
- (iii) Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- (iv) The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- (v) The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period;
- (vi) Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet;
- (vii) Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense; and
- (viii) Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

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

(i) Modified retrospective approach

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

(ii) Fair value approach

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

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

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

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A1. Basis of Preparation (cont'd.)

Amendments to MFRS 17 Insurance Contracts

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

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

The amendments clarify that:

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

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

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

In preparing these audited condensed interim financial statements, the significant judgements made by management in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 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 fourth quarter and 12 months financial year ended 31 December 2021.

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

During the fourth quarter and 12 months financial year ended 31 December 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 fourth quarter and 12 months financial year ended 31 December 2021.

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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 fourth quarter and 12 months financial year ended 31 December 2021:

(a) **Share capital**

The share capital of the Bank increased from RM48,280,355,135 as at 31 December 2020 to RM53,156,472,575 as at 31 December 2021 via:

- (A) Issuance of 172,632,753 new ordinary shares amounting to RM1,324,685,273 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;
- (B) Issuance of 279,343,269 new ordinary shares amounting to RM2,107,519,293 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;
- (C) Issuance of 179,814,209 new ordinary shares amounting to RM1,401,131,296 arising from the DRP relating to electable portion of the single-tier first interim dividend of 14.0 sen in respect of the financial year ended 31 December 2021; and
- (D) Issuance of 5,361,100 new ordinary shares amounting to RM42,781,578 arising from the Employees Shares Grant Plan ("ESGP").

The issued ordinary shares of the Bank as at 31 December 2021 is 11,878,513,218 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* | 590.0 |
| USD | Fixed Rate Notes | 63.0 |
| HKD | Fixed Rate Notes | 1,375.0 |
| CNY | Fixed Rate Notes | 3,270.0 |
| JPY | Fixed Rate Notes | 10,000.0 |
| AUD | Fixed Rate Notes | 63.0 |
| AUD | Floating Rate Notes | 26.0 |
| Redemption of medium term notes | | |
| HKD | Fixed Rate Notes | 1,278.0 |
| HKD | Floating Rate Notes | 450.0 |
| CHF | Zero Coupon Notes | 100.0 |
| 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 | 1,000,000.0 |
| Redemption of bonds | | |
| IDR | Fixed Rate Notes | 2,098,500.0 |

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

- (i) The following are the changes in debt and equity securities for the Group and the Bank during the fourth quarter and 12 months financial year ended 31 December 2021 (cont'd.):

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

Issuance of commercial papers by the Bank

The aggregate nominal value of the commercial papers issued by the Bank and outstanding as at 31 December 2021 are as follows:

| Currency | Description | Aggregate Nominal Value (in million) |
|----------|-------------------|--------------------------------------|
| USD | Zero Coupon Notes | 150.0 |
| SGD | Fixed Rate Notes* | 315.3 |
| 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 31 December 2021 are as follows:

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

(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.

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 |

Redemption of USD500 million Tier 2 Fixed Rate Subordinated Notes pursuant to the RM15.0 billion Multicurrency Medium Term Note Programme by the Bank

| Redemption | First Call Date | Maturity Date | Nominal Value | Description | Tenor |
|------------|-----------------|-----------------|----------------|--|------------|
| Redemption | 29 October 2021 | 29 October 2026 | USD500 million | Tier 2 Subordinated Note (10.5 non-call 5.5) | 10.5 years |

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 |

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

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the fourth quarter and 12 months financial year ended 31 December 2021 and have not been reflected in the financial statements for the fourth quarter and 12 months financial year ended 31 December 2021:

(a) **Borrowings**

Issuance/redemption of medium term notes by the Bank

| Currency | Description | Aggregate Nominal Value (in million) |
|--|----------------------------------|--------------------------------------|
| Issuance of medium term notes | | |
| JPY | Fixed Rate Notes (Samurai Bonds) | 30,000.0 |
| Redemption of medium term notes | | |
| USD | Floating Rate Notes | 50.0 |
| CNY | Fixed Rate Notes | 300.0 |

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

A9. Dividends Paid

Dividends paid during the 12 months financial year ended 31 December 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 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 DRP.

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

- (b) A single-tier first interim dividend, in respect of the financial year ended 31 December 2021 of 28.0 sen per ordinary share, was declared by the Bank on 26 August 2021.

The dividend consists of 14.0 sen to be paid in cash amounting to RM1,637,067,307 and an electable portion of 14.0 sen amounting to RM1,637,067,307 which can be elected to be reinvested in new ordinary shares in accordance with the DRP.

The payment date for cash dividend and crediting of ordinary shares under the DRP was completed on 21 October 2021.

- (c) Dividends paid by Maybank's subsidiaries to non-controlling interests amounted to RM90,586,000 during the 12 months financial year ended 31 December 2021.

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A10. Financial Investments Portfolio

| | Note | Group | | Bank | |
|---|-------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Financial assets designated upon initial recognition at fair value through profit or loss | (i) | 13,181,866 | 14,028,031 | - | - |
| Financial investments at fair value through profit or loss | (ii) | 27,775,493 | 27,179,846 | 14,003,854 | 18,189,480 |
| Financial investments at fair value through other comprehensive income | (iii) | 122,393,954 | 127,502,681 | 70,663,061 | 75,533,793 |
| Financial investments at amortised cost | (iv) | 60,532,190 | 46,475,916 | 41,574,896 | 39,856,983 |
| | | 223,883,503 | 215,186,474 | 126,241,811 | 133,580,256 |

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

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| At fair value | | | | |
| Money market instruments: | | | | |
| Malaysian Government Securities | 344,976 | 233,228 | - | - |
| Malaysian Government Investment Issues | 369,397 | 406,583 | - | - |
| | 714,373 | 639,811 | - | - |
| Quoted securities: | | | | |
| In Malaysia: | | | | |
| Shares, warrants and loan stocks | - | 114,951 | - | - |
| Unit trusts | 3,932 | 3,932 | - | - |
| Outside Malaysia: | | | | |
| Shares, warrants and loan stocks | 164 | 11,270 | - | - |
| | 4,096 | 130,153 | - | - |
| Unquoted securities: | | | | |
| In Malaysia: | | | | |
| Corporate Bonds and Sukuk | 12,248,561 | 13,008,116 | - | - |
| Outside Malaysia: | | | | |
| Corporate Bonds and Sukuk | 214,836 | 249,951 | - | - |
| | 12,463,397 | 13,258,067 | - | - |
| Total financial assets designated upon initial recognition at FVTPL | 13,181,866 | 14,028,031 | - | - |

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A10. Financial Investments Portfolio (cont'd.)

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

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| At fair value | | | | |
| Money market instruments: | | | | |
| Malaysian Government Securities | 918,886 | 2,464,259 | 918,886 | 2,404,369 |
| Malaysian Government Investment Issues | 309,362 | 2,240,840 | 307,855 | 2,133,207 |
| Cagamas Bonds | 570,931 | 47,024 | 570,931 | 47,024 |
| Negotiable instruments of deposits | - | 120,485 | - | 120,485 |
| Foreign Government Securities | 3,458,086 | 3,227,160 | 2,901,655 | 2,934,336 |
| Malaysian Government Treasury Bills | 4,079,504 | 1,065,724 | 3,420,385 | 1,065,724 |
| Bank Negara Malaysia Bills and Notes | 614,280 | 1,656,882 | 614,280 | 1,656,882 |
| Foreign Government Treasury Bills | - | 1,395,379 | - | 1,395,379 |
| | 9,951,049 | 12,217,753 | 8,733,992 | 11,757,406 |
| Quoted securities: | | | | |
| In Malaysia: | | | | |
| Shares, warrants, mutual funds and loan stocks | 7,160,590 | 4,962,630 | - | 79,685 |
| Unit trusts | 486,454 | 478,003 | 286,570 | 201,260 |
| Outside Malaysia: | | | | |
| Shares, warrants, mutual funds and loan stocks | 564,089 | 285,720 | 237 | 116 |
| Unit trusts | 933,960 | 457,683 | 291,503 | 237,644 |
| Corporate Bonds and Sukuk | 1,576,604 | 1,207,422 | - | - |
| Government Bonds | 612,151 | 707,185 | - | - |
| Government Treasury Bills | 568,183 | 668,020 | - | - |
| | 11,902,031 | 8,766,663 | 578,310 | 518,705 |
| Unquoted securities: | | | | |
| In Malaysia: | | | | |
| Shares | 967,356 | 931,054 | 700,280 | 682,508 |
| Unit trusts | 5,078 | 1,928 | - | - |
| Corporate Bonds and Sukuk | 1,014,406 | 757,346 | 345,271 | 298,648 |
| Structured deposits | 186,197 | 87,737 | - | - |
| Outside Malaysia: | | | | |
| Shares | 382 | 764 | - | - |
| Mutual funds | 124,351 | 16,517 | - | - |
| Corporate Bonds and Sukuk | 1,761,223 | 3,750,966 | 1,782,581 | 4,283,095 |
| Government Bonds | 1,863,420 | 649,118 | 1,863,420 | 649,118 |
| | 5,922,413 | 6,195,430 | 4,691,552 | 5,913,369 |
| Total financial investments at FVTPL | 27,775,493 | 27,179,846 | 14,003,854 | 18,189,480 |

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A10. Financial Investments Portfolio (cont'd.)

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

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| At fair value | | | | |
| Money market instruments: | | | | |
| Malaysian Government Securities | 10,599,757 | 13,448,869 | 10,225,806 | 13,249,223 |
| Malaysian Government Investment Issues | 19,122,254 | 23,197,246 | 7,336,288 | 9,164,855 |
| Negotiable instruments of deposits | 11,473 | 150,337 | - | 150,337 |
| Foreign Government Securities | 16,144,063 | 13,088,016 | 5,418,045 | 4,535,913 |
| Foreign Government Treasury Bills | 14,976,441 | 16,939,946 | 6,026,800 | 4,014,112 |
| Khazanah Bonds | 283,502 | 353,303 | 253,889 | 324,271 |
| Cagamas Bonds | 124,727 | 358,627 | 124,727 | 358,627 |
| | 61,262,217 | 67,536,344 | 29,385,555 | 31,797,338 |
| Quoted securities: | | | | |
| In Malaysia: | | | | |
| Shares, warrants and loan stocks | 79,854 | 6,992 | 15,490 | 17,836 |
| Outside Malaysia: | | | | |
| Shares, warrants and loan stocks | 33 | 33 | - | - |
| Corporate Bonds and Sukuk | 4,432,456 | 2,762,299 | - | - |
| Government Bonds | 586,530 | 730,155 | - | - |
| | 5,098,873 | 3,499,479 | 15,490 | 17,836 |
| Unquoted securities: | | | | |
| In Malaysia: | | | | |
| Shares and loan stocks | 334,722 | 336,378 | 320,093 | 322,417 |
| Government Bonds | 418,458 | 378,606 | 418,458 | 336,714 |
| Corporate Bonds and Sukuk | 24,329,837 | 23,992,461 | 13,149,845 | 15,552,830 |
| Outside Malaysia: | | | | |
| Shares | 3,710 | 2,444 | - | - |
| Government Bonds | 17,045,506 | 14,660,955 | 16,685,586 | 14,524,455 |
| Corporate Bonds and Sukuk | 13,900,631 | 17,096,014 | 10,688,034 | 12,982,203 |
| | 56,032,864 | 56,466,858 | 41,262,016 | 43,718,619 |
| Total financial investments at FVOCI | 122,393,954 | 127,502,681 | 70,663,061 | 75,533,793 |

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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 31 December 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 | 836 | (836) | - | - |
| Transferred to Stage 2 | (20) | 20 | - | - |
| Net remeasurement of allowances | (4,556) | 715 | 25,116 | 21,275 |
| New financial assets originated or purchased | 15,504 | - | - | 15,504 |
| Financial assets derecognised | (16,007) | - | - | (16,007) |
| Changes in models/risk parameters | (720) | 149 | - | (571) |
| Amount written-off | - | - | (9,849) | (9,849) |
| Exchange differences | 1,423 | - | 1,819 | 3,242 |
| At 31 December 2021 | 31,279 | 1,766 | 124,367 | 157,412 |

| 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 |

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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.):

| | Stage 1 | Stage 2 | Stage 3 | |
|--|-------------------------|---|---|----------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| Bank | | | | |
| As at 31 December 2021 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2021 | 16,676 | 495 | 71,056 | 88,227 |
| Transferred to Stage 1 | 285 | (285) | - | - |
| Net remeasurement of allowances | (965) | - | 25,628 | 24,663 |
| New financial assets originated or purchased | 8,257 | - | - | 8,257 |
| Financial assets derecognised | (7,202) | - | - | (7,202) |
| Changes in models/risk parameters | (266) | (6) | - | (272) |
| Exchange differences | 663 | - | 34 | 697 |
| At 31 December 2021 | 17,448 | 204 | 96,718 | 114,370 |

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

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments at amortised cost

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Money market instruments: | | | | |
| Malaysian Government Securities | 9,639,927 | 8,664,711 | 9,639,825 | 8,664,609 |
| Malaysian Government Investment Issues | 19,369,681 | 11,456,207 | 8,123,415 | 6,867,868 |
| Foreign Government Securities | 2,247,712 | 1,068,622 | - | - |
| Khazanah Bonds | 870,534 | 1,073,781 | 44,133 | 141,493 |
| Cagamas Bonds | 50,259 | 50,259 | 50,259 | 50,259 |
| | 32,178,113 | 22,313,580 | 17,857,632 | 15,724,229 |
| Unquoted securities: | | | | |
| In Malaysia: | | | | |
| Corporate Bonds and Sukuk | 26,113,291 | 20,912,781 | 20,523,417 | 20,327,704 |
| Outside Malaysia: | | | | |
| Corporate Bonds and Sukuk | 2,065,136 | 2,925,090 | 3,238,386 | 3,965,708 |
| Government Bonds | 1,303,177 | 872,817 | 117,307 | 114,756 |
| | 29,481,604 | 24,710,688 | 23,879,110 | 24,408,168 |
| Allowances for impairment losses | (1,127,527) | (548,352) | (161,846) | (275,414) |
| Total financial investments at amortised cost | 60,532,190 | 46,475,916 | 41,574,896 | 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 | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| As at 31 December 2021 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2021 | 57,578 | 395,043 | 95,731 | 548,352 |
| Transferred to Stage 1 | 41,742 | (41,742) | - | - |
| Transferred to Stage 2 | (256) | 256 | - | - |
| Net remeasurement of allowances | (44,940) | 1,277 | 41,255 | (2,408) |
| New financial assets originated or purchased | 12,735 | - | 923,797 | 936,532 |
| Financial assets derecognised | (9,481) | (352,994) | - | (362,475) |
| Changes in models/risk parameters | 6,491 | (43) | - | 6,448 |
| Exchange differences | (168) | 1,246 | - | 1,078 |
| At 31 December 2021 | 63,701 | 3,043 | 1,060,783 | 1,127,527 |

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A10. Financial Investments Portfolio (cont'd.)

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

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

| Group | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---------------------|---|-------------------------------------|----------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| As at 31 December 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 31 December 2021 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2021 | 16,077 | 163,606 | 95,731 | 275,414 |
| Transferred to Stage 1 | 41,396 | (41,396) | - | - |
| Net remeasurement of allowances | (34,273) | (1,247) | 41,255 | 5,735 |
| New financial assets originated or purchased | 9,588 | - | - | 9,588 |
| Financial assets derecognised | (8,206) | (122,075) | - | (130,281) |
| Changes in models/risk parameters | 142 | (43) | - | 99 |
| Exchange differences | 45 | 1,246 | - | 1,291 |
| At 31 December 2021 | 24,769 | 91 | 136,986 | 161,846 |

| 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 |

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A11. Loans, Advances and Financing

| | Note | Group | | Bank | |
|--|------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Loans, advances and financing to financial institutions | (i) | 1,048,566 | 899,986 | 30,836,296 | 30,042,986 |
| Loans, advances and financing to customers | (ii) | 540,839,323 | 511,310,107 | 209,286,971 | 199,881,476 |
| | | 541,887,889 | 512,210,093 | 240,123,267 | 229,924,462 |
| (i) Loans, advances and financing to financial institutions[^]: | | | | | |
| (A) Loans, advances and financing to financial institutions at amortised cost | | 947,869 | 906,576 | 31,569,235 | 30,490,995 |
| (B) Loans, advances and financing to financial institutions at fair value through other comprehensive income | | 109,156 | - | 572,435 | - |
| Gross loans, advances and financing to financial institutions | | 1,057,025 | 906,576 | 32,141,670 | 30,490,995 |
| Allowances for loans, advances and financing: | | | | | |
| - Stage 1 - 12-month ECL | | (8,243) | (6,223) | (29,974) | (21,722) |
| - Stage 2 - Lifetime ECL not credit impaired | | (216) | (367) | (2,138) | (17,223) |
| - Stage 3 - Lifetime ECL credit impaired | | - | - | (1,273,262) | (409,064) |
| Net loans, advances and financing to financial institutions | | 1,048,566 | 899,986 | 30,836,296 | 30,042,986 |
| (ii) Loans, advances and financing to customers: | | | | | |
| (A) Loans, advances and financing to customers at fair value through profit or loss | | 15,491 | 170,712 | 15,491 | 170,712 |
| (B) Loans, advances and financing to customers at fair value through other comprehensive income | | 21,653,857 | 16,031,857 | 18,728,802 | 13,290,590 |
| (C) Loans, advances and financing to customers at amortised cost | | 613,113,365 | 593,837,430 | 197,741,786 | 193,755,229 |
| | | 634,782,713 | 610,039,999 | 216,486,079 | 207,216,531 |
| Unearned interest and income | | (82,051,176) | (87,222,999) | (915,563) | (1,139,318) |
| Gross loans, advances and financing to customers | | 552,731,537 | 522,817,000 | 215,570,516 | 206,077,213 |
| Allowances for loans, advances and financing: | | | | | |
| - Stage 1 - 12-month ECL | | (1,886,989) | (1,994,831) | (775,643) | (856,954) |
| - Stage 2 - Lifetime ECL not credit impaired | | (3,695,297) | (3,376,730) | (1,412,505) | (1,705,204) |
| - Stage 3 - Lifetime ECL credit impaired | | (6,309,928) | (6,135,332) | (4,095,397) | (3,633,579) |
| Net loans, advances and financing to customers | | 540,839,323 | 511,310,107 | 209,286,971 | 199,881,476 |
| Net loans, advances and financing | (i) & (ii) | 541,887,889 | 512,210,093 | 240,123,267 | 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 RM973.3 million (31 December 2020: RM945.9 million), and under the Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM29,725.6 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.

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

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| (iii) Loans, advances and financing to financial institutions and customers | | | | |
| Loans/financing to financial institutions | 1,057,025 | 906,576 | 32,141,670 | 30,490,995 |
| Overdrafts/cashline | 17,809,595 | 19,065,309 | 6,447,758 | 7,481,675 |
| Term loans: | | | | |
| - Housing loans/financing | 185,322,915 | 174,145,515 | 44,671,995 | 43,022,417 |
| - Syndicated loans/financing | 52,118,452 | 50,214,403 | 43,522,330 | 40,563,771 |
| - Hire purchase receivables | 76,148,332 | 75,607,626 | 10,873,609 | 13,009,452 |
| - Lease receivables | 1,029,886 | 521,253 | - | - |
| - Other loans/financing | 207,782,092 | 207,218,162 | 59,927,412 | 61,901,874 |
| Credit card receivables | 8,877,535 | 8,664,565 | 5,851,168 | 5,652,016 |
| Bills receivables | 6,252,903 | 2,718,711 | 5,793,747 | 2,189,748 |
| Trust receipts | 4,207,267 | 2,716,310 | 3,507,009 | 2,189,538 |
| Claims on customers under acceptance credits | 10,551,268 | 9,302,357 | 4,834,880 | 4,259,393 |
| Revolving credits | 52,871,447 | 49,360,283 | 27,947,802 | 24,244,977 |
| Share margin financing | 7,871,901 | 5,960,978 | 2,567,777 | 2,135,038 |
| Staff loans | 3,860,282 | 3,721,072 | 539,226 | 565,441 |
| Loans to: | | | | |
| - Directors of the Bank | 4,019 | 4,489 | 1,263 | 1,120 |
| - Directors of subsidiaries | 6,562 | 5,954 | 96 | 69 |
| Others | 68,257 | 813,012 | 7 | 2 |
| | 635,839,738 | 610,946,575 | 248,627,749 | 237,707,526 |
| Unearned interest and income | (82,051,176) | (87,222,999) | (915,563) | (1,139,318) |
| Gross loans, advances and financing | 553,788,562 | 523,723,576 | 247,712,186 | 236,568,208 |
| Allowances for loans, advances and financing: | | | | |
| - Stage 1 - 12-month ECL | (1,895,232) | (2,001,054) | (805,617) | (878,676) |
| - Stage 2 - Lifetime ECL not credit impaired | (3,695,513) | (3,377,097) | (1,414,643) | (1,722,427) |
| - Stage 3 - Lifetime ECL credit impaired | (6,309,928) | (6,135,332) | (5,368,659) | (4,042,643) |
| Net loans, advances and financing | 541,887,889 | 512,210,093 | 240,123,267 | 229,924,462 |

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

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Domestic banking institutions | 1,090,278 | 901,894 | 32,118,949 | 30,490,995 |
| Domestic non-banking financial institutions | 19,985,288 | 18,364,255 | 15,651,093 | 13,654,089 |
| Domestic business enterprises: | | | | |
| - Small and medium enterprises | 67,809,914 | 61,403,405 | 27,570,169 | 25,363,794 |
| - Others | 117,257,373 | 116,540,316 | 64,111,866 | 64,623,343 |
| Government and statutory bodies | 15,065,405 | 16,260,952 | 102,106 | 116,564 |
| Individuals | 277,550,234 | 262,645,679 | 65,225,562 | 66,284,495 |
| Other domestic entities | 12,292,479 | 11,961,524 | 3,425,920 | 2,778,440 |
| Foreign entities | 42,737,591 | 35,645,551 | 39,506,521 | 33,256,488 |
| Gross loans, advances and financing | 553,788,562 | 523,723,576 | 247,712,186 | 236,568,208 |

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

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

| | Group | | Bank | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia | 340,633,110 | 326,828,279 | 154,888,231 | 152,682,615 |
| Singapore | 136,157,869 | 122,904,956 | 57,977,104 | 52,187,746 |
| Indonesia | 30,870,702 | 31,151,046 | - | - |
| Labuan Offshore | 11,540,974 | 14,486,857 | 11,540,974 | 14,486,857 |
| Hong Kong SAR | 14,367,088 | 11,673,338 | 13,861,026 | 10,698,916 |
| United States of America | 1,126,746 | 810,455 | 1,126,159 | 809,890 |
| People's Republic of China | 5,306,726 | 2,943,282 | 5,306,726 | 2,943,282 |
| Vietnam | 1,954,215 | 1,257,994 | 1,224,596 | 921,657 |
| United Kingdom | 1,056,921 | 1,033,429 | 1,056,921 | 1,033,429 |
| Brunei | 517,548 | 533,429 | 517,548 | 533,429 |
| Cambodia | 3,629,703 | 3,138,433 | - | - |
| Philippines | 4,171,922 | 5,153,819 | - | - |
| Thailand | 2,242,137 | 1,537,872 | - | - |
| Laos | 54,531 | 68,927 | 54,531 | 68,927 |
| Myanmar | 158,370 | 201,460 | 158,370 | 201,460 |
| Gross loans, advances and financing | 553,788,562 | 523,723,576 | 247,712,186 | 236,568,208 |

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

| | Group | | Bank | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Fixed rate: | | | | |
| - Housing loans/financing | 27,783,089 | 21,686,920 | 424,293 | 439,894 |
| - Hire purchase receivables | 57,178,522 | 58,098,807 | 9,167,701 | 11,043,302 |
| - Other fixed rate loans/financing | 67,819,622 | 68,698,013 | 53,731,713 | 51,067,697 |
| Variable rate: | | | | |
| - Base lending/financing rate/ base rate plus | 213,944,494 | 206,192,623 | 78,167,458 | 75,789,317 |
| - Cost plus | 52,608,877 | 57,502,327 | 36,365,974 | 43,262,247 |
| - Other variable rates | 134,453,958 | 111,544,886 | 69,855,047 | 54,965,751 |
| Gross loans, advances and financing | 553,788,562 | 523,723,576 | 247,712,186 | 236,568,208 |

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

| | Group | | Bank | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Purchase of securities | 38,584,740 | 36,337,689 | 7,552,785 | 7,199,018 |
| Purchase of transport vehicles | 68,721,416 | 68,521,829 | 8,838,525 | 10,932,965 |
| Purchase of landed properties: | | | | |
| - Residential | 149,867,083 | 134,192,016 | 43,575,151 | 41,585,622 |
| - Non-residential | 39,236,803 | 40,258,823 | 15,537,724 | 17,448,919 |
| Purchase of fixed assets (excluding landed properties) | 3,425,397 | 3,522,105 | 2,686,077 | 2,838,799 |
| Personal use | 9,426,126 | 11,533,431 | 3,817,592 | 4,476,932 |
| Credit card | 8,987,387 | 8,701,661 | 5,883,705 | 5,654,347 |
| Purchase of consumer durables | 6,031 | 9,715 | 5,511 | 9,369 |
| Constructions | 17,481,085 | 16,482,318 | 10,065,843 | 9,061,197 |
| Mergers and acquisitions | 1,679,119 | 1,467,097 | 1,168,183 | 1,460,384 |
| Working capital | 179,145,946 | 163,786,319 | 120,876,904 | 105,602,857 |
| Others | 37,227,429 | 38,910,573 | 27,704,186 | 30,297,799 |
| Gross loans, advances and financing | 553,788,562 | 523,723,576 | 247,712,186 | 236,568,208 |

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

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

| | Group | | Bank | |
|-------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Within one year | 131,580,713 | 115,325,443 | 80,486,946 | 67,488,355 |
| One year to three years | 54,245,220 | 55,128,115 | 38,560,663 | 40,521,401 |
| Three years to five years | 66,393,177 | 52,964,359 | 33,574,289 | 24,256,065 |
| After five years | 301,569,452 | 300,305,659 | 95,090,288 | 104,302,387 |
| Gross loans, advances and financing | 553,788,562 | 523,723,576 | 247,712,186 | 236,568,208 |

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

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 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 year | 4,738,499 | 3,899,391 | 6,261,789 | 1,398,869 |
| Reclassified as non-impaired | (527,676) | (1,126,502) | (189,905) | (330,357) |
| Amount recovered | (2,229,305) | (1,766,812) | (1,216,200) | (760,065) |
| Amount written-off | (3,052,183) | (3,485,303) | (2,220,193) | (2,311,501) |
| Exchange differences | 439,707 | 295,781 | 347,914 | 298,157 |
| Gross impaired loans at 31 December | 11,043,533 | 11,674,491 | 10,103,703 | 7,120,298 |
| Less: Stage 3 - Lifetime ECL credit impaired | (6,426,566) | (6,208,777) | (5,485,297) | (4,116,088) |
| Net impaired loans at 31 December | 4,616,967 | 5,465,714 | 4,618,406 | 3,004,210 |

Calculation of ratio of net impaired loans:

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Gross impaired loans at 31 December (excluding financing funded by Investment Account*) | 10,979,801 | 11,586,572 | 10,103,703 | 7,120,298 |
| Less: Stage 3 - Lifetime ECL credit impaired | (6,426,566) | (6,208,777) | (5,485,297) | (4,116,088) |
| Net impaired loans | 4,553,235 | 5,377,795 | 4,618,406 | 3,004,210 |
| Gross loans, advances and financing | 553,788,562 | 523,723,576 | 247,712,186 | 236,568,208 |
| Less: Funded by Investment Account* | (28,720,799) | (23,840,796) | - | - |
| Less: Allowances for loans, advances and financing at fair value through other comprehensive income and at amortised cost | (12,359,557) | (12,404,277) | (8,045,502) | (7,530,386) |
| Net loans, advances and financing | 512,708,206 | 487,478,503 | 239,666,684 | 229,037,822 |
| Ratio of net impaired loans | 0.89% | 1.10% | 1.93% | 1.31% |

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

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

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

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Purchase of securities | 66,100 | 144,436 | 8,244 | 16,428 |
| Purchase of transport vehicles | 386,319 | 543,608 | 58,727 | 94,880 |
| Purchase of landed properties: | | | | |
| - Residential | 933,740 | 1,178,937 | 295,117 | 375,072 |
| - Non-residential | 415,060 | 515,602 | 159,874 | 214,484 |
| Purchase of fixed assets (excluding landed properties) | 544,711 | 1,427,124 | 532,943 | 1,413,945 |
| Personal use | 165,432 | 257,705 | 92,697 | 162,320 |
| Credit card | 61,937 | 65,846 | 21,832 | 24,064 |
| Purchase of consumer durables | 3,553 | 6,659 | 3,551 | 6,657 |
| Constructions | 1,361,798 | 950,179 | 1,288,430 | 859,978 |
| Working capital | 6,752,548 | 5,606,863 | 7,509,586 | 3,220,169 |
| Others | 352,335 | 977,532 | 132,702 | 732,301 |
| Gross impaired loans, advances and financing | 11,043,533 | 11,674,491 | 10,103,703 | 7,120,298 |

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

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Malaysia | 4,069,286 | 5,063,672 | 5,639,384 | 3,191,060 |
| Singapore | 2,257,333 | 3,834,761 | 1,825,988 | 3,258,461 |
| Indonesia | 1,572,988 | 1,567,942 | - | - |
| Labuan Offshore | 27,802 | 70,755 | 27,802 | 70,755 |
| Hong Kong SAR | 1,875,164 | 132,863 | 1,867,305 | 124,744 |
| United States of America | 636,443 | 209,065 | 635,855 | 208,498 |
| People's Republic of China | 26,670 | 162,307 | 26,670 | 162,307 |
| Vietnam | 19,757 | 39,781 | 19,325 | 39,193 |
| Brunei | 61,345 | 64,419 | 61,345 | 64,419 |
| Cambodia | 104,582 | 67,493 | - | - |
| Philippines | 359,765 | 416,341 | - | - |
| Thailand | 32,369 | 34,487 | - | - |
| Laos | 29 | 861 | 29 | 861 |
| Others | - | 9,744 | - | - |
| Gross impaired loans, advances and financing | 11,043,533 | 11,674,491 | 10,103,703 | 7,120,298 |

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

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

At fair value through other comprehensive income

| Group | Stage 1 | Stage 2 | Stage 3 | Total |
|--|--------------|----------------------------------|------------------------------|-----------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| As at 31 December 2021 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2021 | 40,781 | 776,568 | 73,445 | 890,794 |
| Transferred to Stage 2 | (1,963) | 1,963 | - | - |
| Net remeasurement of allowances | (2,092) | (501,922) | 41,879 | (462,135) |
| New financial assets originated or purchased | 24,190 | 1,345 | - | 25,535 |
| Financial assets derecognised | (5,069) | (2,494) | (3) | (7,566) |
| Changes in models/risk parameters | 2,798 | (5,124) | - | (2,326) |
| Exchange differences | 1,068 | 12,197 | 1,317 | 14,582 |
| At 31 December 2021 | 59,713 | 282,533 | 116,638 | 458,884 |

| Group | Stage 1 | Stage 2 | Stage 3 | Total |
|--|--------------|----------------------------------|------------------------------|-----------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| As at 31 December 2020 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2020 | 29,184 | 199,953 | 417,241 | 646,378 |
| Transferred to Stage 2 | (3,949) | 3,949 | - | - |
| Net remeasurement of allowances | (640) | 318,891 | 366,674 | 684,925 |
| New financial assets originated or purchased | 30,411 | 259,336 | - | 289,747 |
| Financial assets derecognised | (15,259) | (3,792) | (243,679) | (262,730) |
| Changes in models/risk parameters | 1,833 | 116 | - | 1,949 |
| Amount written-off | - | - | (466,034) | (466,034) |
| Exchange differences | (799) | (1,885) | (757) | (3,441) |
| At 31 December 2020 | 40,781 | 776,568 | 73,445 | 890,794 |

| Bank | Stage 1 | Stage 2 | Stage 3 | Total |
|--|--------------|----------------------------------|------------------------------|-----------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| As at 31 December 2021 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2021 | 39,122 | 774,073 | 73,445 | 886,640 |
| Transferred to Stage 2 | (1,963) | 1,963 | - | - |
| Net remeasurement of allowances | (2,226) | (501,922) | 41,879 | (462,269) |
| New financial assets originated or purchased | 24,144 | 1,345 | - | 25,489 |
| Financial assets derecognised | (4,432) | - | (3) | (4,435) |
| Changes in models/risk parameters | 1,713 | (5,124) | - | (3,411) |
| Exchange differences | 1,056 | 12,196 | 1,317 | 14,569 |
| At 31 December 2021 | 57,414 | 282,531 | 116,638 | 456,583 |

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

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

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

| | Stage 1 | Stage 2 | Stage 3 | Total |
|--|-----------------|--|------------------------------------|---------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| Bank | | | | |
| As at 31 December 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 31 December 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 | 568,185 | (521,276) | (46,909) | - |
| Transferred to Stage 2 | (63,690) | 130,620 | (66,930) | - |
| Transferred to Stage 3 | (15,739) | (405,107) | 420,846 | - |
| Net remeasurement of allowances | (667,492) | 1,177,562 | 3,274,612 | 3,784,682 |
| New financial assets originated or purchased | 464,616 | 277,913 | - | 742,529 |
| Financial assets derecognised | (347,530) | (343,683) | (438,498) | (1,129,711) |
| Changes in models/risk parameters | (82,017) | (15,493) | (5,730) | (103,240) |
| Amount written-off | - | - | (3,052,183) | (3,052,183) |
| Exchange differences | 37,845 | 17,880 | 89,388 | 145,113 |
| At 31 December 2021 | 1,895,232 | 3,695,513 | 6,309,928 | 11,900,673 |

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

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

At amortised cost (cont'd.)

| Group | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---------------------|---|-------------------------------------|-------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| As at 31 December 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 31 December 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 | 245,303 | (224,769) | (20,534) | - |
| Transferred to Stage 2 | (41,939) | 72,809 | (30,870) | - |
| Transferred to Stage 3 | (4,353) | (382,120) | 386,473 | - |
| Net remeasurement of allowances | (274,203) | 238,778 | 2,461,096 | 2,425,671 |
| New financial assets originated or purchased | 177,789 | 138,616 | 923,797 | 1,240,202 |
| Financial assets derecognised | (187,596) | (149,996) | (234,487) | (572,079) |
| Changes in models/risk parameters | (21,617) | (8,388) | - | (30,005) |
| Amount written-off | - | - | (2,220,193) | (2,220,193) |
| Exchange differences | 33,557 | 7,286 | 60,734 | 101,577 |
| At 31 December 2021 | 805,617 | 1,414,643 | 5,368,659 | 7,588,919 |

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

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

At amortised cost (cont'd.)

| Bank | Stage 1 | Stage 2 | Stage 3 | Total |
|--|----------------|----------------------------------|------------------------------|------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| As at 31 December 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 | |
|------------------------------|------|------------------|------------------|
| | | 31 December 2021 | 31 December 2020 |
| | | RM'000 | RM'000 |
| Reinsurance/retakaful assets | (i) | 6,627,633 | 5,045,832 |
| Other insurance receivables | (ii) | 888,231 | 732,749 |
| | | <u>7,515,864</u> | <u>5,778,581</u> |

| (i) Reinsurance/retakaful assets | | Group | |
|---|-------|------------------|------------------|
| | | 31 December 2021 | 31 December 2020 |
| | | RM'000 | RM'000 |
| Reinsurers' share of: | | 5,531,574 | 4,590,468 |
| Life insurance contract liabilities | | 1,482,527 | 480,310 |
| General insurance contract liabilities | | 4,049,047 | 4,110,158 |
| Retakaful operators' share of: | | 1,096,262 | 474,578 |
| Family takaful certificate liabilities | | 234,672 | 162,130 |
| General takaful certificate liabilities | | 861,590 | 312,448 |
| Allowances for impairment losses | (iii) | (203) | (19,214) |
| | | <u>6,627,633</u> | <u>5,045,832</u> |

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

| | Group | |
|---|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| (ii) Other insurance receivables | | |
| Due premium including agents/brokers and co-insurers balances | 659,929 | 639,008 |
| Due from reinsurers and cedants/retakaful operators | 228,740 | 131,640 |
| | 888,669 | 770,648 |
| Allowances for impairment losses | (iii) (438) | (37,899) |
| | 888,231 | 732,749 |

(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 31 December 2021 | | | | RM'000 |
| At 1 January 2021 | 57,113 | - | - | 57,113 |
| Net remeasurement of allowances | (57,995) | - | - | (57,995) |
| Exchange differences | 1,523 | - | - | 1,523 |
| At 31 December 2021 | 641 | - | - | 641 |

| | 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 | 57,113 | - | - | 57,113 |

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A13. Other Assets

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Other debtors, net of allowances for impairment losses | 5,033,283 | 5,631,409 | 3,216,537 | 3,928,749 |
| Amount due from brokers and clients | 2,061,444 | 2,943,008 | - | - |
| Prepayments and deposits | 995,590 | 1,167,957 | 235,873 | 159,353 |
| Tax recoverable | 197,263 | 148,569 | 69,620 | - |
| Foreclosed properties | 357,351 | 345,931 | 28,500 | 28,500 |
| | 8,644,931 | 10,236,874 | 3,550,530 | 4,116,602 |

A14. Deposits from Customers

(i) By type of deposit

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Fixed deposits and negotiable instruments of deposits | | | | |
| - One year or less | 233,544,960 | 236,489,723 | 127,977,754 | 119,594,928 |
| - More than one year | 12,752,220 | 16,387,002 | 420,033 | 1,224,903 |
| | 246,297,180 | 252,876,725 | 128,397,787 | 120,819,831 |
| Money market deposits | 75,523,563 | 73,678,562 | 14,045,234 | 12,355,003 |
| Savings deposits | 105,162,188 | 92,157,487 | 38,181,815 | 33,763,701 |
| Demand deposits | 161,984,702 | 137,636,598 | 95,934,030 | 83,086,800 |
| | 588,967,633 | 556,349,372 | 276,558,866 | 250,025,335 |

(ii) By type of customer

| | Group | | Bank | |
|---------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Business enterprises | 253,898,708 | 232,438,733 | 156,633,879 | 134,459,714 |
| Individuals | 231,757,428 | 231,305,676 | 89,838,354 | 84,669,685 |
| Government and statutory bodies | 50,930,448 | 46,151,797 | 12,509,753 | 12,831,965 |
| Others | 52,381,049 | 46,453,166 | 17,576,880 | 18,063,971 |
| | 588,967,633 | 556,349,372 | 276,558,866 | 250,025,335 |

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

| | Group | | Bank | |
|---------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Within six months | 186,915,920 | 186,092,752 | 107,535,754 | 98,146,714 |
| Six months to one year | 46,629,040 | 50,396,971 | 20,442,000 | 21,448,214 |
| One year to three years | 12,557,566 | 15,839,042 | 355,248 | 1,163,363 |
| Three years to five years | 194,654 | 547,960 | 64,785 | 61,540 |
| | 246,297,180 | 252,876,725 | 128,397,787 | 120,819,831 |

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A15. Deposits and Placements from Financial Institutions

| | Group | | Bank | |
|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Licensed banks | 33,040,036 | 32,147,684 | 39,648,349 | 30,935,440 |
| Licensed finance companies | 58,061 | 603,389 | 58,061 | 603,389 |
| Licensed investment banks | 1,065,182 | 986,576 | 1,065,182 | 986,576 |
| Other financial institutions | 2,419,794 | 4,141,217 | 795,918 | 2,194,710 |
| | 36,583,073 | 37,878,866 | 41,567,510 | 34,720,115 |

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

| | Group | | Bank | |
|--------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| One year or less | 31,166,943 | 33,194,515 | 38,095,733 | 33,968,995 |
| More than one year | 5,416,130 | 4,684,351 | 3,471,777 | 751,120 |
| | 36,583,073 | 37,878,866 | 41,567,510 | 34,720,115 |

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

| | Group | | Bank | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Structured deposits | 40,988 | - | 40,988 | - |
| Borrowings | | | | |
| Unsecured | | | | |
| Medium Term Notes | | | | |
| - More than one year | | | | |
| Denominated in: | | | | |
| - USD | 10,655,978 | 10,161,921 | 10,655,978 | 10,161,921 |
| Total financial liabilities at fair value through profit or loss | 10,696,966 | 10,161,921 | 10,696,966 | 10,161,921 |

The carrying amounts of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 31 December 2021 were RM41,001,000 (2020: nil) and RM11,741,134,000 (2020: RM10,451,802,000) respectively. The fair value changes of the financial liabilities at FVTPL that are attributable to the changes in own credit risk are not significant.

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A17. Borrowings, Subordinated Obligations and Capital Securities

| | Group | | Bank | |
|--------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| (i) Borrowings | | | | |
| Secured | | | | |
| (a) Borrowings | | | | |
| - Less than one year | | | | |
| Denominated in: | | | | |
| - IDR | 423,655 | 14,296 | - | - |
| | 423,655 | 14,296 | - | - |
| - More than one year | | | | |
| Denominated in: | | | | |
| - IDR | 1,574,695 | 2,062,856 | - | - |
| | 1,574,695 | 2,062,856 | - | - |
| Total secured borrowings | 1,998,350 | 2,077,152 | - | - |
| Unsecured | | | | |
| (a) Borrowings | | | | |
| - Less than one year | | | | |
| Denominated in: | | | | |
| - USD | 1,320,350 | 5,884,816 | 625,800 | 5,840,621 |
| - CNY | 1,361,245 | - | 1,361,245 | - |
| - SGD | 2,410,865 | 1,020,472 | 1,105,780 | 1,020,472 |
| - THB | 1,691,320 | 1,425,133 | - | - |
| - HKD | - | 176,184 | - | 176,184 |
| - IDR | 47,181 | 44,959 | - | - |
| - VND | 56 | - | - | - |
| - PHP | 3,274 | - | - | - |
| - AUD | - | 773,724 | - | 773,724 |
| - RM | 247 | 2,830,790 | 247 | 2,830,790 |
| | 6,834,538 | 12,156,078 | 3,093,072 | 10,641,791 |
| - More than one year | | | | |
| Denominated in: | | | | |
| - USD | 832,823 | 1,467,065 | - | 764,815 |
| - IDR | 685,068 | 668,135 | - | - |
| - CNY | 208,669 | - | 208,669 | - |
| - JPY | 761 | 1,145 | - | - |
| - RM (Note (a)) | 2,459,126 | 1,614,483 | 2,459,126 | 1,614,483 |
| | 4,186,447 | 3,750,828 | 2,667,795 | 2,379,298 |

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 RM1,609,126,000 (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.

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

| | Group | | Bank | |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (i) Borrowings (cont'd.) | | | | |
| Unsecured (cont'd.) | | | | |
| (b) Medium Term Notes | | | | |
| - Less than one year | | | | |
| Denominated in: | | | | |
| - USD | 555,727 | 80,865 | 555,727 | 80,865 |
| - HKD | 1,174,757 | 931,825 | 1,174,757 | 931,825 |
| - SGD | 687 | 686 | 687 | 686 |
| - JPY | 2,312,040 | - | 2,312,040 | - |
| - AUD | 145,376 | - | 145,376 | - |
| - CNH | 1,726,372 | 17,588 | 1,726,372 | 17,588 |
| - CNY | 664,819 | 8,621 | 664,819 | 8,621 |
| - CHF | - | 452,172 | - | 452,172 |
| - RM | 359 | 750 | 359 | 750 |
| | 6,580,137 | 1,492,507 | 6,580,137 | 1,492,507 |
| - More than one year | | | | |
| Denominated in: | | | | |
| - USD | 8,640,606 | 8,629,473 | 8,640,606 | 8,629,473 |
| - HKD | 1,807,414 | 2,190,257 | 1,807,414 | 2,190,257 |
| - JPY | 3,473,520 | 5,827,903 | 3,473,520 | 5,827,903 |
| - AUD | 526,282 | 420,279 | 526,282 | 420,279 |
| - CNH | 1,501,058 | 939,057 | 1,501,058 | 939,057 |
| - CNY | - | 613,690 | - | 613,690 |
| | 15,948,880 | 18,620,659 | 15,948,880 | 18,620,659 |
| Total unsecured borrowings | 33,550,002 | 36,020,072 | 28,289,884 | 33,134,255 |
| Total borrowings | 35,548,352 | 38,097,224 | 28,289,884 | 33,134,255 |
| | | | | |
| | Group | | Bank | |
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (ii) Subordinated Obligations | | | | |
| Unsecured | | | | |
| - More than one year | | | | |
| Denominated in: | | | | |
| - RM | 10,142,389 | 6,787,309 | 9,827,722 | 6,787,309 |
| - USD | - | 2,021,330 | - | 2,021,330 |
| - IDR | 96,888 | 159,192 | - | - |
| | 10,239,277 | 8,967,831 | 9,827,722 | 8,808,639 |

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

| | Group | | Bank | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (iii) Capital Securities | | | | |
| Unsecured | | | | |
| - More than one year | | | | |
| Denominated in: | | | | |
| - RM | <u>2,827,832</u> | 2,827,793 | <u>2,827,832</u> | 2,827,793 |
| | <u>2,827,832</u> | <u>2,827,793</u> | <u>2,827,832</u> | <u>2,827,793</u> |

A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables

| Group | Note | 31 December 2021 | 31 December 2020 |
|--|------|---------------------|---------------------|
| | | RM'000 | RM'000 |
| Insurance/takaful contract liabilities | (i) | 41,110,740 | 36,830,150 |
| Other insurance payables | (ii) | <u>982,875</u> | 864,615 |
| | | <u>42,093,615</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 31 December 2021 | | | |
| Life insurance/family takaful | 33,054,544 | (1,717,199) | 31,337,345 |
| General insurance/general takaful | <u>8,056,196</u> | <u>(4,910,434)</u> | <u>3,145,762</u> |
| | <u>41,110,740</u> | <u>(6,627,633)</u> | <u>34,483,107</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

| | 31 December 2021 | 31 December 2020 |
|----------------------------------|---------------------|---------------------|
| | RM'000 | RM'000 |
| Due to agents and intermediaries | 195,140 | 218,840 |
| Due to reinsurers and cedants | 688,580 | 604,582 |
| Due to retakaful operators | <u>99,155</u> | 41,193 |
| | <u>982,875</u> | <u>864,615</u> |

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A19. Other Liabilities

| | Note | Group | | Bank | |
|--|------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Amount due to brokers and clients | | 6,614,605 | 4,918,837 | - | - |
| Deposits, other creditors and accruals | | 10,431,573 | 11,214,207 | 7,837,308 | 6,895,028 |
| Defined benefit pension plans | | 554,914 | 542,947 | - | - |
| Provisions for commitments and contingencies | | 56,996 | 75,798 | 26,196 | 27,880 |
| Allowances for impairment losses on loan commitments and financial guarantee contracts | (i) | 287,372 | 247,147 | 184,562 | 164,194 |
| Lease liabilities | | 1,127,829 | 1,178,902 | 541,348 | 410,438 |
| Structured deposits | | 2,428,807 | 2,850,077 | 293,108 | 312,527 |
| | | 21,502,096 | 21,027,915 | 8,882,522 | 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 31 December 2021 | | | | RM'000 |
| At 1 January 2021 | 97,130 | 61,222 | 88,795 | 247,147 |
| Transferred to Stage 1 | 10,946 | (10,727) | (219) | - |
| Transferred to Stage 2 | (2,714) | 2,720 | (6) | - |
| Transferred to Stage 3 | (221) | (220) | 441 | - |
| Net remeasurement of allowances | (46,292) | (1,440) | 16,669 | (31,063) |
| New credit exposures originated or purchased | 99,672 | 42,978 | - | 142,650 |
| Credit exposures derecognised | (31,514) | (27,174) | (15,291) | (73,979) |
| Changes in models/risk parameters | 495 | (176) | (197) | 122 |
| Exchange differences | 458 | 1,632 | 405 | 2,495 |
| At 31 December 2021 | 127,960 | 68,815 | 90,597 | 287,372 |
| | | | | |
| 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 |
| Credit exposures 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 |

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A19. Other Liabilities (cont'd.)

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

| | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---------------------------|--|--|-----------------|
| | 12-month ECL RM'000 | Lifetime ECL not credit impaired RM'000 | Lifetime ECL credit impaired RM'000 | |
| Bank | | | | |
| As at 31 December 2021 | | | | RM'000 |
| At 1 January 2021 | 42,445 | 37,100 | 84,649 | 164,194 |
| Transferred to Stage 1 | 1,110 | (1,110) | - | - |
| Transferred to Stage 2 | (2,217) | 2,217 | - | - |
| Transferred to Stage 3 | - | (50) | 50 | - |
| Net remeasurement of allowances | (16,280) | (3,763) | 2,135 | (17,908) |
| New credit exposures originated or purchased | 59,976 | 31,944 | - | 91,920 |
| Credit exposures derecognised | (17,182) | (23,051) | (14,384) | (54,617) |
| Changes in models/risk parameters | (285) | (2) | - | (287) |
| Exchange differences | (336) | 1,377 | 219 | 1,260 |
| At 31 December 2021 | 67,231 | 44,662 | 72,669 | 184,562 |
| | 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 |
| Credit exposures 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 |

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A20. Other Reserves

The breakdown and movement of other reserves are as follows:

| <u>Group</u> | <===== Non-Distributable =====> | | | | |
|---|---------------------------------|-------------------------------|--------------------------------------|-------------------------|-----------------------------------|
| | Capital Reserve RM'000 | Revaluation Reserve RM'000 | Defined Benefit Reserve RM'000 | 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) | 820 | - | 21,354 | (10,497) | 11,677 |
| Defined benefit plan actuarial gain | - | - | 21,354 | - | 21,354 |
| Net loss on net investment hedge | - | - | - | (4,687) | (4,687) |
| Cost of hedging for fair value hedge | - | - | - | (5,810) | (5,810) |
| Net gain on capital reserve | 820 | - | - | - | 820 |
| Total comprehensive income/(loss) for the financial year | 820 | - | 21,354 | (10,497) | 11,677 |
| At 31 December 2021 | 12,912 | (2,712) | 49,423 | (360,747) | (301,124) |

| <u>Group</u> | <===== Non-Distributable =====> | | | | |
|---|---------------------------------|-------------------------------|--------------------------------------|-------------------------|-----------------------------------|
| | Capital Reserve RM'000 | Revaluation Reserve RM'000 | Defined Benefit Reserve RM'000 | Hedge Reserve RM'000 | Total Other Reserves RM'000 |
| At 1 January 2020 | 14,244 | (2,712) | 21,141 | (366,322) | (333,649) |
| Other comprehensive (loss)/income | (2,152) | - | 6,928 | 16,072 | 20,848 |
| Defined benefit plan actuarial gain | - | - | 6,928 | - | 6,928 |
| Net gain on net investment hedge | - | - | - | 2,922 | 2,922 |
| Cost of hedging for fair value hedge | - | - | - | 13,150 | 13,150 |
| Net loss on capital reserve | (2,152) | - | - | - | (2,152) |
| Total comprehensive (loss)/income for the financial year | (2,152) | - | 6,928 | 16,072 | 20,848 |
| At 31 December 2020 | 12,092 | (2,712) | 28,069 | (350,250) | (312,801) |

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A21. Interest Income

| Group | Unaudited | | Audited | |
|---|----------------------|----------------------|----------------------------|----------------------------|
| | Fourth Quarter Ended | Fourth Quarter Ended | Cumulative 12 Months Ended | Cumulative 12 Months Ended |
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Loans, advances and financing (Note (a)) | 2,960,683 | 2,999,732 | 11,800,749 | 13,601,081 |
| Money at call and deposits and placements with financial institutions | 77,449 | 73,365 | 339,253 | 439,373 |
| Financial assets purchased under resale agreements | 13,344 | 54,284 | 111,234 | 258,263 |
| Financial assets at FVTPL | 246,002 | 265,842 | 1,014,957 | 1,090,594 |
| Financial investments at FVOCI | 719,761 | 695,173 | 2,833,927 | 2,831,750 |
| Financial investments at amortised cost | 336,218 | 325,219 | 1,281,830 | 1,198,124 |
| | <u>4,353,457</u> | <u>4,413,615</u> | <u>17,381,950</u> | <u>19,419,185</u> |
| Amortisation of premiums, net | (58,779) | (43,245) | (176,692) | (68,421) |
| | <u>4,294,678</u> | <u>4,370,370</u> | <u>17,205,258</u> | <u>19,350,764</u> |

| Bank | Unaudited | | Audited | |
|---|----------------------|----------------------|----------------------------|----------------------------|
| | Fourth Quarter Ended | Fourth Quarter Ended | Cumulative 12 Months Ended | Cumulative 12 Months Ended |
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Loans, advances and financing (Note (a)) | 1,895,761 | 1,900,326 | 7,536,746 | 8,410,182 |
| Money at call and deposits and placements with financial institutions | 153,642 | 71,070 | 519,800 | 465,048 |
| Financial assets purchased under resale agreements | 6,230 | 8,467 | 33,936 | 99,626 |
| Financial assets at FVTPL | 57,053 | 66,880 | 259,819 | 361,139 |
| Financial investments at FVOCI | 454,956 | 515,551 | 1,869,248 | 2,169,608 |
| Financial investments at amortised cost | 333,956 | 324,221 | 1,265,972 | 1,215,028 |
| | <u>2,901,598</u> | <u>2,886,515</u> | <u>11,485,521</u> | <u>12,720,631</u> |
| Accretion of discounts, net | 24,712 | 33,371 | 125,143 | 238,553 |
| | <u>2,926,310</u> | <u>2,919,886</u> | <u>11,610,664</u> | <u>12,959,184</u> |

Included in interest income for the 12 months financial year ended 31 December 2021 was interest on impaired assets amounting to approximately RM240,935,000 (31 December 2020: RM339,413,000) for the Group and RM174,839,000 (31 December 2020: RM242,627,000) for the Bank.

Note (a): Included in interest income on loans, advances and financing 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 RM20,016,000 (31 December 2020: RM74,240,000) for the Group and RM20,016,000 (31 December 2020: RM48,979,000) for the Bank.

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A22. Interest Expense

| Group | Unaudited | | Audited | |
|--|----------------------|---------------------|----------------------------|---------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Deposits and placements from financial institutions | 73,403 | 60,728 | 266,302 | 549,202 |
| Deposits from customers | 789,627 | 1,097,540 | 3,425,736 | 5,573,679 |
| Loans sold to Cagamas | - | - | - | 20,755 |
| Obligations on financial assets sold under repurchase agreements | 8,038 | 32,957 | 48,225 | 210,856 |
| Borrowings | 173,020 | 201,689 | 705,816 | 1,040,371 |
| Subordinated obligations | 124,145 | 125,894 | 482,435 | 523,956 |
| Capital securities | 29,159 | 29,159 | 115,690 | 116,005 |
| Structured deposits | 4,905 | 7,568 | 19,855 | 62,126 |
| Financial liabilities at FVTPL | 27,653 | 31,360 | 107,154 | 163,425 |
| | 1,229,950 | 1,586,895 | 5,171,213 | 8,260,375 |

| Bank | Unaudited | | Audited | |
|--|----------------------|---------------------|----------------------------|---------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Deposits and placements from financial institutions | 72,482 | 63,236 | 250,171 | 644,718 |
| Deposits from customers | 477,961 | 556,506 | 1,921,877 | 3,039,755 |
| Loans sold to Cagamas | - | - | - | 20,755 |
| Obligations on financial assets sold under repurchase agreements | 47,839 | 38,021 | 170,463 | 275,118 |
| Borrowings | 106,207 | 123,573 | 442,097 | 632,303 |
| Subordinated obligations | 98,342 | 93,582 | 371,684 | 408,272 |
| Capital securities | 29,159 | 29,159 | 115,690 | 116,005 |
| Structured deposits | 1,398 | 1,955 | 5,524 | 8,087 |
| Financial liabilities at FVTPL | 27,653 | 31,360 | 107,154 | 163,425 |
| | 861,041 | 937,392 | 3,384,660 | 5,308,438 |

A23. Net Earned Insurance Premiums

| Group | Unaudited | | Audited | |
|------------------------------|----------------------|---------------------|----------------------------|---------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Gross earned premiums | 3,300,101 | 3,383,745 | 11,393,382 | 11,154,401 |
| Premiums ceded to reinsurers | (1,132,530) | (600,972) | (2,546,600) | (1,695,545) |
| | 2,167,571 | 2,782,773 | 8,846,782 | 9,458,856 |

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A24. Dividends from Subsidiaries and Associates

| | Unaudited | | Audited | |
|-----------------------------|----------------------|---------------------|----------------------------|---------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Bank | RM'000 | RM'000 | RM'000 | RM'000 |
| Gross dividend income from: | | | | |
| Subsidiaries | 177,919 | 343,217 | 3,958,663 | 2,639,337 |
| Associates | - | 777 | 896 | 777 |
| | 177,919 | 343,994 | 3,959,559 | 2,640,114 |

A25. Other Operating Income

| | Unaudited | | Audited | |
|---|----------------------|---------------------|----------------------------|---------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Group | RM'000 | RM'000 | RM'000 | RM'000 |
| (a) Fee income: | | | | |
| Commission | 318,486 | 352,661 | 1,341,707 | 1,263,020 |
| Service charges and fees | 398,024 | 450,028 | 1,537,561 | 1,349,038 |
| Underwriting fees | 8,006 | 16,730 | 52,183 | 31,826 |
| Brokerage income | 106,669 | 126,651 | 496,111 | 493,009 |
| Fees on loans, advances and financing | 61,341 | 91,432 | 210,627 | 237,004 |
| | 892,526 | 1,037,502 | 3,638,189 | 3,373,897 |
| (b) Investment income: | | | | |
| Net (loss)/gain on disposal of financial assets at FVTPL | (105,039) | (28,893) | (18,524) | 16,391 |
| Net gain on disposal of financial investments at FVOCI | 44,644 | 32,893 | 541,888 | 1,876,108 |
| Net gain on redemption of financial investments at amortised cost | 2 | - | 20 | - |
| Net gain on disposal/change in structure of deemed controlled structured entities | - | 3,128 | 8,571 | 3,128 |
| Net loss on liquidation/disposal of subsidiaries | - | (1) | (7,165) | (10,161) |
| Net loss on dilution of interest in associate | (60,158) | - | (60,158) | - |
| | (120,551) | 7,127 | 464,632 | 1,885,466 |
| (c) Gross dividend income from: | | | | |
| Financial investments portfolio | 35,231 | 23,123 | 162,374 | 104,155 |
| (d) Unrealised (loss)/gain on revaluation of: | | | | |
| Financial assets designated upon initial recognition at FVTPL | (65,935) | (108,083) | (764,225) | 282,533 |
| Financial investments at FVTPL | 28,019 | 595,652 | (235,829) | 483,350 |
| Financial liabilities at FVTPL | (155,799) | 52,135 | 795,287 | 94,503 |
| Derivatives | 9,072 | (314,259) | (146,828) | 1,013,953 |
| Loans, advances and financing at FVTPL | - | 1,480 | - | 479 |
| | (184,643) | 226,925 | (351,595) | 1,874,818 |
| (e) Other income: | | | | |
| Foreign exchange gain, net | 36,370 | 283,712 | 90,976 | 455,171 |
| Realised gain/(loss) on derivatives | 227,587 | (173,615) | 357,056 | (626,940) |
| Realised loss on financial liabilities at FVTPL | - | - | (138,277) | (87,217) |
| Rental income | 11,780 | 9,951 | 45,560 | 30,547 |
| Gain/(loss) on disposal of property, plant and equipment | 699 | 610 | (103) | 20,791 |
| Gain/(loss) on disposal of foreclosed properties | 7,249 | (8,639) | 6,037 | (14,162) |
| Fair value adjustments on investments properties | 30,412 | 18,633 | 30,301 | 18,522 |
| Others | 55,928 | 76,832 | 165,520 | 264,154 |
| | 370,025 | 207,484 | 557,070 | 60,866 |
| Total other operating income | 992,588 | 1,502,161 | 4,470,670 | 7,299,202 |

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A25. Other Operating Income (cont'd.)

| | Unaudited | | Audited | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| Bank | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| (a) Fee income: | | | | |
| Commission | 216,219 | 207,246 | 869,186 | 786,130 |
| Service charges and fees | 213,662 | 200,134 | 853,532 | 792,397 |
| Underwriting fees | 2,426 | 2,736 | 10,367 | 12,268 |
| Fees on loans, advances and financing | 31,034 | 84,881 | 110,311 | 154,757 |
| | 463,341 | 494,997 | 1,843,396 | 1,745,552 |
| (b) Investment income: | | | | |
| Net (loss)/gain on disposal of financial assets at FVTPL | (38,718) | (41,490) | (23,659) | 134,605 |
| Net gain on disposal of financial investments at FVOCI | 26,097 | 26,285 | 437,716 | 1,517,671 |
| Net gain on redemption of financial investments at amortised cost | 10,778 | - | 10,796 | - |
| Net gain/(loss) on disposal/change in structure of deemed controlled structured entities | 709 | (3,275) | 34,846 | (3,275) |
| | (1,134) | (18,480) | 459,699 | 1,649,001 |
| (c) Gross dividend income from: Financial investments portfolio | 620 | - | 6,189 | 5,802 |
| (d) Unrealised gain/(loss) on revaluation of: Financial investments at FVTPL | 3,837 | 207,411 | (81,887) | 114,255 |
| Financial liabilities at FVTPL | (155,799) | 52,135 | 795,287 | 94,503 |
| Derivatives | (7,553) | (253,659) | (487,009) | 852,030 |
| Loans, advances and financing at FVTPL | - | 1,480 | - | 479 |
| | (159,515) | 7,367 | 226,391 | 1,061,267 |
| (e) Other income: | | | | |
| Foreign exchange (loss)/gain, net | (7,852) | 215,029 | 29,733 | 315,223 |
| Realised gain/(loss) on derivatives | 197,938 | (16,630) | 393,493 | (639,467) |
| Realised loss on financial liabilities at FVTPL | - | - | (138,277) | (87,217) |
| Rental income | 14,878 | 14,587 | 60,552 | 56,607 |
| (Loss)/gain on disposal of property, plant and equipment | (1) | 61 | (1,246) | 17,279 |
| Others | 34,611 | 11,334 | 124,982 | 36,958 |
| | 239,574 | 224,381 | 469,237 | (300,617) |
| Total other operating income | 542,886 | 708,265 | 3,004,912 | 4,161,005 |

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

| Group | Unaudited | | Audited | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Gross benefits and claims paid | 1,970,915 | 1,161,110 | 5,499,316 | 4,105,104 |
| Claims ceded to reinsurers | (749,950) | (213,332) | (1,135,280) | (442,401) |
| Gross change to contract liabilities | 1,927,475 | 2,023,005 | 4,353,626 | 6,760,466 |
| Change in contract liabilities ceded to reinsurers | (1,336,073) | (592,584) | (1,544,320) | (1,565,281) |
| Net insurance benefits and claims incurred | 1,812,367 | 2,378,199 | 7,173,342 | 8,857,888 |
| Net fee and commission expenses | 61,609 | 48,387 | 317,680 | 284,481 |
| Change in expense liabilities | 4,224 | (2,124) | (21,357) | 28,562 |
| Taxation of life and takaful fund | 5,465 | 4,420 | 6,034 | 49,872 |
| Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund | 71,298 | 50,683 | 302,357 | 362,915 |
| Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund | 1,883,665 | 2,428,882 | 7,475,699 | 9,220,803 |

A27. Overhead Expenses

| Group | Unaudited | | Audited | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| (a) Personnel expenses | | | | |
| Salaries, allowances and bonuses | 1,315,302 | 1,195,870 | 5,202,312 | 4,999,856 |
| Social security cost | 11,606 | 10,407 | 45,670 | 43,999 |
| Retirement costs | 154,171 | 144,082 | 621,217 | 594,817 |
| ESGP expenses | 14,102 | 24,260 | 98,193 | 80,775 |
| Other staff related expenses | 197,655 | 236,063 | 840,786 | 843,742 |
| | 1,692,836 | 1,610,682 | 6,808,178 | 6,563,189 |
| (b) Establishment costs | | | | |
| Depreciation of property, plant and equipment | 76,087 | 80,737 | 299,986 | 311,984 |
| Depreciation of right-of-use assets | 108,704 | 113,140 | 448,564 | 450,736 |
| Amortisation of intangible assets | 67,648 | 73,704 | 282,724 | 286,899 |
| Rental of leasehold land and premises | 7,417 | 6,878 | 26,906 | 30,408 |
| Repairs and maintenance of property, plant and equipment | 44,343 | 46,377 | 172,773 | 173,040 |
| Information technology expenses | 138,244 | 163,302 | 609,215 | 563,795 |
| Finance cost on lease liabilities | 7,906 | 2,504 | 41,011 | 49,769 |
| Others | 21,637 | 6,844 | 37,340 | 25,826 |
| | 471,986 | 493,486 | 1,918,519 | 1,892,457 |
| (c) Marketing expenses | | | | |
| Advertisement and publicity | 63,180 | 36,030 | 163,843 | 120,957 |
| Others | 84,631 | 69,782 | 267,005 | 254,129 |
| | 147,811 | 105,812 | 430,848 | 375,086 |

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A27. Overhead Expenses (cont'd.)

| Group (cont'd.) | Unaudited | | Audited | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| (d) Administration and general expenses | | | | |
| Fees and brokerage | 280,021 | 283,564 | 1,020,842 | 1,000,292 |
| Administrative expenses | 148,365 | 162,156 | 573,798 | 586,528 |
| General expenses | 207,649 | 200,040 | 730,741 | 787,740 |
| Others | 6,089 | 13,414 | 35,613 | 16,614 |
| | 642,124 | 659,174 | 2,360,994 | 2,391,174 |
| Total overhead expenses | 2,954,757 | 2,869,154 | 11,518,539 | 11,221,906 |
| Cost to income ratio ("CIR")¹ | 46.9% | 45.5% | 45.3% | 45.3% |

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 IBG Holdings Limited. Income refers to net operating income amount as disclosed on the face of income statements.

| Bank | Unaudited | | Audited | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| (a) Personnel expenses | | | | |
| Salaries, allowances and bonuses | 664,927 | 656,859 | 2,683,736 | 2,567,911 |
| Social security cost | 5,672 | 5,449 | 22,855 | 22,141 |
| Retirement costs | 97,878 | 98,149 | 402,579 | 382,915 |
| ESGP expenses | 9,195 | 13,260 | 53,736 | 42,627 |
| Other staff related expenses | 109,282 | 114,313 | 429,693 | 414,163 |
| | 886,954 | 888,030 | 3,592,599 | 3,429,757 |
| (b) Establishment costs | | | | |
| Depreciation of property, plant and equipment | 20,219 | 24,572 | 89,545 | 101,097 |
| Depreciation of right-of-use assets | 27,262 | 26,929 | 110,589 | 113,197 |
| Amortisation of intangible assets | 16,773 | 14,039 | 64,499 | 56,520 |
| Rental of leasehold land and premises | 2,506 | 1,573 | 7,879 | 7,265 |
| Repairs and maintenance of property, plant and equipment | 21,415 | 23,325 | 84,737 | 77,125 |
| Information technology expenses | 231,228 | 261,573 | 932,454 | 891,927 |
| Finance cost on lease liabilities | 3,133 | 2,148 | 13,021 | 13,550 |
| Others | 3,501 | 1,258 | 9,321 | 3,332 |
| | 326,037 | 355,417 | 1,312,045 | 1,264,013 |
| (c) Marketing expenses | | | | |
| Advertisement and publicity | 34,526 | 20,346 | 77,572 | 52,179 |
| Others | 48,710 | 25,549 | 124,891 | 110,688 |
| | 83,236 | 45,895 | 202,463 | 162,867 |
| (d) Administration and general expenses | | | | |
| Fees and brokerage | 182,579 | 232,027 | 654,053 | 697,599 |
| Administrative expenses | 35,952 | 41,508 | 174,003 | 187,359 |
| General expenses | 85,235 | 88,341 | 302,638 | 280,497 |
| Others | 607 | 6,062 | 4,928 | 9,258 |
| | 304,373 | 367,938 | 1,135,622 | 1,174,713 |
| (e) Overhead expenses allocated to subsidiaries, net | (347,540) | (315,548) | (1,219,834) | (1,247,162) |
| Total overhead expenses | 1,253,060 | 1,341,732 | 5,022,895 | 4,784,188 |
| Cost to income ratio ("CIR")² | 45.0% | 44.2% | 33.1% | 33.1% |

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

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

| Group | Unaudited | | Audited | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| (Writeback of)/allowances for impairment losses on loans, advances and financing: | | | | |
| - Stage 1 - 12-month ECL, net | (320,410) | 330,229 | (590,235) | 235,549 |
| - Stage 2 - Lifetime ECL not credit impaired, net | (1,061,593) | 748,466 | 602,292 | 2,498,625 |
| - Stage 3 - Lifetime ECL credit impaired, net | 1,604,022 | 155,486 | 2,873,441 | 2,156,971 |
| Bad debts and financing written-off | 33,886 | 25,827 | 83,094 | 93,880 |
| Bad debts and financing recovered | (102,506) | (168,177) | (324,721) | (397,700) |
| Allowances for impairment losses on other debts | 3,884 | 1,459 | 14,670 | 11,256 |
| | 157,283 | 1,093,290 | 2,658,541 | 4,598,581 |

| Bank | Unaudited | | Audited | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| (Writeback of)/allowances for impairment losses on loans, advances and financing: | | | | |
| - Stage 1 - 12-month ECL, net | (164,962) | 185,234 | (260,199) | 248,901 |
| - Stage 2 - Lifetime ECL not credit impaired, net | (1,409,379) | 340,270 | (281,563) | 1,652,313 |
| - Stage 3 - Lifetime ECL credit impaired, net | 2,442,578 | (205,429) | 3,180,033 | 804,912 |
| Bad debts and financing written-off | 23,721 | 16,971 | 56,589 | 65,844 |
| Bad debts and financing recovered | (51,597) | (95,192) | (141,920) | (214,952) |
| Allowances for impairment losses on other debts | 119 | 776 | 1,444 | 1,257 |
| | 840,480 | 242,630 | 2,554,384 | 2,558,275 |

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

| Group | Unaudited | | Audited | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Financial investments at fair value through other comprehensive income | | | | |
| - Stage 1 - 12-month ECL, net | 1,682 | (2,704) | (5,779) | 13,802 |
| - Stage 2 - Lifetime ECL not credit impaired, net | (146) | (545) | 864 | 841 |
| - Stage 3 - Lifetime ECL credit impaired, net | 8,936 | (702) | 25,116 | (4,550) |
| Net | 10,472 | (3,951) | 20,201 | 10,093 |
| Financial investments at amortised cost | | | | |
| - Stage 1 - 12-month ECL, net | (39,770) | 17,897 | (35,195) | 31,375 |
| - Stage 2 - Lifetime ECL not credit impaired, net | (427,181) | 346,082 | (351,760) | 368,337 |
| - Stage 3 - Lifetime ECL credit impaired, net | 921,614 | 8,524 | 965,052 | 4,113 |
| Net | 454,663 | 372,503 | 578,097 | 403,825 |
| | 465,135 | 368,552 | 598,298 | 413,918 |

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

| | Unaudited | | Audited | |
|--|----------------------|---------------------|----------------------------|---------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 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 | 1,122 | (539) | (176) | 3,210 |
| - Stage 2 - Lifetime ECL not credit impaired, net | 67 | (1,218) | (6) | 37 |
| - Stage 3 - Lifetime ECL credit impaired, net | 9,033 | (89) | 25,628 | (3,879) |
| Net | <u>10,222</u> | <u>(1,846)</u> | <u>25,446</u> | <u>(632)</u> |
| Financial investments at amortised cost | | | | |
| - Stage 1 - 12-month ECL, net | (34,418) | 1,494 | (32,749) | 7,067 |
| - Stage 2 - Lifetime ECL not credit impaired, net | 3,815 | 120,159 | (123,365) | 138,918 |
| - Stage 3 - Lifetime ECL credit impaired, net | (2,183) | 8,524 | 41,255 | 4,113 |
| Net | <u>(32,786)</u> | <u>130,177</u> | <u>(114,859)</u> | <u>150,098</u> |
| | <u>(22,564)</u> | <u>128,331</u> | <u>(89,413)</u> | <u>149,466</u> |

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

| | Unaudited | | Audited | |
|--|----------------------|---------------------|----------------------------|---------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Group | RM'000 | RM'000 | RM'000 | RM'000 |
| (a) Other financial assets | | | | |
| Cash and short-term funds | | | | |
| - Stage 1 - 12-month ECL, net | 3,664 | 715 | 7,031 | (4,313) |
| Net | <u>3,664</u> | <u>715</u> | <u>7,031</u> | <u>(4,313)</u> |
| Deposits and placements with financial institutions | | | | |
| - Stage 1 - 12-month ECL, net | 1,689 | (29,286) | (1,453) | (21,503) |
| Net | <u>1,689</u> | <u>(29,286)</u> | <u>(1,453)</u> | <u>(21,503)</u> |
| Financial assets purchased under resale agreements | | | | |
| - Stage 1 - 12-month ECL, net | 243 | 7,228 | 60 | 4,760 |
| Net | <u>243</u> | <u>7,228</u> | <u>60</u> | <u>4,760</u> |
| Reinsurance/retakaful assets and other insurance receivables | | | | |
| - Stage 1 - 12-month ECL, net | (27,826) | (192) | (57,995) | 13,108 |
| Net | <u>(27,826)</u> | <u>(192)</u> | <u>(57,995)</u> | <u>13,108</u> |
| Other assets | | | | |
| - Stage 1 - 12-month ECL, net | 871 | (2,531) | 348 | (806) |
| - Stage 2 - Lifetime ECL not credit impaired | 9 | (24) | 12 | (13) |
| - Stage 3 - Lifetime ECL credit impaired | 14,258 | 61,334 | (28,463) | 64,974 |
| Net | <u>15,138</u> | <u>58,779</u> | <u>(28,103)</u> | <u>64,155</u> |
| Statutory deposit with central banks | | | | |
| - Stage 1 - 12-month ECL, net | (442) | 261 | (462) | 1,534 |
| Net | <u>(442)</u> | <u>261</u> | <u>(462)</u> | <u>1,534</u> |
| | <u>(7,534)</u> | <u>37,505</u> | <u>(80,922)</u> | <u>57,741</u> |
| (b) Goodwill | | | | |
| Impairment of goodwill | 53,529 | 23,271 | 53,529 | 23,271 |
| | <u>45,995</u> | <u>60,776</u> | <u>(27,393)</u> | <u>81,012</u> |

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

| | Unaudited | | Audited | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Bank | | | | |
| (a) Other financial assets | | | | |
| Cash and short-term funds | | | | |
| - Stage 1 - 12-month ECL, net | 3,722 | (41) | 5,267 | (5,808) |
| Net | <u>3,722</u> | <u>(41)</u> | <u>5,267</u> | <u>(5,808)</u> |
| Deposits and placements with financial institutions | | | | |
| - Stage 1 - 12-month ECL, net | (544) | (21,876) | 383 | (19,233) |
| Net | <u>(544)</u> | <u>(21,876)</u> | <u>383</u> | <u>(19,233)</u> |
| Financial assets purchased under resale agreements | | | | |
| - Stage 1 - 12-month ECL, net | (55) | 1,295 | (1,575) | 1,279 |
| Net | <u>(55)</u> | <u>1,295</u> | <u>(1,575)</u> | <u>1,279</u> |
| Other assets | | | | |
| - Stage 3 - Lifetime ECL credit impaired | 892 | 49,214 | (45,426) | 54,688 |
| Net | <u>892</u> | <u>49,214</u> | <u>(45,426)</u> | <u>54,688</u> |
| | <u>4,015</u> | <u>28,592</u> | <u>(41,351)</u> | <u>30,926</u> |

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A31. Segment Information

By business segments

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

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

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

(i) Consumer Banking

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

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

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

(iii) Business Banking

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

(b) Group Global Banking ("GB")

(i) Group Corporate Banking and Global Markets

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

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

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

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

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

(ii) Group Investment Banking

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

(iii) Group Asset Management

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

(c) Group Insurance and Takaful

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

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

| | <===== Business Segments =====> | | | | | | | |
|---|---|---|--|--|---|------------------|-------------------------------------|-----------------|
| | <===== Group Global Banking =====> | | | | | | Head Office and Others RM'000 | Total RM'000 |
| | Group Community Financial Services RM'000 | Group Corporate Banking & Global Markets RM'000 | Group Investment Banking RM'000 | Group Asset Management RM'000 | Group Insurance and Takaful RM'000 | Total | | |
| Twelve-Month Ended 31 December 2021 | | | | | | | | |
| Net interest income: | | | | | | | | |
| - External | 7,031,576 | 4,152,026 | 316,385 | 202 | 1,317,978 | (784,122) | 12,034,045 | |
| - Inter-segment | - | - | (11,566) | 2,202 | 57,967 | (48,603) | - | |
| | <u>7,031,576</u> | <u>4,152,026</u> | <u>304,819</u> | <u>2,404</u> | <u>1,375,945</u> | <u>(832,725)</u> | <u>12,034,045</u> | |
| Net interest income | 7,031,576 | 4,152,026 | 304,819 | 2,404 | 1,375,945 | (832,725) | 12,034,045 | |
| Income from IBS operations | 4,235,520 | 1,980,925 | 55,849 | - | - | 1,300,305 | 7,572,599 | |
| Net earned insurance premiums | - | - | - | - | 8,846,782 | - | 8,846,782 | |
| Other operating income/(loss) | 2,785,640 | 2,039,806 | 1,194,658 | 117,414 | (562,373) | (1,104,475) | 4,470,670 | |
| Total operating income | <u>14,052,736</u> | <u>8,172,757</u> | <u>1,555,326</u> | <u>119,818</u> | <u>9,660,354</u> | <u>(636,895)</u> | <u>32,924,096</u> | |
| Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund | - | - | - | - | (7,752,187) | 276,488 | (7,475,699) | |
| Net operating income | <u>14,052,736</u> | <u>8,172,757</u> | <u>1,555,326</u> | <u>119,818</u> | <u>1,908,167</u> | <u>(360,407)</u> | <u>25,448,397</u> | |
| Overhead expenses | (7,461,089) | (1,914,936) | (989,386) | (146,036) | (1,007,092) | - | (11,518,539) | |
| Operating profit/(loss) before impairment losses | <u>6,591,647</u> | <u>6,257,821</u> | <u>565,940</u> | <u>(26,218)</u> | <u>901,075</u> | <u>(360,407)</u> | <u>13,929,858</u> | |
| Allowances for impairment losses on loans, advances, financing and other debts, net | (839,549) | (1,809,672) | (5,514) | (69) | (3,737) | - | (2,658,541) | |
| (Allowances for)/writeback of impairment losses on financial investments, net | - | (598,602) | - | - | 304 | - | (598,298) | |
| Writeback of/(allowances for) impairment losses on other financial assets and goodwill, net | 725 | 37,700 | (25,179) | (20,168) | 34,315 | - | 27,393 | |
| Operating profit/(loss) | <u>5,752,823</u> | <u>3,887,247</u> | <u>535,247</u> | <u>(46,455)</u> | <u>931,957</u> | <u>(360,407)</u> | <u>10,700,412</u> | |
| Share of profits in associates and joint ventures | - | 183,441 | 2,742 | - | - | - | 186,183 | |
| Profit/(loss) before taxation and zakat | <u>5,752,823</u> | <u>4,070,688</u> | <u>537,989</u> | <u>(46,455)</u> | <u>931,957</u> | <u>(360,407)</u> | <u>10,886,595</u> | |
| Taxation and zakat | | | | | | | (2,565,080) | |
| Profit after taxation and zakat | | | | | | | <u>8,321,515</u> | |
| Non-controlling interests | | | | | | | (225,286) | |
| Profit for the financial year attributable to equity holders of the Bank | | | | | | | <u>8,096,229</u> | |

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

| | <===== Business Segments =====> | | | | | | Head Office and Others RM'000 | Total RM'000 |
|--|---|---|--|--|-----------------|---|-------------------------------------|-----------------|
| | <===== Group Global Banking =====> | | | | | Group Insurance and Takaful 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 RM'000 | | | |
| Twelve-Month Ended 31 December 2021 (cont'd.) | | | | | | | | |
| Included in other operating income are: | | | | | | | | |
| Fee income: | | | | | | | | |
| Commission | 1,262,826 | 100,733 | 92,537 | 47,637 | - | (162,026) | 1,341,707 | |
| Service charges and fees | 883,241 | 314,214 | 274,845 | 147,088 | 52,900 | (134,727) | 1,537,561 | |
| Underwriting fees | - | 10,367 | 41,816 | - | - | - | 52,183 | |
| Brokerage income | - | - | 496,111 | - | - | - | 496,111 | |
| Fees on loans, advances and financing | 68,298 | 147,885 | 1,617 | - | - | (7,173) | 210,627 | |
| Fee income from IBS operations | 312,956 | 130,151 | 53,871 | - | - | 7,481 | 504,459 | |
| Included in overhead expenses are: | | | | | | | | |
| Depreciation of property, plant and equipment | (194,237) | (49,198) | (33,419) | (499) | (22,633) | - | (299,986) | |
| Depreciation of right-of-use assets | (274,760) | (98,194) | (49,559) | (3,909) | (22,142) | - | (448,564) | |
| Amortisation of intangible assets | (194,161) | (52,542) | (5,418) | - | (30,603) | - | (282,724) | |

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

| | <===== Business Segments =====> | | | | | | Total RM'000 |
|---|---|---|--|--|---|-------------------------------------|-------------------|
| | <===== Group Global Banking =====> | | | | | | |
| Twelve-Month Ended 31 December 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 | 6,947,974 | 4,191,030 | 245,232 | 268 | 1,164,890 | (1,459,005) | 11,090,389 |
| - Inter-segment | - | - | (3,180) | 2,024 | 95,511 | (94,355) | - |
| | <u>6,947,974</u> | <u>4,191,030</u> | <u>242,052</u> | <u>2,292</u> | <u>1,260,401</u> | <u>(1,553,360)</u> | <u>11,090,389</u> |
| Net interest income | 6,947,974 | 4,191,030 | 242,052 | 2,292 | 1,260,401 | (1,553,360) | 11,090,389 |
| Income from IBS operations | 3,315,495 | 1,578,693 | 74,882 | - | - | 1,166,512 | 6,135,582 |
| Net earned insurance premiums | - | - | - | - | 9,458,856 | - | 9,458,856 |
| Other operating income/(loss) | 2,650,453 | 2,977,525 | 1,211,179 | 141,586 | 821,931 | (503,472) | 7,299,202 |
| Total operating income | <u>12,913,922</u> | <u>8,747,248</u> | <u>1,528,113</u> | <u>143,878</u> | <u>11,541,188</u> | <u>(890,320)</u> | <u>33,984,029</u> |
| Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund | - | - | - | - | (9,559,623) | 338,820 | (9,220,803) |
| Net operating income | <u>12,913,922</u> | <u>8,747,248</u> | <u>1,528,113</u> | <u>143,878</u> | <u>1,981,565</u> | <u>(551,500)</u> | <u>24,763,226</u> |
| Overhead expenses | (7,260,028) | (1,900,132) | (1,007,286) | (110,163) | (944,297) | - | (11,221,906) |
| Operating profit/(loss) before impairment losses | <u>5,653,894</u> | <u>6,847,116</u> | <u>520,827</u> | <u>33,715</u> | <u>1,037,268</u> | <u>(551,500)</u> | <u>13,541,320</u> |
| Allowances for impairment losses on loans, advances, financing and other debts, net | (1,986,793) | (2,604,030) | (1,566) | - | (6,192) | - | (4,598,581) |
| (Allowances for)/writeback of impairment losses on financial investments, net | (22) | (412,864) | 255 | - | (1,287) | - | (413,918) |
| Allowances for impairment losses on other financial assets and goodwill, net | (62) | (31,575) | (15,635) | (4) | (33,736) | - | (81,012) |
| Operating profit/(loss) | <u>3,667,017</u> | <u>3,798,647</u> | <u>503,881</u> | <u>33,711</u> | <u>996,053</u> | <u>(551,500)</u> | <u>8,447,809</u> |
| Share of profits/(loss) in associates and joint ventures | - | 209,305 | (158) | - | - | - | 209,147 |
| Profit(loss) before taxation and zakat | <u>3,667,017</u> | <u>4,007,952</u> | <u>503,723</u> | <u>33,711</u> | <u>996,053</u> | <u>(551,500)</u> | <u>8,656,956</u> |
| Taxation and zakat | | | | | | | (1,937,877) |
| Profit after taxation and zakat | | | | | | | <u>6,719,079</u> |
| Non-controlling interests | | | | | | | (237,860) |
| Profit for the financial year attributable to equity holders of the Bank | | | | | | | <u>6,481,219</u> |

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

| | <===== Business Segments =====> | | | | | | Head Office and Others RM'000 | Total RM'000 |
|--|---|---|--|--|---|---|-------------------------------------|-----------------|
| | <===== Group Global Banking =====> | | | | | | | |
| | Group Community Financial Services RM'000 | Group Corporate Banking & Global Markets RM'000 | Group Investment Banking RM'000 | Group Asset Management RM'000 | Group Insurance and Takaful RM'000 | Group Insurance and Takaful RM'000 | | |
| Twelve-Month Ended 31 December 2020 (cont'd.) | | | | | | | | |
| Included in other operating income are: | | | | | | | | |
| Fee income: | | | | | | | | |
| Commission | 1,169,210 | 114,001 | 35,190 | 45,259 | - | (100,640) | 1,263,020 | |
| Service charges and fees | 802,742 | 296,061 | 233,908 | 130,303 | (1,855) | (112,121) | 1,349,038 | |
| Underwriting fees | - | 12,268 | 19,558 | - | - | - | 31,826 | |
| Brokerage income | - | - | 493,009 | - | - | - | 493,009 | |
| Fees on loans, advances and financing | 69,356 | 168,479 | 1,794 | - | - | (2,625) | 237,004 | |
| Fee income from IBS operations | 326,415 | 100,129 | 55,159 | - | - | (48,930) | 432,773 | |
| Included in overhead expenses are: | | | | | | | | |
| Depreciation of property, plant and equipment | (197,309) | (53,757) | (37,600) | (530) | (22,788) | - | (311,984) | |
| Depreciation of right-of-use assets | (267,666) | (101,574) | (55,216) | (2,561) | (23,719) | - | (450,736) | |
| Amortisation of intangible assets | (192,614) | (54,929) | (11,878) | (219) | (27,259) | - | (286,899) | |

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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 fourth quarter and 12 months financial year ended 31 December 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 31 December 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 |
| <u>Contingent liabilities</u> | | | | | | |
| Direct credit substitutes | 11,386,443 | 9,619,014 | 6,400,730 | 10,940,746 | 9,408,679 | 6,667,779 |
| Certain transaction-related contingent items | 14,816,515 | 7,262,583 | 4,741,385 | 14,338,122 | 6,901,117 | 4,717,191 |
| Short-term self-liquidating trade-related contingencies | 2,952,705 | 890,772 | 645,486 | 2,788,743 | 715,672 | 419,682 |
| | 29,155,663 | 17,772,369 | 11,787,601 | 28,067,611 | 17,025,468 | 11,804,652 |
| <u>Commitments</u> | | | | | | |
| Irrevocable commitments to extend credit: | | | | | | |
| - Maturity within one year | 129,335,651 | 13,257,239 | 3,931,088 | 128,087,058 | 13,806,768 | 4,562,969 |
| - Maturity exceeding one year | 39,274,129 | 59,103,741 | 27,255,730 | 39,195,697 | 55,482,054 | 26,617,515 |
| | 168,609,780 | 72,360,980 | 31,186,818 | 167,282,755 | 69,288,822 | 31,180,484 |
| Miscellaneous commitments and contingencies | 12,253,800 | 650,577 | 372,009 | 5,728,133 | 986,226 | 371,132 |
| Total credit-related commitments and contingencies | 210,019,243 | 90,783,926 | 43,346,428 | 201,078,499 | 87,300,516 | 43,356,268 |
| <u>Derivative financial instruments</u> | | | | | | |
| Foreign exchange related contracts: | | | | | | |
| - Less than one year | 406,901,770 | 5,124,226 | 1,439,215 | 544,059,314 | 8,706,925 | 1,529,800 |
| - One year to less than five years | 32,254,202 | 2,283,685 | 818,744 | 30,742,568 | 2,619,230 | 1,315,007 |
| - Five years and above | 7,414,755 | 981,044 | 449,263 | 6,596,360 | 958,528 | 335,022 |
| | 446,570,727 | 8,388,955 | 2,707,222 | 581,398,242 | 12,284,683 | 3,179,829 |
| Interest rate related contracts: | | | | | | |
| - Less than one year | 131,875,702 | 115,485 | 76,531 | 186,361,268 | 72,980 | 32,188 |
| - One year to less than five years | 244,244,756 | 1,012,901 | 533,451 | 221,399,527 | 1,504,867 | 852,397 |
| - Five years and above | 133,976,298 | 2,407,964 | 1,755,954 | 109,622,660 | 2,168,784 | 1,403,142 |
| | 510,096,756 | 3,536,350 | 2,365,936 | 517,383,455 | 3,746,631 | 2,287,727 |

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A35. Commitments and Contingencies (cont'd.)

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

| | As at 31 December 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 | 7,599,599 | 557,541 | 186,778 | 5,383,643 | 245,702 | 101,334 |
| - One year to less than five years | 1,916,907 | 213,117 | 80,496 | 65,390 | 13,880 | 12,253 |
| | 9,516,506 | 770,658 | 267,274 | 5,449,033 | 259,582 | 113,587 |
| Credit related contracts: | | | | | | |
| - Less than one year | 40,813 | - | - | 75,360 | - | - |
| Total treasury-related commitments and contingencies | 966,224,802 | 12,695,963 | 5,340,432 | 1,104,306,090 | 16,290,896 | 5,581,143 |
| Total commitments and contingencies | 1,176,244,045 | 103,479,889 | 48,686,860 | 1,305,384,589 | 103,591,412 | 48,937,411 |
| Bank | | | | | | |
| <u>Contingent liabilities</u> | | | | | | |
| Direct credit substitutes | 7,968,344 | 6,834,520 | 4,452,694 | 7,466,677 | 6,041,129 | 3,990,003 |
| Certain transaction-related contingent items | 11,208,136 | 5,453,689 | 3,494,294 | 11,506,071 | 5,475,238 | 3,806,228 |
| Short-term self-liquidating trade-related contingencies | 2,038,008 | 639,758 | 474,809 | 2,092,315 | 478,043 | 223,572 |
| | 21,214,488 | 12,927,967 | 8,421,797 | 21,065,063 | 11,994,410 | 8,019,803 |
| <u>Commitments</u> | | | | | | |
| Irrevocable commitments to extend credit: | | | | | | |
| - Maturity within one year | 81,611,263 | 6,463,689 | 1,502,091 | 83,806,525 | 6,955,310 | 1,897,783 |
| - Maturity exceeding one year | 18,805,027 | 35,418,448 | 18,005,342 | 17,828,264 | 34,888,721 | 18,252,090 |
| | 100,416,290 | 41,882,137 | 19,507,433 | 101,634,789 | 41,844,031 | 20,149,873 |
| Miscellaneous commitments and contingencies | 7,930,317 | 923,855 | 426,129 | 3,294,116 | 1,855,264 | 545,148 |
| Total credit-related commitments and contingencies | 129,561,095 | 55,733,959 | 28,355,359 | 125,993,968 | 55,693,705 | 28,714,824 |
| <u>Derivative financial instruments</u> | | | | | | |
| Foreign exchange related contracts: | | | | | | |
| - Less than one year | 398,004,700 | 4,821,371 | 1,324,841 | 545,723,025 | 8,429,411 | 1,377,250 |
| - One year to less than five years | 32,658,597 | 2,072,603 | 664,243 | 29,651,424 | 2,470,975 | 1,146,587 |
| - Five years and above | 6,574,929 | 853,229 | 378,197 | 5,673,466 | 828,538 | 203,181 |
| | 437,238,226 | 7,747,203 | 2,367,281 | 581,047,915 | 11,728,924 | 2,727,018 |

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A35. Commitments and Contingencies (cont'd.)

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

| | As at 31 December 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 | 131,208,314 | 55,878 | 39,177 | 185,732,911 | 72,296 | 31,673 |
| - One year to less than five years | 244,654,457 | 903,682 | 435,953 | 221,822,106 | 1,323,301 | 680,533 |
| - Five years and above | 132,982,456 | 2,407,679 | 1,755,705 | 109,622,660 | 2,168,036 | 1,402,488 |
| | 508,845,227 | 3,367,239 | 2,230,835 | 517,177,677 | 3,563,633 | 2,114,694 |
| Equity and commodity related contracts: | | | | | | |
| - Less than one year | 3,577,332 | 380,774 | 153,304 | 1,499,709 | 154,587 | 66,484 |
| - One year to less than five years | 1,916,907 | 213,117 | 80,496 | 65,390 | 13,880 | 12,253 |
| | 5,494,239 | 593,891 | 233,800 | 1,565,099 | 168,467 | 78,737 |
| Credit related contracts: | | | | | | |
| - Less than one year | 40,813 | - | - | 75,360 | - | - |
| Total treasury-related commitments and contingencies | 951,618,505 | 11,708,333 | 4,831,916 | 1,099,866,051 | 15,461,024 | 4,920,449 |
| Total commitments and contingencies | 1,081,179,600 | 67,442,292 | 33,187,275 | 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 31 December 2021, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM12,757.5 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.

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A35. Commitments and Contingencies (cont'd.)

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

A36. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 9 December 2020 issued the Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Conventional banks and Islamic banks respectively. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

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

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

- (ii) Total RWA is calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) both issued by BNM on 3 May 2019 for Conventional banks and Islamic banks respectively.

Any exposures which are deducted in the calculation of CET1 Capital, Tier 1 Capital and Total Capital are not subjected to any further capital charges in the computation of RWA.

(b) Compliance and application of capital adequacy ratios

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) issued on 9 December 2020 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

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

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

- (i) For Maybank Islamic Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 9 December 2020 and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ended 31 December 2021 (2020: 4.5%, 6.0% and 8.0% of total RWA).

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A36. Capital Adequacy (cont'd.)

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

(ii) For Maybank Investment Bank Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework (Capital Components) issued on 9 December 2020 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ended 31 December 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 ended 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 2 December 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 ended 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.

In respect of the financial year ended 31 December 2021, the Bank has declared a single-tier second interim dividend of 30.0 sen per ordinary share subsequent to financial year end, which consists of a cash portion of 22.5 sen and an electable portion of 7.5 sen per ordinary share. The electable portion can be elected to be reinvested by shareholders in new Maybank shares in accordance with the DRP.

In arriving the capital adequacy ratios for the financial year ended 31 December 2021, the single-tier second 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 | |
|----------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| CET1 Capital Ratio | 16.090% | 15.313% | 15.462% | 15.581% |
| Tier 1 Capital Ratio | 16.810% | 16.026% | 16.223% | 16.343% |
| Total Capital Ratio | 19.518% | 18.683% | 18.785% | 18.639% |

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A36. Capital Adequacy (cont'd.)

(d) Components of capital:

| | Group | | Bank | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| CET1 Capital | | | | |
| Share capital | 53,156,473 | 48,280,355 | 53,156,473 | 48,280,355 |
| Retained profits ¹ | 22,116,695 | 22,447,018 | 15,237,128 | 16,811,402 |
| Other reserves ¹ | 2,375,413 | 5,473,660 | 4,144,604 | 6,201,908 |
| Qualifying non-controlling interests | 114,198 | 115,096 | - | - |
| CET1 Capital before regulatory adjustments | <u>77,762,779</u> | <u>76,316,129</u> | <u>72,538,205</u> | <u>71,293,665</u> |
| Less: Regulatory adjustments applied on CET1 Capital: | | | | |
| Deferred tax assets | (1,411,183) | (722,391) | (468,101) | - |
| Goodwill | (5,613,782) | (5,536,309) | (81,015) | (81,015) |
| Other intangibles | (894,736) | (955,439) | (325,666) | (306,645) |
| Gains on financial instruments classified as 'fair value through other comprehensive income' | (371,487) | (1,922,600) | (301,887) | (1,279,711) |
| Regulatory reserve | (1,315,261) | (2,115,455) | (1,180,201) | (1,495,500) |
| Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ² | (3,076,046) | (3,265,013) | (33,617,164) | (31,314,753) |
| Total CET1 Capital | <u>65,080,284</u> | <u>61,798,922</u> | <u>36,564,171</u> | <u>36,816,041</u> |
| Additional Tier 1 Capital | | | | |
| Capital securities | 2,800,000 | 2,800,000 | 2,800,000 | 2,800,000 |
| Qualifying CET1 and Additional Tier 1 Capital instruments held by third parties | 113,077 | 78,005 | - | - |
| Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities | - | - | (1,000,000) | (1,000,000) |
| Total Tier 1 Capital | <u>67,993,361</u> | <u>64,676,927</u> | <u>38,364,171</u> | <u>38,616,041</u> |
| Tier 2 Capital | | | | |
| Subordinated obligations | 9,700,000 | 8,707,823 | 9,700,000 | 8,707,823 |
| Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties | 41,180 | 41,209 | - | - |
| General provisions ³ | 239,683 | 332,053 | 28,571 | 69,408 |
| Surplus of total eligible provision over total expected loss | 1,663,655 | 1,640,773 | 1,025,761 | 989,825 |
| Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities | (691,000) | - | (4,696,676) | (4,341,683) |
| Total Tier 2 Capital | <u>10,953,518</u> | <u>10,721,858</u> | <u>6,057,656</u> | <u>5,425,373</u> |
| Total Capital | <u>78,946,879</u> | <u>75,398,785</u> | <u>44,421,827</u> | <u>44,041,414</u> |

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

² For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM10,289,000 and (iii) Maybank Agro Fund Sdn. Bhd. of RM57,000 as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes carrying amount of associates and investment in insurance and takaful entities.

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

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

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A36. Capital Adequacy (cont'd.)

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

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

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

| | Maybank Islamic Berhad | Maybank Investment Bank Berhad | PT Bank Maybank Indonesia Tbk | Maybank Singapore Limited |
|-----------------------------------|-----------------------------------|---|--|--------------------------------------|
| <u>At 31 December 2021</u> | | | | |
| CET1 Capital Ratio | 15.981% | 26.457% | - | 13.338% |
| Tier 1 Capital Ratio | 17.173% | 26.457% | - | 13.338% |
| Total Capital Ratio | <u>20.077%</u> | <u>28.325%</u> | <u>26.917%</u> | <u>17.298%</u> |
| <u>At 31 December 2020</u> | | | | |
| CET1 Capital Ratio | 13.773% | 20.560% | - | 13.906% |
| Tier 1 Capital Ratio | 15.030% | 20.560% | - | 13.906% |
| Total Capital Ratio | <u>18.063%</u> | <u>22.906%</u> | <u>24.312%</u> | <u>18.049%</u> |

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A36. Capital Adequacy (cont'd.)

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

At 31 December 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 | 52,579,597 | 21,873,056 | 2,192,197 | 692,518 | 24,313,438 | 15,833,548 |
| Internal Ratings-Based Approach exposure after scaling factor | 277,275,891 | 170,960,253 | 83,621,226 | - | - | 26,226,433 |
| Credit valuation adjustment | - | - | - | - | - | 40,677 |
| Total RWA for credit risk | 329,855,488 | 192,833,309 | 85,813,423 | 692,518 | 24,313,438 | 42,100,658 |
| Total RWA for credit risk absorbed by Maybank and Investment Account Holders* | - | - | (12,759,358) | - | - | - |
| Total RWA for market risk | 30,188,261 | 22,637,025 | 1,316,769 | 956,325 | 794,836 | 11,139 |
| Total RWA for operational risk | 44,431,300 | 21,010,913 | 9,507,656 | 977,452 | 5,714,900 | 3,580,829 |
| Total RWA | 404,475,049 | 236,481,247 | 83,878,490 | 2,626,295 | 30,823,174 | 45,692,626 |

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.

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A37. Derivative Financial Instruments

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

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

| | Group | | | Bank | | |
|---|-------------------------------|--------------------------|--------------------|-------------------------------|--------------------------|--------------------|
| | Principal Amount RM'000 | <----- Fair Value -----> | | Principal Amount RM'000 | <----- Fair Value -----> | |
| At 31 December 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 | 52,383,104 | 302,518 | (267,344) | 36,270,399 | 230,913 | (210,434) |
| - One year to three years | 1,368,972 | 37,563 | (15,412) | 1,292,477 | 37,563 | (15,412) |
| - More than three years | 4,443,362 | 16,814 | (20,326) | 3,237,237 | 16,814 | (20,326) |
| | 58,195,438 | 356,895 | (303,082) | 40,800,113 | 285,290 | (246,172) |
| Currency swaps: | | | | | | |
| - Less than one year | 334,544,842 | 1,422,674 | (1,758,763) | 343,545,168 | 1,434,155 | (1,740,320) |
| - One year to three years | 84,540 | 96 | - | 84,540 | 96 | - |
| | 334,629,382 | 1,422,770 | (1,758,763) | 343,629,708 | 1,434,251 | (1,740,320) |
| Currency spots: | | | | | | |
| - Less than one year | 2,787,249 | 2,845 | (4,455) | 2,351,579 | 2,915 | (3,264) |
| Currency options: | | | | | | |
| - Less than one year | 4,263,239 | 41,533 | (12,729) | 4,264,155 | 41,510 | (12,638) |
| - One year to three years | 2,928,432 | 36,278 | (62,034) | 4,472,729 | 36,278 | (51,794) |
| - More than three years | 434,595 | 60 | (60) | 434,595 | 60 | (60) |
| | 7,626,266 | 77,871 | (74,823) | 9,171,479 | 77,848 | (64,492) |
| Cross currency interest rate swaps ¹ : | | | | | | |
| - Less than one year | 8,699,273 | 122,232 | (231,409) | 7,349,336 | 101,589 | (219,613) |
| - One year to three years | 14,357,194 | 320,927 | (301,169) | 13,232,126 | 281,420 | (295,644) |
| - More than three years | 9,828,580 | 97,311 | (72,747) | 10,256,540 | 104,367 | (70,192) |
| | 32,885,047 | 540,470 | (605,325) | 30,838,002 | 487,376 | (585,449) |
| <u>Interest rate related contracts</u> | | | | | | |
| Interest rate swaps ² : | | | | | | |
| - Less than one year | 115,941,022 | 257,333 | (840,725) | 116,356,648 | 256,095 | (839,789) |
| - One year to three years | 132,517,351 | 976,201 | (1,099,843) | 132,453,526 | 946,461 | (1,092,720) |
| - More than three years | 220,803,025 | 6,453,389 | (5,074,187) | 220,782,561 | 6,588,296 | (5,071,126) |
| | 469,261,398 | 7,686,923 | (7,014,755) | 469,592,735 | 7,790,852 | (7,003,635) |
| Interest rate futures: | | | | | | |
| - Less than one year | 15,308,880 | 310,590 | (385,647) | 14,225,866 | 309,504 | (385,647) |
| - One year to three years | 10,333,256 | 3,364 | (2,870) | 9,833,404 | 2,824 | (2,870) |
| | 25,642,136 | 313,954 | (388,517) | 24,059,270 | 312,328 | (388,517) |
| Interest rate options: | | | | | | |
| - One year to three years | 1,038,434 | 15,728 | - | 1,038,434 | 15,728 | - |
| - More than three years | 11,415,453 | 1,829,292 | (2,203,322) | 11,415,453 | 1,829,292 | (2,203,322) |
| | 12,453,887 | 1,845,020 | (2,203,322) | 12,453,887 | 1,845,020 | (2,203,322) |

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A37. Derivative Financial Instruments (cont'd.)

| | Group | | | Bank | | |
|---|-------------------------------|------------------------|---------------------|-------------------------------|------------------------|---------------------|
| | Principal Amount RM'000 | <---- Fair Value ----> | | Principal Amount RM'000 | <---- Fair Value ----> | |
| At 31 December 2021 (cont'd.) | Assets RM'000 | Liabilities RM'000 | | Assets RM'000 | Liabilities RM'000 | |
| Trading derivatives (cont'd.) | | | | | | |
| <u>Equity related contracts</u> | | | | | | |
| Equity options: | | | | | | |
| - Less than one year | 1,993,390 | 207,356 | (87,769) | - | - | - |
| Equity swaps: | | | | | | |
| - Less than one year | 2,028,877 | 46,295 | (63,362) | - | - | - |
| <u>Commodity related contracts</u> | | | | | | |
| Commodity options: | | | | | | |
| - Less than one year | 3,535,516 | 245,936 | (245,936) | 3,535,516 | 245,936 | (245,936) |
| - One year to three years | 1,891,668 | 173,476 | (173,476) | 1,891,668 | 173,476 | (173,476) |
| | <u>5,427,184</u> | <u>419,412</u> | <u>(419,412)</u> | <u>5,427,184</u> | <u>419,412</u> | <u>(419,412)</u> |
| Commodity swaps: | | | | | | |
| - Less than one year | 41,816 | 5,876 | (5,532) | 41,816 | 5,876 | (5,532) |
| - One year to three years | 25,239 | 2,767 | (2,461) | 25,239 | 2,767 | (2,461) |
| | <u>67,055</u> | <u>8,643</u> | <u>(7,993)</u> | <u>67,055</u> | <u>8,643</u> | <u>(7,993)</u> |
| <u>Credit related contracts</u> | | | | | | |
| Credit default swaps | | | | | | |
| - Less than one year | 40,813 | 468 | (807) | 40,813 | 468 | (807) |
| Hedging derivatives | | | | | | |
| <u>Foreign exchange related contracts</u> | | | | | | |
| Cross currency interest rate swaps ¹ : | | | | | | |
| - Less than one year | 4,224,063 | 76,783 | (76,595) | 4,224,063 | 76,783 | (76,595) |
| - One year to three years | 3,726,057 | 128,940 | (110,637) | 3,726,057 | 128,940 | (110,637) |
| - More than three years | 2,497,225 | 97,570 | (58,369) | 2,497,225 | 97,570 | (58,369) |
| | <u>10,447,345</u> | <u>303,293</u> | <u>(245,601)</u> | <u>10,447,345</u> | <u>303,293</u> | <u>(245,601)</u> |
| <u>Interest rate related contracts</u> | | | | | | |
| Interest rate swaps ² : | | | | | | |
| - Less than one year | 625,800 | 3,605 | (1,803) | 625,800 | 3,605 | (1,803) |
| - One year to three years | 83,440 | - | (844) | 83,440 | - | (844) |
| - More than three years | 2,030,095 | 67,503 | (3,390) | 2,030,095 | 67,503 | (3,390) |
| | <u>2,739,335</u> | <u>71,108</u> | <u>(6,037)</u> | <u>2,739,335</u> | <u>71,108</u> | <u>(6,037)</u> |
| Netting effects for reporting under MFRS 132 | | | | | | |
| | - | (545,848) | 545,848 | - | (540,365) | 540,365 |
| Total | 966,224,802 | 12,757,475 | (12,638,175) | 951,618,505 | 12,498,439 | (12,374,656) |

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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> |

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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 RM7,603.5 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 RM763.5 million (31 December 2020: RM482.0 million) for the Group and the Bank.

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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 non-financial and financial assets and financial liabilities measured at fair value as at 31 December 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 31 December 2021 | | | | |
| <i>Non-financial assets measured at fair value:</i> | | | | |
| Investment properties | - | - | 975,048 | 975,048 |
| <i>Financial assets measured at fair value:</i> | | | | |
| Financial assets designated upon initial recognition at fair value through profit or loss | | | | |
| Money market instruments | 4,096 | 13,177,770 | - | 13,181,866 |
| Quoted securities | - | 714,373 | - | 714,373 |
| Unquoted securities | 4,096 | - | - | 4,096 |
| | - | 12,463,397 | - | 12,463,397 |
| Financial investments at fair value through profit or loss | | | | |
| Money market instruments | 11,902,031 | 15,012,817 | 860,645 | 27,775,493 |
| Quoted securities | - | 9,951,049 | - | 9,951,049 |
| Unquoted securities | 11,902,031 | - | - | 11,902,031 |
| | - | 5,061,768 | 860,645 | 5,922,413 |
| Financial investments at fair value through other comprehensive income | | | | |
| Money market instruments | 5,098,873 | 116,868,864 | 426,217 | 122,393,954 |
| Quoted securities | - | 61,262,217 | - | 61,262,217 |
| Unquoted securities | 5,098,873 | - | - | 5,098,873 |
| | - | 55,606,647 | 426,217 | 56,032,864 |
| Loans, advances and financing at fair value through profit or loss | | | | |
| | - | - | 15,491 | 15,491 |
| Loans, advances and financing at fair value through other comprehensive income | | | | |
| | - | - | 21,763,013 | 21,763,013 |

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

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

| Group (cont'd.) At 31 December 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 | - | 12,336,825 | 420,650 | 12,757,475 |
| Foreign exchange related contracts | - | 2,704,144 | - | 2,704,144 |
| Interest rate related contracts | - | 9,917,005 | - | 9,917,005 |
| Equity and commodity related contracts | - | 261,056 | 420,650 | 681,706 |
| Credit related contracts | - | 468 | - | 468 |
| Netting effects under MFRS 132 Amendments | - | (545,848) | - | (545,848) |
| | 17,005,000 | 157,396,276 | 23,486,016 | 197,887,292 |
| Financial liabilities measured at fair value: | | | | |
| Financial liabilities at fair value through profit or loss | - | 10,696,966 | - | 10,696,966 |
| Structured deposits | - | 40,988 | - | 40,988 |
| Borrowings | - | 10,655,978 | - | 10,655,978 |
| Derivative liabilities | - | 12,217,525 | 420,650 | 12,638,175 |
| Foreign exchange related contracts | - | 2,992,049 | - | 2,992,049 |
| Interest rate related contracts | - | 9,612,631 | - | 9,612,631 |
| Equity and commodity related contracts | - | 157,886 | 420,650 | 578,536 |
| Credit related contracts | - | 807 | - | 807 |
| Netting effects under MFRS 132 Amendments | - | (545,848) | - | (545,848) |
| | - | 22,914,491 | 420,650 | 23,335,141 |
| 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 |
| | | | | |
| Non-financial assets measured at fair value: | | | | |
| Investment properties | - | - | 941,545 | 941,545 |
| Financial assets measured at fair value: | | | | |
| Financial assets designated upon initial recognition at fair value through profit or loss | 130,153 | 13,897,878 | - | 14,028,031 |
| Money market instruments | - | 639,811 | - | 639,811 |
| Quoted securities | 130,153 | - | - | 130,153 |
| Unquoted securities | - | 13,258,067 | - | 13,258,067 |
| Financial investments at fair value through profit or loss | 8,766,663 | 17,541,955 | 871,228 | 27,179,846 |
| Money market instruments | - | 12,217,753 | - | 12,217,753 |
| Quoted securities | 8,766,663 | - | - | 8,766,663 |
| Unquoted securities | - | 5,324,202 | 871,228 | 6,195,430 |
| Financial investments at fair value through other comprehensive income | 3,499,479 | 123,459,360 | 543,842 | 127,502,681 |
| Money market instruments | - | 67,536,344 | - | 67,536,344 |
| Quoted securities | 3,499,479 | - | - | 3,499,479 |
| Unquoted securities | - | 55,923,016 | 543,842 | 56,466,858 |
| Loans, advances and financing at fair value through profit or loss | - | - | 170,712 | 170,712 |
| Loans, advances and financing at fair value through other comprehensive income | - | - | 16,031,857 | 16,031,857 |

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

The classification in the fair value hierarchy of the Group's and the Bank's non-financial and financial assets and financial liabilities measured at fair value as at 31 December 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 31 December 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 | 578,310 | 12,725,264 | 700,280 | 14,003,854 |
| Money market instruments | - | 8,733,992 | - | 8,733,992 |
| Quoted securities | 578,310 | - | - | 578,310 |
| Unquoted securities | - | 3,991,272 | 700,280 | 4,691,552 |
| Financial investments at fair value through other comprehensive income | 15,490 | 70,255,232 | 392,339 | 70,663,061 |
| Money market instruments | - | 29,385,555 | - | 29,385,555 |
| Quoted securities | 15,490 | - | - | 15,490 |
| Unquoted securities | - | 40,869,677 | 392,339 | 41,262,016 |
| Loans, advances and financing at fair value through profit or loss | - | - | 15,491 | 15,491 |
| Loans, advances and financing at fair value through other comprehensive income | - | - | 19,301,237 | 19,301,237 |
| Derivative assets | - | 12,077,789 | 420,650 | 12,498,439 |
| Foreign exchange related contracts | - | 2,590,973 | - | 2,590,973 |
| Interest rate related contracts | - | 10,019,308 | - | 10,019,308 |
| Equity and commodity related contracts | - | 7,405 | 420,650 | 428,055 |
| Credit related contracts | - | 468 | - | 468 |
| Netting effects under MFRS 132 Amendments | - | (540,365) | - | (540,365) |
| | <u>593,800</u> | <u>95,058,285</u> | <u>20,829,997</u> | <u>116,482,082</u> |

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

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

| | Valuation technique using | | | Total RM'000 |
|---|---|---|---|-------------------------|
| | Quoted Market Price (Level 1) RM'000 | Observable Inputs (Level 2) RM'000 | Unobservable Inputs (Level 3) RM'000 | |
| Bank (cont'd.) | | | | |
| At 31 December 2021 | | | | |
| Financial liabilities measured at fair value: | | | | |
| Financial liabilities at fair value through profit or loss | - | 10,696,966 | - | 10,696,966 |
| Structured deposits | - | 40,988 | - | 40,988 |
| Borrowings | - | 10,655,978 | - | 10,655,978 |
| Derivative liabilities | - | 11,954,006 | 420,650 | 12,374,656 |
| Foreign exchange related contracts | - | 2,885,298 | - | 2,885,298 |
| Interest rate related contracts | - | 9,601,511 | - | 9,601,511 |
| Equity and commodity related contracts | - | 6,755 | 420,650 | 427,405 |
| Credit related contracts | - | 807 | - | 807 |
| Netting effects under MFRS 132 Amendments | - | (540,365) | - | (540,365) |
| | - | 22,650,972 | 420,650 | 23,071,622 |
| Bank | | | | |
| At 31 December 2020 | | | | |
| Financial assets measured at fair value: | | | | |
| Financial investments at fair value through profit or loss | 518,705 | 16,988,267 | 682,508 | 18,189,480 |
| Money market instruments | - | 11,757,406 | - | 11,757,406 |
| Quoted securities | 518,705 | - | - | 518,705 |
| Unquoted securities | - | 5,230,861 | 682,508 | 5,913,369 |
| Financial investments at fair value through other comprehensive income | 17,836 | 75,004,340 | 511,617 | 75,533,793 |
| Money market instruments | - | 31,797,338 | - | 31,797,338 |
| Quoted securities | 17,836 | - | - | 17,836 |
| Unquoted securities | - | 43,207,002 | 511,617 | 43,718,619 |
| Loans, advances and financing at fair value through profit or loss | - | - | 170,712 | 170,712 |
| Loans, advances and financing at fair value through other comprehensive income | - | - | 13,290,590 | 13,290,590 |
| Derivative assets | - | 19,659,889 | 53,913 | 19,713,802 |
| Foreign exchange related contracts | - | 6,477,479 | - | 6,477,479 |
| Interest rate related contracts | - | 14,603,840 | - | 14,603,840 |
| Equity and commodity related contracts | - | 135,936 | 53,913 | 189,849 |
| Credit related contracts | - | 334 | - | 334 |
| Netting effects under MFRS132 Amendments | - | (1,557,700) | - | (1,557,700) |
| | 536,541 | 111,652,496 | 14,709,340 | 126,898,377 |

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

The classification in the fair value hierarchy of the Group's and the Bank's non-financial and financial assets and financial liabilities measured at fair value as at 31 December 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.

Investment properties

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

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

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

| <u>Group</u> | At 1 January 2021 RM'000 | Other gains recognised in income statements* | Unrealised gains/(losses) recognised in income statements# | Unrealised (losses)/gains recognised in other comprehensive income RM'000 | Purchases/ Issuances/ Additions RM'000 | Sales RM'000 | Settlements RM'000 | Exchange differences RM'000 | At 31 December 2021 RM'000 |
|---|-----------------------------------|--|--|---|---|--------------------|-----------------------|-----------------------------------|-------------------------------------|
| As at 31 December 2021 | | | | | | | | | |
| Financial investments at fair value through profit or loss | | | | | | | | | |
| Unquoted securities | 871,228 | 10,029 | 28,665 | - | - | (49,269) | - | (8) | 860,645 |
| Financial investments at fair value through other comprehensive income | | | | | | | | | |
| Unquoted securities | 543,842 | - | - | (119,255) | - | - | - | 1,630 | 426,217 |
| Loans, advances and financing at fair value through profit or loss | 170,712 | - | - | - | 15,491 | - | (176,044) | 5,332 | 15,491 |
| Loans, advances and financing at fair value through other comprehensive income | 16,031,857 | - | - | 25,845 | 10,914,879 | - | (5,464,275) | 254,707 | 21,763,013 |
| Derivative assets | | | | | | | | | |
| Equity and commodity related contracts | 53,913 | 906,975 | 193,932 | - | 258,058 | (992,228) | - | - | 420,650 |
| Total Level 3 financial assets | <u>17,671,552</u> | <u>917,004</u> | <u>222,597</u> | <u>(93,410)</u> | <u>11,188,428</u> | <u>(1,041,497)</u> | <u>(5,640,319)</u> | <u>261,661</u> | <u>23,486,016</u> |
| Derivative liabilities | | | | | | | | | |
| Equity and commodity related contracts | (53,913) | 918,875 | (193,932) | - | (258,058) | (833,622) | - | - | (420,650) |
| Total Level 3 financial liabilities | <u>(53,913)</u> | <u>918,875</u> | <u>(193,932)</u> | <u>-</u> | <u>(258,058)</u> | <u>(833,622)</u> | <u>-</u> | <u>-</u> | <u>(420,650)</u> |
| Total net Level 3 financial assets/(liabilities) | <u>17,617,639</u> | <u>1,835,879</u> | <u>28,665</u> | <u>(93,410)</u> | <u>10,930,370</u> | <u>(1,875,119)</u> | <u>(5,640,319)</u> | <u>261,661</u> | <u>23,065,366</u> |

* 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'.

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

| Group | 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 | At 31 December 2020 RM'000 |
|---|---|--|---|---|---|-------------------------|-------------------------------|--|---|
| As at 31 December 2020 | | | | | | | | | |
| 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>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>(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>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'.

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

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

| Bank | At | Other | Unrealised | Unrealised | Purchases/ | Sales | Settlements | Exchange | At |
|---|-------------------|----------------------|-----------------------|-----------------------|----------------------|--------------------|--------------------|--------------------|--------------------|
| As at 31 December 2021 | 1 January | gains | gains/(losses) | (losses)/gains | Issuances/ | RM'000 | RM'000 | differences | 31 December |
| | 2021 | recognised in | recognised in | recognised in | other | Additions/ | RM'000 | RM'000 | 2021 |
| | RM'000 | income | income | other | comprehensive | RM'000 | RM'000 | RM'000 | RM'000 |
| | | statements* | statements# | income | income | | | | |
| | | RM'000 | RM'000 | RM'000 | RM'000 | | | | RM'000 |
| Financial investments at fair value through profit or loss | | | | | | | | | |
| Unquoted securities | 682,508 | - | 17,772 | - | - | - | - | - | 700,280 |
| Financial investments at fair value through other comprehensive income | | | | | | | | | |
| Unquoted securities | 511,617 | - | - | (119,278) | - | - | - | - | 392,339 |
| Loans, advances and financing at fair value through profit or loss | 170,712 | - | - | - | 15,491 | - | (176,044) | 5,332 | 15,491 |
| Loans, advances and financing at fair value through other comprehensive income | 13,290,590 | - | - | 25,846 | 10,849,203 | - | (5,114,925) | 250,523 | 19,301,237 |
| Derivative assets | | | | | | | | | |
| Equity and commodity related contracts | 53,913 | 906,975 | 193,932 | - | 258,058 | (992,228) | - | - | 420,650 |
| Total Level 3 financial assets | 14,709,340 | 906,975 | 211,704 | (93,432) | 11,122,752 | (992,228) | (5,290,969) | 255,855 | 20,829,997 |
| Derivative liabilities | | | | | | | | | |
| Equity and commodity related contracts | (53,913) | 918,875 | (193,932) | - | (258,058) | (833,622) | - | - | (420,650) |
| Total Level 3 financial liabilities | (53,913) | 918,875 | (193,932) | - | (258,058) | (833,622) | - | - | (420,650) |
| Total net Level 3 financial assets/(liabilities) | 14,655,427 | 1,825,850 | 17,772 | (93,432) | 10,864,694 | (1,825,850) | (5,290,969) | 255,855 | 20,409,347 |

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

Included within 'Other operating income'.

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

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

| Bank | At | Other | Unrealised | Unrealised | Purchases/ | Sales | Settlements | Exchange | At |
|---|-------------------|----------------------|----------------------|----------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| As at 31 December 2020 | 1 January | gains | gains | gains | Issuances/ | RM'000 | RM'000 | differences | 31 December |
| | 2020 | recognised in | recognised in | recognised in | other | Additions/ | RM'000 | RM'000 | 2020 |
| | RM'000 | income | income | comprehensive | income | RM'000 | RM'000 | RM'000 | RM'000 |
| | | statements* | statements# | income | RM'000 | | | | RM'000 |
| | | RM'000 | RM'000 | RM'000 | RM'000 | | | | |
| Financial investments at fair value through profit or loss | | | | | | | | | |
| Unquoted securities | 622,176 | - | 60,332 | - | - | - | - | - | 682,508 |
| Financial investments at fair value through other comprehensive income | | | | | | | | | |
| Unquoted securities | 429,654 | - | - | 81,963 | - | - | - | - | 511,617 |
| Loans, advances and financing at fair value through profit or loss | 401,703 | - | 479 | - | 155,483 | - | (382,457) | (4,496) | 170,712 |
| Loans, advances and financing at fair value through other comprehensive income | 11,380,901 | - | - | 178,658 | 4,125,357 | - | (2,380,526) | (13,800) | 13,290,590 |
| Derivative assets | | | | | | | | | |
| Equity and commodity related contracts | 83,393 | 456,777 | 77,240 | - | 36,870 | - | (600,367) | - | 53,913 |
| Total Level 3 financial assets | 12,917,827 | 456,777 | 138,051 | 260,621 | 4,317,710 | - | (3,363,350) | (18,296) | 14,709,340 |
| Derivative liabilities | | | | | | | | | |
| Equity and commodity related contracts | (83,393) | 457,440 | 77,240 | - | (36,870) | - | (468,330) | - | (53,913) |
| Total Level 3 financial liabilities | (83,393) | 457,440 | 77,240 | - | (36,870) | - | (468,330) | - | (53,913) |
| Total net Level 3 financial assets/(liabilities) | 12,834,434 | 914,217 | 215,291 | 260,621 | 4,280,840 | - | (3,831,680) | (18,296) | 14,655,427 |

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

Included within 'Other operating income'.

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 12 months financial year ended 31 December 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 12 months financial year ended 31 December 2021.

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A39. Credit Exposure Arising from Credit Transactions with Connected Parties

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

| | Group | | Bank | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| Outstanding credit exposures with connected parties (RM'000) | <u>25,516,741</u> | <u>23,847,402</u> | <u>23,517,838</u> | <u>21,608,355</u> |
| Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures | <u>3.0%</u> | <u>2.9%</u> | <u>4.8%</u> | <u>4.7%</u> |
| Percentage of outstanding credit exposures to connected parties which is impaired* or in default | <u>0.0%</u> | <u>0.0%</u> | <u>0.0%</u> | <u>0.0%</u> |

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

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

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

(a) Audited Income Statements for the Financial Year Ended 31 December 2021

| Group Twelve-Month Ended | Life Fund | | Family Takaful Fund | | General Takaful Fund | | Shareholders' and General Funds | | Total | |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|------------------------------------|---------------------|---------------------|---------------------|
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | 569,689 | 496,801 | 467,072 | 448,186 | 84,670 | 72,285 | 268,722 | 246,174 | 1,390,153 | 1,263,446 |
| Interest expense | - | - | - | - | - | - | (14,208) | (3,045) | (14,208) | (3,045) |
| Net interest income | 569,689 | 496,801 | 467,072 | 448,186 | 84,670 | 72,285 | 254,514 | 243,129 | 1,375,945 | 1,260,401 |
| Net earned insurance premiums | 4,396,822 | 5,350,500 | 1,553,439 | 1,334,696 | 1,302,694 | 1,355,587 | 1,593,827 | 1,418,073 | 8,846,782 | 9,458,856 |
| Other operating (loss)/income | (305,741) | 203,066 | (323,115) | 374,353 | (4,766) | 40,419 | 71,249 | 202,748 | (562,373) | 820,586 |
| Total operating income | 4,660,770 | 6,050,367 | 1,697,396 | 2,157,235 | 1,382,598 | 1,468,291 | 1,919,590 | 1,863,950 | 9,660,354 | 11,539,843 |
| Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund | (4,429,287) | (5,816,277) | (1,679,479) | (2,120,702) | (1,388,360) | (1,470,906) | (255,061) | (151,738) | (7,752,187) | (9,559,623) |
| Net operating income | 231,483 | 234,090 | 17,917 | 36,533 | (5,762) | (2,615) | 1,664,529 | 1,712,212 | 1,908,167 | 1,980,220 |
| Overhead expenses | (235,772) | (230,187) | (26,284) | (32,476) | (521) | (268) | (736,550) | (687,461) | (999,127) | (950,392) |
| Operating (loss)/profit before impairment losses | (4,289) | 3,903 | (8,367) | 4,057 | (6,283) | (2,883) | 927,979 | 1,024,751 | 909,040 | 1,029,828 |
| Writeback of/(allowances for) impairment losses on loans, advances, financing and other debts, net | 181 | (104) | (22) | - | (923) | 2,689 | (2,973) | (8,777) | (3,737) | (6,192) |
| Writeback of/(allowances for) impairment losses on financial investments, net | 44 | (1,174) | - | - | - | - | 260 | (113) | 304 | (1,287) |
| Writeback of/(allowances for) impairment losses on other financial assets and goodwill, net | 4,064 | (2,625) | 8,389 | (4,057) | 7,206 | 194 | 14,656 | (27,248) | 34,315 | (33,736) |
| Profit before taxation and zakat | - | - | - | - | - | - | 939,922 | 988,613 | 939,922 | 988,613 |
| Taxation and zakat | - | - | - | - | - | - | (268,356) | (278,647) | (268,356) | (278,647) |
| Profit for the financial year | - | - | - | - | - | - | 671,566 | 709,966 | 671,566 | 709,966 |

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

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

(b) Audited Statements of Financial Position as at 31 December 2021

| Group | Life Fund | | Family Takaful Fund | | General Takaful Fund | | Shareholders' and General Funds | | Total | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------------|----------------------------|----------------------------|----------------------------|
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| ASSETS | | | | | | | | | | |
| Cash and short-term funds | 720,239 | 722,325 | 11,182 | 5,783 | 2,098 | 38,477 | 285,153 | 252,170 | 1,018,672 | 1,018,755 |
| Deposits and placements with financial institutions | 860,786 | 1,896,199 | 1,488,316 | 2,811,690 | 280,550 | 969,131 | 1,737,626 | 1,829,400 | 4,367,278 | 7,506,420 |
| Financial assets designated upon initial recognition at fair value through profit or loss | 6,584,696 | 6,719,541 | 5,485,382 | 5,910,702 | 19,603 | 20,424 | 1,012,445 | 1,166,021 | 13,102,126 | 13,816,688 |
| Financial investments at fair value through profit or loss | 5,947,539 | 4,860,250 | 602,117 | 540,374 | 135,020 | 28,190 | 546,044 | 569,661 | 7,230,720 | 5,998,475 |
| Financial investments at fair value through other comprehensive income | 7,098,080 | 4,054,891 | 4,557,130 | 3,059,659 | 2,093,611 | 1,227,357 | 4,723,167 | 3,960,583 | 18,471,988 | 12,302,490 |
| Financial investments at amortised cost | - | - | - | - | - | - | 13,296 | 11,751 | 13,296 | 11,751 |
| Loans, advances and financing | 268,698 | 261,372 | - | - | - | - | 93,457 | 88,900 | 362,155 | 350,272 |
| Derivative assets | 35,094 | 140,502 | - | - | - | - | 871 | 12,037 | 35,965 | 152,539 |
| Reinsurance/retakaful assets and other insurance receivables | 1,531,147 | 541,915 | 440,495 | 316,950 | 971,460 | 356,542 | 4,572,762 | 4,563,174 | 7,515,864 | 5,778,581 |
| Other assets | 141,478 | 82,112 | 25,505 | 27,314 | 3,640 | 4,400 | 670,006 | 530,815 | 840,629 | 644,641 |
| Investment properties | 807,730 | 796,250 | - | - | - | - | 162,459 | 140,180 | 970,189 | 936,430 |
| Statutory deposits with central banks | - | - | - | - | - | - | 5,841 | 5,624 | 5,841 | 5,624 |
| Interest in associates | - | - | - | - | - | - | 152 | 152 | 152 | 152 |
| Property, plant and equipment | 94,159 | 91,931 | - | - | - | - | 62,855 | 64,292 | 157,014 | 156,223 |
| Right-of-use assets | 124 | 86 | - | - | - | - | 40,850 | 24,923 | 40,974 | 25,009 |
| Intangible assets | 56,141 | 50,920 | - | - | - | - | 103,952 | 59,268 | 160,093 | 110,188 |
| Deferred tax assets | 2,782 | 3,438 | 5,361 | 3,746 | 8,292 | 4,572 | 77,760 | 56,789 | 94,195 | 68,545 |
| TOTAL ASSETS | 24,148,693 | 20,221,732 | 12,615,488 | 12,676,218 | 3,514,274 | 2,649,093 | 14,108,696 | 13,335,740 | 54,387,151 | 48,882,783 |
| LIABILITIES | | | | | | | | | | |
| Derivative liabilities | 12,312 | 3,473 | - | - | - | - | 9,451 | - | 21,763 | 3,473 |
| Insurance/takaful contract liabilities and other insurance payables | 21,025,536 | 17,670,026 | 12,246,764 | 11,984,943 | 2,947,816 | 2,238,292 | 5,873,499 | 5,801,504 | 42,093,615 | 37,694,765 |
| Other liabilities # | 3,038,195 | 2,501,180 | 347,600 | 636,813 | 562,920 | 397,599 | (916,048) | (430,416) | 3,032,667 | 3,105,176 |
| Provision for taxation and zakat | 15,637 | (32,868) | 83 | (938) | - | - | 29,667 | 93,264 | 45,387 | 59,458 |
| Deferred tax liabilities | 57,013 | 79,921 | 21,041 | 55,400 | 3,538 | 13,202 | 311,332 | 338,858 | 392,924 | 487,381 |
| Subordinated obligations | - | - | - | - | - | - | 1,009,848 | - | 1,009,848 | - |
| TOTAL LIABILITIES | 24,148,693 | 20,221,732 | 12,615,488 | 12,676,218 | 3,514,274 | 2,649,093 | 6,317,749 | 5,803,210 | 46,596,204 | 41,350,253 |
| EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE SUBSIDIARIES | | | | | | | | | | |
| Share capital | - | - | - | - | - | - | 660,865 | 660,865 | 660,865 | 660,865 |
| Other reserves | - | - | - | - | - | - | 7,130,082 | 6,871,665 | 7,130,082 | 6,871,665 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 24,148,693 | 20,221,732 | 12,615,488 | 12,676,218 | 3,514,274 | 2,649,093 | 14,108,696 | 13,335,740 | 54,387,151 | 48,882,783 |

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

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A41. The Operations of Islamic Banking Scheme

A41a. Income Statements for the Fourth Quarter and Financial Year Ended 31 December 2021

| <u>Group</u> | Unaudited | | Audited | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Income derived from investment of depositors' funds (Note (a)) | 2,254,139 | 2,100,166 | 8,811,464 | 8,577,690 |
| Income derived from investment of investment account funds (Note (a)) | 257,036 | 246,479 | 951,680 | 1,008,062 |
| Income derived from investment of Islamic Banking Funds (Note (a)) | 143,786 | 130,332 | 557,760 | 468,227 |
| Writeback of/(allowances for) impairment losses on financing and advances, net | 150,194 | (392,689) | (524,946) | (929,159) |
| (Allowances for)/writeback of impairment losses on financial investments, net | (664) | (240,345) | 241,111 | (253,252) |
| Allowances for impairment losses on other financial assets, net | (2,727) | (1,362) | (5,629) | (1,452) |
| Total distributable income | 2,801,764 | 1,842,581 | 10,031,440 | 8,870,116 |
| Profit share income from investment account | 23 | - | 85 | - |
| Profit distributed to depositors | (875,958) | (951,710) | (3,472,050) | (4,610,219) |
| Profit distributed to investment account holders | (72,899) | (77,328) | (289,503) | (370,986) |
| Total net income | 1,852,930 | 813,543 | 6,269,972 | 3,888,911 |
| Finance cost | (103,421) | (112,555) | (409,401) | (482,323) |
| Overhead expenses | (487,460) | (387,362) | (1,691,269) | (1,629,392) |
| Profit before taxation and zakat | 1,262,049 | 313,626 | 4,169,302 | 1,777,196 |
| Taxation | (311,677) | (70,397) | (1,011,858) | (454,140) |
| Zakat | (6,349) | 7,209 | (26,591) | (14,673) |
| Profit for the financial period/year | 944,023 | 250,438 | 3,130,853 | 1,308,383 |

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

| <u>Group</u> | Unaudited | | Audited | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Income derived from investment of depositors' funds (Note (a)) | 2,254,139 | 2,100,166 | 8,811,464 | 8,577,690 |
| Income derived from investment of investment account funds (Note (a)) | 257,036 | 246,479 | 951,680 | 1,008,062 |
| Income derived from investment of Islamic Banking Funds (Note (a)) | 143,786 | 130,332 | 557,760 | 468,227 |
| Total income before allowances for impairment losses on financial assets and overhead expenses | 2,654,961 | 2,476,977 | 10,320,904 | 10,053,979 |
| Profit share income from investment account | 23 | - | 85 | - |
| Profit distributed to depositors | (875,958) | (951,710) | (3,472,050) | (4,610,219) |
| Profit distributed to investment account holders | (72,899) | (77,328) | (289,503) | (370,986) |
| | 1,706,127 | 1,447,939 | 6,559,436 | 5,072,774 |
| Finance cost | (103,421) | (112,555) | (409,401) | (482,323) |
| Net of intercompany income and expenses | 355,699 | 337,815 | 1,422,564 | 1,545,131 |
| Income from Islamic Banking Scheme operations reported in the Income Statement of the Group | 1,958,405 | 1,673,199 | 7,572,599 | 6,135,582 |

Note (a): 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 RM106,838,000 (31 December 2020: RM240,920,000).

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

A41b. Audited Statements of Comprehensive Income for the Fourth Quarter and Financial Year Ended 31 December 2021

| | Unaudited | | Audited | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| <u>Group</u> | 31 December 2021 RM'000 | 31 December 2020 RM'000 | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
| Profit for the financial period/year | 944,023 | 250,438 | 3,130,853 | 1,308,383 |
| Other comprehensive (loss)/income: | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | |
| Net gain/(loss) on foreign exchange translation | 49 | 269 | (451) | 321 |
| Net (loss)/gain on financial investments at fair value through other comprehensive income | (72,235) | 27,447 | (567,768) | 306,702 |
| - Net (loss)/gain from change in fair value | (90,501) | 39,685 | (744,977) | 399,934 |
| - Changes in expected credit losses | (3,454) | (2,713) | (1,585) | 2,752 |
| - Income tax effect | 21,720 | (9,525) | 178,794 | (95,984) |
| | (72,186) | 27,716 | (568,219) | 307,023 |
| Other comprehensive (loss)/income for the financial period/year, net of tax | (72,186) | 27,716 | (568,219) | 307,023 |
| Total comprehensive income for the financial period/year | 871,837 | 278,154 | 2,562,634 | 1,615,406 |

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

A41c. Audited Statement of Financial Position as at 31 December 2021

| <u>Group</u> | Note | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
|--|------|-------------------------------|-------------------------------|
| ASSETS | | | |
| Cash and short-term funds | | 12,127,687 | 9,919,980 |
| Deposits and placements with financial institutions | | 3,000,157 | - |
| Financial assets purchased under resale agreements | | 10,420,749 | 3,625,611 |
| Financial investments at fair value through profit or loss | | 784,302 | - |
| Financial investments at fair value through other comprehensive income | | 15,082,779 | 18,453,139 |
| Financial investments at amortised cost | | 22,867,781 | 16,381,007 |
| Financing and advances | A41e | 192,465,717 | 203,666,875 |
| Derivative assets | | 117,420 | 385,303 |
| Other assets | | 5,710,586 | 3,459,012 |
| Statutory deposit with central banks | | 20,447 | 12,591 |
| Property, plant and equipment | | 546 | 979 |
| Right-of-use assets | | 6,126 | 9,901 |
| Deferred tax assets | | 190,616 | - |
| Total Assets | | 262,794,913 | 255,914,398 |
| LIABILITIES | | | |
| Customers' funding: | | | |
| - Deposits from customers | A41f | 179,514,915 | 165,268,243 |
| - Investment accounts of customers ¹ | A41g | 28,720,799 | 23,840,796 |
| Deposits and placements from financial institutions | | 24,170,127 | 38,770,852 |
| Bills and acceptances payable | | 19,561 | 38,086 |
| Derivative liabilities | | 177,545 | 656,302 |
| Other liabilities | | 2,189,975 | 783,382 |
| Deferred tax liabilities | | - | 449,812 |
| Provision for taxation and zakat | | 38,799 | 21,256 |
| Term funding | A41h | 10,923,177 | 10,895,058 |
| Subordinated sukuk | A41i | 2,021,814 | 2,028,303 |
| Capital securities | A41j | 1,002,441 | 1,002,441 |
| Total Liabilities | | 248,779,153 | 243,754,531 |
| ISLAMIC BANKING CAPITAL FUNDS | | | |
| Islamic Banking Funds | | 10,327,374 | 7,934,444 |
| Retained profits | | 3,488,469 | 2,983,827 |
| Other reserves | | 199,917 | 1,241,596 |
| | | 14,015,760 | 12,159,867 |
| Total liabilities and Islamic Banking Capital Funds | | 262,794,913 | 255,914,398 |
| Restricted investment accounts managed by the Group | A41g | 30,147,795 | - |
| TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE GROUP | | 292,942,708 | 255,914,398 |
| COMMITMENTS AND CONTINGENCIES | | 83,982,957 | 76,524,814 |

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

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

A41d. Audited Statements of Changes in Islamic Banking Capital Funds for the Financial Year Ended 31 December 2021

| <u>Group</u> | ←-----Non-distributable -----→ | | | | | | Total RM'000 |
|---|---------------------------------------|---------------------------------|---|--|---|--|-------------------|
| | Islamic Banking Funds RM'000 | Regulatory Reserve RM'000 | Fair Value Through Other Comprehensive Income Reserve RM'000 | Exchange Fluctuation Reserve RM'000 | Equity contribution from the holding Company ¹ RM'000 | Distributable Retained Profits 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 year | - | - | - | - | - | 3,130,853 | 3,130,853 |
| Other comprehensive loss | - | - | (567,768) | (451) | - | - | (568,219) |
| Net loss on foreign exchange translation | - | - | - | (451) | - | - | (451) |
| Net loss on financial investments at fair value through other comprehensive income | - | - | (567,768) | - | - | - | (567,768) |
| Total comprehensive (loss)/income for the financial year | - | - | (567,768) | (451) | - | 3,130,853 | 2,562,634 |
| Issue of ordinary shares | 2,392,930 | - | - | - | - | - | 2,392,930 |
| Transfer from regulatory reserve | - | (473,460) | - | - | - | 473,460 | - |
| Dividends paid | - | - | - | - | - | (3,099,671) | (3,099,671) |
| At 31 December 2021 | 10,327,374 | 121,014 | 77,254 | (48) | 1,697 | 3,488,469 | 14,015,760 |

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

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

A41d. Audited Statements of Changes in Islamic Banking Capital Funds for the Financial Year Ended 31 December 2021 (cont'd.)

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

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

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

A41e. Financing and Advances

| Group | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
|--|--|--|
| Financing and advances*: | | |
| (A) Financing and advances at fair value through other comprehensive income | 2,175,615 | 2,741,267 |
| (B) Financing and advances at amortised cost | 262,214,501 | 289,662,732 |
| | 264,390,116 | 292,403,999 |
| Unearned income | (68,980,345) | (85,698,158) |
| Gross financing and advances | 195,409,771 | 206,705,841 |
| Allowances for impaired financing and advances: | | |
| - Stage 1 - 12-month ECL | (556,209) | (574,213) |
| - Stage 2 - Lifetime ECL not credit impaired | (1,678,410) | (1,209,931) |
| - Stage 3 - Lifetime ECL credit impaired | (709,435) | (1,254,822) |
| Net financing and advances | 192,465,717 | 203,666,875 |

* As at 31 December 2020, included in the financing and advances are financial assets funded by Restricted Profit Sharing Investment Account ("RPSIA") amounting to RM26,483.7 million. The expected credit losses relating to these financing amounting to RM446.6 million are reflected as a reduction in both financing and advances and deposits and placements of banks and other financial institutions.

Effective 31 December 2021, the financing and advances funded by RPSIA amounting to RM25,033.6 million was recorded off-balance sheet under the operations of IBS, upon revision in the agreement between Maybank Islamic Berhad ("MIB") with the Bank and with the third party on the timing of cash flow remittance received from the financing and advances to the investment account holders.

The gross exposure of the financing funded by Investment Accounts of customers ("IA") as at 31 December 2021 was RM28,720.8 million (31 December 2020: RM23,840.8 million).

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

A41e. Financing and Advances (cont'd.)

| <u>Group</u> | Bai ¹ | Murabahah | Musharakah | Al-Ijarah Thumma Al-Bai ("AITAB") ² | Ijarah ³ | Others | Total Financing and Advances |
|---|-------------------|--------------------|------------------|--|---------------------|------------------|---------------------------------------|
| As at 31 December 2021 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Cashline | - | 6,287,366 | - | - | - | - | 6,287,366 |
| Term financing | | | | | | | |
| - Housing financing | 12,828,267 | 81,673,329 | 1,719,726 | - | - | 602 | 96,221,924 |
| - Syndicated financing | - | 5,955,729 | - | - | - | - | 5,955,729 |
| - Hire purchase receivables | - | 11,676,586 | - | 36,500,533 | - | - | 48,177,119 |
| - Lease receivables | - | - | - | - | 815,909 | - | 815,909 |
| - Other term financing | 8,317,772 | 82,612,398 | 536,521 | - | - | 30,604 | 91,497,295 |
| Trust receipts | - | 132,385 | - | - | - | - | 132,385 |
| Claims on customers under acceptance credits | - | 5,227,288 | - | - | - | - | 5,227,288 |
| Staff financing | 340,773 | 2,357,766 | 7,330 | 156,719 | - | 36,492 | 2,899,080 |
| Credit card receivables | - | - | - | - | - | 1,355,004 | 1,355,004 |
| Revolving credit | - | 5,760,355 | - | - | - | - | 5,760,355 |
| Share margin financing | - | 55,212 | - | - | - | - | 55,212 |
| Financing to: | | | | | | | |
| - Directors of the Bank | - | 2,750 | - | - | - | 6 | 2,756 |
| - Directors of subsidiaries | - | 2,271 | - | 300 | - | 123 | 2,694 |
| | 21,486,812 | 201,743,435 | 2,263,577 | 36,657,552 | 815,909 | 1,422,831 | 264,390,116 |
| Unearned income | | | | | | | (68,980,345) |
| Gross financing and advances ⁴ | | | | | | | 195,409,771 |
| Allowances for financing and advances: | | | | | | | |
| - Stage 1 - 12-month ECL | | | | | | | (556,209) |
| - Stage 2 - Lifetime ECL not credit impaired | | | | | | | (1,678,410) |
| - Stage 3 - Lifetime ECL credit impaired | | | | | | | (709,435) |
| Net financing and advances | | | | | | | 192,465,717 |

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 IA.

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

A41e. Financing and Advances (cont'd.)

| <u>Group</u> | Bai ¹ | Murabahah | Musharakah | Al-Ijarah Thumma Al-Bai ("AITAB") ² | Ijarah ³ | 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 | | | | | | | <u>(1,254,822)</u> |
| 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 RPSIA and IA.

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

A41e. Financing and Advances (cont'd.)

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

| <u>Group</u> | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
|--|--|--|
| At 1 January | 2,452,406 | 3,115,266 |
| Newly impaired | 238,626 | 584,878 |
| Reclassified as non-impaired | (36,215) | (485,955) |
| Amount recovered | (339,776) | (437,564) |
| Amount written-off | (233,810) | (317,043) |
| Amount related to Restricted Investment Account | <u>(588,475)</u> | <u>(7,176)</u> |
| Gross impaired financing at 31 December | 1,492,756 | 2,452,406 |
| Less: Stage 3 - Lifetime ECL credit impaired | <u>(709,435)</u> | <u>(1,254,822)</u> |
| Net impaired financing at 31 December | <u>783,321</u> | <u>1,197,584</u> |
| <u>Calculation of ratio of net impaired financing (excluding financing funded by IA)¹:</u> | | |
| Gross impaired financing at 31 December | 1,429,024 | 1,776,012 |
| Less: Stage 3 - Lifetime ECL credit impaired | <u>(709,435)</u> | <u>(1,254,822)</u> |
| Net impaired financing at 31 December | <u>719,589</u> | <u>521,190</u> |
| Gross financing and advances | 166,688,972 | 156,381,322 |
| Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income | <u>(2,946,356)</u> | <u>(3,043,122)</u> |
| Net financing and advances | <u>163,742,616</u> | <u>153,338,200</u> |
| Net impaired financing as a percentage of net financing and advances | <u>0.44%</u> | <u>0.34%</u> |

¹ Excludes financing funded by RPSIA for the financial year ended 31 December 2020.

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

A41e. Financing and Advances (cont'd.)

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

At fair value through other comprehensive income

| Group | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---------------------|---|-------------------------------------|---------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| As at 31 December 2021 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2021 | 1,662 | 2,494 | - | 4,156 |
| Net remeasurement of allowances | 133 | - | - | 133 |
| New financial assets originated or purchased | 47 | - | - | 47 |
| Financial assets derecognised | (636) | (2,494) | - | (3,130) |
| Changes in models/risk parameters | 1,085 | - | - | 1,085 |
| Exchange differences | 11 | - | - | 11 |
| At 31 December 2021 | 2,302 | - | - | 2,302 |

| 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 | 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

| Group | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---------------------|---|-------------------------------------|------------------|
| | 12-month ECL | Lifetime ECL not credit impaired | Lifetime ECL credit impaired | |
| As at 31 December 2021 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2021 | 574,213 | 1,209,931 | 1,254,822 | 3,038,966 |
| Transferred to Stage 1 | 241,131 | (229,027) | (12,104) | - |
| Transferred to Stage 2 | (17,310) | 45,043 | (27,733) | - |
| Transferred to Stage 3 | (5,392) | (27,532) | 32,924 | - |
| Net remeasurement of allowances | (245,822) | 741,141 | 117,932 | 613,251 |
| New financial assets originated or purchased | 115,763 | 51,554 | - | 167,317 |
| Financial assets derecognised | (42,288) | (75,656) | (24,227) | (142,171) |
| Changes in models/risk parameters | (44,063) | (20,640) | - | (64,703) |
| Amount related to Restricted Investment Accounts | (20,279) | (17,223) | (409,064) | (446,566) |
| Amount written-off | - | - | (233,810) | (233,810) |
| Exchange differences | 256 | 819 | 10,695 | 11,770 |
| At 31 December 2021 | 556,209 | 1,678,410 | 709,435 | 2,944,054 |

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

A41e. Financing and Advances (cont'd.)

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

At amortised cost (cont'd.)

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

A41f. Deposits from Customers

| <u>Group</u> | <u>31 December 2021</u> | <u>31 December 2020</u> |
|-------------------------------|-----------------------------|-----------------------------|
| | <u>RM'000</u> | <u>RM'000</u> |
| Savings deposits | | |
| Murabahah | 26,302,000 | - |
| Qard | 3,496,477 | 23,708,048 |
| | <u>29,798,477</u> | <u>23,708,048</u> |
| Demand deposits | | |
| Murabahah | 32,042,236 | - |
| Qard | 1,362,014 | 26,703,462 |
| | <u>33,404,250</u> | <u>26,703,462</u> |
| Term deposits | | |
| Murabahah | 115,751,729 | 114,498,944 |
| Qard | 560,459 | 357,789 |
| | <u>116,312,188</u> | <u>114,856,733</u> |
| Total deposits from customers | <u>179,514,915</u> | <u>165,268,243</u> |

During the financial year ended 31 December 2021, the Group changed the underlying shariah contract for deposit from customers from Qard to Murabahah for certain applicable products.

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

A41g. Investment Accounts

| <u>Group</u> | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
|--|-------------------------------|-------------------------------|
| Investment accounts of customers | | |
| - Unrestricted investment accounts ¹ | 28,720,799 | 23,840,796 |
| Restricted investment accounts managed by the Group ² | 30,147,795 | - |

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

| <u>Group</u> | Unrestricted investment accounts ¹ RM'000 | Restricted investment accounts managed by the Group ² RM'000 |
|---------------------------------|---|--|
| As at 31 December 2021 | | |
| Business enterprises | 16,564,421 | - |
| Individuals | 10,159,957 | - |
| Government and statutory bodies | 205,058 | - |
| Licensed banks | - | 29,511,958 |
| Others | 1,791,363 | 635,837 |
| | 28,720,799 | 30,147,795 |
| As at 31 December 2020 | | |
| Business enterprises | 13,328,580 | - |
| Individuals | 9,200,552 | - |
| Government and statutory bodies | 112,309 | - |
| Others | 1,199,355 | - |
| | 23,840,796 | - |

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

| <u>Group</u> | Unrestricted investment accounts ¹ RM'000 | Restricted investment accounts managed by the Group ² RM'000 |
|--|---|--|
| As at 31 December 2021 | | |
| - without maturity | 23,666,368 | - |
| - with maturity | | |
| Within six months | 3,560,977 | 8,099,298 |
| Six months to one year | 1,483,337 | 54,362 |
| One year to three years | 4,741 | 3,715,037 |
| Three years to five years | 5,376 | 18,279,098 |
| | 5,054,431 | 30,147,795 |
| Total investment accounts of customers | 28,720,799 | 30,147,795 |
| As at 31 December 2020 | | |
| - 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 | - |

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

A41g. Investment Accounts (cont'd.)

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

| <u>Group</u> | Unrestricted investment accounts ¹ RM'000 | Restricted investment accounts managed by the Group ² RM'000 |
|-------------------------------|---|--|
| As at 31 December 2021 | | |
| Retail financing | 26,965,529 | - |
| Non-retail financing | 1,755,270 | 24,819,965 |
| Corporate Sukuk | - | 5,327,830 |
| | 28,720,799 | 30,147,795 |
| 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:

| <u>Group</u> | <u>Investment account holder ("IAH")</u> | |
|--|--|----------------------------|
| | Average profit sharing ratio (%) | Average rate of return (%) |
| As at 31 December 2021 | | |
| Investment accounts of customers | | |
| - Unrestricted investment accounts ¹ | 29.55 | 1.18 |
| Restricted investment accounts managed by the Group ² | 78.41 | 3.20 |
| As at 31 December 2020 | | |
| Investment accounts of customers | | |
| - Unrestricted investment accounts | 36.53 | 1.64 |
| - Restricted investment accounts ³ | 99.95 | 4.03 |

¹ Included in the unrestricted investment accounts are funds received from the Multi-Asset Investment Account-i ("MAIA") product of RM254.1 million 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 RM261.3 million as at 31 December 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 the restricted investment accounts managed by the Group is an arrangement between MIB with the Bank and with the third party where MIB acts as an investment agent to manage and administer the restricted investment accounts amounting to RM29,512.0 million and RM635.8 million respectively. The amount of restricted investment accounts managed by MIB are disclosed net of any impairment allowances required on the underlying financial assets funded by the restricted investment accounts.

³ As at 31 December 2020, the restricted investment accounts have been fully withdrawn.

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

A41h. Term Funding

| <u>Group</u> | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
|---------------------------------|-------------------------------|-------------------------------|
| Unsecured term funding: | | |
| (i) Commercial Papers | | |
| - Less than one year | 7,947,135 | 7,945,896 |
| (ii) Medium Term Notes | | |
| - Less than one year | 2,002,762 | - |
| - More than one year | - | 2,003,222 |
| (iii) Term funding | | |
| - More than one year (Note (a)) | 973,280 | 945,940 |
| Total term funding | <u>10,923,177</u> | <u>10,895,058</u> |

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

A41i. Subordinated Sukuk

| <u>Group</u> | 31 December 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 | 1,010,849 | 1,010,849 |
| RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2031 | 1,010,965 | - |
| | <u>2,021,814</u> | <u>2,028,303</u> |

A41j. Capital Securities

| <u>Group</u> | 31 December 2021 RM'000 | 31 December 2020 RM'000 |
|---|-------------------------------|-------------------------------|
| RM1.0 billion 4.95% Additional Tier 1 Sukuk Wakalah | 1,002,441 | 1,002,441 |

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

B1. Performance Review

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

The Group posted profit after tax and zakat attributable to equity holders of RM8,096.2 million for the financial year ended 31 December 2021, an increase of RM1,615.0 million or 24.9% as compared to the previous corresponding financial year ended 31 December 2020.

The Group's net interest income and Islamic Banking income for the financial year ended 31 December 2021 increased by RM2,380.7 million or 13.8% to RM19,606.6 million as compared to the previous corresponding financial year ended 31 December 2020.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries decreased by RM612.1 million to RM8,846.8 million for the financial year ended 31 December 2021 as compared to the previous corresponding financial year ended 31 December 2020.

Other operating income of the Group for the financial year ended 31 December 2021 was RM4,470.7 million, a decrease of RM2,828.5 million or 38.8% from RM7,299.2 million in the previous corresponding financial year ended 31 December 2020. The decrease was mainly due to lower net gain in investment income of RM1,420.8 million, unrealised mark-to-market loss on revaluation of derivatives of RM146.8 million, financial assets designated upon initial recognition at FVTPL of RM764.2 million and financial investments at FVTPL of RM235.8 million for the financial year ended 31 December 2021 as compared to unrealised mark-to-market gain on revaluation of derivatives of RM1,014.0 million, financial assets designated upon initial recognition at FVTPL of RM282.5 million and financial investments at FVTPL of RM483.4 million for the previous corresponding financial year ended 31 December 2020 and lower net gain on foreign exchange of RM364.2 million for the financial year ended 31 December 2021. The decreases were, however, mitigated by realised gain on derivatives of RM357.1 million for the financial year ended 31 December 2021 as compared to realised loss of RM626.9 million for the previous corresponding financial year ended 31 December 2020, higher unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM700.8 million and higher fee income of RM264.3 million.

The Group's overhead expenses for the financial year ended 31 December 2021 recorded an increase of RM296.6 million or 2.6% to RM11,518.5 million as compared to the previous corresponding financial year ended 31 December 2020. The increase in overhead expenses was mainly due to higher personnel expenses of RM245.0 million, higher marketing expenses of RM55.8 million and higher establishment costs of RM26.0 million. The increases were, however, mitigated by lower administration and general expenses of RM30.2 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM1,940.0 million or 42.2% to RM2,658.5 million as compared to the previous corresponding financial year ended 31 December 2020.

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B1. Performance Review (cont'd.)

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

The Group's profit before taxation and zakat for the twelve-month financial year ended 31 December 2021 compared to the previous corresponding twelve-month financial year ended 31 December 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 RM2,085.8 million or 56.9% to RM5,752.8 million for twelve-month financial year ended 31 December 2021 from RM3,667.0 million for the previous corresponding twelve-month financial year ended 31 December 2020. The increase was mainly due to lower net allowance for impairment losses on loans, advances, financing and other debts of RM1,147.2 million, higher net interest income and income from IBS operations of RM1,003.6 million and higher other operating income of RM135.2 million. The increases were, however, offset by higher overhead expenses of RM201.1 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation and zakat increased by RM62.7 million or 1.6% to RM4,070.7 million for the twelve-month financial year ended 31 December 2021 from RM4,008.0 million for the previous corresponding twelve-month financial year ended 31 December 2020. The increase was mainly due to lower net allowances for impairment losses on loans, advances, financing and other debts of RM794.4 million and higher net interest income and income from IBS operations of RM363.2 million. The increases were, however, offset by lower other operating income of RM937.7 million, higher net allowances for impairment losses on financial investments and other financial assets of RM116.5 million, lower share of profits in associates and joint ventures of RM25.9 million and higher overhead expenses of RM14.8 million.

b) Group Investment Banking

Group Investment Banking's profit before taxation and zakat increased by RM34.3 million to RM538.0 million or 6.8% for the twelve-month financial year ended 31 December 2021 from RM503.7 million for the previous corresponding twelve-month financial year ended 31 December 2020. The increase was mainly due to higher net interest income and income from IBS operations of RM43.7 million, lower overhead expenses of RM17.9 million and share of profits in associates and joint ventures of RM2.7 million from share of losses in associates and joint ventures of RM0.2 million. The increases were, however, offset by lower other operating income of RM16.5 million, higher net allowance for impairment losses on financial investments, other financial assets and goodwill of RM9.8 million and higher net allowance for impairment losses on loans, advances, financing and other debts of RM3.9 million.

c) Group Asset Management

Group Asset Management recorded a loss before taxation and zakat of RM46.5 million for the twelve-month financial year ended 31 December 2021 compared to a profit before taxation and zakat of RM33.7 million for the previous corresponding twelve-month financial year ended 31 December 2020. The loss was mainly due to higher overhead expenses of RM35.9 million, lower other operating income of RM24.2 million and higher net allowance for impairment losses on financial investments, other financial assets and goodwill of RM20.2 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat decreased by RM64.1 million or 6.4% to RM932.0 million for the twelve-month financial year ended 31 December 2021 from RM996.1 million for the previous corresponding twelve-month financial year ended 31 December 2020. The decrease was mainly due to lower other operating income of RM1,384.3 million, lower net earned insurance premiums of RM612.1 million and higher overhead expenses of RM62.8 million. The decreases were, however, mitigated by lower net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM1,807.4 million, higher net interest income of RM115.5 million, net writeback of impairment losses on financial investments, other financial assets and goodwill of RM34.6 million from net allowance of RM35.0 million and lower net allowance for impairment losses on loans, advances, financing and other debts of RM2.5 million.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter

The Group posted profit after tax and zakat attributable to equity holders of RM2,056.9 million for the quarter ended 31 December 2021, an increase of RM519.5 million or 33.8% as compared to the previous period corresponding quarter ended 31 December 2020.

The Group's net interest income and Islamic Banking income for the quarter ended 31 December 2021 increased by RM566.5 million or 12.7% to RM5,023.1 million as compared to the previous period corresponding quarter ended 31 December 2020.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries decreased by RM615.2 million or 22.1% to RM2,167.6 million as compared to the previous period corresponding quarter ended 31 December 2020.

The Group's other operating income decreased by RM509.6 million to RM992.6 million for the quarter ended 31 December 2021 as compared to the previous period corresponding quarter ended 31 December 2020. The decrease was mainly due to lower unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM567.6 million, unrealised mark-to-market loss on revaluation of financial liabilities at FVTPL of RM155.8 million for the quarter ended 31 December 2021 as compared to unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM52.1 million for the previous period corresponding quarter ended 31 December 2020, lower net gain on foreign exchange of RM247.3 million, lower net gain in investment income of RM127.7 million and lower fee income of RM145.0 million. The decreases were, however, mitigated by realised gain on derivatives of RM227.6 million for the quarter ended 31 December 2021 as compared to realised loss of RM173.6 million for the previous period corresponding quarter ended 31 December 2020 and unrealised mark-to-market gain on revaluation of derivatives of RM9.1 million for the quarter ended 31 December 2021 as compared to unrealised mark-to-market loss of RM314.3 million for the previous period corresponding quarter ended 31 December 2020.

The Group's overhead expenses for the quarter ended 31 December 2021 recorded an increase of RM85.6 million or 3.0% to RM2,954.8 million as compared to the previous period corresponding quarter ended 31 December 2020. The increase in overhead expenses was mainly due to higher personnel expenses of RM82.2 million and higher marketing expenses of RM42.0 million. The increases were, however, mitigated by lower establishment costs of RM21.5 million and lower administration and general expenses of RM17.1 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM936.0 million or 85.6% to RM157.3 million as compared to the previous period corresponding quarter ended 31 December 2020.

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B1. Performance Review (cont'd.)

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

The Group's profit before taxation and zakat for the quarter ended 31 December 2021 compared to the previous period corresponding quarter ended 31 December 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 RM1,426.2 million or 172.5% to RM2,253.1 million for the quarter ended 31 December 2021 from RM826.9 million for the previous period corresponding quarter ended 31 December 2020. The increase was mainly due to net writeback of impairment losses on loans, advances, financing and other debts of RM550.2 million from net allowance of RM688.6 million, higher net interest income and income from IBS operations of RM305.6 million and higher other operating income of RM7.1 million. The increases were, however, offset by higher overhead expenses of RM125.5 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets's profit before taxation and zakat decreased by RM445.1 million or 53.0% to RM394.3 million for the quarter ended 31 December 2021 from RM839.4 million for the previous period corresponding quarter ended 31 December 2020. The decrease was mainly due to lower other operating income of RM178.6 million, higher net allowance for impairment losses on loans, advances, financing and other debts of RM295.8 million, higher net allowance for impairment losses on financial investments and other financial assets of RM74.6 million and lower share of profits in associates and joint ventures of RM29.0 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM85.4 million and lower overhead expenses of RM47.5 million.

b) Group Investment Banking

Group Investment Banking's profit before taxation and zakat decreased by RM28.5 million or 13.5% to RM182.8 million for the quarter ended 31 December 2021 from RM211.3 million for the previous period corresponding quarter ended 31 December 2020. The decrease was mainly due to lower other operating income of RM59.2 million and higher net allowance for impairment losses on financial investments, other financial assets and goodwill of RM11.5 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM25.7 million, lower overhead expenses by RM17.1 million and share of profits in associates and joint ventures of RM0.3 million from share of losses in associates and joint ventures of RM1.3 million.

c) Group Asset Management

Group Asset Management recorded loss before taxation and zakat of RM52.7 million for the quarter ended 31 December 2021 compared to a profit before taxation and zakat of RM32.9 million for the previous period corresponding quarter ended 31 December 2020. The loss was mainly due to lower other operating income of RM36.9 million, higher overhead expenses of RM28.8 million and higher net allowance for impairment losses on financial investments and other financial assets of RM20.2 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat decreased by RM101.6 million or 26.5% to RM281.5 million for the quarter ended 31 December 2021 from RM383.1 million for the previous period corresponding quarter ended 31 December 2020. The decrease was mainly due to lower net earned insurance premiums of RM618.0 million, lower other operating income of RM121.6 million and higher net allowance for impairment losses on loans, advances, financing and other debts of RM5.0 million. The decreases were, however, mitigated by lower net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM566.9 million, higher net interest income of RM44.6 million, net writeback of impairment losses on financial investments, other financial assets and goodwill of RM8.6 million from net allowance of RM18.8 million and lower overhead expenses of RM4.1 million.

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B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax and zakat attributable to equity holders for the quarter ended 31 December 2021 increased by RM372.2 million to RM2,056.9 million against the preceding quarter ended 30 September 2021 of RM1,684.7 million.

The Group's net interest income for the quarter ended 31 December 2021 increased by RM22.6 million to RM3,064.7 million against the preceding quarter ended 30 September 2021 of RM3,042.1 million. Income from Islamic Banking Scheme operations increased by RM187.7 million to RM1,958.4 million for the quarter ended 31 December 2021 compared to RM1,770.7 million in the preceding quarter ended 30 September 2021.

The Group's net earned insurance premiums for the quarter ended 31 December 2021 increased by RM184.2 million to RM2,167.6 million compared to RM1,983.4 million in the preceding quarter ended 30 September 2021.

Other operating income of the Group for the quarter ended 31 December 2021 decreased by RM320.2 million to RM992.6 million compared to RM1,312.8 million in the preceding quarter ended 30 September 2021. The decrease was mainly due to unrealised mark-to-market loss on revaluation of financial liabilities at FVTPL of RM155.8 million for the quarter ended 31 December 2021 as compared to unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM153.9 million in the preceding quarter ended 30 September 2021, lower net investment income of RM229.4 million and lower realised gain on derivatives of RM181.4 million. The decreases were, however, mitigated by unrealised mark-to-market gain on revaluation of derivatives of RM9.1 million for the quarter ended 31 December 2021 as compared to unrealised mark-to-market loss on revaluation of derivatives of RM260.6 million in the preceding quarter ended 30 September 2021, higher net gain on foreign exchange of RM77.0 million and higher fee income of RM71.0 million.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund decreased by RM75.5 million to RM1,883.7 million for the quarter ended 31 December 2021 compared to RM1,959.2 million in the preceding quarter ended 30 September 2021. The decrease was mainly due to lower net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM38.4 million.

The Group posted an increase of RM133.5 million in overhead expenses to RM2,954.8 million for the quarter ended 31 December 2021 compared to RM2,821.3 million in the preceding quarter ended 30 September 2021. The increase were mainly due to higher marketing expenses of RM66.2 million, higher administration and general costs of RM57.8 million and higher personnel expenses of RM10.0 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts decreased by RM968.9 million to RM157.3 million for the quarter ended 31 December 2021 compared to RM1,126.2 million in the preceding quarter ended 30 September 2021.

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B3. Prospects

Global economies rebounded in 2021 arising from the impact of significant monetary and fiscal support, coupled with the gradual reopening of economic activity facilitated by COVID-19 mass vaccinations, following the pandemic-induced recession in 2020. The trajectory of recovery was uneven between countries due to diverging pace of vaccination rollouts, as well as a resurgence in infections from the emergence of new variants, resulting in re-introduction of restriction and containment measures. In addition, inflationary pressures rose due to a surge in commodity prices and supply chain bottlenecks from supply-demand imbalances.

Global recovery in 2022 is expected to remain uneven despite the progress in vaccination coverage enabling broader and sustained economic opening amidst the emergence of newer variants. Persisting inflationary pressure is expected to lead to the normalisation of monetary policies, albeit at varying speeds, whereas fiscal policies are seen to remain expansionary this year.

In Malaysia, economic recovery is expected to be firmer and broad-based on sustained economic reopening (2022E: +6.0%) after an uneven and underwhelming recovery in 2021 of +3.1%. Domestic economic growth is expected to have better traction and gain stronger momentum in 2022, enabled by the mass immunisation and transition to the endemic phase of COVID-19. The Government's plan to open the country's international borders by 2Q 2022 will likely have multiplier effects across various industries which broadens growth. The Overnight Policy Rate is anticipated to remain at a record low of 1.75% throughout most of 2022, before a rate hike is expected in 4Q 2022. Fiscal policy in 2022 remains expansionary with the budget deficit at 6.0% of GDP (2021: 6.5% of GDP).

In Singapore, GDP growth is expected to moderate to +3.8% in 2022E after a strong recovery of +7.6% in 2021. The recovery will likely broaden to consumer-facing, travel-related services and the construction sector, while the manufacturing sector's momentum will taper from last year's high base. Inflation is rising on both cyclical and structural factors, and is expected to peak in 2Q 2022 before easing in the second half of the year. The Monetary Authority of Singapore may further tighten its policy stance in April 2022 given rising core inflation risks by re-centering the SGD NEER band, following the inter-meeting move to adjust the SGD NEER from +0.5% per annum to +1% in January 2022. Budget 2022 stays expansionary with a small deficit of SGD3 billion (0.5% of GDP), following the deficit of 0.9% of GDP in 2021.

In Indonesia, GDP growth is expected to be firmer at +5.4% for 2022E, following the soft +3.7% rebound in 2021. Domestic demand will lead the recovery in 2022 on the back of the country's increasing vaccination rate, improving consumer confidence, as well as rising investments driven by the Electric Vehicle industry and infrastructure development. Inflation is expected to edge up on the back of improving consumer demand, high commodity prices and the 1% hike in Value Added Tax effective 1 April 2022. Bank Indonesia (BI) is expected to deliver three +25bps rate hikes to 4.25% by end-2022 to maintain stability of the IDR as the US Federal Reserve starts to normalise its monetary policy. BI will continue funding the fiscal deficit of 4.3% of GDP in 2022E by buying government bonds, but may scale down its purchasing should the US Federal Reserve tighten more aggressively.

Overall, a better outlook is expected for 2022 driven by broader and sustained economic re-openings, easing of border controls and higher vaccination rates. Maybank Group remains committed in supporting the economic recovery across our home markets by enabling access for financial support to our customers to strengthen their financial positions and capitalise on emerging growth opportunities. As more customers experience an easing of cash flow pressures on sustained recovery, the Group will continue to proactively engage with customers on a targeted basis to extend additional support for those in need and as part of our robust asset quality management process.

With expectations of improved mobility, Maybank will also look to defend its low-cost deposits' base to maintain its net interest margin position. Concurrently, the Group will continue to drive fee-based income growth through our wealth management, global markets, investment banking, asset management and insurance segments. Maybank will leverage its extensive digital ecosystem and domestic franchise strength to deepen market penetration and capture underserved segments. The Group will invest strategically in its digital infrastructure and sustainability commitments in line with its M25 ambitions.

As part of the M25 strategic priorities, Maybank will focus its efforts on driving greater financial inclusion, offering more sustainable financing and solutions as well as supporting the move towards a responsible transition to a low-carbon economy.

Although overall sustained economic recovery is expected in 2022, the Group anticipates that its return on equity for FY2022 will be similar to that of FY2021 and has set a Headline KPI of between 9.5% and 10%, taking into consideration the impact from the higher one-off Prosperity Tax announced by the federal government of Malaysia.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the fourth quarter and 12 months financial year ended 31 December 2021.

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B5. Taxation and Zakat

The analysis of the tax expense for the fourth quarter and 12 months financial year ended 31 December 2021 are as follows:

| Group | Unaudited | | Audited | |
|---|-----------------------------|--------------------|-----------------------------------|--------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December | 31 December | 31 December | 31 December |
| | 2021 | 2020 | 2021 | 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysian income tax | 346,452 | 668,046 | 2,234,349 | 1,516,016 |
| Foreign income tax | 44,014 | 39,160 | 353,024 | 229,333 |
| | 390,466 | 707,206 | 2,587,373 | 1,745,349 |
| (Over)/under provision in respect of prior period/year: | | | | |
| Malaysian income tax | (2,234) | (30,952) | 659,324 | (30,952) |
| Foreign income tax | 4,508 | (15,359) | 3,926 | (40,697) |
| | 392,740 | 660,895 | 3,250,623 | 1,673,700 |
| Deferred tax | | | | |
| - Relating to origination and reversal of temporary differences | 867,529 | (305,938) | (55,812) | 226,758 |
| - Over provision of deferred tax assets in prior year | (677,810) | - | (677,810) | - |
| | 189,719 | (305,938) | (733,622) | 226,758 |
| Tax expense for the financial period/year | 582,459 | 354,957 | 2,517,001 | 1,900,458 |
| Zakat | 15,137 | (3,767) | 48,079 | 37,419 |
| | 597,596 | 351,190 | 2,565,080 | 1,937,877 |

The Group's effective tax rate for the financial period/year ended 31 December 2021 was lower than the statutory tax rate due to certain income not subject to tax and effect of different tax rate in other countries.

| Bank | Unaudited | | Audited | |
|---|-----------------------------|--------------------|-----------------------------------|--------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December | 31 December | 31 December | 31 December |
| | 2021 | 2020 | 2021 | 2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysian income tax | (45,275) | 380,835 | 866,285 | 995,182 |
| Foreign income tax | (6,605) | (11,672) | - | 4,540 |
| | (51,880) | 369,163 | 866,285 | 999,722 |
| (Over)/under provision in respect of prior period/year: | | | | |
| Malaysian income tax | (24,919) | (9,997) | 224,346 | (9,997) |
| Foreign income tax | - | (14,417) | - | (39,174) |
| | (76,799) | 344,749 | 1,090,631 | 950,551 |
| Deferred tax | | | | |
| - Relating to origination and reversal of temporary differences | 417,804 | (173,181) | 24,692 | 13,332 |
| - Over provision of deferred tax assets in prior year | (249,265) | - | (249,265) | - |
| | 168,539 | (173,181) | (224,573) | 13,332 |
| Tax expense for the financial period/year | 91,740 | 171,568 | 866,058 | 963,883 |

The Bank's effective tax rate for the financial period/year ended 31 December 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 year. Taxation for foreign subsidiaries in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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B6. Status of Corporate Proposals Announced but Not Completed

There are no corporate proposals announced but not completed during the financial year ended 31 December 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 year ended 31 December 2021.

B11. Dividend

(i) Second interim dividend

The Board of Directors has declared a single-tier second interim dividend in respect of the current financial year ended 31 December 2021 of 30.0 sen single-tier dividend per ordinary share, amounting to dividend payable of RM3,563,553,965 (based on 11,878,513,218 ordinary shares issued as at 31 December 2021).

The single-tier second interim dividend consists of cash portion of 22.5 sen per ordinary share to be paid in cash amounting to RM2,672,665,474 and an electable portion of 7.5 sen per ordinary share amounting to RM890,888,491.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the single-tier second 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.

(ii) Total dividend

Total dividend for the financial year ended 31 December 2021 are as follows:

- a) Single-tier first interim dividend of 28.0 sen per ordinary share declared on 26 August 2021 and paid on 21 October 2021 as disclosed in Note A9(b); and
- b) Single-tier second interim dividend of 30.0 sen per ordinary share declared on 24 February 2022.

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B12. Earnings Per Share ("EPS")

Basic EPS

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

| | Unaudited | | Audited | |
|--|-----------------------------|--------------------|-----------------------------------|--------------------|
| | Fourth Quarter Ended | | Cumulative 12 Months Ended | |
| | 31 December | 31 December | 31 December | 31 December |
| | 2021 | 2020 | 2021 | 2020 |
| Net profit for the financial period/year attributable to equity holders of the Bank (RM'000) | 2,056,871 | 1,537,405 | 8,096,229 | 6,481,219 |
| Weighted average number of ordinary shares in issue ('000) | 11,874,939 | 11,241,362 | 11,622,345 | 11,241,362 |
| Basic earnings per share | 17.32 sen | 13.68 sen | 69.66 sen | 57.66 sen |

Diluted EPS

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

By Order of the Board

Wan Marzimin Wan Muhammad

LS0009924

Company Secretary

24 February 2022