

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

<u>Group</u>	Note	Second Quarter Ended		Cumulative 6 Months Ended	
		30 June 2023 RM'000	30 June 2022 RM'000 Restated	30 June 2023 RM'000	30 June 2022 RM'000 Restated
Interest income	A20	7,395,406	4,962,307	14,312,764	9,506,135
Interest expense	A21	(4,187,850)	(1,451,371)	(7,876,798)	(2,668,425)
Net interest income		<b>3,207,556</b>	3,510,936	<b>6,435,966</b>	6,837,710
Income from Islamic Banking Scheme operations	A40a	1,850,892	1,765,504	3,642,051	3,435,968
Insurance/takaful service result	A22	220,152	219,777	212,109	191,896
Other operating income	A24	2,505,788	294,055	4,225,229	1,317,120
Total operating income		<b>7,784,388</b>	5,790,272	<b>14,515,355</b>	11,782,694
Net insurance/takaful investment/finance result	A25	(474,615)	516,217	(881,270)	776,464
Net operating income		<b>7,309,773</b>	6,306,489	<b>13,634,085</b>	12,559,158
Overhead expenses	A26	(3,420,418)	(2,894,055)	(6,472,584)	(5,624,015)
Operating profit before impairment losses		<b>3,889,355</b>	3,412,434	<b>7,161,501</b>	6,935,143
Allowances for impairment losses on loans, advances, financing and other debts, net	A27	(561,684)	(837,527)	(921,748)	(1,280,939)
Writeback of/(allowances for) impairment losses on financial investments, net	A28	2,898	(320,873)	78,726	(448,464)
(Allowances for)/writeback of impairment losses on other financial assets, net	A29	(15,732)	2,275	(24,361)	(23,772)
Operating profit		<b>3,314,837</b>	2,256,309	<b>6,294,118</b>	5,181,968
Share of profits in associates and joint ventures		54,960	43,501	131,528	93,016
<b>Profit before taxation and zakat</b>		<b>3,369,797</b>	2,299,810	<b>6,425,646</b>	5,274,984
Taxation and zakat	B5	(972,344)	(750,880)	(1,695,597)	(1,636,617)
<b>Profit for the financial period</b>		<b>2,397,453</b>	1,548,930	<b>4,730,049</b>	3,638,367
<b>Attributable to:</b>					
Equity holders of the Bank		2,338,555	1,608,372	4,603,960	3,655,232
Non-controlling interests		58,898	(59,442)	126,089	(16,865)
		<b>2,397,453</b>	1,548,930	<b>4,730,049</b>	3,638,367
<b>Earnings per share attributable to equity holders of the Bank</b>					
Basic/diluted	B12	<b>19.40 sen</b>	13.44 sen	<b>38.19 sen</b>	30.65 sen

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these financial statements)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000 Restated	30 June 2023 RM'000	30 June 2022 RM'000 Restated
<b>Profit for the financial period</b>	<b>2,397,453</b>	1,548,930	<b>4,730,049</b>	3,638,367
<b>Other comprehensive income/(loss):</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Defined benefit plan actuarial (gain)/loss	9,902	3,000	4,748	(1,953)
Income tax effect	103	(626)	103	(626)
Net gain/(loss) from change in fair value on equity instruments at fair value through other comprehensive income	13,102	(3,769)	10,689	(4,111)
	<b>23,107</b>	(1,395)	<b>15,540</b>	(6,690)
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Net gain/(loss) on debt instruments at fair value through other comprehensive income	232,958	(1,627,698)	1,122,640	(2,849,351)
- Net gain/(loss) from change in fair value	257,125	(2,230,077)	1,326,265	(4,190,155)
- Changes in expected credit losses	19,615	(99,034)	62,444	135,157
- Income tax effect	(43,782)	701,413	(266,069)	1,205,647
Net gain on foreign exchange translation	1,787,499	580,565	2,426,404	701,508
Cost of hedging for fair value hedge	(391)	2,613	(12,934)	2,742
Net (loss)/gain on capital reserve	(60)	694	(120)	727
Net gain on revaluation reserve	51	-	494	-
Share of change in associates' reserve	32,701	(52,735)	(320,706)	(189,944)
Net insurance finance/investment result	(11,726)	6,884	(33,960)	(6,884)
	<b>2,041,032</b>	(1,089,677)	<b>3,181,818</b>	(2,341,202)
Other comprehensive income/(loss) for the financial period, net of tax	<b>2,064,139</b>	(1,091,072)	<b>3,197,358</b>	(2,347,892)
<b>Total comprehensive income for the financial period</b>	<b>4,461,592</b>	457,858	<b>7,927,407</b>	1,290,475
<b>Other comprehensive income/(loss) for the financial period, attributable to:</b>				
Equity holders of the Bank	2,017,915	(1,060,734)	3,122,402	(2,266,985)
Non-controlling interests	46,224	(30,338)	74,956	(80,907)
	<b>2,064,139</b>	(1,091,072)	<b>3,197,358</b>	(2,347,892)
<b>Total comprehensive income for the financial period, attributable to:</b>				
Equity holders of the Bank	4,356,470	547,638	7,726,362	1,388,247
Non-controlling interests	105,122	(89,780)	201,045	(97,772)
	<b>4,461,592</b>	457,858	<b>7,927,407</b>	1,290,475

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

<b>Bank</b>	<b>Note</b>	<b>Second Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
		<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>
Interest income	A20	5,189,908	3,290,451	10,098,256	6,225,127
Interest expense	A21	(3,347,880)	(1,109,850)	(6,388,160)	(1,982,146)
Net interest income		1,842,028	2,180,601	3,710,096	4,242,981
Dividends from subsidiaries	A23	566,566	332,507	2,201,196	1,911,527
Other operating income	A24	1,930,369	970,518	2,993,389	1,883,354
		2,496,935	1,303,025	5,194,585	3,794,881
Net operating income		4,338,963	3,483,626	8,904,681	8,037,862
Overhead expenses	A26	(1,645,812)	(1,360,133)	(3,050,923)	(2,528,980)
Operating profit before impairment losses		2,693,151	2,123,493	5,853,758	5,508,882
Allowances for impairment					
losses on loans, advances, financing					
and other debts, net	A27	(180,551)	(999,969)	(374,890)	(1,333,132)
(Allowances for)/writeback of impairment losses					
on financial investments, net	A28	(2,648)	(19,910)	1,685	(53,176)
Allowances for impairment losses on					
other financial assets, net	A29	(2,503)	(2,272)	(3,711)	(19,912)
<b>Profit before taxation and zakat</b>		<b>2,507,449</b>	<b>1,101,342</b>	<b>5,476,842</b>	<b>4,102,662</b>
Taxation and zakat	B5	(468,026)	(258,480)	(795,598)	(737,183)
<b>Profit for the financial period</b>		<b>2,039,423</b>	<b>842,862</b>	<b>4,681,244</b>	<b>3,365,479</b>

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these financial statements)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

<u>Bank</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b>Profit for the financial period</b>	<b>2,039,423</b>	842,862	<b>4,681,244</b>	3,365,479
<b>Other comprehensive income/(loss):</b>				
<b><i>Items that will not be reclassified subsequently to profit or loss:</i></b>				
Net gain from change in fair value on equity instruments at fair value through other comprehensive income	<b>24,760</b>	160	<b>29,006</b>	1,217
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>				
Net (loss)/gain on debt instruments at fair value through other comprehensive income	<b>(24,065)</b>	(1,126,243)	<b>587,576</b>	(1,870,635)
- Net (loss)/gain from change in fair value	<b>(62,641)</b>	(1,535,586)	<b>654,803</b>	(2,906,228)
- Changes in expected credit losses	<b>25,656</b>	(97,287)	<b>66,169</b>	124,119
- Income tax effect	<b>12,920</b>	506,630	<b>(133,396)</b>	911,474
Net gain on foreign exchange translation	<b>425,768</b>	210,869	<b>521,746</b>	259,627
Cost of hedging for fair value hedge	<b>(391)</b>	2,613	<b>(12,934)</b>	2,742
	<b>401,312</b>	(912,761)	<b>1,096,388</b>	(1,608,266)
Other comprehensive income/(loss) for the financial period, net of tax	<b>426,072</b>	(912,601)	<b>1,125,394</b>	(1,607,049)
<b>Total comprehensive income for the financial period</b>	<b>2,465,495</b>	(69,739)	<b>5,806,638</b>	1,758,430

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Note	Group		Bank	
		30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
<b>ASSETS</b>					
Cash and short-term funds		33,731,640	37,573,869	29,486,400	29,590,431
Deposits and placements with financial institutions		11,449,282	16,095,978	21,331,924	28,358,259
Financial assets purchased under resale agreements		16,484,341	14,968,762	15,273,693	14,330,476
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	13,010,890	12,822,800	-	-
Financial investments at fair value through profit or loss	A10(ii)	34,442,544	25,143,208	20,600,277	13,978,475
Financial investments at fair value through other comprehensive income	A10(iii)	134,397,652	121,366,990	80,884,135	73,551,480
Financial investments at amortised cost	A10(iv)	71,593,595	71,756,942	48,031,474	46,234,128
Loans, advances and financing to financial institutions	A11(i)	1,326,948	1,361,712	36,894,620	31,304,965
Loans, advances and financing to customers	A11(ii)	593,306,246	573,765,662	222,294,269	213,831,963
Derivative assets	A36	27,342,880	24,686,755	27,032,003	24,293,832
Insurance/reinsurance contract assets/ takaful/retakaful certificate assets	A12(i)	4,560,990	4,561,651	-	-
Other assets	A13	14,325,730	11,458,151	6,376,861	7,229,657
Investment properties		989,521	988,895	-	-
Statutory deposits with central banks		15,416,080	13,777,324	4,451,989	2,728,211
Investment in subsidiaries		-	-	34,490,119	33,860,627
Interest in associates and joint ventures		1,983,845	2,207,244	438,859	438,859
Property, plant and equipment		2,214,357	2,142,065	866,493	869,693
Right-of-use assets		1,635,468	1,176,776	504,687	550,311
Intangible assets		7,225,938	6,747,125	450,124	425,796
Deferred tax assets		2,084,841	2,374,433	912,723	1,099,262
<b>TOTAL ASSETS</b>		<b>987,522,788</b>	<b>944,976,342</b>	<b>550,320,650</b>	<b>522,676,425</b>
<b>LIABILITIES</b>					
Customers' funding:					
- Deposits from customers	A14	628,070,181	614,895,094	280,552,940	274,854,161
- Investment accounts of customers <sup>1</sup>	A40g	26,691,916	24,500,981	-	-
Deposits and placements from financial institutions	A15	50,017,588	51,893,780	58,197,498	66,794,444
Obligations on financial assets sold under repurchase agreements		36,169,361	15,585,836	52,265,031	26,290,296
Derivative liabilities	A36	28,889,805	27,874,325	28,205,609	27,190,450
Financial liabilities at fair value through profit or loss	A16	8,784,335	8,317,084	8,784,335	8,317,084
Bills and acceptances payable		1,218,771	1,810,954	650,402	1,212,731
Insurance contract liabilities/takaful certificate liabilities	A12(ii)	41,972,405	39,364,029	-	-
Other liabilities	A18	26,385,685	25,992,601	9,910,066	9,801,242
Provision for taxation and zakat		415,279	372,176	-	-
Deferred tax liabilities		603,076	435,668	-	-
Borrowings	A17(i)	31,991,385	31,736,007	23,796,229	22,486,167
Subordinated obligations	A17(ii)	10,141,786	10,238,389	9,827,485	9,830,233
Capital securities	A17(iii)	2,828,837	2,828,817	2,828,837	2,828,817
<b>TOTAL LIABILITIES</b>		<b>894,180,410</b>	<b>855,845,741</b>	<b>475,018,432</b>	<b>449,605,625</b>

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

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Note	Group		Bank	
		30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>					
Share capital		54,619,344	54,619,344	54,619,344	54,619,344
Shares held-in-trust		(198)	(198)	(198)	(198)
Retained profits		31,041,044	29,908,176	15,922,557	14,936,379
Reserves		4,595,381	1,577,107	4,760,515	3,515,275
		<b>90,255,571</b>	<b>86,104,429</b>	<b>75,302,218</b>	<b>73,070,800</b>
<b>Non-controlling interests</b>		<b>3,086,807</b>	<b>3,026,172</b>	<b>-</b>	<b>-</b>
		<b>93,342,378</b>	<b>89,130,601</b>	<b>75,302,218</b>	<b>73,070,800</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		<b>987,522,788</b>	<b>944,976,342</b>	<b>550,320,650</b>	<b>522,676,425</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A34	<b>1,894,581,990</b>	<b>1,526,306,198</b>	<b>1,774,229,013</b>	<b>1,422,559,344</b>
<b><u>CAPITAL ADEQUACY</u></b>					
	A35				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		16.010%	15.669%	15.384%	15.264%
Tier 1 Capital Ratio		16.693%	16.376%	16.137%	16.045%
Total Capital Ratio		19.354%	19.080%	18.707%	18.635%
Net assets per share attributable to equity holders of the Bank					
		<b>RM7.49</b>	<b>RM7.14</b>	<b>RM6.25</b>	<b>RM6.06</b>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

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

<b>Group</b>	<b>Share Capital RM'000</b>	<b>Shares Held-in-trust RM'000</b>	<b>Statutory Reserve RM'000</b>	<b>Regulatory Reserve RM'000</b>	<b>Fair Value Through Other Comprehensive Income Reserve RM'000</b>	<b>Exchange Fluctuation Reserve RM'000</b>	<b>ESGP Reserve RM'000</b>	<b>Other Reserves RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total Shareholders' Equity RM'000</b>	<b>Non- Controlling Interests RM'000</b>	<b>Total Equity RM'000</b>
<b>At 1 January 2023</b>												
- as previously stated	54,619,344	(198)	429,303	2,465,059	(1,630,719)	499,269	89,687	(220,172)	29,705,461	85,957,034	2,960,106	88,917,140
- effects of adopting MFRS 17 (Note A41)	-	-	-	-	(42,515)	(3,296)	-	(9,509)	202,715	147,395	66,066	213,461
At 1 January 2023, as restated	<b>54,619,344</b>	<b>(198)</b>	<b>429,303</b>	<b>2,465,059</b>	<b>(1,673,234)</b>	<b>495,973</b>	<b>89,687</b>	<b>(229,681)</b>	<b>29,908,176</b>	<b>86,104,429</b>	<b>3,026,172</b>	<b>89,130,601</b>
Profit for the financial period	-	-	-	-	-	-	-	-	4,603,960	4,603,960	126,089	4,730,049
Other comprehensive income/(loss)	-	-	-	-	1,035,658	2,117,840	-	(31,096)	-	3,122,402	74,956	3,197,358
Defined benefit plan actuarial gain/(loss)	-	-	-	-	-	-	-	4,856	-	4,856	(5)	4,851
Share of associates' reserve	-	-	-	-	(33,560)	(287,146)	-	-	-	(320,706)	-	(320,706)
Net gain on foreign exchange translation	-	-	-	-	-	2,404,986	-	-	-	2,404,986	21,418	2,426,404
Net gain on financial investments at fair value through other comprehensive income	-	-	-	-	1,069,218	-	-	-	-	1,069,218	64,111	1,133,329
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	(12,934)	-	(12,934)	-	(12,934)
Net loss on capital reserve	-	-	-	-	-	-	-	(116)	-	(116)	(4)	(120)
Net gain on revaluation reserve	-	-	-	-	-	-	-	489	-	489	5	494
Net insurance finance/investment result	-	-	-	-	-	-	-	(23,391)	-	(23,391)	(10,569)	(33,960)
<b>Total comprehensive income/(loss) for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,035,658</b>	<b>2,117,840</b>	<b>-</b>	<b>(31,096)</b>	<b>4,603,960</b>	<b>7,726,362</b>	<b>201,045</b>	<b>7,927,407</b>
<b>Carried forward</b>	<b>54,619,344</b>	<b>(198)</b>	<b>429,303</b>	<b>2,465,059</b>	<b>(637,576)</b>	<b>2,613,813</b>	<b>89,687</b>	<b>(260,777)</b>	<b>34,512,136</b>	<b>93,830,791</b>	<b>3,227,217</b>	<b>97,058,008</b>

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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

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

<u>Group (cont'd.)</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Other Reserves RM'000 <sup>1</sup>	Retained Profits RM'000 <sup>2</sup>	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Brought forward</b>	54,619,344	(198)	429,303	2,465,059	(637,576)	2,613,813	89,687	(260,777)	34,512,136	93,830,791	3,227,217	97,058,008
Net loss on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	6,235	-	-	-	(6,235)	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	41,018	-	-	41,018	-	41,018
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	-	231	231
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,625)	(6,625)
Transfer to statutory reserve	-	-	4,676	-	-	-	-	-	(4,676)	-	-	-
Transfer from regulatory reserve	-	-	-	(156,057)	-	-	-	-	156,057	-	-	-
Dividends paid (Note A9(a) & (b))	-	-	-	-	-	-	-	-	(3,616,238)	(3,616,238)	(134,016)	(3,750,254)
<b>Total transactions with shareholders/ other equity movements</b>	-	-	4,676	(156,057)	6,235	-	41,018	-	(3,471,092)	(3,575,220)	(140,410)	(3,715,630)
<b>At 30 June 2023</b>	<b>54,619,344</b>	<b>(198)</b>	<b>433,979</b>	<b>2,309,002</b>	<b>(631,341)</b>	<b>2,613,813</b>	<b>130,705</b>	<b>(260,777)</b>	<b>31,041,044</b>	<b>90,255,571</b>	<b>3,086,807</b>	<b>93,342,378</b>

<sup>1</sup> The further breakdown and movement of other reserves are disclosed in Note A19.

<sup>2</sup> The retained profits of the Group include the non-distributable Life Funds surplus from an insurance subsidiary amounted to RM845.3 million (net of tax). This non-distributable Life Funds surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these financial statements)



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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

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

<b>Group</b>	<b>Share Capital</b> RM'000	<b>Shares Held-in-trust</b> RM'000	<b>Statutory Reserve</b> RM'000	<b>Regulatory Reserve</b> RM'000	<b>Fair Value Through Other Comprehensive Income Reserve</b> RM'000	<b>Exchange Fluctuation Reserve</b> RM'000	<b>ESGP Reserve</b> RM'000	<b>Other Reserves</b> RM'000 <sup>1</sup>	<b>Retained Profits</b> RM'000 <sup>2</sup>	<b>Total Shareholders' Equity</b> RM'000	<b>Non-Controlling Interests</b> RM'000	<b>Total Equity</b> RM'000
<b>At 1 January 2022</b>												
- as previously stated	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
- effects of adopting MFRS 17 (Note A41)	-	-	-	-	(14,228)	-	-	(24,973)	389,526	350,325	157,024	507,349
At 1 January 2022, as restated	53,156,473	(1,274)	332,372	1,315,261	1,220,477	351,277	94,006	(326,097)	30,019,252	86,161,747	2,898,023	89,059,770
Profit for the financial period	-	-	-	-	-	-	-	-	3,655,232	3,655,232	(16,865)	3,638,367
Other comprehensive (loss)/income	-	-	-	-	(2,746,820)	484,370	-	(4,535)	-	(2,266,985)	(80,907)	(2,347,892)
Defined benefit plan actuarial (loss)/gain	-	-	-	-	-	-	-	(3,216)	-	(3,216)	637	(2,579)
Share of associates' reserve	-	-	-	-	41,354	(231,298)	-	-	-	(189,944)	-	(189,944)
Net gain/(loss) on foreign exchange translation	-	-	-	-	-	715,668	-	-	-	715,668	(14,160)	701,508
Net loss on financial investments at fair value through other comprehensive income	-	-	-	-	(2,788,174)	-	-	-	-	(2,788,174)	(65,288)	(2,853,462)
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	2,742	-	2,742	-	2,742
Net gain on capital reserve	-	-	-	-	-	-	-	692	-	692	35	727
Net insurance finance/investment result	-	-	-	-	-	-	-	(4,753)	-	(4,753)	(2,131)	(6,884)
<b>Total comprehensive (loss)/income for the financial period</b>	-	-	-	-	(2,746,820)	484,370	-	(4,535)	3,655,232	1,388,247	(97,772)	1,290,475
<b>Carried forward</b>	53,156,473	(1,274)	332,372	1,315,261	(1,526,343)	835,647	94,006	(330,632)	33,674,484	87,549,994	2,800,251	90,350,245

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

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

<u>Group (cont'd.)</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	1 Other Reserves RM'000	2 Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Brought forward</b>	53,156,473	(1,274)	332,372	1,315,261	(1,526,343)	835,647	94,006	(330,632)	33,674,484	87,549,994	2,800,251	90,350,245
Net loss on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	1,999	-	-	-	(1,999)	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	35,862	-	-	35,862	-	35,862
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	(5,386)	(5,386)	9,076	3,690
Transfer to statutory reserve	-	-	90,961	-	-	-	-	-	(90,961)	-	-	-
Transfer to regulatory reserve	-	-	-	811,784	-	-	-	-	(811,784)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	757,111	-	-	-	-	-	-	-	-	757,111	-	757,111
Dividends paid	-	-	-	-	-	-	-	-	(3,563,554)	(3,563,554)	(88,526)	(3,652,080)
<b>Total transactions with shareholders/ other equity movements</b>	757,111	-	90,961	811,784	1,999	-	35,862	-	(4,473,684)	(2,775,967)	(79,450)	(2,855,417)
<b>At 30 June 2022</b>	53,913,584	(1,274)	423,333	2,127,045	(1,524,344)	835,647	129,868	(330,632)	29,200,800	84,774,027	2,720,801	87,494,828

<sup>1</sup> The further breakdown and movement of other reserves are disclosed in Note A19.

<sup>2</sup> The retained profits of the Group include the non-distributable Life Funds surplus from an insurance subsidiary amounted to RM801.1 million (net of tax). This non-distributable Life Funds surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these financial statements)

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

<u>Bank</u>	Attributable to equity holders of the Bank										Total Equity RM'000
	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		
<b>At 1 January 2023</b>	54,619,344	(198)	79,003	1,549,033	(1,180,242)	2,921,100	89,687	56,694	14,936,379	73,070,800	
Profit for the financial period	-	-	-	-	-	-	-	-	4,681,244	4,681,244	
Other comprehensive income/(loss)	-	-	-	-	616,582	521,746	-	(12,934)	-	1,125,394	
Net gain on foreign exchange translation	-	-	-	-	-	521,746	-	-	-	521,746	
Net gain on financial investments at fair value through other comprehensive income	-	-	-	-	616,582	-	-	-	-	616,582	
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	(12,934)	-	(12,934)	
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	-	-	616,582	521,746	-	(12,934)	4,681,244	5,806,638	
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	(176)	-	-	-	176	-	
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	41,018	-	-	41,018	
Transfer to statutory reserve	-	-	4,676	-	-	-	-	-	(4,676)	-	
Transfer to regulatory reserve	-	-	-	74,328	-	-	-	-	(74,328)	-	
Dividends paid (Note A9(a))	-	-	-	-	-	-	-	-	(3,616,238)	(3,616,238)	
<b>Total transactions with shareholders/ other equity movements</b>	-	-	4,676	74,328	(176)	-	41,018	-	(3,695,066)	(3,575,220)	
<b>At 30 June 2023</b>	54,619,344	(198)	83,679	1,623,361	(563,836)	3,442,846	130,705	43,760	15,922,557	75,302,218	

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these financial statements)

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

	Attributable to equity holders of the Bank									
	Non-Distributable									
<u>Bank</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
<b>At 1 January 2022</b>	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
Profit for the financial period	-	-	-	-	-	-	-	-	3,365,479	3,365,479
Other comprehensive (loss)/income	-	-	-	-	(1,869,418)	259,627	-	2,742	-	(1,607,049)
Net gain on foreign exchange translation	-	-	-	-	-	259,627	-	-	-	259,627
Net loss on financial investments at fair value through other comprehensive income	-	-	-	-	(1,869,418)	-	-	-	-	(1,869,418)
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	2,742	-	2,742
<b>Total comprehensive (loss)/income for the financial period</b>	-	-	-	-	(1,869,418)	259,627	-	2,742	3,365,479	1,758,430
Share-based payment under Maybank Group										
Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	35,862	-	-	35,862
Transfer to statutory reserve	-	-	427	-	-	-	-	-	(427)	-
Transfer to regulatory reserve	-	-	-	326,945	-	-	-	-	(326,945)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	757,111	-	-	-	-	-	-	-	-	757,111
Dividends paid	-	-	-	-	-	-	-	-	(3,563,554)	(3,563,554)
<b>Total transactions with shareholders/ other equity movements</b>	757,111	-	427	326,945	-	-	35,862	-	(3,890,926)	(2,770,581)
<b>At 30 June 2022</b>	53,913,584	(1,274)	75,123	1,507,146	(939,135)	2,690,269	129,868	9,737	14,710,971	72,096,289

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these financial statements)

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

	Group		Bank	
	30 June 2023 RM'000	30 June 2022 RM'000 Restated	30 June 2023 RM'000	30 June 2022 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation and zakat	6,425,646	5,274,984	5,476,842	4,102,662
Adjustments for:				
Share of profits in associates and joint ventures	(131,528)	(93,016)	-	-
Depreciation of property, plant and equipment	149,256	140,782	39,172	39,102
Depreciation of right-of-use assets	285,250	215,747	58,558	56,141
Amortisation of intangible assets	119,331	129,700	34,877	37,450
Gain on disposal of property, plant and equipment	(1,776)	(2,944)	(545)	(442)
Net loss on disposal/liquidation of subsidiaries	163	-	-	-
Excess of capital repayment of a subsidiary	-	-	(50,706)	-
Net gain on partial disposal of a deemed controlled structured entity	-	-	(1,450)	-
Net (gain)/loss on disposal of financial assets at fair value through profit or loss	(95,255)	195,340	(171,676)	122,023
Net gain on disposal of financial investments at fair value through other comprehensive income	(112,972)	(3,133)	(173,298)	(7,706)
Net loss on redemption of financial investments at amortised cost	-	1,610	-	1,610
Unrealised loss on revaluation of financial assets at fair value through profit or loss and derivatives	316,398	3,155,388	250,614	1,897,631
Unrealised gain on revaluation of financial liabilities at fair value through profit or loss	(686,260)	(2,334,807)	(686,260)	(2,334,807)
Allowances for impairment losses on loans, advances and financing, net	1,226,537	1,497,124	535,898	1,452,718
Allowances for/(writeback of) impairment losses on other debts (Writeback of)/allowances for impairment losses on financial investments, net	(78,726)	448,464	(1,685)	53,176
Allowances for impairment losses on other financial assets, net	24,361	23,772	3,711	19,912
Dividend income	(100,620)	(95,401)	(2,205,507)	(1,915,714)
ESGP expenses	44,154	43,976	27,817	25,049
Other adjustments for non-operating and non-cash items	103,902	164,002	(130,642)	(15,033)
Operating profit before working capital changes	<b>7,493,104</b>	<b>8,762,598</b>	<b>3,006,988</b>	<b>3,533,189</b>
Change in cash and short-term funds with original maturity of more than three months	(2,129,441)	3,564,603	(1,774,750)	60,675
Change in deposits and placements with financial institutions with original maturity of more than three months	(1,210,925)	24,599	2,253,512	2,071,206
Change in financial investments portfolio	(20,349,690)	(13,375,793)	(14,555,390)	(10,138,221)
Change in loans, advances and financing	(4,407,692)	(20,374,192)	(7,898,935)	(7,758,096)
Change in insurance/reinsurance contract assets/takaful/retakaful certificate assets	2,472,813	3,876,595	-	-
Change in statutory deposits with central banks	(1,637,981)	(178,876)	(1,723,778)	(283,783)
Change in deposits from customers	2,288,136	17,835,910	1,998,624	3,699,310
Change in investment accounts of customers	2,190,936	214,298	-	-
Change in deposits and placements from financial institutions	(1,876,192)	10,736,238	(8,596,946)	9,693,421
Change in financial liabilities at fair value through profit or loss	(17,568)	132,133	(17,568)	132,133
Change in insurance contract liabilities/takaful certificate liabilities	57,655	(4,143,948)	-	-
Change in other operating activities	13,171,765	2,203,640	24,041,247	7,545,708
Cash (used in)/generated from operations	<b>(3,955,080)</b>	<b>9,277,805</b>	<b>(3,266,996)</b>	<b>8,555,542</b>
Taxes and zakat paid	(1,654,096)	(1,246,937)	(806,809)	(411,881)
Net cash (used in)/generated from operating activities	<b>(5,609,176)</b>	<b>8,030,868</b>	<b>(4,073,805)</b>	<b>8,143,661</b>

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2023**

	Group		Bank	
	30 June 2023 RM'000	30 June 2022 RM'000 Restated	30 June 2023 RM'000	30 June 2022 RM'000
<b>Cash flows from investing activities</b>				
Dividends received from:				
- financial investments portfolio	100,620	95,401	4,311	4,187
- subsidiaries	-	-	2,201,196	1,911,527
Purchase of property, plant and equipment	(176,629)	(96,943)	(24,066)	(21,038)
Purchase of intangible assets	(166,831)	(103,385)	(59,370)	(22,857)
Purchase of investment properties	(334)	(129)	-	-
Purchase of additional ordinary shares in existing subsidiaries	-	-	(627,962)	(4,460)
Proceeds from disposal of property, plant and equipment	5,123	7,161	545	1,924
Proceeds from partial disposal of a deemed controlled structured entity	-	-	11,235	-
Purchase of shares in a deemed controlled structured entity	-	-	(11,315)	-
Net effect arising from transaction with non-controlling interests	(6,394)	3,690	-	-
Net effect arising from change of structure of an associate	-	-	-	(1,814)
Net effect arising from capital repayment of a subsidiary	-	-	50,706	-
Net cash (used in)/generated from investing activities	<b>(244,445)</b>	<b>(94,205)</b>	<b>1,545,280</b>	<b>1,867,469</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares	-	757,111	-	757,111
Repayment of borrowings, net	(2,791,502)	(4,498,022)	(1,050,978)	(4,980,542)
Redemption of subordinated obligations	(93,390)	-	-	-
Repayment of lease liabilities	(155,687)	(101,105)	(24,196)	(37,169)
Dividends paid	(3,616,238)	(3,563,554)	(3,616,238)	(3,563,554)
Dividends paid to non-controlling interests	(134,016)	(88,526)	-	-
Net cash used in financing activities	<b>(6,790,833)</b>	<b>(7,494,096)</b>	<b>(4,691,412)</b>	<b>(7,824,154)</b>
Net increase in cash and cash equivalents	<b>(12,644,454)</b>	442,567	<b>(7,219,937)</b>	2,186,976
Cash and cash equivalents at beginning of the financial period	<b>50,830,482</b>	51,882,143	<b>43,210,287</b>	35,122,120
Effects of foreign exchange rate changes	<b>825,560</b>	513,527	<b>567,401</b>	272,589
Cash and cash equivalents at end of the financial period	<b>39,011,588</b>	52,838,237	<b>36,557,751</b>	37,581,685
<b>Cash and cash equivalents comprise:</b>				
Cash and short-term funds	<b>33,760,362</b>	41,993,902	<b>29,493,665</b>	30,744,463
Deposits and placements with financial institutions	<b>11,454,667</b>	12,928,270	<b>21,335,556</b>	26,807,991
	<b>45,215,029</b>	54,922,172	<b>50,829,221</b>	57,552,454
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	<b>(6,203,441)</b>	(2,083,935)	<b>(14,271,470)</b>	(19,970,769)
Cash and cash equivalents at end of the financial period	<b>39,011,588</b>	52,838,237	<b>36,557,751</b>	37,581,685

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these financial statements)

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

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

**A1. Basis of Preparation**

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

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

The unaudited condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2022. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the financial year ended 31 December 2022.

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

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2022 except for adoption of the following Malaysian Financial Reporting Standards (“MFRSs”) and amendments to MFRSs, which are effective for annual periods beginning on or after 1 January 2023:

- MFRS 17 *Insurance Contracts*
- Amendments to MFRS 101 *Presentation of Financial Statements - Disclosure of Accounting Policies*
- Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112 *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The adoption of the above amendments to MFRSs do not have any significant financial impact to the Group's and the Bank's financial statements except the MFRS 17 adoption as disclosed below:

**MFRS 17 *Insurance Contracts***

MFRS 17 replaced MFRS 4 *Insurance Contracts* for annual periods on or after 1 January 2023. The Group has adopted MFRS 17 - *Insurance Contracts* which is effective for annual periods on or after 1 January 2023. Accordingly, it has restated the comparative information for the financial year ended 31 December 2022, including the opening balance as at 1 January 2022, by applying the transition requirements of MFRS 17. The financial impacts of MFRS 17 adoption are disclosed in note A41. The changes in accounting policies can be summarised, as follows:

**(i) Changes to classification and measurement**

The adoption of MFRS 17 does not change the classification of the Group's Insurance contracts/takaful certificates.

MFRS 17 requires the Group to:

- Identify insurance contracts/takaful certificates as those under which the Group accepts significant insurance/takaful risk from another party (the policyholder/participants) by agreeing to compensate the policyholder/participants if a specified uncertain future event (the insured event) adversely affects the policyholder/participants;
- Separate specified embedded derivatives, distinct investment components and distinct non-insurance goods or services from insurance contracts/takaful certificates and accounts for them in accordance with other standards;

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

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

**MFRS 17 Insurance Contracts (cont'd.)**

**(i) Changes to classification and measurement (cont'd.)**

MFRS 17 requires the Group to (cont'd.):

- Separate the insurance/takaful and reinsurance contracts/retakaful certificates into groups it will recognise and measure;
- Recognise and measure groups of insurance contracts/takaful certificates at a risk-adjusted present value of the future cash flows (the fulfilment cash flows), that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information plus an amount representing the unearned profit in the group of contracts/certificates (the contractual service margin or "CSM");
- Recognise profit from a group of insurance contracts/takaful certificates over the period the Group provides insurance coverage. If a group of contracts is expected to be onerous (i.e. loss making) over the remaining coverage period, the Group recognises the loss immediately; and
- Recognise an asset for insurance/takaful acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts/takaful certificates is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts/takaful certificates.

The Group has determined that its insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held, including investment-linked contracts with discretionary participating features are eligible for the measurement models below:-

(a) General Measurement Model ("GMM")

This is the default measurement model for Insurance contracts/Takaful certificates valued using fulfilment cash flows (the present value of expected future cash flows, plus a risk adjustment) offset by the CSM which represents the unearned profit which the Group will recognise as it provides services under the contracts/certificates.

(b) Premium Allocation Approach ("PAA")

This model will be applied for policies which have contract/certificate boundaries (i.e. coverage periods) of less than 1 year as well as for policies with contract/certificate boundaries of more than 1 year but which are able to pass the PAA eligibility test.

(c) Variable Fee Approach ("VFA")

VFA deals with policies/certificates from the participating business where payments to policyholders are contractually linked to and substantially vary with the underlying items.

The Group has applied both the PAA or GMM models for all reinsurance contracts/retakaful certificates held, depending on the specific contract/certificate boundaries for each reinsurance contracts/retakaful certificates.

**(ii) Changes to presentation and disclosure**

For presentation purposes, the Group aggregates insurance/takaful and reinsurance/retakaful contracts/certificates held and these are presented separately in the statement of financial position as follows:

- Portfolios of insurance contracts/takaful certificates issued;
- Portfolios of reinsurance contracts/retakaful certificates held that are assets; and
- Portfolios of reinsurance contracts/retakaful certificates held that are liabilities.

The portfolios referred above are those established at initial recognition in accordance with the MFRS 17 requirements.

With the adoption of MFRS 17, the Group presents the following items under the income statement:

- Net insurance/takaful service result; and
- Net insurance/takaful investment/finance result.



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

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

**MFRS 17 Insurance Contracts (cont'd.)**

**(iii) Transition**

MFRS 17 including the amendments introduced in the Amendments to MFRS 17 are 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. The Group shall apply the retrospective approach for estimating the CSM on the transition date. However, if full retrospective application for estimating the CSM, as defined by MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors* for a group of insurance contracts, is impracticable, an entity is required to apply either the Modified Retrospective Approach or Fair Value Approach.

On transition date, 1 January 2023, the Group:

- Identified, recognised and measured each group of insurance/takaful and reinsurance contracts/retakaful certificates as if MFRS 17 had always applied (unless impracticable, refer notes (b) Modified retrospective approach and (c) Fair value approach);
- Identified, recognised and measured assets for insurance/takaful acquisition cash flows as if MFRS 17 had always applied;
- Derecognised any existing balances that would not exist had MFRS 17 always been applied; and
- Recognised any resulting net difference in equity.

Where the Full Retrospective Approach ("FRA") has been determined to be impracticable, the Group applies the Modified Retrospective Approach ("MRA") and Fair Value Approach ("FVA"). These are described in further detail below:

(a) Full retrospective approach

The determination of whether it is impracticable to adopt the FRA for group of contracts/certificates as at the transition date was made after considering the cost or effort required to collect the required information or create information where the required data is unavailable (either due to system migrations in the past, data retention policies, and changes in requirements introduced by MFRS 17) and if hindsight is needed to determine the estimates at prior periods.

(b) Modified retrospective approach

The MRA is applied based on reasonable and supportable information available without undue cost or effort to the Group. Certain modifications will be applied to the extent the FRA is not possible, but still with the objective to achieve the closest possible outcome to the FRA application.

(c) Fair value approach

Under the FVA, 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 will be recognised in retained earnings at the transition date).

Amendment to MFRS 9 as a result of MFRS 17 implementation

The Group has adopted the MFRS 9 overlay approach in year 2018 where under the amendment, the Group was permitted to reclassify the financial assets from fair value through profit or loss ("FVTPL") to fair value through other comprehensive income ("FVOCI"). MFRS 17 allows an election for the effect of changes in discount rates to be recognised through Profit & Loss or through Other Comprehensive Income. Accordingly, the Group has to be cognisant of its balance sheet management strategies and the accounting treatment under MFRS 9 of the assets used for these strategies as these will impact the Group's statement of comprehensive income. Choices will impact the volatility of the income statements and net asset positions.

**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 do not have significant impact on the preparation of the Group's and the Bank's financial statements.

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

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

**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.

The amendments are to be applied retrospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. The amendments do not have impact on the Group's and the Bank's financial statements.

**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. The amendments do not have significant impact to the financial statements of the Group and of the Bank.

**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 to transactions that occur on or after the beginning of the earliest comparative period presented. These amendments do not have significant impact on the preparation of 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 2022 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2022 except for the adoption of the amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2023 as disclosed in Note A1.

**A3. Significant Accounting Estimates and Judgements**

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

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2022.

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

**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 2022 was not qualified.

**A5. Seasonal or Cyclical Factors**

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the financial half year ended 30 June 2023.

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

During the financial half year ended 30 June 2023, save as disclosed in Note A8 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

**A7. Changes in Estimates**

There were no material changes in estimates during the financial half year ended 30 June 2023.

**A8. Changes in Debt and Equity Securities**

(i) Save as disclosed below, there were no new shares issuance, cancellations, share buy-backs, resale of shares bought back by the Group and by the Bank financial half year ended 30 June 2023:

(a) **Borrowings**

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

Currency	Description	Aggregate Nominal Value (in million)
<b>Issuance of medium term notes</b>		
USD	Floating Rate Notes	213.0
USD	Fixed Rate Notes	95.0
HKD	Fixed Rate Notes	2,735.0
RM	Fixed Rate Notes	24.0
<b>Redemption of medium term notes</b>		
USD	Fixed Rate Notes	20.0
USD	Floating Rate Notes	235.0
CNY	Fixed Rate Notes	200.0
HKD	Fixed Rate Notes	701.0
JPY	Fixed Rate Notes (Samurai Bonds)	46,700.0

**Redemption of structured notes by the Bank**

Currency	Description	Aggregate Nominal Value (in million)
<b>Redemption of structured notes</b>		
AUD	Collared Floating Rate Notes	12.0

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

Currency	Description	Aggregate Nominal Value (in million)
<b>Issuance of bonds</b>		
IDR	Fixed Rate Notes	1,000,000.0
<b>Redemption of bonds</b>		
IDR	Fixed Rate Notes	1,113,300.0

**Issuance of commercial papers by the Bank**

The aggregate nominal value of the commercial papers issued by the Bank and outstanding as at 30 June 2023 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
RM	Zero Coupon Notes	231.0
SGD	Fixed Rate Notes*	106.3
USD	Fixed Rate Notes*	7.1

\* Extendible money market certificates

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

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

- (i) Save as disclosed below, there were no new shares issuance, cancellations, share buy-backs, resale of shares bought back by the Group and by the Bank during the financial half year ended 30 June 2023 (cont'd.).

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

**Issuance of commercial papers by Maybank Singapore Limited**

The aggregate nominal value of the commercial papers issued by Maybank Singapore Limited and outstanding as at 30 June 2023 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
USD	Zero Coupon Notes	383.8

(b) **Subordinated Obligations**

**Redemption of subordinated bonds by PT Bank Maybank Indonesia Tbk**

Redemption	Maturity Date	Nominal Value	Description	Tenor
Redemption	10 June 2023	IDR800.0 billion	Shelf Subordinated Bonds II Bank Maybank Indonesia Tranche II Year 2016	7 years

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the financial half year ended 30 June 2023 and have not been reflected in the financial statements for the financial half year ended 30 June 2023:

(a) **Borrowings**

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

Currency	Description	Aggregate Nominal Value (in million)
<b>Issuance of medium term notes</b>		
RM	Fixed Rate Notes	27.0
<b>Redemption of medium term notes</b>		
USD	Floating Rate Notes	295.0
HKD	Fixed Rate Notes	300.0

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

Currency	Description	Aggregate Nominal Value (in million)
<b>Redemption of bonds</b>		
IDR	Fixed Rate Notes	400,000.0

**A9. Dividends Paid**

Dividends paid during the financial half year ended 30 June 2023 are as follows:

- (a) A single-tier second interim cash dividend, in respect of the financial year ended 31 December 2022 of 30.0 sen per ordinary share, was declared by the Bank on 27 February 2023.

The single-tier second interim dividend of 30.0 sen amounted to RM3,616,238,128 was paid on 24 March 2023.

- (b) Dividends paid by Maybank's subsidiaries to non-controlling interests amounted to RM134,016,000 during the financial half year ended 30 June 2023.

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

**A10. Financial Investments Portfolio**

	Note	Group		Bank	
		30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	13,010,890	12,822,800	-	-
Financial investments at fair value through profit or loss	(ii)	34,442,544	25,143,208	20,600,277	13,978,475
Financial investments at fair value through other comprehensive income	(iii)	134,397,652	121,366,990	80,884,135	73,551,480
Financial investments at amortised cost	(iv)	71,593,595	71,756,942	48,031,474	46,234,128
		<b>253,444,681</b>	<b>231,089,940</b>	<b>149,515,886</b>	<b>133,764,083</b>

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	440,498	407,092	-	-
Malaysian Government Investment Issues	382,806	468,099	-	-
	<b>823,304</b>	<b>875,191</b>	<b>-</b>	<b>-</b>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Unit trusts	3,932	3,932	-	-
<b>Outside Malaysia:</b>				
Shares, warrants and loan stocks	1,178	18,790	-	-
	<b>5,110</b>	<b>22,722</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Corporate Bonds and Sukuk	12,025,696	11,764,213	-	-
<b>Outside Malaysia:</b>				
Corporate Bonds and Sukuk	156,780	160,674	-	-
	<b>12,182,476</b>	<b>11,924,887</b>	<b>-</b>	<b>-</b>
<b>Total financial assets designated upon initial recognition at FVTPL</b>	<b>13,010,890</b>	<b>12,822,800</b>	<b>-</b>	<b>-</b>

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

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

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	2,881,980	1,563,979	2,827,881	1,523,469
Malaysian Government Investment Issues	1,509,280	317,298	1,322,325	275,496
Cagamas Bonds	250,125	-	250,125	-
Foreign Government Securities	4,943,296	4,631,204	4,239,884	4,493,485
Malaysian Government Treasury Bills	5,732,614	1,648,435	5,003,366	1,648,435
Bank Negara Malaysia Bills and Notes	3,756,720	241,757	3,656,943	241,757
	<u>19,074,015</u>	<u>8,402,673</u>	<u>17,300,524</u>	<u>8,182,642</u>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants, mutual funds and loan stocks	2,393,427	2,910,063	-	-
Unit trusts	365,649	328,970	254,508	240,453
<b>Outside Malaysia:</b>				
Shares, warrants, mutual funds and loan stocks	3,891,849	4,255,594	298	66
Unit trusts	1,496,498	1,273,604	292,726	274,087
Corporate Bonds and Sukuk	2,213,632	1,236,259	-	-
Government Bonds	670,265	57,922	-	-
	<u>11,031,320</u>	<u>10,062,412</u>	<u>547,532</u>	<u>514,606</u>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Shares	953,265	972,960	733,325	715,908
Unit trusts	120,284	29,003	-	-
Corporate Bonds and Sukuk	1,228,696	1,768,316	491,601	1,079,658
Structured deposits	328,812	155,582	-	-
<b>Outside Malaysia:</b>				
Shares	2,159	369	-	-
Mutual funds	136,878	92,814	-	-
Corporate Bonds and Sukuk	682,816	2,906,292	642,996	2,732,874
Government Bonds	884,299	752,787	884,299	752,787
	<u>4,337,209</u>	<u>6,678,123</u>	<u>2,752,221</u>	<u>5,281,227</u>
<b>Total financial investments at FVTPL</b>	<u>34,442,544</u>	<u>25,143,208</u>	<u>20,600,277</u>	<u>13,978,475</u>

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

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

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	12,894,292	11,745,562	12,488,081	11,327,132
Malaysian Government Investment Issues	20,136,477	21,835,585	8,202,451	8,531,351
Negotiable instruments of deposits	13,363	4,991	-	-
Foreign Government Securities	19,372,199	19,531,047	7,145,454	9,125,421
Malaysian Government Treasury Bills	298,411	-	-	-
Foreign Government Treasury Bills	14,340,436	4,778,217	7,608,625	2,155,557
Khazanah Bonds	58,564	55,874	58,564	55,874
Cagamas Bonds	542,840	166,245	542,840	166,245
	<b>67,656,582</b>	<b>58,117,521</b>	<b>36,046,015</b>	<b>31,361,580</b>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants and loan stocks	372,997	194,460	30,298	18,029
<b>Outside Malaysia:</b>				
Corporate Bonds and Sukuk	4,951,607	4,445,570	-	-
Government Bonds	2,180,646	2,375,552	-	-
Government Treasury Bills	-	177,957	-	-
	<b>7,505,250</b>	<b>7,193,539</b>	<b>30,298</b>	<b>18,029</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Shares and loan stocks	375,818	353,597	359,042	341,113
Government Bonds	1,696,918	1,343,430	1,696,918	1,343,430
Corporate Bonds and Sukuk	28,522,416	27,063,652	16,526,657	15,286,933
<b>Outside Malaysia:</b>				
Shares	4,063	3,806	-	-
Government Bonds	17,283,587	15,704,130	16,657,110	15,118,709
Corporate Bonds and Sukuk	11,353,018	11,587,315	9,568,095	10,081,686
	<b>59,235,820</b>	<b>56,055,930</b>	<b>44,807,822</b>	<b>42,171,871</b>
<b>Total financial investments at FVOCI</b>	<b>134,397,652</b>	<b>121,366,990</b>	<b>80,884,135</b>	<b>73,551,480</b>

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

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

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

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

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 30 June 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2023	29,462	8,344	149,600	187,406
Transferred to Stage 2	1,843	(1,843)	-	-
Transferred to Stage 3	-	(1,414)	1,414	-
Net remeasurement of allowances	(205)	(485)	(1,865)	(2,555)
New financial assets originated or purchased	6,264	-	-	6,264
Financial assets derecognised	(2,463)	-	(39,040)	(41,503)
Changes in models/risk parameters	(3,579)	1,566	-	(2,013)
Amount related to insurance/takaful contract liabilities	-	-	40,038	40,038
Amount written-off	-	-	(1,336)	(1,336)
Exchange differences	323	(82)	-	241
At 30 June 2023	<b>31,645</b>	<b>6,086</b>	<b>148,811</b>	<b>186,542</b>

  

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	31,279	1,766	124,367	157,412
Transferred to Stage 2	(990)	990	-	-
Net remeasurement of allowances	(1,384)	2,193	147,379	148,188
New financial assets originated or purchased	9,434	3,395	-	12,829
Financial assets derecognised	(9,103)	-	(154)	(9,257)
Changes in models/risk parameters	(45)	-	-	(45)
Amount related to insurance/takaful contract liabilities	-	-	(96,741)	(96,741)
Amount written-off	-	-	(26,037)	(26,037)
Exchange differences	271	-	786	1,057
At 31 December 2022	<b>29,462</b>	<b>8,344</b>	<b>149,600</b>	<b>187,406</b>



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

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

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

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Bank</b>				
<b>As at 30 June 2023</b>				<b>RM'000</b>
At 1 January 2023	16,928	3,210	139,919	160,057
Transferred to Stage 2	(9)	9	-	-
Net remeasurement of allowances	(294)	136	(452)	(610)
New financial assets originated or purchased	3,209	-	-	3,209
Financial assets derecognised	(1,096)	-	-	(1,096)
Changes in models/risk parameters	(1,950)	1,566	-	(384)
Exchange differences	407	-	-	407
At 30 June 2023	<u>17,195</u>	<u>4,921</u>	<u>139,467</u>	<u>161,583</u>
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
<b>Bank</b>				
<b>As at 31 December 2022</b>				
At 1 January 2022	17,448	204	96,718	114,370
Transferred to Stage 2	(35)	35	-	-
Net remeasurement of allowances	(2,341)	(57)	43,201	40,803
New financial assets originated or purchased	4,381	3,028	-	7,409
Financial assets derecognised	(2,765)	-	-	(2,765)
Changes in models/risk parameters	(6)	-	-	(6)
Exchange differences	246	-	-	246
At 31 December 2022	<u>16,928</u>	<u>3,210</u>	<u>139,919</u>	<u>160,057</u>

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

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

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
<b>Money market instruments:</b>				
Malaysian Government Securities	12,239,274	12,357,726	12,239,172	12,357,624
Malaysian Government Investment Issues	24,684,103	24,691,751	9,250,262	9,254,337
Foreign Government Securities	3,571,620	3,488,456	284,793	270,289
Khazanah Bonds	601,199	592,145	47,355	46,262
Cagamas Bonds	173,645	175,710	50,259	50,242
	<b>41,269,841</b>	<b>41,305,788</b>	<b>21,871,841</b>	<b>21,978,754</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Corporate Bonds and Sukuk	28,001,969	28,496,001	22,724,101	21,158,007
<b>Outside Malaysia:</b>				
Corporate Bonds and Sukuk	1,252,943	1,208,594	2,386,175	2,270,632
Government Bonds	2,529,119	2,244,819	1,065,864	846,006
	<b>31,784,031</b>	<b>31,949,414</b>	<b>26,176,140</b>	<b>24,274,645</b>
Allowances for impairment losses	<b>(1,460,277)</b>	<b>(1,498,260)</b>	<b>(16,507)</b>	<b>(19,271)</b>
<b>Total financial investments at amortised cost</b>	<b>71,593,595</b>	<b>71,756,942</b>	<b>48,031,474</b>	<b>46,234,128</b>

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>As at 30 June 2023</b>				<b>RM'000</b>
At 1 January 2023	60,775	3,801	1,433,684	1,498,260
Transferred to Stage 2	(425)	425	-	-
Transferred to Stage 3	-	(850)	850	-
Net remeasurement of allowances	(1,963)	5,725	(34,506)	(30,744)
New financial assets originated or purchased	2,563	-	-	2,563
Financial assets derecognised	(3,470)	-	-	(3,470)
Changes in models/risk parameters	(7,268)	-	-	(7,268)
Exchange differences	936	-	-	936
At 30 June 2023	<b>51,148</b>	<b>9,101</b>	<b>1,400,028</b>	<b>1,460,277</b>

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

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

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

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

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	63,701	3,043	1,060,783	1,127,527
Transferred to Stage 1	46	(46)	-	-
Transferred to Stage 2	(608)	608	-	-
Net remeasurement of allowances	1,597	241	509,887	511,725
New financial assets originated or purchased	6,923	-	-	6,923
Financial assets derecognised	(9,381)	(45)	(136,986)	(146,412)
Changes in models/risk parameters	(567)	-	-	(567)
Exchange differences	(936)	-	-	(936)
At 31 December 2022	60,775	3,801	1,433,684	1,498,260

  

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 30 June 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2023	19,271	-	-	19,271
Net remeasurement of allowances	(367)	-	-	(367)
New financial assets originated or purchased	2,539	-	-	2,539
Financial assets derecognised	(3,035)	-	-	(3,035)
Changes in models/risk parameters	(1,941)	-	-	(1,941)
Exchange differences	40	-	-	40
At 30 June 2023	16,507	-	-	16,507

  

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	24,769	91	136,986	161,846
Transferred to Stage 1	46	(46)	-	-
Transferred to Stage 2	(222)	222	-	-
Net remeasurement of allowances	(1,645)	(222)	-	(1,867)
New financial assets originated or purchased	4,569	-	-	4,569
Financial assets derecognised	(7,762)	(45)	(136,986)	(144,793)
Changes in models/risk parameters	(543)	-	-	(543)
Exchange differences	59	-	-	59
At 31 December 2022	19,271	-	-	19,271

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

**A11. Loans, Advances and Financing**

	Note	Group		Bank	
		30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
Loans, advances and financing to financial institutions	(i)	1,326,948	1,361,712	36,894,620	31,304,965
Loans, advances and financing to customers	(ii)	593,306,246	573,765,662	222,294,269	213,831,963
		<b>594,633,194</b>	<b>575,127,374</b>	<b>259,188,889</b>	<b>245,136,928</b>
<b>(i) Loans, advances and financing to financial institutions<sup>^</sup>:</b>					
(A) Loans, advances and financing to financial institutions at amortised cost		1,207,130	1,250,070	38,070,319	32,798,507
(B) Loans, advances and financing to financial institutions at fair value through other comprehensive income		124,490	117,597	450,616	440,406
Gross loans, advances and financing to financial institutions		1,331,620	1,367,667	38,520,935	33,238,913
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(4,564)	(5,868)	(42,528)	(18,972)
- Stage 2 - Lifetime ECL not credit impaired		(108)	(87)	(45,556)	(1,228)
- Stage 3 - Lifetime ECL credit impaired		-	-	(1,538,231)	(1,913,748)
Net loans, advances and financing to financial institutions		1,326,948	1,361,712	36,894,620	31,304,965
<b>(ii) Loans, advances and financing to customers:</b>					
(A) Loans, advances and financing to customers at fair value through profit or loss		-	1,668	-	1,668
(B) Loans, advances and financing to customers at fair value through other comprehensive income		31,378,132	29,898,744	32,640,271	26,414,713
(C) Loans, advances and financing to customers at amortised cost		648,963,683	633,504,864	195,902,051	194,236,286
Unearned interest and income		680,341,815	663,405,276	228,542,322	220,652,667
Gross loans, advances and financing to customers		(75,838,182)	(77,911,147)	(772,407)	(808,629)
Net loans, advances and financing to customers		604,503,633	585,494,129	227,769,915	219,844,038
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(1,986,424)	(2,000,435)	(827,577)	(883,584)
- Stage 2 - Lifetime ECL not credit impaired		(3,505,534)	(3,329,902)	(1,245,430)	(1,343,859)
- Stage 3 - Lifetime ECL credit impaired		(5,705,429)	(6,398,130)	(3,402,639)	(3,784,632)
Net loans, advances and financing to customers		593,306,246	573,765,662	222,294,269	213,831,963
Net loans, advances and financing	(i) & (ii)	594,633,194	575,127,374	259,188,889	245,136,928

<sup>^</sup> Included in the Bank's loans/financing to financial institutions is financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, 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 RM1,018.8 million (31 December 2022: RM1,003.5 million), and under the Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM35,727.4 million net of expected credit losses (31 December 2022: RM30,138.8 million). The RPSIA is a contract based on the Mudharabah principle between two parties financing where the Bank acts as the investor who provides capital to MIB whereas the business venture is managed by MIB as an entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Bank.

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

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
<b>(iii) Loans, advances and financing to financial institutions and customers</b>				
Loans/financing to financial institutions	1,331,620	1,367,667	38,520,935	33,238,913
Overdrafts/cashline	17,893,425	17,756,331	5,654,550	5,834,436
Term loans:				
- Housing loans/financing	198,124,890	193,701,007	45,957,972	46,344,789
- Syndicated loans/financing	53,389,336	56,349,988	47,341,510	46,756,972
- Hire purchase receivables	88,614,601	83,038,247	9,438,386	9,846,496
- Lease receivables	2,715,813	2,034,794	-	-
- Other loans/financing	209,973,817	205,466,209	57,195,134	54,836,583
Credit card receivables	10,858,071	10,517,219	6,897,172	6,872,769
Bills receivables	6,665,842	5,969,774	6,094,126	5,370,263
Trust receipts	5,423,374	4,345,917	4,679,393	3,660,378
Claims on customers under acceptance credits	12,112,913	11,452,266	4,937,813	5,065,436
Revolving credits	63,267,677	62,208,363	37,319,335	33,162,108
Share margin financing	7,233,486	6,531,112	2,485,931	2,361,531
Staff loans	4,005,410	3,961,950	538,901	538,960
Loans to:				
- Directors of the Bank	4,586	5,101	1,929	1,770
- Directors of subsidiaries	7,114	6,761	159	175
Others	51,460	60,237	11	1
	<b>681,673,435</b>	664,772,943	<b>267,063,257</b>	253,891,580
Unearned interest and income	<b>(75,838,182)</b>	(77,911,147)	<b>(772,407)</b>	(808,629)
Gross loans, advances and financing	<b>605,835,253</b>	586,861,796	<b>266,290,850</b>	253,082,951
Allowances for loans, advances and financing:				
- Stage 1 - 12-month ECL	<b>(1,990,988)</b>	(2,006,303)	<b>(870,105)</b>	(902,556)
- Stage 2 - Lifetime ECL not credit impaired	<b>(3,505,642)</b>	(3,329,989)	<b>(1,290,986)</b>	(1,345,087)
- Stage 3 - Lifetime ECL credit impaired	<b>(5,705,429)</b>	(6,398,130)	<b>(4,940,870)</b>	(5,698,380)
Net loans, advances and financing	<b>594,633,194</b>	575,127,374	<b>259,188,889</b>	245,136,928

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
Domestic banking institutions	1,223,180	1,343,013	38,530,496	33,092,908
Domestic non-banking financial institutions	29,301,323	19,762,607	22,580,513	13,139,759
Domestic business enterprises:				
- Small and medium enterprises	91,093,163	71,922,930	33,298,374	24,495,849
- Others	106,352,950	127,808,720	60,863,246	72,728,290
Government and statutory bodies	16,568,046	16,583,958	56,510	60,405
Individuals	299,783,261	292,854,226	63,933,850	64,927,922
Other domestic entities	15,321,987	13,368,408	4,725,124	4,688,532
Foreign entities	46,191,343	43,217,934	42,302,737	39,949,286
Gross loans, advances and financing	<b>605,835,253</b>	586,861,796	<b>266,290,850</b>	253,082,951

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

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

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
Malaysia	363,706,989	364,003,666	158,350,219	155,189,402
Singapore	156,838,977	144,695,517	69,927,195	62,449,296
Indonesia	35,333,278	31,670,365	-	-
Labuan Offshore	11,032,755	10,259,682	11,032,755	10,259,682
Hong Kong SAR	18,746,464	17,324,297	18,379,722	16,999,129
United States of America	515,138	493,813	515,138	493,813
People's Republic of China	5,361,130	4,892,403	5,361,130	4,892,403
Vietnam	1,782,804	1,636,999	1,110,380	1,152,433
United Kingdom	1,019,519	1,052,385	1,019,519	1,052,385
Brunei	486,188	487,659	486,188	487,659
Cambodia	4,817,651	4,541,390	-	-
Philippines	4,101,516	3,748,979	-	-
Thailand	1,984,240	1,947,892	-	-
Laos	31,959	36,921	31,959	36,921
Myanmar	76,645	69,828	76,645	69,828
Gross loans, advances and financing	<b>605,835,253</b>	<b>586,861,796</b>	<b>266,290,850</b>	<b>253,082,951</b>

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
Fixed rate:				
- Housing loans/financing	25,671,178	26,736,931	408,000	401,843
- Hire purchase receivables	64,898,122	61,128,825	7,774,761	8,209,430
- Other fixed rate loans/financing	74,357,101	74,359,077	62,853,808	56,183,519
Variable rate:				
- Base lending/financing rate/ base rate plus	224,291,310	223,618,388	75,378,137	75,825,992
- Cost plus	38,354,390	39,087,461	18,402,435	20,938,621
- Other variable rates	178,263,152	161,931,114	101,473,709	91,523,546
Gross loans, advances and financing	<b>605,835,253</b>	<b>586,861,796</b>	<b>266,290,850</b>	<b>253,082,951</b>

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
Purchase of securities	35,519,414	38,039,719	6,502,127	6,952,551
Purchase of transport vehicles	79,009,372	74,233,906	7,085,568	7,663,122
Purchase of landed properties:				
- Residential	171,766,269	164,810,326	46,331,278	46,115,807
- Non-residential	42,934,072	41,281,360	14,870,009	14,971,398
Purchase of fixed assets (excluding landed properties)	3,308,834	3,204,664	2,149,325	2,141,348
Personal use	9,060,880	9,075,444	3,373,176	3,557,514
Credit card	10,940,200	10,610,731	6,919,447	6,893,291
Purchase of consumer durables	5,220	5,637	4,689	5,162
Constructions	14,068,625	14,689,441	6,834,774	7,716,731
Mergers and acquisitions	2,862,653	2,722,043	2,415,475	2,249,790
Working capital	192,423,038	191,823,359	133,675,336	125,137,198
Others	43,936,676	36,365,166	36,129,646	29,679,039
Gross loans, advances and financing	<b>605,835,253</b>	<b>586,861,796</b>	<b>266,290,850</b>	<b>253,082,951</b>

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

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

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
Within one year	135,957,032	129,189,210	86,169,339	79,080,550
One year to three years	66,671,764	62,679,135	44,232,072	40,540,022
Three years to five years	78,761,233	78,094,060	47,337,445	43,925,512
After five years	324,445,224	316,899,391	88,551,994	89,536,867
Gross loans, advances and financing	<b>605,835,253</b>	586,861,796	<b>266,290,850</b>	253,082,951

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
At 1 January	9,204,859	11,043,533	8,205,103	10,103,703
Impaired during the financial period	2,194,324	4,310,636	811,324	2,001,356
Reclassified as non-impaired	(227,536)	(792,624)	(62,638)	(433,128)
Amount recovered	(441,689)	(2,817,825)	(118,525)	(1,867,027)
Amount written-off	(2,151,188)	(3,078,763)	(1,555,267)	(2,130,955)
Exchange differences	333,289	539,902	143,556	531,154
Gross impaired loans at 30 June 2023/ 31 December 2022	<b>8,912,059</b>	9,204,859	<b>7,423,553</b>	8,205,103
Less: Stage 3 - Lifetime ECL credit impaired	<b>(5,896,444)</b>	(6,590,207)	<b>(5,131,886)</b>	(5,890,457)
Net impaired loans at 30 June 2023/ 31 December 2022	<b>3,015,615</b>	2,614,652	<b>2,291,667</b>	2,314,646

Calculation of ratio of net impaired loans:

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Gross impaired loans at 30 June 2023/ 31 December 2022 (excluding financing funded by Investment Account*)	8,791,461	9,145,242	7,423,553	8,205,103
Less: Stage 3 - Lifetime ECL credit impaired	<b>(5,896,444)</b>	(6,590,207)	<b>(5,131,886)</b>	(5,890,457)
Net impaired loans	<b>2,895,017</b>	2,555,035	<b>2,291,667</b>	2,314,646
Gross loans, advances and financing	605,835,253	586,861,796	266,290,850	253,082,951
Less: Funded by Investment Account*	<b>(26,691,916)</b>	(24,500,981)	-	-
Less: Allowances for loans, advances and financing at fair value through other comprehensive income and at amortised cost	<b>(11,609,237)</b>	(12,078,292)	<b>(7,503,205)</b>	(8,282,624)
Net loans, advances and financing	<b>567,534,100</b>	550,282,523	<b>258,787,645</b>	244,800,327
Ratio of net impaired loans	<b>0.51%</b>	0.46%	<b>0.89%</b>	0.95%

\* In the books of Maybank Islamic Berhad, a wholly-owned subsidiary of the Bank, the unrestricted investment accounts (net of intercompany balances) as at 30 June 2023 was RM26,691.9 million (31 December 2022: RM24,501.0 million).

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

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

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Purchase of securities	84,423	52,985	5,105	6,792
Purchase of transport vehicles	384,600	291,952	61,717	51,381
Purchase of landed properties:				
- Residential	1,083,015	751,425	430,517	216,693
- Non-residential	681,319	509,803	227,332	198,830
Purchase of fixed assets (excluding landed properties)	84,268	67,961	59,434	43,646
Personal use	188,579	134,571	60,443	83,441
Credit card	83,753	75,784	42,585	39,515
Purchase of consumer durables	3,317	3,370	3,315	3,368
Constructions	676,432	639,312	365,563	366,362
Working capital	5,281,419	6,489,133	5,873,179	7,048,421
Others	360,934	188,563	294,363	146,654
Gross impaired loans, advances and financing	<b>8,912,059</b>	<b>9,204,859</b>	<b>7,423,553</b>	<b>8,205,103</b>

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Malaysia	4,866,308	5,030,783	5,682,389	6,072,338
Singapore	950,329	823,840	510,074	476,616
Indonesia	1,420,717	1,314,119	-	-
Labuan Offshore	223,372	11,079	223,372	11,079
Hong Kong SAR	834,202	1,535,103	834,202	1,535,103
People's Republic of China	126,818	60,218	126,818	60,218
Vietnam	18,462	16,637	17,052	16,580
Brunei	17,412	19,781	17,412	19,781
Cambodia	167,571	110,249	-	-
Philippines	240,863	236,939	-	-
Thailand	33,772	32,723	-	-
Laos	7,420	7,986	7,420	7,986
Myanmar	4,813	5,402	4,814	5,402
Gross impaired loans, advances and financing	<b>8,912,059</b>	<b>9,204,859</b>	<b>7,423,553</b>	<b>8,205,103</b>



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

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

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

At fair value through other comprehensive income

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 June 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	122,541	29,252	192,077	343,870
Transferred to Stage 2	(2,872)	2,872	-	-
Net remeasurement of allowances	(5,894)	23,003	(2,650)	14,459
New financial assets originated or purchased	28,582	2,986	-	31,568
Financial assets derecognised	(21,962)	(96)	-	(22,058)
Changes in models/risk parameters	42,174	(12,927)	-	29,247
Exchange differences	6,947	1,557	1,588	10,092
At 30 June 2023	<b>169,516</b>	<b>46,647</b>	<b>191,015</b>	<b>407,178</b>

  

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2022	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	59,713	282,533	116,638	458,884
Transferred to Stage 1	73	(73)	-	-
Transferred to Stage 3	-	(5,738)	5,738	-
Net remeasurement of allowances	18,233	(255,527)	160,768	(76,526)
New financial assets originated or purchased	51,156	2,961	-	54,117
Financial assets derecognised	(10,988)	(3,664)	(93,916)	(108,568)
Amount written-off	-	-	(1,834)	(1,834)
Exchange differences	4,354	8,760	4,683	17,797
At 31 December 2022	<b>122,541</b>	<b>29,252</b>	<b>192,077</b>	<b>343,870</b>

  

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 June 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	115,273	29,251	192,077	336,601
Transferred to Stage 2	(2,872)	2,872	-	-
Net remeasurement of allowances	(5,894)	23,003	(2,649)	14,460
New financial assets originated or purchased	27,858	2,986	-	30,844
Financial assets derecognised	(19,894)	(96)	-	(19,990)
Changes in models/risk parameters	42,182	(12,927)	-	29,255
Exchange differences	6,925	1,561	1,588	10,074
At 30 June 2023	<b>163,578</b>	<b>46,650</b>	<b>191,016</b>	<b>401,244</b>

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

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

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

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<b>Bank</b>				
<b>As at 31 December 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	57,414	282,531	116,638	456,583
Transferred to Stage 1	73	(73)	-	-
Transferred to Stage 3	-	(5,738)	5,738	-
Net remeasurement of allowances	15,349	(255,527)	160,768	(79,410)
New financial assets originated or purchased	48,606	2,961	-	51,567
Financial assets derecognised	(10,494)	(3,664)	(93,916)	(108,074)
Amount written-off	-	-	(1,834)	(1,834)
Exchange differences	4,325	8,761	4,683	17,769
At 31 December 2022	<u>115,273</u>	<u>29,251</u>	<u>192,077</u>	<u>336,601</u>

**At amortised cost**

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<b>Group</b>				
<b>As at 30 June 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2023	2,006,303	3,329,989	6,398,130	11,734,422
Transferred to Stage 1	236,429	(218,244)	(18,185)	-
Transferred to Stage 2	(98,826)	138,519	(39,693)	-
Transferred to Stage 3	(14,793)	(265,076)	279,869	-
Net remeasurement of allowances	(326,481)	525,888	1,260,874	1,460,281
New financial assets originated or purchased	419,027	111,958	-	530,985
Financial assets derecognised	(400,836)	(157,397)	(319,160)	(877,393)
Changes in models/risk parameters	146,023	(33,123)	7,326	120,226
Amount written-off	-	-	(2,151,188)	(2,151,188)
Exchange differences	24,142	73,128	287,456	384,726
At 30 June 2023	<u>1,990,988</u>	<u>3,505,642</u>	<u>5,705,429</u>	<u>11,202,059</u>

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<b>Group</b>				
<b>As at 31 December 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	1,895,232	3,695,513	6,309,928	11,900,673
Transferred to Stage 1	379,282	(358,894)	(20,388)	-
Transferred to Stage 2	(89,233)	291,116	(201,883)	-
Transferred to Stage 3	(21,269)	(432,157)	453,426	-
Net remeasurement of allowances	(333,933)	214,470	3,216,070	3,096,607
New financial assets originated or purchased	585,174	227,333	-	812,507
Financial assets derecognised	(391,624)	(327,526)	(430,457)	(1,149,607)
Changes in models/risk parameters	(29,367)	(14,751)	(85,144)	(129,262)
Amount written-off	-	-	(3,076,929)	(3,076,929)
Exchange differences	12,041	34,885	233,507	280,433
At 31 December 2022	<u>2,006,303</u>	<u>3,329,989</u>	<u>6,398,130</u>	<u>11,734,422</u>

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

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

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

At amortised cost (cont'd.)

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<b>Bank</b>				
<b>As at 30 June 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2023	902,556	1,345,087	5,698,380	7,946,023
Transferred to Stage 1	60,279	(56,914)	(3,365)	-
Transferred to Stage 2	(26,989)	43,561	(16,572)	-
Transferred to Stage 3	(4,020)	(168,666)	172,686	-
Net remeasurement of allowances	(126,556)	125,668	576,123	575,235
New financial assets originated or purchased	140,493	48,099	-	188,592
Financial assets derecognised	(190,526)	(35,567)	(117,252)	(343,345)
Changes in models/risk parameters	138,568	(31,579)	3,440	110,429
Amount written-off	-	-	(1,555,267)	(1,555,267)
Exchange differences	(23,700)	21,297	182,697	180,294
At 30 June 2023	<b>870,105</b>	<b>1,290,986</b>	<b>4,940,870</b>	<b>7,101,961</b>
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
<b>Bank</b>				
<b>As at 31 December 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	805,617	1,414,643	5,368,659	7,588,919
Transferred to Stage 1	127,069	(121,722)	(5,347)	-
Transferred to Stage 2	(38,730)	209,024	(170,294)	-
Transferred to Stage 3	(5,776)	(158,470)	164,246	-
Net remeasurement of allowances	35,157	25,063	2,525,097	2,585,317
New financial assets originated or purchased	165,434	75,437	-	240,871
Financial assets derecognised	(168,614)	(108,434)	(168,655)	(445,703)
Changes in models/risk parameters	(17,104)	(25,024)	(77,717)	(119,845)
Amount written-off	-	-	(2,129,121)	(2,129,121)
Exchange differences	(497)	34,570	191,512	225,585
At 31 December 2022	<b>902,556</b>	<b>1,345,087</b>	<b>5,698,380</b>	<b>7,946,023</b>

**A12. Insurance contracts/takaful certificates**

(i) Insurance/reinsurance contract assets/takaful/retakaful certificate assets

	Group	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated
Assets for remaining coverage	701,132	638,042
Amounts recoverable for incurred claims	3,859,858	3,923,609
	<b>4,560,990</b>	<b>4,561,651</b>

(ii) Insurance contract liabilities/takaful certificate liabilities

	Group	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated
Liabilities for remaining coverage	32,940,421	32,490,007
- Excluding loss component	32,788,203	31,961,262
- Loss component	152,218	528,745
Liabilities for incurred claims	9,403,372	6,687,387
Assets for insurance/takaful acquisition cash flow	(371,388)	186,635
	<b>41,972,405</b>	<b>39,364,029</b>

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

**A13. Other Assets**

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
Other debtors, net of allowances for impairment losses	7,790,115	7,227,573	5,678,701	6,592,721
Amount due from brokers and clients	3,758,693	2,421,721	-	-
Prepayments and deposits	1,839,925	983,587	306,233	326,216
Tax recoverable	502,394	416,790	363,427	282,220
Foreclosed properties	434,603	408,480	28,500	28,500
	<b>14,325,730</b>	<b>11,458,151</b>	<b>6,376,861</b>	<b>7,229,657</b>

**A14. Deposits from Customers**

**(i) By type of deposit**

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	335,635,410	288,829,538	162,008,407	147,069,267
- More than one year	6,606,184	8,678,151	885,696	1,360,535
	<b>342,241,594</b>	<b>297,507,689</b>	<b>162,894,103</b>	<b>148,429,802</b>
Money market deposits	62,791,635	76,894,298	13,277,182	10,175,820
Savings deposits	90,936,113	91,065,792	33,995,319	34,263,311
Demand deposits	132,100,839	149,427,315	70,386,336	81,985,228
	<b>628,070,181</b>	<b>614,895,094</b>	<b>280,552,940</b>	<b>274,854,161</b>

**(ii) By type of customer**

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Business enterprises	275,995,432	277,008,600	162,889,726	158,132,250
Individuals	246,525,722	230,613,145	83,977,829	83,639,653
Government and statutory bodies	48,719,508	52,219,059	14,589,939	13,797,858
Others	56,829,519	55,054,290	19,095,446	19,284,400
	<b>628,070,181</b>	<b>614,895,094</b>	<b>280,552,940</b>	<b>274,854,161</b>

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Within six months	267,901,868	230,952,662	138,064,971	125,929,702
Six months to one year	67,733,542	57,876,876	23,943,436	21,139,565
One year to three years	6,495,677	8,561,099	820,390	1,297,992
Three years to five years	110,507	117,052	65,306	62,543
	<b>342,241,594</b>	<b>297,507,689</b>	<b>162,894,103</b>	<b>148,429,802</b>

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

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
Licensed banks	47,174,853	49,139,318	56,247,678	65,244,035
Licensed finance companies	47,894	55,217	47,894	55,217
Licensed investment banks	1,066,180	878,171	1,066,180	878,171
Other financial institutions	1,728,661	1,821,074	835,746	617,021
	<b>50,017,588</b>	<b>51,893,780</b>	<b>58,197,498</b>	<b>66,794,444</b>

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
One year or less	45,924,435	49,454,866	54,930,511	65,351,189
More than one year	4,093,153	2,438,914	3,266,987	1,443,255
	<b>50,017,588</b>	<b>51,893,780</b>	<b>58,197,498</b>	<b>66,794,444</b>

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

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
<b>Structured deposits</b>	<b>192,648</b>	209,827	<b>192,648</b>	209,827
<b>Borrowings</b>				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	<b>8,591,687</b>	8,107,257	<b>8,591,687</b>	8,107,257
Total financial liabilities at fair value through profit or loss	<b>8,784,335</b>	8,317,084	<b>8,784,335</b>	8,317,084

The carrying amounts of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 30 June 2023 were RM193,451,000 (31 December 2022: RM211,019,000) and RM13,913,095,000 (31 December 2022: RM12,742,015,000) respectively. The fair value changes of the financial liabilities at FVTPL that are attributable to the changes in own credit risk are not significant.

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

**A17. Borrowings, Subordinated Obligations and Capital Securities**

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
<b>(i) Borrowings</b>				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- IDR	850,114	636,894	-	-
	<b>850,114</b>	<b>636,894</b>	<b>-</b>	<b>-</b>
- More than one year				
Denominated in:				
- IDR	1,463,371	1,308,473	-	-
	<b>1,463,371</b>	<b>1,308,473</b>	<b>-</b>	<b>-</b>
Total secured borrowings	<b>2,313,485</b>	<b>1,945,367</b>	<b>-</b>	<b>-</b>
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	466,427	552,842	466,427	221,002
- CNY	54,679	378,352	54,679	378,352
- SGD	3,679,856	3,874,228	1,105,942	388,752
- THB	1,427,330	1,422,339	-	-
- HKD	244,174	98,517	-	-
- IDR	843,103	1,667,064	-	-
- PHP	4,238	3,960	-	-
- JPY	458,610	422	-	-
- RM	28,000	-	28,000	-
	<b>7,206,417</b>	<b>7,997,724</b>	<b>1,655,048</b>	<b>988,106</b>
- More than one year				
Denominated in:				
- USD	230,146	214,925	230,146	214,925
- IDR	330,302	294,855	-	-
- CNY	322,783	220,592	322,783	220,592
- RM (Note (a))	2,532,386	2,507,594	2,532,386	2,507,594
	<b>3,415,617</b>	<b>3,237,966</b>	<b>3,085,315</b>	<b>2,943,111</b>

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 RM1,684,394,000 (31 December 2022: RM1,659,006,000) for the purpose of SME lending at a below market rate with a six-year maturity to be repaid on 17 June 2026. The financing under the government scheme is for lending at concession rates to SMEs and for COVID-19 related relief measures.



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

**A18. Other Liabilities**

	Note	Group		Bank	
		30 June 2023 RM'000	31 December 2022 RM'000 Restated	30 June 2023 RM'000	31 December 2022 RM'000
Amount due to brokers and clients		7,076,231	6,515,828	-	-
Deposits, other creditors and accruals		9,340,950	10,322,903	8,801,332	8,696,564
Defined benefit pension plans		547,026	483,374	-	-
Provisions for commitments and contingencies		69,494	38,880	58,694	28,080
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i)	363,881	454,808	193,473	268,678
Lease liabilities		1,567,099	1,139,694	502,923	543,134
Structured deposits		7,421,004	7,037,114	353,644	264,786
		<b>26,385,685</b>	<b>25,992,601</b>	<b>9,910,066</b>	<b>9,801,242</b>

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>As at 30 June 2023</b>				<b>RM'000</b>
At 1 January 2023	162,152	37,846	254,810	454,808
Transferred to Stage 1	7,118	(6,924)	(194)	-
Transferred to Stage 2	(4,171)	4,472	(301)	-
Transferred to Stage 3	(40)	(172)	212	-
Net remeasurement of allowances	(16,913)	7,823	110,270	101,180
New credit exposures originated or purchased	53,101	85,645	-	138,746
Credit exposures derecognised	(72,876)	(14,233)	(239,559)	(326,668)
Changes in models/risk parameters	(4,441)	(325)	58	(4,708)
Exchange differences	4,553	663	(4,693)	523
At 30 June 2023	<b>128,483</b>	<b>114,795</b>	<b>120,603</b>	<b>363,881</b>
Group	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2022	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 1 January 2022	127,960	68,815	90,597	287,372
Transferred to Stage 1	7,732	(7,604)	(128)	-
Transferred to Stage 2	(1,990)	2,011	(21)	-
Transferred to Stage 3	(110)	(7,902)	8,012	-
Net remeasurement of allowances	(14,554)	2,541	235,313	223,300
New credit exposures originated or purchased	104,771	27,330	-	132,101
Credit exposures derecognised	(73,506)	(47,814)	(79,166)	(200,486)
Changes in models/risk parameters	515	65	112	692
Exchange differences	11,334	404	91	11,829
At 31 December 2022	<b>162,152</b>	<b>37,846</b>	<b>254,810</b>	<b>454,808</b>



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

**A18. Other Liabilities (cont'd.)**

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Bank</b>				
<b>As at 30 June 2023</b>				
At 1 January 2023	91,147	20,107	157,424	268,678
Transferred to Stage 1	2,661	(2,661)	-	-
Transferred to Stage 2	(1,711)	2,011	(300)	-
Transferred to Stage 3	(2)	(15)	17	-
Net remeasurement of allowances	(9,229)	5,359	26,683	22,813
New credit exposures originated or purchased	32,326	81,353	-	113,679
Credit exposures derecognised	(53,571)	(7,613)	(147,146)	(208,330)
Changes in models/risk parameters	192	-	-	192
Exchange differences	1,318	35	(4,912)	(3,559)
At 30 June 2023	<b>63,131</b>	<b>98,576</b>	<b>31,766</b>	<b>193,473</b>
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
<b>Bank</b>				
<b>As at 31 December 2022</b>				
At 1 January 2022	67,231	44,662	72,669	184,562
Transferred to Stage 1	3,163	(3,163)	-	-
Transferred to Stage 2	(1,054)	1,054	-	-
Transferred to Stage 3	(5)	(1,183)	1,188	-
Net remeasurement of allowances	(14,684)	(1,374)	146,211	130,153
New credit exposures originated or purchased	65,828	14,215	-	80,043
Credit exposures derecognised	(39,537)	(34,685)	(62,828)	(137,050)
Changes in models/risk parameters	50	-	119	169
Exchange differences	10,155	581	65	10,801
At 31 December 2022	<b>91,147</b>	<b>20,107</b>	<b>157,424</b>	<b>268,678</b>

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

**A19. Other Reserves**

The breakdown and movement of other reserves are as follows:

<===== Non-Distributable =====>						
<u>Group</u>	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Hedge Reserve RM'000	Insurance Finance Reserve RM'000	Total Other Reserves RM'000
<b>At 1 January 2023</b>						
- as previously stated	13,997	(3,155)	80,034	(311,048)	-	(220,172)
- effect of adopting MFRS 17	-	-	-	-	(9,509)	(9,509)
At 1 January 2023, as restated	<u>13,997</u>	<u>(3,155)</u>	<u>80,034</u>	<u>(311,048)</u>	<u>(9,509)</u>	<u>(229,681)</u>
Other comprehensive (loss)/income	(116)	489	4,856	(12,934)	(23,391)	(31,096)
Defined benefit plan actuarial gain	-	-	4,856	-	-	4,856
Cost of hedging for fair value hedge	-	-	-	(12,934)	-	(12,934)
Net insurance finance/investment result	-	-	-	-	(23,391)	(23,391)
Net loss on capital reserve	(116)	-	-	-	-	(116)
Net gain on revaluation reserve	-	489	-	-	-	489
<b>Total comprehensive (loss)/income for the financial period</b>	<u>(116)</u>	<u>489</u>	<u>4,856</u>	<u>(12,934)</u>	<u>(23,391)</u>	<u>(31,096)</u>
<b>At 30 June 2023</b>	<u>13,881</u>	<u>(2,666)</u>	<u>84,890</u>	<u>(323,982)</u>	<u>(32,900)</u>	<u>(260,777)</u>
<===== Non-Distributable =====>						
<u>Group</u>	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Hedge Reserve RM'000	Insurance Finance Reserve RM'000	Total Other Reserves RM'000
<b>At 1 January 2022</b>						
- as previously stated	12,912	(2,712)	49,423	(360,747)	-	(301,124)
- effect of adopting MFRS 17	-	-	-	-	(24,973)	(24,973)
At 1 January 2022, as restated	<u>12,912</u>	<u>(2,712)</u>	<u>49,423</u>	<u>(360,747)</u>	<u>(24,973)</u>	<u>(326,097)</u>
Other comprehensive income/(loss)	692	-	(3,216)	2,742	(4,753)	(4,535)
Defined benefit plan actuarial loss	-	-	(3,216)	-	-	(3,216)
Cost of hedging for fair value hedge	-	-	-	2,742	-	2,742
Net insurance finance/investment result	-	-	-	-	(4,753)	(4,753)
Net gain on capital reserve	692	-	-	-	-	692
<b>Total comprehensive income/(loss) for the financial period</b>	<u>692</u>	<u>-</u>	<u>(3,216)</u>	<u>2,742</u>	<u>(4,753)</u>	<u>(4,535)</u>
<b>At 30 June 2022</b>	<u>13,604</u>	<u>(2,712)</u>	<u>46,207</u>	<u>(358,005)</u>	<u>(29,726)</u>	<u>(330,632)</u>

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

**A20. Interest Income**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000 Restated	30 June 2023 RM'000	30 June 2022 RM'000 Restated
Loans, advances and financing	5,051,216	3,362,611	9,709,931	6,446,664
Money at call and deposits and placements with financial institutions	385,293	110,110	742,123	187,268
Financial assets purchased under resale agreements	215,633	47,953	439,504	75,607
Financial assets at FVTPL	249,852	230,642	495,674	471,657
Financial investments at FVOCI	1,015,954	802,938	1,974,398	1,542,458
Financial investments at amortised cost	515,108	462,731	1,014,512	896,834
	<b>7,433,056</b>	<b>5,016,985</b>	<b>14,376,142</b>	<b>9,620,488</b>
Accretion of discounts, net	(37,650)	(54,678)	(63,378)	(114,353)
	<b>7,395,406</b>	<b>4,962,307</b>	<b>14,312,764</b>	<b>9,506,135</b>

  

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Loans, advances and financing	3,286,741	2,095,802	6,332,096	3,958,322
Money at call and deposits and placements with financial institutions	535,798	199,976	1,029,001	352,088
Financial assets purchased under resale agreements	174,870	30,989	366,139	40,128
Financial assets at FVTPL	56,976	46,825	118,937	108,367
Financial investments at FVOCI	642,832	505,340	1,267,421	977,599
Financial investments at amortised cost	422,216	386,680	846,162	746,506
	<b>5,119,433</b>	<b>3,265,612</b>	<b>9,959,756</b>	<b>6,183,010</b>
Amortisation of premiums, net	70,475	24,839	138,500	42,117
	<b>5,189,908</b>	<b>3,290,451</b>	<b>10,098,256</b>	<b>6,225,127</b>

Included in interest income for the half year financial period ended 30 June 2023 was interest on impaired assets amounting to approximately RM104,954,000 (30 June 2022: RM130,352,000) for the Group and RM56,293,000 (30 June 2022: RM92,887,000) for the Bank.

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

**A21. Interest Expense**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000 Restated	RM'000	RM'000 Restated
Deposits and placements from financial institutions	435,835	113,469	913,501	182,845
Deposits from customers	2,693,430	924,966	5,041,108	1,716,301
Obligations on financial assets sold under repurchase agreements	272,209	27,123	433,160	40,089
Borrowings	360,617	177,365	699,724	342,241
Subordinated obligations	114,217	114,550	227,961	227,112
Capital securities	28,843	28,843	57,372	57,372
Structured deposits	74,615	9,035	117,335	15,496
Financial liabilities at FVTPL	208,084	56,020	386,637	86,969
	<b>4,187,850</b>	<b>1,451,371</b>	<b>7,876,798</b>	<b>2,668,425</b>

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	552,295	129,957	1,134,673	204,714
Deposits from customers	1,817,958	610,864	3,483,889	1,100,163
Obligations on financial assets sold under repurchase agreements	422,036	86,048	710,901	139,879
Borrowings	224,754	105,614	428,596	207,946
Subordinated obligations	91,022	91,022	181,048	181,048
Capital securities	28,843	28,843	57,372	57,372
Structured deposits	2,888	1,482	5,044	4,055
Financial liabilities at FVTPL	208,084	56,020	386,637	86,969
	<b>3,347,880</b>	<b>1,109,850</b>	<b>6,388,160</b>	<b>1,982,146</b>

**A22. Insurance/takaful service result**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000 Restated	RM'000	RM'000 Restated
Insurance/takaful revenue	1,924,248	1,329,832	4,033,455	2,970,549
Insurance/takaful service expenses	(1,564,512)	(647,097)	(3,369,142)	(1,802,564)
Net expenses from reinsurance contracts/retakaful certificate held	(139,584)	(462,958)	(452,204)	(976,089)
	<b>220,152</b>	<b>219,777</b>	<b>212,109</b>	<b>191,896</b>

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

**A23. Dividends from Subsidiaries**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gross dividend income from: Subsidiaries	<b>566,566</b>	332,507	<b>2,201,196</b>	1,911,527

**A24. Other Operating Income**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		Restated		Restated
(a) Fee income:				
Commission	<b>306,275</b>	317,553	<b>615,535</b>	609,999
Service charges and fees	<b>398,511</b>	359,131	<b>742,737</b>	707,428
Underwriting fees	<b>18,523</b>	9,553	<b>44,552</b>	18,402
Brokerage income	<b>57,804</b>	82,325	<b>145,074</b>	193,173
Fees on loans, advances and financing	<b>41,553</b>	82,174	<b>78,253</b>	143,456
	<b>822,666</b>	850,736	<b>1,626,151</b>	1,672,458
(b) Investment income:				
Net gain/(loss) on disposal of financial assets at FVTPL	<b>7,514</b>	(95,211)	<b>91,218</b>	(196,224)
Net gain/(loss) on disposal of financial investments at FVOCI	<b>78,634</b>	(34,184)	<b>72,066</b>	(4,890)
Net loss on redemption of financial investments at amortised cost	-	-	-	(1,610)
Net loss on disposal/liquidation of subsidiaries	<b>(163)</b>	-	<b>(163)</b>	-
	<b>85,985</b>	(129,395)	<b>163,121</b>	(202,724)
(c) Gross dividend income from: Financial investments portfolio	<b>60,461</b>	61,155	<b>100,620</b>	95,401
(d) Unrealised gain/(loss) on revaluation of: Financial assets designated upon initial recognition at FVTPL	<b>157,497</b>	(487,293)	<b>448,966</b>	(781,302)
Financial investments at FVTPL	<b>(4,874)</b>	(737,394)	<b>49,537</b>	(854,707)
Financial liabilities at FVTPL	<b>1,104,646</b>	862,269	<b>686,260</b>	2,334,807
Derivatives	<b>(216,959)</b>	(780,967)	<b>(109,547)</b>	(1,522,631)
	<b>1,040,310</b>	(1,143,385)	<b>1,075,216</b>	(823,833)
(e) Other income:				
Foreign exchange gain/(loss), net	<b>458,695</b>	(78,575)	<b>955,803</b>	(56,514)
Realised (loss)/gain on derivatives	<b>(34,957)</b>	663,653	<b>169,528</b>	494,294
Rental income	<b>11,949</b>	8,709	<b>24,349</b>	18,602
Gain on disposal of property, plant and equipment	<b>1,141</b>	1,145	<b>1,776</b>	2,944
Gain on disposal of foreclosed properties	<b>2,506</b>	9,533	<b>5,620</b>	9,229
Fair value adjustments on investments properties	<b>(36)</b>	(36)	<b>(71)</b>	(72)
Others	<b>57,068</b>	50,515	<b>103,116</b>	107,335
	<b>496,366</b>	654,944	<b>1,260,121</b>	575,818
Total other operating income	<b>2,505,788</b>	294,055	<b>4,225,229</b>	1,317,120

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

**A24. Other Operating Income (cont'd.)**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) Fee income:				
Commission	241,993	245,560	479,005	466,460
Service charges and fees	235,094	216,428	446,473	410,573
Underwriting fees	4,557	4,022	12,698	6,282
Brokerage income	285	310	482	416
Fees on loans, advances and financing	30,710	53,691	60,203	103,821
	<b>512,639</b>	<b>520,011</b>	<b>998,861</b>	<b>987,552</b>
(b) Investment income:				
Net gain/(loss) on disposal of financial assets at FVTPL	81,100	(53,162)	171,676	(122,023)
Net gain/(loss) on disposal of financial investments at FVOCI	81,594	(13,276)	173,298	7,706
Net loss on redemption of financial investments at amortised cost	-	-	-	(1,610)
Excess of capital repayment of a subsidiary	-	-	50,706	-
Net gain on partial disposal of a deemed controlled structured entity	1,450	-	1,450	-
	<b>164,144</b>	<b>(66,438)</b>	<b>397,130</b>	<b>(115,927)</b>
(c) Gross dividend income from: Financial investments portfolio	<b>3,811</b>	<b>3,687</b>	<b>4,311</b>	<b>4,187</b>
(d) Unrealised gain/(loss) on revaluation of: Financial investments at FVTPL	41,024	9,093	42,136	(47,237)
Financial liabilities at FVTPL	1,104,646	862,269	686,260	2,334,807
Derivatives	(304,098)	(991,887)	(292,750)	(1,850,394)
	<b>841,572</b>	<b>(120,525)</b>	<b>435,646</b>	<b>437,176</b>
(e) Other income:				
Foreign exchange gain, net	430,204	23,603	905,790	17,815
Realised (loss)/gain on derivatives	(85,571)	559,642	130,192	454,327
Rental income	15,626	14,328	30,966	29,400
Gain on disposal of property, plant and equipment	367	403	545	442
Others	47,577	35,807	89,948	68,382
	<b>408,203</b>	<b>633,783</b>	<b>1,157,441</b>	<b>570,366</b>
Total other operating income	<b>1,930,369</b>	<b>970,518</b>	<b>2,993,389</b>	<b>1,883,354</b>

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

**A25. Net insurance/takaful investment/finance result**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000 Restated	30 June 2023 RM'000	30 June 2022 RM'000 Restated
Finance expenses/(income) from insurance/ takaful certificate contract issued	426,831	(509,716)	885,600	(765,997)
Finance expenses/(income) from reinsurance/ retakaful certificate contract held	47,784	(6,501)	(4,330)	(10,467)
<b>Net insurance/takaful investment/finance result</b>	<b>474,615</b>	<b>(516,217)</b>	<b>881,270</b>	<b>(776,464)</b>

**A26. Overhead Expenses**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000 Restated	30 June 2023 RM'000	30 June 2022 RM'000 Restated
(a) Personnel expenses				
Salaries, allowances and bonuses	1,553,659	1,278,920	2,896,156	2,481,658
Social security cost	13,982	11,298	27,917	22,511
Retirement costs	188,837	150,748	345,591	292,356
ESGP expenses	21,704	19,718	44,154	43,976
Other staff related expenses	226,071	196,368	473,477	439,651
	<b>2,004,253</b>	<b>1,657,052</b>	<b>3,787,295</b>	<b>3,280,152</b>
(b) Establishment costs				
Depreciation of property, plant and equipment	76,111	71,936	149,256	140,782
Depreciation of right-of-use assets	144,678	109,563	285,250	215,747
Amortisation of intangible assets	58,347	64,015	119,331	129,700
Rental of leasehold land and premises	3,867	4,248	6,405	8,397
Repairs and maintenance of property, plant and equipment	45,788	49,910	92,317	93,767
Information technology expenses	204,320	190,431	371,816	322,486
Finance cost on lease liabilities	15,709	9,675	26,093	18,076
Others	5,533	5,573	10,857	10,657
	<b>554,353</b>	<b>505,351</b>	<b>1,061,325</b>	<b>939,612</b>
(c) Marketing expenses				
Advertisement and publicity	44,823	36,418	81,789	73,616
Others	90,202	72,671	167,183	114,738
	<b>135,025</b>	<b>109,089</b>	<b>248,972</b>	<b>188,354</b>

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

**A26. Overhead Expenses (cont'd.)**

Group (cont'd.)	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000 Restated	30 June 2023 RM'000	30 June 2022 RM'000 Restated
(d) Administration and general expenses				
Fees and brokerage	334,164	286,452	653,408	543,068
Administrative expenses	158,479	149,884	289,897	266,637
General expenses	230,054	182,514	426,034	397,051
Others	4,090	3,713	5,653	9,141
	<b>726,787</b>	<b>622,563</b>	<b>1,374,992</b>	<b>1,215,897</b>
Total overhead expenses	<b>3,420,418</b>	<b>2,894,055</b>	<b>6,472,584</b>	<b>5,624,015</b>
<b>Cost to income ratio ("CIR")<sup>1</sup></b>	<b>46.8%</b>	<b>45.9%</b>	<b>47.5%</b>	<b>44.8%</b>

<sup>1</sup> Cost to income ratio ("CIR") is computed using the total cost over the net operating income. Income refers to net operating income amount as disclosed on the face of income statements.

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	942,780	697,708	1,680,330	1,317,502
Social security cost	7,409	5,789	14,642	11,698
Retirement costs	141,774	105,242	252,547	201,360
ESGP expenses	13,744	10,818	27,817	25,049
Other staff related expenses	119,715	113,748	256,243	242,572
	<b>1,225,422</b>	<b>933,305</b>	<b>2,231,579</b>	<b>1,798,181</b>
(b) Establishment costs				
Depreciation of property, plant and equipment	19,741	19,453	39,172	39,102
Depreciation of right-of-use assets	29,488	28,629	58,558	56,141
Amortisation of intangible assets	17,609	18,512	34,877	37,450
Rental of leasehold land and premises	2,161	1,577	3,682	2,931
Repairs and maintenance of property, plant and equipment	23,371	25,301	49,716	47,171
Information technology expenses	337,622	278,021	648,213	499,130
Finance cost on lease liabilities	3,386	3,721	7,096	6,970
Others	6,279	2,482	8,440	5,875
	<b>439,657</b>	<b>377,696</b>	<b>849,754</b>	<b>694,770</b>
(c) Marketing expenses				
Advertisement and publicity	19,700	11,924	30,915	28,077
Others	61,171	53,089	113,516	81,579
	<b>80,871</b>	<b>65,013</b>	<b>144,431</b>	<b>109,656</b>
(d) Administration and general expenses				
Fees and brokerage	229,473	196,088	458,421	372,259
Administrative expenses	58,931	54,902	118,900	102,973
General expenses	106,145	74,791	193,828	143,987
Others	700	434	1,522	2,255
	<b>395,249</b>	<b>326,215</b>	<b>772,671</b>	<b>621,474</b>
(e) Overhead expenses allocated to subsidiaries, net	(495,387)	(342,096)	(947,512)	(695,101)
Total overhead expenses	<b>1,645,812</b>	<b>1,360,133</b>	<b>3,050,923</b>	<b>2,528,980</b>
<b>Cost to income ratio ("CIR")<sup>2</sup></b>	<b>37.9%</b>	<b>39.0%</b>	<b>34.3%</b>	<b>31.5%</b>

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



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

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

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000 Restated	30 June 2023 RM'000	30 June 2022 RM'000 Restated
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(73,250)	(51,722)	(160,496)	(217,481)
- Stage 2 - Lifetime ECL not credit impaired, net	131,704	(56,653)	539,202	(29,741)
- Stage 3 - Lifetime ECL credit impaired, net	652,037	1,058,564	817,159	1,705,701
Bad debts and financing written-off	21,794	16,942	30,672	38,645
Bad debts and financing recovered	(174,387)	(130,305)	(310,032)	(217,195)
Allowances for impairment losses on other debts	3,786	701	5,243	1,010
	<b>561,684</b>	<b>837,527</b>	<b>921,748</b>	<b>1,280,939</b>

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(27,352)	2,934	(24,051)	(36,999)
- Stage 2 - Lifetime ECL not credit impaired, net	(22,577)	(23,401)	198,686	(11,931)
- Stage 3 - Lifetime ECL credit impaired, net	324,220	1,091,550	339,199	1,471,049
Bad debts and financing written-off	15,014	13,490	22,064	30,599
Bad debts and financing recovered	(109,355)	(84,945)	(162,276)	(119,003)
Allowances for/(writeback of) impairment losses on other debts	601	341	1,268	(583)
	<b>180,551</b>	<b>999,969</b>	<b>374,890</b>	<b>1,333,132</b>

**A28. (Writeback of)/allowances for Impairment Losses on Financial Investments, net**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	939	1,318	17	(1,255)
- Stage 2 - Lifetime ECL not credit impaired, net	1,709	448	1,081	1,806
- Stage 3 - Lifetime ECL credit impaired, net	1,115	42,464	(40,905)	305,989
Net	<b>3,763</b>	<b>44,230</b>	<b>(39,807)</b>	<b>306,540</b>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(1,578)	(1,105)	(10,138)	(1,686)
- Stage 2 - Lifetime ECL not credit impaired, net	4,874	(63)	5,725	596
- Stage 3 - Lifetime ECL credit impaired, net	(9,957)	277,811	(34,506)	143,014
Net	<b>(6,661)</b>	<b>276,643</b>	<b>(38,919)</b>	<b>141,924</b>
	<b>(2,898)</b>	<b>320,873</b>	<b>(78,726)</b>	<b>448,464</b>

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

**A28. (Writeback of)/allowances for Impairment Losses on Financial Investments, net (cont'd.)**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	1,608	2,416	(131)	869
- Stage 2 - Lifetime ECL not credit impaired, net	1,725	(26)	1,702	(8)
- Stage 3 - Lifetime ECL credit impaired, net	(249)	20,844	(452)	190,724
Net	<u>3,084</u>	<u>23,234</u>	<u>1,119</u>	<u>191,585</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(436)	(1,073)	(2,804)	(1,357)
- Stage 2 - Lifetime ECL not credit impaired, net	-	(62)	-	(66)
- Stage 3 - Lifetime ECL credit impaired, net	-	(2,189)	-	(136,986)
Net	<u>(436)</u>	<u>(3,324)</u>	<u>(2,804)</u>	<u>(138,409)</u>
	<u>2,648</u>	<u>19,910</u>	<u>(1,685)</u>	<u>53,176</u>

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		Restated		Restated
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	9,839	(3,068)	11,083	6,192
Net	<u>9,839</u>	<u>(3,068)</u>	<u>11,083</u>	<u>6,192</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	609	873	(2,769)	(8,484)
Net	<u>609</u>	<u>873</u>	<u>(2,769)</u>	<u>(8,484)</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(974)	(2,861)	5,414	4,336
Net	<u>(974)</u>	<u>(2,861)</u>	<u>5,414</u>	<u>4,336</u>
Insurance/reinsurance contract/takaful/retakaful operators' certificate assets				
- Stage 1 - 12-month ECL, net	4,845	(1,090)	7,207	1,138
Net	<u>4,845</u>	<u>(1,090)</u>	<u>7,207</u>	<u>1,138</u>
Other assets				
- Stage 1 - 12-month ECL, net	(198)	1,069	(121)	1,122
- Stage 2 - Lifetime ECL not credit impaired	6	(4)	13	(5)
- Stage 3 - Lifetime ECL credit impaired	1,659	2,752	4,309	19,097
Net	<u>1,467</u>	<u>3,817</u>	<u>4,201</u>	<u>20,214</u>
Statutory deposit with central banks				
- Stage 1 - 12-month ECL, net	(54)	54	(775)	376
Net	<u>(54)</u>	<u>54</u>	<u>(775)</u>	<u>376</u>
	<u>15,732</u>	<u>(2,275)</u>	<u>24,361</u>	<u>23,772</u>

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

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	446	3,705	518	1,617
Net	<u>446</u>	<u>3,705</u>	<u>518</u>	<u>1,617</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	196	(859)	(2,366)	(1,014)
Net	<u>196</u>	<u>(859)</u>	<u>(2,366)</u>	<u>(1,014)</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(1,161)	(3,481)	657	1,050
Net	<u>(1,161)</u>	<u>(3,481)</u>	<u>657</u>	<u>1,050</u>
Other assets				
- Stage 3 - Lifetime ECL credit impaired	3,022	2,907	4,902	18,259
Net	<u>3,022</u>	<u>2,907</u>	<u>4,902</u>	<u>18,259</u>
	<u><b>2,503</b></u>	<u><b>2,272</b></u>	<u><b>3,711</b></u>	<u><b>19,912</b></u>

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

**A30. Segment Information**

**By business segments**

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

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

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

(i) Consumer Banking

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

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

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

(iii) Business Banking

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

(b) Group Global Banking ("GB")

(i) Group Corporate Banking and Global Markets

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

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

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

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

**A30. 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.

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

**A30. Segment Information (cont'd.)**

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

Six Months Ended 30 June 2023	<===== Business Segments =====>							Total RM'000
	<===== Group Global Banking =====>							
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000		
Net interest income/(loss):								
- External	3,882,294	1,776,026	220,670	28	788,446	(231,498)	6,435,966	
- Inter-segment	-	-	(52,750)	2,302	50,979	(531)	-	
	<u>3,882,294</u>	<u>1,776,026</u>	<u>167,920</u>	<u>2,330</u>	<u>839,425</u>	<u>(232,029)</u>	<u>6,435,966</u>	
Net interest income/(loss)	3,882,294	1,776,026	167,920	2,330	839,425	(232,029)	6,435,966	
Income/(loss) from IBS operations	2,657,093	1,044,376	31,452	-	-	(90,870)	3,642,051	
Insurance/takaful service result	-	-	-	-	80,106	132,003	212,109	
Other operating income	1,523,611	1,123,674	364,613	50,069	554,998	608,264	4,225,229	
Total operating income	<u>8,062,998</u>	<u>3,944,076</u>	<u>563,985</u>	<u>52,399</u>	<u>1,474,529</u>	<u>417,368</u>	<u>14,515,355</u>	
Net insurance/takaful investment/finance result	-	-	-	-	(881,270)	-	(881,270)	
Net operating income	<u>8,062,998</u>	<u>3,944,076</u>	<u>563,985</u>	<u>52,399</u>	<u>593,259</u>	<u>417,368</u>	<u>13,634,085</u>	
Overhead expenses	<u>(4,683,065)</u>	<u>(1,102,100)</u>	<u>(493,294)</u>	<u>(47,305)</u>	<u>(146,820)</u>	<u>-</u>	<u>(6,472,584)</u>	
Operating profit before impairment losses	<u>3,379,933</u>	<u>2,841,976</u>	<u>70,691</u>	<u>5,094</u>	<u>446,439</u>	<u>417,368</u>	<u>7,161,501</u>	
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	<u>(639,888)</u>	<u>(281,647)</u>	<u>(5,739)</u>	<u>-</u>	<u>5,526</u>	<u>-</u>	<u>(921,748)</u>	
Writeback of impairment losses on financial investments, net	<u>15</u>	<u>40,095</u>	<u>-</u>	<u>-</u>	<u>38,616</u>	<u>-</u>	<u>78,726</u>	
Writeback of/(allowances for) impairment losses on other financial assets, net	<u>105</u>	<u>(19,381)</u>	<u>2,130</u>	<u>1</u>	<u>(7,216)</u>	<u>-</u>	<u>(24,361)</u>	
Operating profit	<u>2,740,165</u>	<u>2,581,043</u>	<u>67,082</u>	<u>5,095</u>	<u>483,365</u>	<u>417,368</u>	<u>6,294,118</u>	
Share of profits in associates and joint ventures	<u>-</u>	<u>131,350</u>	<u>178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,528</u>	
<b>Profit before taxation and zakat</b>	<u>2,740,165</u>	<u>2,712,393</u>	<u>67,260</u>	<u>5,095</u>	<u>483,365</u>	<u>417,368</u>	<u>6,425,646</u>	
Taxation and zakat							<u>(1,695,597)</u>	
<b>Profit after taxation and zakat</b>							<u>4,730,049</u>	
Non-controlling interests							<u>(126,089)</u>	
<b>Profit for the financial period attributable to equity holders of the Bank</b>							<u>4,603,960</u>	

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

**A30. Segment Information (cont'd.)**

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

	<===== Business Segments =====>							
	<===== Group Global Banking =====>							
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000		
<b>Six Months Ended 30 June 2023 (cont'd.)</b>								
<b>Included in other operating income are:</b>								
Fee income:								
Commission	630,353	44,301	27,935	10,498	-	(97,552)	615,535	
Service charges and fees	470,571	133,544	62,615	58,373	530	17,104	742,737	
Underwriting fees	-	12,532	32,537	-	-	(517)	44,552	
Brokerage income	482	-	144,592	-	-	-	145,074	
Fees on loans, advances and financing	13,889	61,107	1,724	-	-	1,533	78,253	
Fee income from IBS operations	206,425	48,321	28,049	-	-	3,389	286,184	
<b>Included in overhead expenses are:</b>								
Depreciation of property, plant and equipment	(106,254)	(25,448)	(14,542)	(199)	(2,813)	-	(149,256)	
Depreciation of right-of-use assets	(192,879)	(52,675)	(34,131)	(1,991)	(3,574)	-	(285,250)	
Amortisation of intangible assets	(91,746)	(23,694)	(1,187)	(23)	(2,681)	-	(119,331)	

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

**A30. Segment Information (cont'd.)**

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

Six Months Ended 30 June 2022	<===== Business Segments =====>							Total RM'000 Restated
	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 Restated	Head Office and Others RM'000 Restated	Group Global Banking =====	
Net interest income/(loss):								
- External	3,559,076	2,221,173	179,483	74	663,754	214,150		6,837,710
- Inter-segment	-	-	(13,044)	1,096	35,622	(23,674)		-
	3,559,076	2,221,173	166,439	1,170	699,376	190,476		6,837,710
Net interest income	3,559,076	2,221,173	166,439	1,170	699,376	190,476		6,837,710
Income from IBS operations	2,429,543	943,873	27,530	-	-	35,022		3,435,968
Insurance/takaful service result	-	-	-	-	42,557	149,339		191,896
Other operating income/(loss)	1,528,823	1,246,251	440,123	51,008	(1,429,194)	(519,891)		1,317,120
Total operating income/(loss)	7,517,442	4,411,297	634,092	52,178	(687,261)	(145,054)		11,782,694
Net insurance/takaful investment/finance result	-	-	-	-	776,464	-		776,464
Net operating income/(loss)	7,517,442	4,411,297	634,092	52,178	89,203	(145,054)		12,559,158
Overhead expenses	(3,918,311)	(983,661)	(499,888)	(75,183)	(146,972)	-		(5,624,015)
Operating profit/(loss) before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	3,599,131	3,427,636	134,204	(23,005)	(57,769)	(145,054)		6,935,143
Allowances for impairment losses on financial investments, net	(55,906)	(1,226,310)	1,842	-	(565)	-		(1,280,939)
Allowances for impairment losses on other financial assets, net	-	(333,522)	-	-	(114,942)	-		(448,464)
Operating profit/(loss)	(135)	(21,095)	(277)	(3)	(2,262)	-		(23,772)
Operating profit/(loss)	3,543,090	1,846,709	135,769	(23,008)	(175,538)	(145,054)		5,181,968
Share of profits in associates and joint ventures	-	90,078	2,938	-	-	-		93,016
<b>Profit/(loss) before taxation and zakat</b>	3,543,090	1,936,787	138,707	(23,008)	(175,538)	(145,054)		5,274,984
Taxation and zakat								(1,636,617)
<b>Profit after taxation and zakat</b>								3,638,367
Non-controlling interests								16,865
<b>Profit for the financial period attributable to equity holders of the Bank</b>								3,655,232



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

**A30. Segment Information (cont'd.)**

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

	<===== Business Segments =====>							
	<===== 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 Restated	Head Office and Others RM'000		
<b>Six Months Ended 30 June 2022 (cont'd.)</b>								
<b>Included in other operating income are:</b>								
Fee income:								
Commission	644,125	52,299	39,473	16,855	-	(142,753)	609,999	
Service charges and fees	433,495	129,659	68,573	64,152	(3,195)	14,744	707,428	
Underwriting fees	-	6,282	12,120	-	-	-	18,402	
Brokerage income	416	-	192,757	-	-	-	193,173	
Fees on loans, advances and financing	30,586	112,873	793	-	-	(796)	143,456	
Fee income from IBS operations	175,423	59,448	25,799	-	-	2,183	262,853	
<b>Included in overhead expenses are:</b>								
Depreciation of property, plant and equipment	(95,918)	(24,207)	(15,623)	(283)	(4,751)	-	(140,782)	
Depreciation of right-of-use assets	(143,091)	(38,762)	(26,397)	(1,549)	(5,948)	-	(215,747)	
Amortisation of intangible assets	(96,303)	(25,646)	(1,689)	(317)	(5,745)	-	(129,700)	

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

**A31. Carrying Amount of Revalued Assets**

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the financial year ended 31 December 2022.

**A32. Subsequent Events**

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

**A33. Changes in the Composition of the Group**

There were no significant changes to the composition of the Group during the financial half year ended 30 June 2023.

**A34. Commitments and Contingencies**

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

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

Group	As at 30 June 2023			As at 31 December 2022		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b><u>Contingent liabilities</u></b>						
Direct credit substitutes	11,608,099	8,881,871	6,576,981	12,624,792	11,792,332	6,488,154
Certain transaction-related contingent items	15,875,273	8,271,528	4,776,827	14,534,071	7,370,135	3,999,055
Short-term self-liquidating trade-related contingencies	4,186,305	852,263	517,235	7,143,351	1,067,336	601,663
	<b>31,669,677</b>	<b>18,005,662</b>	<b>11,871,043</b>	<b>34,302,214</b>	<b>20,229,803</b>	<b>11,088,872</b>
<b><u>Commitments</u></b>						
Irrevocable commitments to extend credit:						
- Maturity within one year	149,032,280	15,911,095	4,875,617	142,217,444	13,893,627	3,697,325
- Maturity exceeding one year	73,044,125	70,070,244	30,425,392	40,319,358	64,801,259	29,833,459
	<b>222,076,405</b>	<b>85,981,339</b>	<b>35,301,009</b>	<b>182,536,802</b>	<b>78,694,886</b>	<b>33,530,784</b>
Miscellaneous commitments and contingencies	13,377,881	3,152,466	76,899	11,205,013	1,060,766	60,300
Total credit-related commitments and contingencies	<b>267,123,963</b>	<b>107,139,467</b>	<b>47,248,951</b>	<b>228,044,029</b>	<b>99,985,455</b>	<b>44,679,956</b>
<b><u>Derivative financial instruments</u></b>						
Foreign exchange related contracts:						
- Less than one year	629,909,746	6,254,932	5,134,942	592,564,361	8,289,850	1,540,396
- One year to less than five years	45,469,079	1,374,156	2,281,056	31,244,650	1,791,523	1,037,341
- Five years and above	9,985,448	878,322	871,066	7,950,665	997,186	700,553
	<b>685,364,273</b>	<b>8,507,410</b>	<b>8,287,064</b>	<b>631,759,676</b>	<b>11,078,559</b>	<b>3,278,290</b>
Interest rate related contracts:						
- Less than one year	475,961,110	37,853	49,938	173,030,838	68,376	50,099
- One year to less than five years	281,379,544	745,959	1,265,146	307,593,840	1,454,413	925,605
- Five years and above	176,240,482	627,223	3,190,803	177,013,049	2,877,381	1,430,600
	<b>933,581,136</b>	<b>1,411,035</b>	<b>4,505,887</b>	<b>657,637,727</b>	<b>4,400,170</b>	<b>2,406,304</b>



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

**A34. Commitments and Contingencies (cont'd.)**

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

	As at 30 June 2023			As at 31 December 2022		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b>Bank (cont'd.)</b>						
<b><u>Derivative financial instruments</u></b>						
<b><u>(cont'd.)</u></b>						
Interest rate related contracts:						
- Less than one year	476,734,007	52,992	18,969	171,421,796	60,216	23,752
- One year to less than five years	281,309,421	1,506,760	465,125	309,390,096	1,426,533	604,151
- Five years and above	176,159,023	3,274,923	1,680,118	177,013,048	2,871,441	1,427,107
	<b>934,202,451</b>	<b>4,834,675</b>	<b>2,164,212</b>	<b>657,824,940</b>	<b>4,358,190</b>	<b>2,055,010</b>
Equity and commodity related contracts:						
- Less than one year	3,015,795	140,973	43,863	3,186,036	262,117	81,430
- One year to less than five years	2,380,570	263,337	88,888	2,246,767	166,111	47,112
	<b>5,396,365</b>	<b>404,310</b>	<b>132,751</b>	<b>5,432,803</b>	<b>428,228</b>	<b>128,542</b>
Credit related contracts:						
- Less than one year	55,464	-	-	57,489	-	-
- One year to less than five years	-	-	-	9,384	-	-
	<b>55,464</b>	<b>-</b>	<b>-</b>	<b>66,873</b>	<b>-</b>	<b>-</b>
Total treasury-related commitments and contingencies	<b>1,606,327,632</b>	<b>18,898,278</b>	<b>5,920,966</b>	1,280,636,222	15,555,357	5,178,248
Total commitments and contingencies	<b>1,774,229,013</b>	<b>86,586,847</b>	<b>36,352,931</b>	1,422,559,344	77,744,690	34,202,642

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

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

Market Risk

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

Credit Risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 30 June 2023, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM27,342.9 million (31 December 2022: RM24,686.8 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

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

**A34. Commitments and Contingencies (cont'd.)**

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

**A35. Capital Adequacy**

**(a) Capital Adequacy Framework**

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

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

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

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

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

**(b) Compliance and application of capital adequacy ratios**

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

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

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

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

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ending 31 December 2023 (2022: 4.5%, 6.0% and 8.0% of total RWA).

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

**A35. Capital Adequacy (cont'd.)**

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

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

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ending 31 December 2023 (2022: 4.5%, 6.0% and 8.0% of total RWA).

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

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

The minimum regulatory capital adequacy requirement for PT Bank Maybank Indonesia Tbk for the financial year ending 31 December 2023 is 9% up to less than 10% (2022: 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 ending 31 December 2023 (2022: 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 arriving the capital adequacy ratios for the financial half year ended 30 June 2023, the proposed single-tier first interim dividend has not been deducted from the calculation of CET1 Capital.

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2023</b>	<b>31 December 2022</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
CET1 Capital Ratio	<b>16.010%</b>	15.669%	<b>15.384%</b>	15.264%
Tier 1 Capital Ratio	<b>16.693%</b>	16.376%	<b>16.137%</b>	16.045%
Total Capital Ratio	<b>19.354%</b>	19.080%	<b>18.707%</b>	18.635%

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

**A35. Capital Adequacy (cont'd.)**

**(d) Components of capital:**

	Group		Bank	
	30 June 2023 RM'000	31 December 2022 RM'000	30 June 2023 RM'000	31 December 2022 RM'000
<b>CET1 Capital</b>				
Share capital	54,619,344	54,619,344	54,619,344	54,619,344
Retained profits <sup>1</sup>	22,818,079	22,007,168	15,923,805	14,937,554
Other reserves <sup>1</sup>	4,136,149	1,349,642	4,197,519	3,018,421
Qualifying non-controlling interests	118,243	113,735	-	-
CET1 Capital before regulatory adjustments	<u>81,691,815</u>	<u>78,089,889</u>	<u>74,740,668</u>	<u>72,575,319</u>
Less: Regulatory adjustments applied on CET1 Capital:				
Deferred tax assets	(1,996,031)	(2,169,271)	(912,723)	(1,099,262)
Goodwill	(6,015,610)	(5,583,795)	(81,015)	(81,015)
Other intangibles	(1,040,408)	(993,569)	(369,108)	(344,781)
Gains on financial instruments classified as fair value through other comprehensive income <sup>2</sup>	(96,335)	(61,980)	(48,425)	(36,096)
Regulatory reserve	(2,309,002)	(2,465,059)	(1,623,361)	(1,549,033)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities <sup>2</sup>	(2,568,608)	(2,791,854)	(34,918,689)	(34,270,204)
<b>Total CET1 Capital</b>	<u>67,665,821</u>	<u>64,024,361</u>	<u>36,787,347</u>	<u>35,194,928</u>
<b>Additional Tier 1 Capital</b>				
Capital securities	2,800,000	2,800,000	2,800,000	2,800,000
Qualifying CET1 and Additional Tier 1 Capital instruments held by third parties	83,940	90,601	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(1,000,000)	(1,000,000)
<b>Total Tier 1 Capital</b>	<u>70,549,761</u>	<u>66,914,962</u>	<u>38,587,347</u>	<u>36,994,928</u>
<b>Tier 2 Capital</b>				
Subordinated obligations	9,700,000	9,700,000	9,700,000	9,700,000
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	39,517	35,759	-	-
General provisions <sup>3</sup>	406,151	273,100	147,469	36,059
Surplus of total eligible provision over total expected loss	1,794,040	1,730,272	1,057,205	1,028,820
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(691,000)	(691,000)	(4,757,795)	(4,791,418)
<b>Total Tier 2 Capital</b>	<u>11,248,708</u>	<u>11,048,131</u>	<u>6,146,879</u>	<u>5,973,461</u>
<b>Total Capital</b>	<u>81,798,469</u>	<u>77,963,093</u>	<u>44,734,226</u>	<u>42,968,389</u>

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

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

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

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

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

**A35. 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 and Maybank International (L) Ltd. as disclosed above).

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

	<b>Maybank Islamic Berhad</b>	<b>Maybank Investment Bank Berhad</b>	<b>PT Bank Maybank Indonesia Tbk</b>	<b>Maybank Singapore Limited</b>
<b><u>At 30 June 2023</u></b>				
CET1 Capital Ratio	15.081%	24.803%	-	13.600%
Tier 1 Capital Ratio	16.164%	24.803%	-	13.600%
Total Capital Ratio	<b>18.874%</b>	<b>26.838%</b>	<b>28.600%</b>	<b>17.549%</b>
<b><u>At 31 December 2022</u></b>				
CET1 Capital Ratio	14.100%	27.260%	-	14.178%
Tier 1 Capital Ratio	15.171%	27.260%	-	14.178%
Total Capital Ratio	<b>17.844%</b>	<b>29.468%</b>	<b>26.648%</b>	<b>18.327%</b>



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

**A35. Capital Adequacy (cont'd.)**

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

**At 30 June 2023**

	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	54,815,647	22,648,213	2,776,844	768,838	27,093,521	17,212,949
Internal Ratings-Based Approach exposure after scaling factor	299,006,614	176,200,758	93,080,092	-	-	32,154,870
Credit valuation adjustment	-	-	-	-	-	44,584
<b>Total RWA for credit risk</b>	<b>353,822,261</b>	<b>198,848,971</b>	<b>95,856,936</b>	<b>768,838</b>	<b>27,093,521</b>	<b>49,412,403</b>
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(15,975,077)	-	-	-
Total RWA for market risk	19,306,446	16,472,560	827,607	626,742	1,300,184	33,250
Total RWA for operational risk	48,651,289	22,947,895	11,607,350	971,681	3,508,119	4,225,186
Large exposure risk RWA for equity holdings	855,198	855,198	-	-	-	-
<b>Total RWA</b>	<b>422,635,194</b>	<b>239,124,624</b>	<b>92,316,816</b>	<b>2,367,261</b>	<b>31,901,824</b>	<b>53,670,839</b>

**At 31 December 2022**

	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	49,320,991	19,526,657	2,721,390	694,767	24,715,405	16,574,679
Internal Ratings-Based Approach exposure after scaling factor	288,378,632	171,470,054	89,387,080	-	-	27,184,545
Credit valuation adjustment	-	-	-	-	-	642,694
<b>Total RWA for credit risk</b>	<b>337,699,623</b>	<b>190,996,711</b>	<b>92,108,470</b>	<b>694,767</b>	<b>24,715,405</b>	<b>44,401,918</b>
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(10,496,635)	-	-	-
Total RWA for market risk	23,805,235	17,268,631	781,233	430,046	643,229	15,237
Total RWA for operational risk	47,103,833	22,310,241	10,996,646	975,803	5,292,870	3,811,544
<b>Total RWA</b>	<b>408,608,691</b>	<b>230,575,583</b>	<b>93,389,714</b>	<b>2,100,616</b>	<b>30,651,504</b>	<b>48,228,699</b>

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

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

**A36. Derivative Financial Instruments**

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

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

	Group			Bank		
	Principal Amount RM'000	<----- Fair Value ----->		Principal Amount RM'000	<----- Fair Value ----->	
<b>At 30 June 2023</b>	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	64,507,518	1,222,694	(374,791)	41,025,258	829,213	(143,750)
- One year to three years	2,569,452	108,794	(12,358)	2,340,271	93,396	(12,358)
- More than three years	3,921,589	25,316	(41,538)	2,732,437	16,482	(38,133)
	<b>70,998,559</b>	<b>1,356,804</b>	<b>(428,687)</b>	<b>46,097,966</b>	<b>939,091</b>	<b>(194,241)</b>
Currency swaps:						
- Less than one year	538,694,346	5,969,638	(5,673,793)	544,863,329	6,192,875	(5,576,838)
- One year to three years	1,885,286	416	(198)	1,885,286	416	(198)
- More than three years	67,063	310	-	55,368	335	-
	<b>540,646,695</b>	<b>5,970,364</b>	<b>(5,673,991)</b>	<b>546,803,983</b>	<b>6,193,626</b>	<b>(5,577,036)</b>
Currency spots:						
- Less than one year	6,021,932	4,884	(13,732)	6,257,088	5,135	(4,777)
Currency options:						
- Less than one year	3,878,229	1,121	(700)	3,878,235	17,901	(17,523)
- One year to three years	711,017	190	(332)	711,017	190	(332)
- More than three years	645,821	5,714	(16,513)	762,617	6,972	(12,191)
	<b>5,235,067</b>	<b>7,025</b>	<b>(17,545)</b>	<b>5,351,869</b>	<b>25,063</b>	<b>(30,046)</b>
Cross currency interest rate swaps <sup>1</sup> :						
- Less than one year	13,084,249	168,157	(704,736)	13,111,775	167,361	(704,361)
- One year to three years	20,053,050	424,542	(593,852)	19,342,046	423,886	(571,417)
- More than three years	16,228,935	276,060	(554,260)	16,612,839	327,258	(599,810)
	<b>49,366,234</b>	<b>868,759</b>	<b>(1,852,848)</b>	<b>49,066,660</b>	<b>918,505</b>	<b>(1,875,588)</b>
<u>Interest rate related contracts</u>						
Interest rate swaps <sup>2</sup> :						
- Less than one year	450,473,028	3,029,999	(3,047,418)	451,245,925	3,036,130	(3,045,260)
- One year to three years	165,802,546	2,628,429	(2,597,387)	165,783,763	2,650,680	(2,602,221)
- More than three years	262,288,597	13,705,881	(14,064,501)	263,923,597	13,726,734	(14,049,275)
	<b>878,564,171</b>	<b>19,364,309</b>	<b>(19,709,306)</b>	<b>880,953,285</b>	<b>19,413,544</b>	<b>(19,696,756)</b>
Interest rate futures:						
- Less than one year	3,591,442	73,310	(51,669)	3,591,442	73,310	(51,669)
Cross currency interest rate swaps:						
- One year to three years	-	-	(42,896)	-	-	-
Interest rate options:						
- Less than one year	83,541	-	-	83,541	-	-
- One year to three years	429,953	404	(1,987)	39,142	404	(1,987)
- More than three years	24,435,775	1,202,116	(2,408,392)	23,058,787	1,202,116	(2,408,392)
	<b>24,949,269</b>	<b>1,202,520</b>	<b>(2,410,379)</b>	<b>23,181,470</b>	<b>1,202,520</b>	<b>(2,410,379)</b>

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

**A36. Derivative Financial Instruments (cont'd.)**

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
<b>At 30 June 2023 (cont'd.)</b>	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
<b>Trading derivatives (cont'd.)</b>						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	20,185	591	(1,131)	20,185	591	(1,131)
Equity options:						
- Less than one year	1,580,134	83,404	(287,184)	1,774	187	-
Equity swaps:						
- Less than one year	1,482,429	166,194	(52,171)	-	-	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	2,973,065	284,492	(284,492)	2,973,065	284,492	(284,492)
- One year to three years	2,371,668	239,244	(239,244)	2,371,668	239,244	(239,244)
	5,344,733	523,736	(523,736)	5,344,733	523,736	(523,736)
Commodity swaps:						
- Less than one year	20,771	2,374	(1,758)	20,771	2,374	(1,758)
- One year to three years	8,902	189	(436)	8,902	189	(436)
	29,673	2,563	(2,194)	29,673	2,563	(2,194)
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	55,464	1,448	(803)	55,464	1,448	(803)
<b>Hedging derivatives</b>						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps <sup>1</sup> :						
- Less than one year	3,723,472	49,015	(107,728)	3,723,472	49,015	(107,728)
- One year to three years	5,605,295	119,649	(437,694)	5,605,295	119,649	(437,694)
- More than three years	3,767,019	134,259	(290,890)	3,767,019	134,259	(290,890)
	13,095,786	302,923	(836,312)	13,095,786	302,923	(836,312)
<u>Interest rate related contracts</u>						
Interest rate swaps <sup>2</sup> :						
- Less than one year	3,590,349	93,766	(10,548)	3,590,349	93,766	(10,548)
- One year to three years	2,429,700	105,506	(25,860)	2,429,700	105,506	(25,860)
- More than three years	2,233,455	124,568	(45,499)	2,233,455	124,568	(45,499)
	8,253,504	323,840	(81,907)	8,253,504	323,840	(81,907)
Interest rate futures:						
- Less than one year	18,222,750	499,383	(312,491)	18,222,750	499,383	(312,496)
Netting effects for reporting under MFRS 132						
	-	(3,409,177)	3,409,177	-	(3,393,462)	3,393,462
<b>Total</b>	<b>1,627,458,027</b>	<b>27,342,880</b>	<b>(28,889,805)</b>	<b>1,606,327,632</b>	<b>27,032,003</b>	<b>(28,205,609)</b>

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

**A36. Derivative Financial Instruments (cont'd.)**

	Group			Bank		
	Principal Amount RM'000	<----- Fair Value ----->		Principal Amount RM'000	<----- Fair Value ----->	
<u>At 31 December 2022</u>		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	49,980,916	509,697	(964,375)	29,829,360	229,277	(636,207)
- One year to three years	2,225,823	35,551	(20,971)	2,035,571	35,551	(20,971)
- More than three years	3,847,853	1,306	(123,597)	2,823,007	1,306	(123,597)
	<u>56,054,592</u>	<u>546,554</u>	<u>(1,108,943)</u>	<u>34,687,938</u>	<u>266,134</u>	<u>(780,775)</u>
Currency swaps:						
- Less than one year	521,843,673	5,358,172	(5,790,980)	526,730,325	5,336,659	(5,990,264)
- One year to three years	1,491,825	14,020	(6,317)	1,491,825	14,020	(6,317)
- More than three years	11,134	476	-	-	-	-
	<u>523,346,632</u>	<u>5,372,668</u>	<u>(5,797,297)</u>	<u>528,222,150</u>	<u>5,350,679</u>	<u>(5,996,581)</u>
Currency spots:						
- Less than one year	1,594,048	13,252	(2,582)	1,471,812	9,155	(2,700)
Currency options:						
- Less than one year	7,012,686	148,340	(93,174)	9,303,546	148,301	(93,156)
- One year to three years	2,335,033	422	(422)	2,335,033	422	(422)
- More than three years	767,777	10,089	(21,871)	877,911	10,089	(15,887)
	<u>10,115,496</u>	<u>158,851</u>	<u>(115,467)</u>	<u>12,516,490</u>	<u>158,812</u>	<u>(109,465)</u>
Cross currency interest rate swaps <sup>1</sup> :						
- Less than one year	9,336,381	176,334	(300,029)	9,535,748	166,584	(297,263)
- One year to three years	10,016,063	272,904	(480,426)	9,153,038	266,765	(420,499)
- More than three years	12,138,354	214,753	(494,662)	12,566,320	232,385	(511,466)
	<u>31,490,798</u>	<u>663,991</u>	<u>(1,275,117)</u>	<u>31,255,106</u>	<u>665,734</u>	<u>(1,229,228)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps <sup>2</sup> :						
- Less than one year	145,654,122	537,746	(708,436)	145,520,957	536,233	(695,354)
- One year to three years	179,630,503	1,970,737	(1,799,648)	179,860,939	1,967,782	(1,778,273)
- More than three years	268,617,662	15,140,682	(14,749,734)	268,790,791	15,208,045	(14,732,397)
	<u>593,902,287</u>	<u>17,649,165</u>	<u>(17,257,818)</u>	<u>594,172,687</u>	<u>17,712,060</u>	<u>(17,206,024)</u>
Interest rate futures:						
- Less than one year	7,826,402	54,286	(14,638)	6,350,525	43,453	(14,638)
- One year to three years	2,885,608	-	(1,233)	2,643,300	-	(1,072)
	<u>10,712,010</u>	<u>54,286</u>	<u>(15,871)</u>	<u>8,993,825</u>	<u>43,453</u>	<u>(15,710)</u>
Interest rate options:						
- Less than one year	80,647	11	-	80,647	11	-
- One year to three years	179,416	1,575	(374)	179,415	1,201	-
- More than three years	22,126,744	672,898	(2,362,986)	22,126,743	673,271	(2,363,360)
	<u>22,386,807</u>	<u>674,484</u>	<u>(2,363,360)</u>	<u>22,386,805</u>	<u>674,483</u>	<u>(2,363,360)</u>

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

**A36. Derivative Financial Instruments (cont'd.)**

	Group			Bank		
	Principal Amount RM'000	<----- Fair Value ----->		Principal Amount RM'000	<----- Fair Value ----->	
<b>At 31 December 2022 (cont'd.)</b>	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
<b>Trading derivatives (cont'd.)</b>						
<u>Equity related contracts</u>						
Equity options:						
- Less than one year	1,695,322	137,271	(329,502)	3,608	201	-
Equity swaps:						
- Less than one year	1,673,376	54,526	(150,192)	-	-	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	3,111,957	205,298	(205,298)	3,111,957	205,298	(205,298)
- One year to three years	2,229,888	234,881	(234,881)	2,229,888	234,881	(234,881)
	<u>5,341,845</u>	<u>440,179</u>	<u>(440,179)</u>	<u>5,341,845</u>	<u>440,179</u>	<u>(440,179)</u>
Commodity swaps:						
- Less than one year	70,471	8,287	(7,823)	70,471	8,287	(7,823)
- One year to three years	16,879	401	(155)	16,879	401	(155)
	<u>87,350</u>	<u>8,688</u>	<u>(7,978)</u>	<u>87,350</u>	<u>8,688</u>	<u>(7,978)</u>
<u>Credit-related contract</u>						
Credit default swaps						
- Less than one year	57,489	1,720	(1,702)	57,489	1,720	(1,702)
- One year to three years	9,384	94	(67)	9,384	94	(67)
	<u>66,873</u>	<u>1,814</u>	<u>(1,769)</u>	<u>66,873</u>	<u>1,814</u>	<u>(1,769)</u>
<b>Hedging derivatives</b>						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps <sup>1</sup> :						
- Less than one year	2,796,657	32,966	(248,559)	2,796,657	32,966	(248,559)
- One year to three years	4,382,034	49,678	(314,811)	4,382,034	49,678	(314,811)
- More than three years	1,979,419	130,654	(226,329)	1,979,419	130,654	(226,329)
	<u>9,158,110</u>	<u>213,298</u>	<u>(789,699)</u>	<u>9,158,110</u>	<u>213,298</u>	<u>(789,699)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps <sup>2</sup> :						
- Less than one year	4,493,610	51,996	(3,880)	4,493,610	51,996	(3,880)
- One year to three years	3,931,469	170,162	-	3,931,469	170,162	-
- More than three years	7,235,487	437,034	(182,727)	8,870,487	460,017	(182,727)
	<u>15,660,566</u>	<u>659,192</u>	<u>(186,607)</u>	<u>17,295,566</u>	<u>682,175</u>	<u>(186,607)</u>
Interest rate futures:						
- Less than one year	14,976,057	254,587	(247,995)	14,976,057	254,587	(247,995)
Netting effects for reporting under MFRS 132						
	-	(2,216,051)	2,216,051	-	(2,187,620)	2,187,620
<b>Total</b>	<u>1,298,262,169</u>	<u>24,686,755</u>	<u>(27,874,325)</u>	<u>1,280,636,222</u>	<u>24,293,832</u>	<u>(27,190,450)</u>

<sup>1</sup> The contractual notional amount of cross currency interest rate swaps held for hedging which is based on interbank offered rates ("IBOR") is RM8,298.7 million (31 December 2022: RM7,171.5 million) for the Group and the Bank whereby the remaining has transitioned to risk-free rate ("RFR").

<sup>2</sup> The contractual notional amount of interest rate swaps held for hedging which is based on IBOR is NIL (31 December 2022: RM806.2 million) for the Group and the Bank.

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

**A37. 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 30 June 2023 and 31 December 2022 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	
<b>Financial assets measured at fair value:</b>				
<b>Financial assets designated upon initial recognition at fair value through profit or loss</b>				
Money market instruments	5,110	13,005,780	-	13,010,890
Quoted securities	-	823,304	-	823,304
Unquoted securities	5,110	-	-	5,110
	-	12,182,476	-	12,182,476
<b>Financial investments at fair value through profit or loss</b>				
Money market instruments	11,031,320	22,511,560	899,664	34,442,544
Quoted securities	-	19,074,015	-	19,074,015
Unquoted securities	11,031,320	-	-	11,031,320
	-	3,437,545	899,664	4,337,209
<b>Financial investments at fair value through other comprehensive income</b>				
Money market instruments	7,505,250	126,346,545	545,857	134,397,652
Quoted securities	-	67,656,582	-	67,656,582
Unquoted securities	7,505,250	-	-	7,505,250
	-	58,689,963	545,857	59,235,820
<b>Loans, advances and financing at fair value through other comprehensive income</b>				
	-	-	31,502,622	31,502,622

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

**A37. 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 30 June 2023 and 31 December 2022 is summarised in the table (cont'd.):

Group (cont'd.) At 30 June 2023	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
<b>Financial assets measured at fair value (cont'd.):</b>				
<b>Derivative assets</b>	-	26,819,141	523,739	27,342,880
Foreign exchange related contracts	-	8,510,759	-	8,510,759
Interest rate related contracts	-	21,463,362	-	21,463,362
Equity and commodity related contracts	-	252,749	523,739	776,488
Credit related contracts	-	1,448	-	1,448
Netting effects under MFRS 132 Amendments	-	(3,409,177)	-	(3,409,177)
	<b>18,541,680</b>	<b>188,683,026</b>	<b>33,471,882</b>	<b>240,696,588</b>
<b>Financial liabilities measured at fair value:</b>				
<b>Financial liabilities at fair value through profit or loss</b>	-	8,784,335	-	8,784,335
Structured deposits	-	192,648	-	192,648
Borrowings	-	8,591,687	-	8,591,687
<b>Derivative liabilities</b>	-	28,366,070	523,735	28,889,805
Foreign exchange related contracts	-	8,823,115	-	8,823,115
Interest rate related contracts	-	22,608,648	-	22,608,648
Equity and commodity related contracts	-	342,681	523,735	866,416
Credit related contracts	-	803	-	803
Netting effects under MFRS 132 Amendments	-	(3,409,177)	-	(3,409,177)
	-	<b>37,150,405</b>	<b>523,735</b>	<b>37,674,140</b>
<b>Group At 31 December 2022 Restated</b>				
		<u>Valuation technique using</u>		
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	Total RM'000
<b>Financial assets measured at fair value:</b>				
<b>Financial assets designated upon initial recognition at fair value through profit or loss</b>	22,722	12,800,078	-	12,822,800
Money market instruments	-	875,191	-	875,191
Quoted securities	22,722	-	-	22,722
Unquoted securities	-	11,924,887	-	11,924,887
<b>Financial investments at fair value through profit or loss</b>	10,062,412	14,198,574	882,222	25,143,208
Money market instruments	-	8,402,673	-	8,402,673
Quoted securities	10,062,412	-	-	10,062,412
Unquoted securities	-	5,795,901	882,222	6,678,123
<b>Financial investments at fair value through other comprehensive income</b>	7,193,539	113,767,318	406,133	121,366,990
Money market instruments	-	58,117,521	-	58,117,521
Quoted securities	7,193,539	-	-	7,193,539
Unquoted securities	-	55,649,797	406,133	56,055,930
<b>Loans, advances and financing at fair value through profit or loss</b>	-	-	1,668	1,668
<b>Loans, advances and financing at fair value through other comprehensive income</b>	-	-	30,016,341	30,016,341

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

**A37. 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 30 June 2023 and 31 December 2022 is summarised in the table (cont'd.):

Group (cont'd.) At 31 December 2022 Restated	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
<b>Financial assets measured at fair value (cont'd.):</b>				
<b>Derivative assets</b>	-	24,246,576	440,179	24,686,755
Foreign exchange related contracts	-	6,968,614	-	6,968,614
Interest rate related contracts	-	19,291,714	-	19,291,714
Equity and commodity related contracts	-	200,485	440,179	640,664
Credit related contracts	-	1,814	-	1,814
Netting effects under MFRS 132 Amendments	-	(2,216,051)	-	(2,216,051)
	<u>17,278,673</u>	<u>165,012,546</u>	<u>31,746,543</u>	<u>214,037,762</u>
<b>Financial liabilities measured at fair value:</b>				
<b>Financial liabilities at fair value through profit or loss</b>	-	8,317,084	-	8,317,084
Structured deposits	-	209,827	-	209,827
Borrowings	-	8,107,257	-	8,107,257
<b>Derivative liabilities</b>	-	27,434,146	440,179	27,874,325
Foreign exchange related contracts	-	9,089,105	-	9,089,105
Interest rate related contracts	-	20,071,651	-	20,071,651
Equity and commodity related contracts	-	487,672	440,179	927,851
Credit related contracts	-	1,769	-	1,769
Netting effects under MFRS 132 Amendments	-	(2,216,051)	-	(2,216,051)
	<u>-</u>	<u>35,751,230</u>	<u>440,179</u>	<u>36,191,409</u>
<b>Bank</b>				
<b>At 30 June 2023</b>	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
<b>Financial assets measured at fair value:</b>				
<b>Financial investments at fair value through profit or loss</b>	547,532	19,319,420	733,325	20,600,277
Money market instruments	-	17,300,524	-	17,300,524
Quoted securities	547,532	-	-	547,532
Unquoted securities	-	2,018,896	733,325	2,752,221
<b>Financial investments at fair value through other comprehensive income</b>	30,298	80,315,188	538,649	80,884,135
Money market instruments	-	36,046,015	-	36,046,015
Quoted securities	30,298	-	-	30,298
Unquoted securities	-	44,269,173	538,649	44,807,822
<b>Loans, advances and financing at fair value through other comprehensive income</b>	-	-	33,090,887	33,090,887
<b>Derivative assets</b>	-	26,508,263	523,740	27,032,003
Foreign exchange related contracts	-	8,384,343	-	8,384,343
Interest rate related contracts	-	21,512,597	-	21,512,597
Equity and commodity related contracts	-	3,337	523,740	527,077
Credit related contracts	-	1,448	-	1,448
Netting effects under MFRS 132 Amendments	-	(3,393,462)	-	(3,393,462)
	<u>577,830</u>	<u>126,142,871</u>	<u>34,886,601</u>	<u>161,607,302</u>





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

**A37. 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 30 June 2023 and 31 December 2022 is summarised in the table (cont'd.):

<b>Bank (cont'd.) At 31 December 2022</b>	<b>Quoted Market Price (Level 1) RM'000</b>	<b>Valuation technique using</b>		<b>Total RM'000</b>
		<b>Observable Inputs (Level 2) RM'000</b>	<b>Unobservable Inputs (Level 3) RM'000</b>	
<b>Financial liabilities measured at fair value:</b>				
<b>Financial liabilities at fair value through profit or loss</b>	-	8,317,084	-	8,317,084
Structured deposits	-	209,827	-	209,827
Borrowings	-	8,107,257	-	8,107,257
<b>Derivative liabilities</b>	-	26,750,271	440,179	27,190,450
Foreign exchange related contracts	-	8,908,448	-	8,908,448
Interest rate related contracts	-	20,019,696	-	20,019,696
Equity and commodity related contracts	-	7,978	440,179	448,157
Credit related contracts	-	1,769	-	1,769
Netting effects under MFRS132 Amendments	-	(2,187,620)	-	(2,187,620)
	-	35,067,355	440,179	35,507,534

**Valuation techniques**

The valuation techniques used for the financial and non-financial assets and financial liabilities that are not determined by reference to quoted prices (Level 1) are described below:

***Derivatives***

The fair values of the Group's and the Bank's derivative instruments are derived using discounted cash flows analysis, option pricing and benchmarking models.

***Financial assets designated upon initial recognition at fair value through profit or loss, financial investments at fair value through profit or loss and financial investments at fair value through other comprehensive income***

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

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

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

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

The fair values of financial liabilities designated at fair value through profit or loss are derived using discounted cash flows.

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

**A37. 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 2023 RM'000	Other (losses)/gains recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised gains recognised in other comprehensive income	Purchases/ Issuances/ Additions	Sales	Settlements	Exchange differences	At 30 June 2023 RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Financial investments at fair value through profit or loss</b>									
Unquoted securities	882,222	-	17,417	-	-	-	-	25	899,664
<b>Financial investments at fair value through other comprehensive income</b>									
Unquoted securities	406,133	(1,327)	-	140,930	-	-	-	121	545,857
<b>Loans, advances and financing at fair value through profit or loss</b>	1,668	-	-	-	-	-	(1,614)	(54)	-
<b>Loans, advances and financing at fair value through other comprehensive income</b>	30,016,341	-	-	24,787	7,463,276	-	(7,286,641)	1,284,859	31,502,622
<b>Derivative assets</b>									
Equity and commodity related contracts	440,179	127,650	47,360	-	118,597	(210,047)	-	-	523,739
<b>Total Level 3 financial assets</b>	<u>31,746,543</u>	<u>126,323</u>	<u>64,777</u>	<u>165,717</u>	<u>7,581,873</u>	<u>(210,047)</u>	<u>(7,288,255)</u>	<u>1,284,951</u>	<u>33,471,882</u>
<b>Derivative liabilities</b>									
Equity and commodity related contracts	(440,179)	(130,853)	(46,618)	-	(118,597)	212,512	-	-	(523,735)
<b>Total Level 3 financial liabilities</b>	<u>(440,179)</u>	<u>(130,853)</u>	<u>(46,618)</u>	<u>-</u>	<u>(118,597)</u>	<u>212,512</u>	<u>-</u>	<u>-</u>	<u>(523,735)</u>
<b>Total net Level 3 financial assets/(liabilities)</b>	<u>31,306,364</u>	<u>(4,530)</u>	<u>18,159</u>	<u>165,717</u>	<u>7,463,276</u>	<u>2,465</u>	<u>(7,288,255)</u>	<u>1,284,951</u>	<u>32,948,147</u>

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

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

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

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

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

<u>Group</u>	At 1 January 2022 RM'000	Other (losses)/gains recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised gains/(losses) recognised in other comprehensive income	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	At 31 December 2022 RM'000
<b>As at 31 December 2022 Restated</b>									
<b>Financial investments at fair value through profit or loss</b>									
Unquoted securities	860,645	-	21,591	-	-	-	-	(14)	882,222
<b>Financial investments at fair value through other comprehensive income</b>									
Unquoted securities	426,217	(794)	-	6,747	-	-	(26,037)	-	406,133
<b>Loans, advances and financing at fair value through profit or loss</b>	15,491	-	-	-	1,668	-	(16,448)	957	1,668
<b>Loans, advances and financing at fair value through other comprehensive income</b>	21,763,013	-	-	(18,598)	15,373,296	-	(8,115,356)	1,013,986	30,016,341
<b>Derivative assets</b>									
Equity and commodity related contracts	420,650	314,551	(117,855)	-	427,949	(605,116)	-	-	440,179
<b>Total Level 3 financial assets</b>	<u>23,486,016</u>	<u>313,757</u>	<u>(96,264)</u>	<u>(11,851)</u>	<u>15,802,913</u>	<u>(605,116)</u>	<u>(8,157,841)</u>	<u>1,014,929</u>	<u>31,746,543</u>
<b>Derivative liabilities</b>									
Equity and commodity related contracts	(420,650)	(331,369)	117,830	-	(427,949)	621,959	-	-	(440,179)
<b>Total Level 3 financial liabilities</b>	<u>(420,650)</u>	<u>(331,369)</u>	<u>117,830</u>	<u>-</u>	<u>(427,949)</u>	<u>621,959</u>	<u>-</u>	<u>-</u>	<u>(440,179)</u>
<b>Total net Level 3 financial assets/(liabilities)</b>	<u>23,065,366</u>	<u>(17,612)</u>	<u>21,566</u>	<u>(11,851)</u>	<u>15,374,964</u>	<u>16,843</u>	<u>(8,157,841)</u>	<u>1,014,929</u>	<u>31,306,364</u>

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

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

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

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

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

<u>Bank</u>	At 1 January 2023 RM'000	Other (losses)/gains recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	At 30 June 2023 RM'000
<b>As at 30 June 2023</b>									
<b>Financial investments at fair value through profit or loss</b>									
Unquoted securities	715,908	-	17,417	-	-	-	-	-	733,325
<b>Financial investments at fair value through other comprehensive income</b>									
Unquoted securities	398,128	(409)	-	140,930	-	-	-	-	538,649
<b>Loans, advances and financing at fair value through profit or loss</b>	1,668	-	-	-	-	-	(1,614)	(54)	-
<b>Loans, advances and financing at fair value through other comprehensive income</b>	26,855,119	-	-	43,116	9,330,900	-	(4,415,713)	1,277,465	33,090,887
<b>Derivative assets</b>									
Equity and commodity related contracts	440,179	127,650	47,360	-	118,597	(210,046)	-	-	523,740
<b>Total Level 3 financial assets</b>	<u>28,411,002</u>	<u>127,241</u>	<u>64,777</u>	<u>184,046</u>	<u>9,449,497</u>	<u>(210,046)</u>	<u>(4,417,327)</u>	<u>1,277,411</u>	<u>34,886,601</u>
<b>Derivative liabilities</b>									
Equity and commodity related contracts	(440,179)	(130,853)	(46,618)	-	(118,597)	212,511	-	-	(523,736)
<b>Total Level 3 financial liabilities</b>	<u>(440,179)</u>	<u>(130,853)</u>	<u>(46,618)</u>	<u>-</u>	<u>(118,597)</u>	<u>212,511</u>	<u>-</u>	<u>-</u>	<u>(523,736)</u>
<b>Total net Level 3 financial assets/(liabilities)</b>	<u>27,970,823</u>	<u>(3,612)</u>	<u>18,159</u>	<u>184,046</u>	<u>9,330,900</u>	<u>2,465</u>	<u>(4,417,327)</u>	<u>1,277,411</u>	<u>34,362,865</u>

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

# Included within 'Other operating income'.

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

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

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

<b>Bank</b>	<b>At 1 January 2022 RM'000</b>	<b>Other (losses)/gains recognised in income statements* RM'000</b>	<b>Unrealised gains/(losses) recognised in income statements# RM'000</b>	<b>Unrealised gains/(losses) recognised in other comprehensive income RM'000</b>	<b>Purchases/ Issuances/ Additions RM'000</b>	<b>Sales RM'000</b>	<b>Settlements RM'000</b>	<b>Exchange differences RM'000</b>	<b>At 31 December 2022 RM'000</b>
<b>As at 31 December 2022</b>									
<b>Financial investments at fair value through profit or loss</b>									
Unquoted securities	700,280	-	15,628	-	-	-	-	-	715,908
<b>Financial investments at fair value through other comprehensive income</b>									
Unquoted securities	392,339	(794)	-	6,583	-	-	-	-	398,128
<b>Loans, advances and financing at fair value through profit or loss</b>	15,491	-	-	-	1,668	-	(16,448)	957	1,668
<b>Loans, advances and financing at fair value through other comprehensive income</b>	19,301,237	-	-	(61,596)	14,384,460	-	(7,775,924)	1,006,942	26,855,119
<b>Derivative assets</b>									
Equity and commodity related contracts	420,650	314,551	(117,855)	-	427,949	(605,116)	-	-	440,179
<b>Total Level 3 financial assets</b>	<b>20,829,997</b>	<b>313,757</b>	<b>(102,227)</b>	<b>(55,013)</b>	<b>14,814,077</b>	<b>(605,116)</b>	<b>(7,792,372)</b>	<b>1,007,899</b>	<b>28,411,002</b>
<b>Derivative liabilities</b>									
Equity and commodity related contracts	(420,650)	(331,369)	117,830	-	(427,949)	621,959	-	-	(440,179)
<b>Total Level 3 financial liabilities</b>	<b>(420,650)</b>	<b>(331,369)</b>	<b>117,830</b>	<b>-</b>	<b>(427,949)</b>	<b>621,959</b>	<b>-</b>	<b>-</b>	<b>(440,179)</b>
<b>Total net Level 3 financial assets/(liabilities)</b>	<b>20,409,347</b>	<b>(17,612)</b>	<b>15,603</b>	<b>(55,013)</b>	<b>14,386,128</b>	<b>16,843</b>	<b>(7,792,372)</b>	<b>1,007,899</b>	<b>27,970,823</b>

\* Included within 'Other operating income' and 'Writeback of impairment losses on financial investments'.

# Included within 'Other operating income'.

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

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the financial half year ended 30 June 2023.

**Movements in Level 3 financial instruments measured at fair value**

There were no transfers into or out of Level 3 for the Group and the Bank during the financial half year ended 30 June 2023.

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

**A38. Credit Exposure Arising from Credit Transactions with Connected Parties**

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

	Group		Bank	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Outstanding credit exposures with connected parties (RM'000)	<b>19,721,826</b>	23,296,154	<b>18,072,470</b>	19,572,786
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<b>2.0%</b>	2.5%	<b>3.3%</b>	3.7%
Percentage of outstanding credit exposures with connected parties which is impaired* or in default	<b>18.5%</b>	15.7%	<b>20.2%</b>	18.7%

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

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

**A39. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business**

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 29 April 2022, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Business, Family Takaful Business, General Takaful Business and General Business and others are disclosed as follows:

**(a) Unaudited Income Statements for the Financial Half Year Ended 30 June 2023**

Group Six-Month Ended	Life Business		Family Takaful Business		General Takaful Business		General Business and Others		Total	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	391,255	301,195	320,791	296,415	92,226	77,121	74,162	68,165	878,434	742,896
Interest expense	(9,924)	(14,130)	-	-	-	-	(29,085)	(29,387)	(39,009)	(43,517)
Net interest income	381,331	287,065	320,791	296,415	92,226	77,121	45,077	38,778	839,425	699,379
Insurance/takaful service result	60,538	(240,353)	(56,818)	113,852	22,255	85,239	54,131	83,818	80,106	42,556
Other operating income/(loss)	273,649	(1,059,171)	225,248	(387,032)	8,088	(15,696)	48,012	32,705	554,997	(1,429,194)
Total operating income	715,518	(1,012,459)	489,221	23,235	122,569	146,664	147,220	155,301	1,474,528	(687,259)
Net insurance/takaful investment/finance result	(549,692)	747,055	(331,968)	28,796	25	16	365	597	(881,270)	776,464
Net operating income	165,826	(265,404)	157,253	52,031	122,594	146,680	147,585	155,898	593,258	89,205
Overhead expenses	(28,831)	(36,382)	(3,802)	(4,500)	(9,532)	(18,672)	(99,403)	(77,636)	(141,568)	(137,190)
Operating profit before impairment losses	136,995	(301,786)	153,451	47,531	113,062	128,008	48,182	78,262	451,690	(47,985)
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(1,033)	437	266	(259)	-	-	6,291	(741)	5,524	(563)
Writeback of/(allowances for) impairment losses on financial investments, net	37,884	(115,235)	37	(58)	39	(16)	656	367	38,616	(114,942)
Writeback of/(allowances for) impairment losses on other financial assets, net	859	(353)	186	(505)	118	153	(8,377)	(1,558)	(7,214)	(2,263)
<b>Profit before taxation and zakat</b>	<b>174,705</b>	<b>(416,937)</b>	<b>153,940</b>	<b>46,709</b>	<b>113,219</b>	<b>128,145</b>	<b>46,752</b>	<b>76,330</b>	<b>488,616</b>	<b>(165,753)</b>
Taxation and zakat	(44,374)	13,918	(55,130)	95,944	(35,190)	(7,253)	(14,768)	(39,126)	(149,462)	63,483
<b>Profit for the financial period</b>	<b>130,331</b>	<b>(403,019)</b>	<b>98,810</b>	<b>142,653</b>	<b>78,029</b>	<b>120,892</b>	<b>31,984</b>	<b>37,204</b>	<b>339,154</b>	<b>(102,270)</b>

The above unaudited income statements have been prepared under MFRS 17 *Insurance Contracts* and the comparative restated.



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

**A39. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business (cont'd.)**

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 29 April 2022, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Business, Family Takaful Business, General Takaful Business and General Business and others are disclosed as follows (cont'd.):

**(b) Unaudited Statements of Financial Position as at 30 June 2023**

Group	Life Business		Family Takaful Business		General Takaful Business		General Business and Others*		Total	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>										
Cash and short-term funds	668,996	703,777	20,604	61,806	25,225	11,428	109,780	158,637	824,605	935,648
Deposits and placements with financial institutions	703,883	871,854	1,328,073	1,174,782	1,561,695	1,224,700	595,635	476,486	4,189,286	3,747,822
Financial assets designated upon initial recognition at fair value through profit or loss	6,711,387	6,486,343	6,191,282	6,196,994	13,757	18,895	35,351	35,436	12,951,777	12,737,668
Financial investments at fair value through profit or loss	6,376,219	4,956,731	725,443	620,073	114,564	143,632	645,686	499,151	7,861,912	6,219,587
Financial investments at fair value through other comprehensive income	9,103,846	9,174,065	6,992,134	6,758,073	2,948,666	3,013,680	1,678,308	1,648,359	20,722,954	20,594,177
Financial investments at amortised cost	-	-	-	-	-	-	58,189	39,624	58,189	39,624
Loans, advances and financing	21,837	34,572	10,648	11,181	272	422	66,791	57,060	99,548	103,235
Derivative assets	2,370	239,689	-	-	-	-	21	43	2,391	239,732
Insurance/reinsurance contract assets/takaful/retakaful certificate assets	259,433	241,527	310,455	471,227	404,022	321,545	3,587,080	3,527,352	4,560,990	4,561,651
Other assets	142,337	117,507	104,602	118,814	3,766	56,138	1,039,903	259,353	1,290,608	551,812
Investment properties	814,409	814,075	-	-	-	-	170,319	170,265	984,728	984,340
Statutory deposits with central banks	3,271	3,084	-	-	-	-	-	3,084	3,271	6,168
Interest in associates	-	-	-	-	-	-	-	152	-	152
Property, plant and equipment	93,439	92,049	183	200	72	82	62,404	63,418	156,098	155,749
Right-of-use assets	14,585	17,442	28	112	-	-	12,853	12,363	27,466	29,917
Intangible assets	59,923	61,251	9,093	7,969	1,618	1,803	84,435	83,887	155,069	154,910
Deferred tax assets	8,826	15,658	(23,834)	22,637	47,314	114,442	56,504	52,426	88,810	205,163
<b>TOTAL ASSETS</b>	<b>24,984,761</b>	<b>23,829,624</b>	<b>15,668,711</b>	<b>15,443,868</b>	<b>5,120,971</b>	<b>4,906,767</b>	<b>8,203,259</b>	<b>7,087,096</b>	<b>53,977,702</b>	<b>51,267,355</b>
<b>LIABILITIES</b>										
Derivative liabilities	145,206	20,821	-	-	-	-	42,952	21,288	188,158	42,109
Insurance contract liabilities/takaful certificate liabilities	20,941,200	20,029,540	12,728,835	11,715,508	3,248,332	2,834,265	5,054,038	4,784,716	41,972,405	39,364,029
Other liabilities #	1,163,646	1,128,231	280,435	1,045,220	196,058	440,938	1,090,943	458,509	2,731,082	3,072,898
Provision for taxation and zakat	15,403	24,353	26,385	40,813	35,764	50,568	(22,817)	(18,888)	54,735	96,846
Deferred tax liabilities	436,499	313,454	40,307	3,561	(30,737)	14,682	30,727	28,737	476,796	360,434
Subordinated obligations	-	-	-	-	-	-	312,051	312,051	312,051	312,051
<b>TOTAL LIABILITIES</b>	<b>22,701,954</b>	<b>21,516,399</b>	<b>13,075,962</b>	<b>12,805,102</b>	<b>3,449,417</b>	<b>3,340,453</b>	<b>6,507,894</b>	<b>5,586,413</b>	<b>45,735,227</b>	<b>43,248,367</b>
<b>EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE SUBSIDIARIES</b>										
Share capital	1,440,056	1,366,371	100,000	99,999	970,001	970,000	(1,849,192)	(1,775,505)	660,865	660,865
Other reserves	842,751	946,854	2,492,749	2,538,767	701,553	596,314	3,544,557	3,276,188	7,581,610	7,358,123
<b>TOTAL EQUITY</b>	<b>2,282,807</b>	<b>2,313,225</b>	<b>2,592,749</b>	<b>2,638,766</b>	<b>1,671,554</b>	<b>1,566,314</b>	<b>1,695,365</b>	<b>1,500,683</b>	<b>8,242,475</b>	<b>8,018,988</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>24,984,761</b>	<b>23,829,624</b>	<b>15,668,711</b>	<b>15,443,868</b>	<b>5,120,971</b>	<b>4,906,767</b>	<b>8,203,259</b>	<b>7,087,096</b>	<b>53,977,702</b>	<b>51,267,355</b>

\* Included inter-company transactions within insurance/takaful entities which are eliminated on consolidation at Group level.

# 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.

The above unaudited statements of financial position have been prepared under MFRS 17 Insurance Contracts and the comparative restated.

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

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

**A40a. Unaudited Income Statements for the Financial Half Year Ended 30 June 2023**

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	2,905,226	2,169,179	5,739,586	4,175,229
Income derived from investment of investment account funds	291,220	279,861	564,823	540,580
Income derived from investment of Islamic Banking Funds	187,245	126,069	371,009	251,798
Allowances for impairment losses on financing and advances, net	(219,930)	(82,690)	(405,096)	(191,473)
Writeback of/(allowances for) impairment losses on financial investments, net	6,152	388	9,131	(1,838)
(Allowances for)/writeback of impairment losses on other financial assets, net	(2)	265	93	1,504
<b>Total distributable income</b>	<b>3,169,911</b>	<b>2,493,072</b>	<b>6,279,546</b>	<b>4,775,800</b>
Profit share income from investment accounts	47,172	55,088	81,501	105,580
Profit distributed to depositors	(1,527,226)	(731,659)	(3,011,142)	(1,405,658)
Profit distributed to investment account holders	(111,509)	(80,268)	(214,788)	(154,106)
<b>Total net income</b>	<b>1,578,348</b>	<b>1,736,233</b>	<b>3,135,117</b>	<b>3,321,616</b>
Finance cost	(144,374)	(101,872)	(279,133)	(201,365)
Overhead expenses	(654,251)	(479,498)	(1,274,554)	(952,030)
<b>Profit before taxation and zakat</b>	<b>779,723</b>	<b>1,154,863</b>	<b>1,581,430</b>	<b>2,168,221</b>
Taxation	(188,322)	(330,316)	(366,364)	(718,031)
Zakat	(16,210)	(6,719)	(30,058)	(29,388)
<b>Profit for the financial period</b>	<b>575,191</b>	<b>817,828</b>	<b>1,185,008</b>	<b>1,420,802</b>

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

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	2,905,226	2,169,179	5,739,586	4,175,229
Income derived from investment of investment account funds	291,220	279,861	564,823	540,580
Income derived from investment of Islamic Banking Funds	187,245	126,069	371,009	251,798
Total income before allowances for impairment losses on financial assets and overhead expenses	<b>3,383,691</b>	<b>2,575,109</b>	<b>6,675,418</b>	<b>4,967,607</b>
Profit share income from investment accounts	47,172	55,088	81,501	105,580
Profit distributed to depositors	(1,527,226)	(731,659)	(3,011,142)	(1,405,658)
Profit distributed to investment account holders	(111,509)	(80,268)	(214,788)	(154,106)
	<b>1,792,128</b>	<b>1,818,270</b>	<b>3,530,989</b>	<b>3,513,423</b>
Finance cost	(144,374)	(101,872)	(279,133)	(201,365)
Net of intercompany income and expenses	250,255	104,168	471,378	229,435
Profit share income from investment accounts funded by the Bank	(47,117)	(55,062)	(81,183)	(105,525)
Income from Islamic Banking Scheme operations reported in the Income Statement of the Group	<b>1,850,892</b>	<b>1,765,504</b>	<b>3,642,051</b>	<b>3,435,968</b>

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

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

**A40b. Unaudited Statements of Comprehensive Income for the Financial Half Year Ended 30 June 2023**

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
<b>Profit for the financial period</b>	<b>575,191</b>	817,828	<b>1,185,008</b>	1,420,802
<b>Other comprehensive income/(loss):</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net loss on foreign exchange translation	(1,996)	(101)	(3,213)	(234)
Net gain/(loss) on financial investments at fair value through other comprehensive income	<b>124,363</b>	(223,472)	<b>268,918</b>	(335,924)
- Net gain/(loss) from change in fair value	<b>172,832</b>	(327,418)	<b>358,204</b>	(490,982)
- Changes in expected credit losses	<b>(6,989)</b>	(4,102)	<b>(3,317)</b>	1,480
- Income tax effect	<b>(41,480)</b>	108,048	<b>(85,969)</b>	153,578
	<b>122,367</b>	(223,573)	<b>265,705</b>	(336,158)
Other comprehensive income/(loss) for the financial period, net of tax	<b>122,367</b>	(223,573)	<b>265,705</b>	(336,158)
<b>Total comprehensive income for the financial period</b>	<b>697,558</b>	594,255	<b>1,450,713</b>	1,084,644

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

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

**A40c. Unaudited Statement of Financial Position as at 30 June 2023**

<u>Group</u>	Note	30 June 2023 RM'000	31 December 2022 RM'000
<b>ASSETS</b>			
Cash and short-term funds		5,848,516	15,094,889
Deposits and placements with financial institutions		4,594,599	5,329,880
Financial assets purchased under resale agreements		2,204,309	2,121,695
Financial investments at fair value through profit or loss		963,089	309,504
Financial investments at fair value through other comprehensive income		14,462,074	15,645,983
Financial investments at amortised cost		24,352,330	27,461,699
Financing and advances	A40e	214,437,083	214,379,623
Derivative assets		458,201	263,763
Other assets		5,568,419	5,971,596
Statutory deposit with central banks		3,579,163	3,505,736
Property, plant and equipment		277	341
Right-of-use assets		5,840	7,279
Deferred tax assets		209,832	288,433
<b>Total Assets</b>		<b>276,683,732</b>	<b>290,380,421</b>
<b>LIABILITIES</b>			
Customers' funding:			
- Deposits from customers	A40f	195,437,325	209,783,463
- Investment accounts of customers <sup>1</sup>	A40g	27,562,144	25,637,702
Deposits and placements from financial institutions		22,365,768	23,593,505
Obligations on financial assets sold under repurchase agreements		921,584	461,081
Bills and acceptances payable		14,799	32,569
Derivative liabilities		434,072	384,674
Other liabilities		993,365	3,218,678
Provision for taxation and zakat		62,595	150,781
Term funding	A40h	10,914,667	9,421,202
Subordinated sukuk	A40i	2,021,532	2,021,893
Capital securities	A40j	1,002,217	1,002,347
<b>Total Liabilities</b>		<b>261,730,068</b>	<b>275,707,895</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>			
Islamic Banking Funds		11,681,910	11,034,955
Retained profits		2,501,918	2,901,255
Other reserves		769,836	736,316
		<b>14,953,664</b>	<b>14,672,526</b>
<b>Total liabilities and Islamic Banking Capital Funds</b>		<b>276,683,732</b>	<b>290,380,421</b>
<b>Restricted investment accounts managed by the Group</b>	A40g	<b>36,178,101</b>	<b>30,552,966</b>
<b>TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE GROUP</b>		<b>312,861,833</b>	<b>320,933,387</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		<b>85,828,700</b>	<b>80,496,780</b>

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

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

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

**A40d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2023**

<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 <sup>1</sup> RM'000	Distributable Retained Profits RM'000	
<b>At 1 January 2023</b>	11,034,955	904,654	(169,847)	(188)	1,697	2,901,255	14,672,526
Profit for the financial period	-	-	-	-	-	1,185,008	1,185,008
Other comprehensive income/(loss)	-	-	268,918	(3,213)	-	-	265,705
Net loss on foreign exchange translation	-	-	-	(3,213)	-	-	(3,213)
Net gain on financial investments at fair value through other comprehensive income	-	-	268,918	-	-	-	268,918
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	268,918	(3,213)	-	1,185,008	1,450,713
Issue of ordinary shares	646,955	-	-	-	-	-	646,955
Transfer to conventional banking operations	-	-	-	-	-	(199,141)	(199,141)
Transfer from regulatory reserve	-	(232,185)	-	-	-	232,185	-
Dividends paid	-	-	-	-	-	(1,617,389)	(1,617,389)
<b>At 30 June 2023</b>	<b>11,681,910</b>	<b>672,469</b>	<b>99,071</b>	<b>(3,401)</b>	<b>1,697</b>	<b>2,501,918</b>	<b>14,953,664</b>

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

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

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

**A40d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2023 (cont'd.)**

<u>Group</u>	←-----Non-distributable -----→						<b>Total RM'000</b>
	<b>Islamic Banking Funds RM'000</b>	<b>Regulatory Reserve RM'000</b>	<b>Fair Value Through Other Comprehensive Income Reserve RM'000</b>	<b>Exchange Fluctuation Reserve RM'000</b>	<b>Equity contribution from the holding Company<sup>1</sup> RM'000</b>	<b>Distributable Retained Profits RM'000</b>	
<b>At 1 January 2022</b>	10,327,374	121,014	77,254	(48)	1,697	3,488,469	14,015,760
Profit for the financial period	-	-	-	-	-	1,420,802	1,420,802
Other comprehensive loss	-	-	(335,924)	(234)	-	-	(336,158)
Net loss on foreign exchange translation	-	-	-	(234)	-	-	(234)
Net loss on financial investments at fair value through other comprehensive income	-	-	(335,924)	-	-	-	(335,924)
<b>Total comprehensive (loss)/income for the financial period</b>	-	-	(335,924)	(234)	-	1,420,802	1,084,644
Transfer to regulatory reserve	-	483,630	-	-	-	(483,630)	-
Dividends paid	-	-	-	-	-	(1,425,964)	(1,425,964)
<b>At 30 June 2022</b>	<b>10,327,374</b>	<b>604,644</b>	<b>(258,670)</b>	<b>(282)</b>	<b>1,697</b>	<b>2,999,677</b>	<b>13,674,440</b>

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

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

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

**A40e. Financing and Advances**

<u>Group</u>	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Financing and advances*:		
(A) Financing and advances at fair value through other comprehensive income	<b>1,154,617</b>	3,141,460
(B) Financing and advances at amortised cost	<b>274,621,187</b>	280,573,323
	<b>275,775,804</b>	283,714,783
Unearned income	<b>(58,282,617)</b>	(66,345,579)
Gross financing and advances	<b>217,493,187</b>	217,369,204
Allowances for impaired financing and advances:		
- Stage 1 - 12-month ECL	<b>(393,270)</b>	(442,735)
- Stage 2 - Lifetime ECL not credit impaired	<b>(1,455,427)</b>	(1,309,534)
- Stage 3 - Lifetime ECL credit impaired	<b>(1,207,407)</b>	(1,237,312)
Net financing and advances	<b>214,437,083</b>	214,379,623

\* As at 30 June 2023, the financing and advances funded by RPSIA amounting to RM28,660.6 million (31 December 2022: RM25,882.8 million) was recorded off-balance sheet under the operations of IBS.

The gross exposure of the financing funded by Investment Accounts of customers ("IA") as at 30 June 2023 was RM27,562.1 million (31 December 2022: RM25,637.7 million).

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

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

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

<u>Group</u>	Bai <sup>1</sup>	Murabahah	Musharakah	Al-Ijarah Thumma Al-Bai ("AITAB") <sup>2</sup>	Ijarah <sup>3</sup>	Others	Total Financing and Advances
<b>As at 30 June 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cashline	-	6,802,528	-	-	-	-	6,802,528
Term financing							
- Housing financing	11,274,561	91,110,068	1,474,374	-	-	600	103,859,603
- Syndicated financing	-	4,215,142	-	-	-	-	4,215,142
- Hire purchase receivables	-	13,896,625	-	44,265,259	-	-	58,161,884
- Lease receivables	-	-	-	-	2,014,721	-	2,014,721
- Other term financing	5,203,943	77,551,332	440,226	-	-	23,445	83,218,946
Trust receipts	-	208,663	-	-	-	-	208,663
Claims on customers under acceptance credits	-	6,846,289	-	-	-	-	6,846,289
Staff financing	255,985	2,634,906	5,955	137,999	-	28,991	3,063,836
Credit card receivables	-	-	-	-	-	1,916,147	1,916,147
Revolving credit	-	5,419,997	-	-	-	-	5,419,997
Share margin financing	-	43,396	-	-	-	-	43,396
Financing to:							
- Directors of the Bank	-	2,798	-	265	-	35	3,098
- Directors of subsidiaries	-	1,455	-	77	-	22	1,554
	<b>16,734,489</b>	<b>208,733,199</b>	<b>1,920,555</b>	<b>44,403,600</b>	<b>2,014,721</b>	<b>1,969,240</b>	<b>275,775,804</b>
Unearned income							<b>(58,282,617)</b>
Gross financing and advances <sup>4</sup>							<b>217,493,187</b>
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							<b>(393,270)</b>
- Stage 2 - Lifetime ECL not credit impaired							<b>(1,455,427)</b>
- Stage 3 - Lifetime ECL credit impaired							<b>(1,207,407)</b>
Net financing and advances							<b>214,437,083</b>

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

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

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

<sup>4</sup> Included in financing and advances are the underlying assets under the IA.



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

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

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

<b>Group</b>	<b>Bai<sup>1</sup></b>	<b>Murabahah</b>	<b>Musharakah</b>	<b>Al-Ijarah Thumma Al-Bai ("AITAB")<sup>2</sup></b>	<b>Ijarah<sup>3</sup></b>	<b>Others</b>	<b>Total Financing and Advances</b>
<b>As at 31 December 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cashline	-	6,837,168	-	-	-	-	6,837,168
Term financing							
- Housing financing	11,752,044	87,570,087	1,552,014	-	-	599	100,874,744
- Syndicated financing	-	7,229,950	-	-	-	-	7,229,950
- Hire purchase receivables	-	13,349,586	-	41,455,457	-	-	54,805,043
- Lease receivables	-	-	-	-	1,735,870	-	1,735,870
- Other term financing	6,507,592	87,128,112	483,889	-	-	150,491	94,270,084
Trust receipts	-	175,810	-	-	-	-	175,810
Claims on customers under acceptance credits	-	6,024,358	-	-	-	-	6,024,358
Staff financing	282,744	2,548,232	6,488	137,263	-	43,715	3,018,442
Credit card receivables	-	-	-	-	-	1,779,342	1,779,342
Revolving credit	-	6,909,108	-	-	-	-	6,909,108
Share margin financing	-	49,724	-	-	-	-	49,724
Financing to:							
- Directors of the Bank	-	3,293	-	-	-	38	3,331
- Directors of subsidiaries	-	1,638	-	137	-	34	1,809
	18,542,380	217,827,066	2,042,391	41,592,857	1,735,870	1,974,219	283,714,783
Unearned income							(66,345,579)
Gross financing and advances <sup>4</sup>							217,369,204
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							(442,735)
- Stage 2 - Lifetime ECL not credit impaired							(1,309,534)
- Stage 3 - Lifetime ECL credit impaired							(1,237,312)
Net financing and advances							214,379,623

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

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

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

<sup>4</sup> Included in financing and advances are the underlying assets under the IA.

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

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

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

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

<b><u>Group</u></b>	<b>30 June 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
At 1 January	2,061,080	1,492,756
Newly impaired	744,232	1,237,425
Reclassified as non-impaired	(48,328)	(65,139)
Amount recovered	(47,495)	(223,830)
Amount written-off	(430,624)	(380,132)
Gross impaired financing at 30 June 2023/31 December 2022	<u>2,278,865</u>	<u>2,061,080</u>
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,207,407)</u>	<u>(1,237,312)</u>
Net impaired financing at 30 June 2023/31 December 2022	<u>1,071,458</u>	<u>823,768</u>
 <u>Calculation of ratio of net impaired financing (excluding financing funded by IA):</u>		
Gross impaired financing at 30 June 2023/31 December 2022	2,158,268	2,001,463
Less: Stage 3 - Lifetime ECL credit impaired	(1,207,407)	(1,237,312)
Net impaired financing at 30 June 2023/31 December 2022	<u>950,861</u>	<u>764,151</u>
Gross financing and advances	189,931,043	191,731,502
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	<u>(3,062,040)</u>	<u>(2,996,850)</u>
Net financing and advances	<u>186,869,003</u>	<u>188,734,652</u>
Net impaired financing as a percentage of net financing and advances	<u>0.51%</u>	<u>0.40%</u>

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

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

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

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

**At fair value through other comprehensive income**

<u>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	
<b>As at 30 June 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2023	7,269	-	-	7,269
New financial assets originated or purchased	724	-	-	724
Financial assets derecognised	(2,069)	-	-	(2,069)
Changes in models/risk parameters	(7)	-	-	(7)
Exchange differences	19	-	-	19
At 30 June 2023	<u>5,936</u>	<u>-</u>	<u>-</u>	<u>5,936</u>

<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	
<b>As at 31 December 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	2,302	-	-	2,302
Net remeasurement of allowances	2,885	-	-	2,885
New financial assets originated or purchased	2,550	-	-	2,550
Financial assets derecognised	(494)	-	-	(494)
Exchange differences	26	-	-	26
At 31 December 2022	<u>7,269</u>	<u>-</u>	<u>-</u>	<u>7,269</u>

**At amortised cost**

<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	
<b>As at 30 June 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2023	442,735	1,309,534	1,237,312	2,989,581
Transferred to Stage 1	95,752	(92,152)	(3,600)	-
Transferred to Stage 2	(19,767)	33,968	(14,201)	-
Transferred to Stage 3	(4,030)	(59,379)	63,409	-
Net remeasurement of allowances	(84,002)	295,559	338,687	550,244
New financial assets originated or purchased	75,550	26,786	-	102,336
Financial assets derecognised	(56,272)	(33,602)	(16,006)	(105,880)
Changes in models/risk parameters	(57,228)	(25,447)	1,659	(81,016)
Amount written-off	-	-	(430,624)	(430,624)
Exchange differences	532	160	30,771	31,463
At 30 June 2023	<u>393,270</u>	<u>1,455,427</u>	<u>1,207,407</u>	<u>3,056,104</u>

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

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

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

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

**At amortised cost (cont'd.)**

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 31 December 2022</b>				
At 1 January 2022	556,209	1,678,410	709,435	2,944,054
Transferred to Stage 1	167,116	(162,063)	(5,053)	-
Transferred to Stage 2	(32,756)	47,143	(14,387)	-
Transferred to Stage 3	(8,797)	(250,227)	259,024	-
Net remeasurement of allowances	(342,559)	1,080	684,326	342,847
New financial assets originated or purchased	140,955	64,426	-	205,381
Financial assets derecognised	(56,107)	(69,495)	(22,596)	(148,198)
Changes in models/risk parameters	(1,738)	(210)	(9,655)	(11,603)
Amount written-off	-	-	(380,132)	(380,132)
Exchange differences	20,412	470	16,350	37,232
At 31 December 2022	<u>442,735</u>	<u>1,309,534</u>	<u>1,237,312</u>	<u>2,989,581</u>

**A40f. Deposits from Customers**

<b>Group</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Savings deposits</b>		
Murabahah	27,833,225	27,711,469
Qard	1,125,892	601,896
	<u>28,959,117</u>	<u>28,313,365</u>
<b>Demand deposits</b>		
Murabahah	28,958,643	37,422,903
Qard	3,780,425	1,381,375
	<u>32,739,068</u>	<u>38,804,278</u>
<b>Term deposits</b>		
Murabahah	132,577,554	142,073,732
Qard	1,161,586	592,088
	<u>133,739,140</u>	<u>142,665,820</u>
Total deposits from customers	<u>195,437,325</u>	<u>209,783,463</u>

**A40g. Investment Accounts**

<b>Group</b>	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Investment accounts of customers		
- Unrestricted investment accounts <sup>1</sup>	27,562,144	25,637,702
Restricted investment accounts managed by the Group <sup>2</sup>	<u>36,178,101</u>	<u>30,552,966</u>

The unrestricted investment accounts (net of intercompany balances) as at 30 June 2023 was RM26,691.9 million (31 December 2022: RM24,501.0 million) as reported on the Group's statements of financial position.

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

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

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

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

<u>Group</u>	Unrestricted investment accounts <sup>1</sup> RM'000	Restricted investment accounts managed by the Group <sup>2</sup> RM'000
<b>As at 30 June 2023</b>		
Business enterprises	15,182,869	-
Individuals	10,440,988	-
Government and statutory bodies	299,027	-
Licensed banks	-	35,709,575
Others	1,639,260	468,526
	<u>27,562,144</u>	<u>36,178,101</u>
<b>As at 31 December 2022</b>		
Business enterprises	13,389,602	-
Individuals	10,342,032	-
Government and statutory bodies	246,938	-
Licensed banks	-	30,123,166
Others	1,659,130	429,800
	<u>25,637,702</u>	<u>30,552,966</u>

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

<u>Group</u>	Unrestricted investment accounts <sup>1</sup> RM'000	Restricted investment accounts managed by the Group <sup>2</sup> RM'000
<b>As at 30 June 2023</b>		
- without maturity	23,519,850	-
- with maturity		
Within six months	3,303,646	10,034,076
Six months to one year	720,827	131,119
One year to three years	13,689	4,137,878
Three years to five years	4,132	21,875,028
	<u>4,042,294</u>	<u>36,178,101</u>
Total investment accounts of customers	<u>27,562,144</u>	<u>36,178,101</u>
<b>As at 31 December 2022</b>		
- without maturity	21,160,119	-
- with maturity		
Within six months	3,055,394	10,280,098
Six months to one year	1,403,496	30,109
One year to three years	13,924	3,995,512
Three years to five years	4,769	16,247,247
	<u>4,477,583</u>	<u>30,552,966</u>
Total investment accounts of customers	<u>25,637,702</u>	<u>30,552,966</u>

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

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

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

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

<u>Group</u>	Unrestricted investment accounts <sup>1</sup> RM'000	Restricted investment accounts managed by the Group <sup>2</sup> RM'000
<b>As at 30 June 2023</b>		
Retail financing	26,562,144	-
Non-retail financing	1,000,000	28,729,155
Corporate Sukuk	-	7,448,946
	<b>27,562,144</b>	<b>36,178,101</b>
<b>As at 31 December 2022</b>		
Retail financing	23,987,702	-
Non-retail financing	1,650,000	25,955,010
Corporate Sukuk	-	4,597,956
	<b>25,637,702</b>	<b>30,552,966</b>

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

<u>Group</u>	Investment account holder ("IAH")	
	Average profit sharing ratio (%)	Average rate of return (%)
<b>As at 30 June 2023</b>		
Investment accounts of customers		
- Unrestricted investment accounts <sup>1</sup>	38.76	1.59
Restricted investment accounts managed by the Group <sup>2</sup>	77.22	4.16
<b>As at 31 December 2022</b>		
Investment accounts of customers		
- Unrestricted investment accounts <sup>1</sup>	32.04	2.58
Restricted investment accounts managed by the Group <sup>2</sup>	76.29	4.60

<sup>1</sup> The total funds invested in Multi-Asset Investment Account-i ("MAIA") product was RM118.4 million (31 December 2022: RM122.7 million) of which RM3.0 million (31 December 2022: RM59.6 million) are the funds managed by the Group and are recorded as on balance sheet. The remaining of the funds are invested in marketable securities with net asset value of RM115.4 million as at 30 June 2023 (31 December 2022: RM63.1 million) managed by a subsidiary of the Bank as part of its investment management activities and are recorded as off-balance sheet.

<sup>2</sup> 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 RM35,709.6 million and RM468.5 million (31 December 2022: RM30,123.2 million and RM429.8 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.

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

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

**A40h. Term Funding**

<u>Group</u>	30 June 2023 RM'000	31 December 2022 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	7,892,300	6,413,953
(ii) Medium Term Notes		
- More than one year	2,003,559	2,003,796
(iii) Term funding		
- More than one year (Note (a))	1,018,808	1,003,453
Total term funding	<u>10,914,667</u>	<u>9,421,202</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.

**A40i. Subordinated Sukuk**

<u>Group</u>	30 June 2023 RM'000	31 December 2022 RM'000
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2029	1,010,726	1,010,849
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2031	1,010,806	1,011,044
	<u>2,021,532</u>	<u>2,021,893</u>

**A40j. Capital Securities**

<u>Group</u>	30 June 2023 RM'000	31 December 2022 RM'000
RM1.0 billion 4.76% Additional Tier 1 Sukuk Wakalah	1,002,217	1,002,347

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

**A41. Financial Effects arising from Adoption of MFRS 17 Insurance Contracts**

(i) The adoption of MFRS 17 resulted in the following financial effects to the income statements of the Group

**Income statements**

<b>Group</b>	<b>30 June 2022 RM'000</b>	<b>Effects of MFRS 17 adoption RM'000</b>	<b>30 June 2022 RM'000 Restated</b>
Interest income	9,510,560	(4,425)	9,506,135
Interest expense	(2,663,608)	(4,817)	(2,668,425)
Net interest income	6,846,952	(9,242)	6,837,710
Income from Islamic Banking Scheme operations	3,435,968	-	3,435,968
Insurance/takaful service result	-	191,896	191,896
Net earned insurance premiums	4,624,542	(4,624,542)	-
Other operating income	1,313,867	3,253	1,317,120
Total operating income	16,221,329	(4,438,635)	11,782,694
Net insurance/takaful investment/finance result	-	776,464	776,464
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(2,917,257)	2,917,257	-
Net operating income	13,304,072	(744,914)	12,559,158
Overhead expenses	(6,005,535)	381,520	(5,624,015)
Operating profit before impairment losses	7,298,537	(363,394)	6,935,143
Allowances for impairment losses on loans, advances, financing and other debts, net	(1,280,959)	20	(1,280,939)
Allowances for impairment losses on financial investments, net	(448,464)	-	(448,464)
Allowances for impairment losses on other financial assets, net	(23,888)	116	(23,772)
Operating profit	5,545,226	(363,258)	5,181,968
Share of profits in associates and joint ventures	93,016	-	93,016
<b>Profit before taxation and zakat</b>	<b>5,638,242</b>	<b>(363,258)</b>	<b>5,274,984</b>
Taxation and zakat	(1,642,296)	5,679	(1,636,617)
<b>Profit for the financial period</b>	<b>3,995,946</b>	<b>(357,579)</b>	<b>3,638,367</b>
<b>Attributable to:</b>			
Equity holders of the Bank	3,902,140	(246,908)	3,655,232
Non-controlling interests	93,806	(110,671)	(16,865)
	3,995,946	(357,579)	3,638,367
<b>Earnings per share attributable to equity holders of the Bank</b>			
Basic/diluted	32.72 sen	(2.07) sen	30.65 sen



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

**A41. Financial Effects arising from Adoption of MFRS 17 Insurance Contracts (cont'd.)**

- (i) The adoption of MFRS 17 resulted in the following financial effects to the income statements of the Group (cont'd.)

<b>Group</b>	<b>30 June 2022 RM'000</b>	<b>Effects of MFRS 17 adoption RM'000</b>	<b>30 June 2022 RM'000 Restated</b>
<b>Profit for the financial period</b>	3,995,946	(357,579)	3,638,367
<b>Other comprehensive loss:</b>			
<b><i>Items that will not be reclassified subsequently to profit or loss:</i></b>			
Defined benefit plan actuarial loss	(1,953)	-	(1,953)
Income tax effect	(626)	-	(626)
Net loss from change in fair value on equity instruments at fair value through other comprehensive income	(4,111)	-	(4,111)
	<u>(6,690)</u>	<u>-</u>	<u>(6,690)</u>
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>			
Net loss on debt instruments at fair value through other comprehensive income	(2,818,453)	(30,898)	(2,849,351)
- Net loss from change in fair value	(4,159,257)	(30,898)	(4,190,155)
- Changes in expected credit losses	135,157	-	135,157
- Income tax effect	1,205,647	-	1,205,647
Net gain on foreign exchange translation	703,895	(2,387)	701,508
Cost of hedging for fair value hedge	2,742	-	2,742
Net gain on capital reserve	727	-	727
Share of change in associates' reserve	(189,944)	-	(189,944)
Net insurance finance/investment result	-	(6,884)	(6,884)
	<u>(2,301,033)</u>	<u>(40,169)</u>	<u>(2,341,202)</u>
Other comprehensive loss for the financial period, net of tax	<u>(2,307,723)</u>	<u>(40,169)</u>	<u>(2,347,892)</u>
<b>Total comprehensive income/(loss) for the financial period</b>	<u>1,688,223</u>	<u>(397,748)</u>	<u>1,290,475</u>
<b>Other comprehensive loss for the financial period, attributable to:</b>			
Equity holders of the Bank	(2,239,249)	(27,736)	(2,266,985)
Non-controlling interests	(68,474)	(12,433)	(80,907)
	<u>(2,307,723)</u>	<u>(40,169)</u>	<u>(2,347,892)</u>
<b>Total comprehensive income/(loss) for the financial period, attributable to:</b>			
Equity holders of the Bank	1,662,891	(274,644)	1,388,247
Non-controlling interests	25,332	(123,104)	(97,772)
	<u>1,688,223</u>	<u>(397,748)</u>	<u>1,290,475</u>

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

**A41. Financial Effects arising from Adoption of MFRS 17 Insurance Contracts (cont'd.)**

(ii) The adoption of MFRS 17 resulted in the following financial effects to the statements of financial position of the Group

**Statements of Financial Position**

<u>Group</u>	31 December 2021 RM'000	Effects of MFRS 17 adoption RM'000	1 January 2022 RM'000 Restated	31 December 2022 RM'000	Effects of MFRS 17 adoption RM'000	31 December 2022 RM'000 Restated
<b>ASSETS</b>						
Cash and short-term funds	41,483,926	-	41,483,926	37,573,869	-	37,573,869
Deposits and placements with financial institutions	16,037,048	-	16,037,048	16,095,978	-	16,095,978
Financial assets purchased under resale agreements	13,491,753	-	13,491,753	14,968,762	-	14,968,762
Financial assets designated upon initial recognition at fair value through profit or loss	13,181,866	-	13,181,866	12,822,800	-	12,822,800
Financial investments at fair value through profit or loss	27,775,493	(1,402,813)	26,372,680	25,804,000	(660,792)	25,143,208
Financial investments at fair value through other comprehensive income	122,393,954	1,402,813	123,796,767	120,706,198	660,792	121,366,990
Financial investments at amortised cost	60,532,190	-	60,532,190	71,756,942	-	71,756,942
Loans, advances and financing to financial institutions	1,048,566	-	1,048,566	1,361,712	-	1,361,712
Loans, advances and financing to customers	540,839,323	(255,787)	540,583,536	574,025,785	(260,123)	573,765,662
Derivative assets	12,757,475	-	12,757,475	24,686,755	-	24,686,755
Insurance/reinsurance contract assets/takaful/retakaful certificate assets	-	5,193,968	5,193,968	-	4,561,651	4,561,651
Reinsurance/retakaful assets and other insurance receivables	7,515,864	(7,515,864)	-	7,041,010	(7,041,010)	-
Other assets	8,644,931	(5,897)	8,639,034	11,466,678	(8,527)	11,458,151
Investment properties	975,048	-	975,048	988,895	-	988,895
Statutory deposits with central banks	7,514,129	-	7,514,129	13,777,324	-	13,777,324
Interest in associates and joint ventures	2,491,435	-	2,491,435	2,207,244	-	2,207,244
Property, plant and equipment	2,129,989	-	2,129,989	2,142,065	-	2,142,065
Right-of-use assets	1,170,564	-	1,170,564	1,176,776	-	1,176,776
Intangible assets	6,683,461	-	6,683,461	6,747,125	-	6,747,125
Deferred tax assets	1,505,378	(97,561)	1,407,817	2,462,917	(88,484)	2,374,433
<b>TOTAL ASSETS</b>	<b>888,172,393</b>	<b>(2,681,141)</b>	<b>885,491,252</b>	<b>947,812,835</b>	<b>(2,836,493)</b>	<b>944,976,342</b>

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

**A41. Financial Effects arising from Adoption of MFRS 17 Insurance Contracts (cont'd.)**

(ii) The adoption of MFRS 17 resulted in the following financial effects to the statements of financial position of the Group

**Statements of Financial Position (cont'd.)**

<b>Group (cont'd.)</b>	<b>31 December 2021 RM'000</b>	<b>Effects of MFRS 17 adoption RM'000</b>	<b>1 January 2022 RM'000 Restated</b>	<b>31 December 2022 RM'000</b>	<b>Effects of MFRS 17 adoption RM'000</b>	<b>31 December 2022 RM'000 Restated</b>
<b>LIABILITIES</b>						
Customers' funding:						
- Deposits from customers	588,967,633	-	588,967,633	614,895,094	-	614,895,094
- Investment accounts of customers <sup>1</sup>	28,720,799	-	28,720,799	24,500,981	-	24,500,981
Deposits and placements from financial institutions	36,583,073	-	36,583,073	51,893,780	-	51,893,780
Obligations on financial assets sold under repurchase agreements	7,873,717	-	7,873,717	15,585,836	-	15,585,836
Derivative liabilities	12,638,175	-	12,638,175	27,874,325	-	27,874,325
Financial liabilities at fair value through profit or loss	10,696,966	-	10,696,966	8,317,084	-	8,317,084
Bills and acceptances payable	1,077,986	-	1,077,986	1,810,954	-	1,810,954
Insurance contract liabilities/takaful certificate liabilities	-	39,086,027	39,086,027	-	39,364,029	39,364,029
Insurance/takaful contract liabilities and other insurance payables	42,093,615	(42,093,615)	-	41,914,750	(41,914,750)	-
Other liabilities	21,502,096	(235,215)	21,266,881	26,527,065	(534,464)	25,992,601
Provision for taxation and zakat	311,385	-	311,385	372,176	-	372,176
Deferred tax liabilities	539,066	54,313	593,379	400,437	35,231	435,668
Borrowings	35,548,352	-	35,548,352	31,736,007	-	31,736,007
Subordinated obligations	10,239,277	-	10,239,277	10,238,389	-	10,238,389
Capital securities	2,827,832	-	2,827,832	2,828,817	-	2,828,817
<b>TOTAL LIABILITIES</b>	<b>799,619,972</b>	<b>(3,188,490)</b>	<b>796,431,482</b>	<b>858,895,695</b>	<b>(3,049,954)</b>	<b>855,845,741</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>						
Share capital	53,156,473	-	53,156,473	54,619,344	-	54,619,344
Shares held-in-trust	(1,274)	-	(1,274)	(198)	-	(198)
Retained profits	29,629,726	389,526	30,019,252	29,705,461	202,715	29,908,176
Reserves	3,026,497	(39,201)	2,987,296	1,632,427	(55,320)	1,577,107
	<b>85,811,422</b>	<b>350,325</b>	<b>86,161,747</b>	<b>85,957,034</b>	<b>147,395</b>	<b>86,104,429</b>
<b>Non-controlling interests</b>	<b>2,740,999</b>	<b>157,024</b>	<b>2,898,023</b>	<b>2,960,106</b>	<b>66,066</b>	<b>3,026,172</b>
	<b>88,552,421</b>	<b>507,349</b>	<b>89,059,770</b>	<b>88,917,140</b>	<b>213,461</b>	<b>89,130,601</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>888,172,393</b>	<b>(2,681,141)</b>	<b>885,491,252</b>	<b>947,812,835</b>	<b>(2,836,493)</b>	<b>944,976,342</b>

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

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

**B1. Performance Review**

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

The Group posted profit after tax and zakat attributable to equity holders of RM4,604.0 million for six-month financial period ended 30 June 2023, an increase of RM948.7 million or 26.0% as compared to the previous corresponding six-month financial period ended 30 June 2022.

The Group's net interest income and Islamic Banking income for the six-month financial period ended 30 June 2023 decreased by RM195.7 million or 1.9% to RM10,078.0 million as compared to the previous corresponding six-month financial period ended 30 June 2022.

The Group's insurance/takaful service result increased by RM20.2 million or 10.5% to RM212.1 million for six-month financial period ended 30 June 2023 as compared to the previous corresponding six-month financial period ended 30 June 2022.

Other operating income of the Group for the six-month financial period ended 30 June 2023 was RM4,225.2 million, an increase of RM2,908.1 million or 220.8% from RM1,317.1 million in the previous corresponding six-month financial period ended 30 June 2022. The increase was mainly due to lower unrealised mark-to-market loss on revaluation of derivatives of RM1,413.1 million, unrealised mark-to-market gain on financial assets designated upon initial recognition at FVTPL of RM449.0 million for the six-month financial period ended 30 June 2023 as compared to unrealised mark-to-market loss of RM781.3 million for the previous corresponding six-month financial period ended 30 June 2022, net gain on foreign exchange of RM955.8 million for the six-month financial period ended 30 June 2023 as compared to net loss of RM56.5 million for the previous corresponding six-month financial period ended 30 June 2022, unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM49.5 million for the six-month financial period ended 30 June 2023 as compared to unrealised mark-to-market loss of RM854.7 million for the previous corresponding six-month financial period ended 30 June 2022 and net investment income of RM163.1 million for the six-month financial period ended 30 June 2023 as compared to net investment loss of RM202.7 million for the previous corresponding six-month financial period ended 30 June 2022. The increases were, however, offset by lower unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM1,648.5 million, lower realised gain on derivatives of RM324.8 million and lower fee income of RM46.3 million.

The Group's overhead expenses for the six-month financial period ended 30 June 2023 recorded an increase of RM848.6 million or 15.1% to RM6,472.6 million as compared to the previous corresponding six-month financial period ended 30 June 2022. The increase in overhead expenses was mainly due to higher personnel expenses of RM507.2 million, higher administration and general expenses of RM159.1 million, higher establishment costs of RM121.7 million and higher marketing expenses of RM60.6 million.

The Group's net allowances for impairment losses on loans, advances, financing and other debts decreased by RM359.2 million or 28.0% to RM921.7 million as compared to the previous corresponding six-month financial period ended 30 June 2022.

The Group's recorded net writeback of impairment losses on financial investments for the six-month financial period ended 30 June 2023 of RM78.7 million against net allowances of RM448.5 million for the six-month financial period ended 30 June 2022 .

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

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

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

The Group's profit before taxation and zakat the six-month financial period ended 30 June 2023 compared to the previous corresponding six-month financial period ended 30 June 2022 is further segmented based on the operating segments of the Group as follows:

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

Group CFS's profit before taxation and zakat decreased by RM802.9 million or 22.7% to RM2,740.2 million for the financial period ended 30 June 2023 from RM3,543.1 million for the previous corresponding financial period ended 30 June 2022. The decrease was mainly due to higher overhead expenses of RM764.8 million, higher net allowances for impairment losses on loans, advances, financing and other debts of RM584.0 million and lower other operating income of RM5.2 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM550.8 million.

**Group Global Banking**

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

Group Corporate Banking & Global Markets' profit before taxation and zakat increased by RM775.6 million or 40.0% to RM2,712.4 million for the financial period ended 30 June 2023 from RM1,936.8 million for the previous corresponding financial period ended 30 June 2022. The increase was mainly due to lower net allowances for impairment losses on loans, advances, financing and other debts of RM944.7 million, net writeback of impairment losses on financial investments and other financial asset of RM20.7 million from net allowance of RM354.6 million and higher share of profits in associates and joint ventures of RM41.3 million. The increases were, however, offset by lower net interest income and income from IBS operations of RM344.6 million, lower other operating income of RM122.6 million and higher overhead expenses of RM118.4 million.

**b) Group Investment Banking**

Group Investment Banking's profit before taxation and zakat decreased by RM71.4 million or 51.8% to RM67.3 million for the financial period ended 30 June 2023 from RM138.7 million for the previous corresponding financial period ended 30 June 2022. The decrease was mainly due to lower other operating income of RM75.5 million, net allowances for impairment losses on loans, advances, financing and other debts of RM5.7 million from net writeback of RM1.8 million and lower share of profit in associates and joint ventures of RM2.8 million. The decreases were, however, mitigated by lower overhead expenses of RM6.6 million and higher net interest income and income from IBS operations of RM5.4 million.

**c) Group Asset Management**

Group Asset Management recorded profit before taxation and zakat of RM5.1 million for the financial period ended 30 June 2023 from loss before taxation and zakat of RM23.0 million for the previous corresponding financial period ended 30 June 2022 mainly due to lower overhead expenses of RM27.9 million, higher net interest income and income from IBS operations of RM1.2 million. These were, however, offset by lower other operating income of RM0.9 million.

**Group Insurance and Takaful**

Group Insurance and Takaful recorded profit before taxation and zakat of RM483.4 million for the financial period ended 30 June 2023 from loss before taxation and zakat of RM175.5 million for the previous corresponding financial period ended 30 June 2022 mainly contributed by other operating income of RM555.0 million from other operating expenses of RM1,429.2 million, net writeback of impairment losses on financial investments and other financial assets of RM31.4 million from net allowances of RM117.2 million and higher net interest income of RM140.0 million. These were, however, offset by lower net insurance/takaful investment/finance result of RM1,657.7 million.

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

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

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

The Group posted profit after tax and zakat attributable to equity holders of RM2,338.6 million for the quarter ended 30 June 2023, an increase of RM730.2 million or 45.4% as compared to the previous period corresponding quarter ended 30 June 2022.

The Group's net interest income and Islamic Banking income for the quarter ended 30 June 2023 decreased by RM218.0 million or 4.1% to RM5,058.4 million as compared to the previous period corresponding quarter ended 30 June 2022.

The Group's insurance/takaful service result increased by RM0.4 million or 0.2% to RM220.2 million as compared to the previous period corresponding quarter ended 30 June 2022.

The Group's other operating income increased by RM2,211.7 million to RM2,505.8 million for the quarter ended 30 June 2023 as compared to the previous period corresponding quarter ended 30 June 2022. The increase was mainly due to lower unrealised mark-to-market loss on revaluation of financial investment at FVTPL of RM732.5 million, unrealised mark-to-market gain on financial assets designated upon initial recognition at FVTPL of RM157.5 million for the quarter ended 30 June 2023 as compared to unrealised mark-to-market loss of RM487.3 million for the previous period corresponding quarter ended 30 June 2022, lower unrealised mark-to-market loss on revaluation of derivatives of RM564.0 million, net gain on foreign exchange of RM458.7 million for the quarter ended 30 June 2023 as compared to net loss on foreign exchange of RM78.6 million for the previous period corresponding quarter ended 30 June 2022, higher unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM242.4 million and net investment income of RM86.0 million for the quarter ended 30 June 2023 as compared to net investment loss of RM129.4 million for the previous period corresponding quarter ended 30 June 2022. The increases were, however, offset by realised loss on derivatives of RM35.0 million for the quarter ended 30 June 2023 as compared to realised gain on derivatives of RM663.7 million for the previous period corresponding quarter ended 30 June 2022 and lower fee income of RM28.1 million.

The Group's overhead expenses for the quarter ended 30 June 2023 recorded an increase of RM526.3 million or 18.2% to RM3,420.4 million as compared to the previous period corresponding quarter ended 30 June 2022. The increase in overhead expenses was mainly due to higher personnel expenses of RM347.2 million, higher administration and general expenses of RM104.2 million, higher establishment costs of RM49.0 million and higher marketing expenses of RM25.9 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM275.8 million or 32.9% to RM561.7 million as compared to the previous period corresponding quarter ended 30 June 2022.

The Group's recorded writeback of impairment losses on financial investments for the quarter ended 30 June 2023 of RM2.9 million against net allowances of RM320.9 million for the quarter ended 30 June 2022.

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

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

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

The Group's profit before taxation and zakat for the quarter ended 30 June 2023 compared to the previous period corresponding quarter ended 30 June 2022 is further segmented based on the operating segments of the Group as follows:

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

Group CFS's profit before taxation and zakat decreased by RM566.3 million or 30.1% to RM1,314.0 million for the quarter ended 30 June 2023 from RM1,880.3 million for the previous period corresponding quarter ended 30 June 2022. The decrease was mainly due to higher overhead expenses of RM450.2 million, net allowances for impairment losses on loans, advances, financing and other debts of RM325.7 million from net writeback of RM11.7 million and lower other operating income of RM41.8 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM262.8 million.

**Group Global Banking**

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

Group Corporate Banking & Global Markets's profit before taxation and zakat increased by RM799.6 million to RM1,399.9 million for the quarter ended 30 June 2023 from RM600.3 million for the previous period corresponding quarter ended 30 June 2022. The increase was mainly due to lower net allowances for impairment losses on loans, advances, financing and other debts of RM614.3 million, lower net allowances for impairment losses on financial investments and other financial assets of RM291.2 million, higher other operating income of RM106.6 million and higher share of profits in associates and joint ventures of RM11.5 million. The increases were, however, offset by higher overhead expenses of RM67.2 million and lower net interest income and income from IBS operations of RM156.8 million.

**b) Group Investment Banking**

Group Investment Banking's profit before taxation and zakat decreased by RM32.5 million or 71.1% to RM13.2 million for the quarter ended 30 June 2023 from RM45.7 million for the previous period corresponding quarter ended 30 June 2022. The decrease was mainly due to lower other operating income of RM22.4 million, higher overhead expenses by RM10.1 million and net allowances for impairment losses on loans, advances, financing and other debts of RM3.1 million from net writeback of RM1.1 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM3.2 million and higher net writeback of impairment losses on financial investments and other financial assets of RM1.0 million.

**c) Group Asset Management**

Group Asset Management's profit before taxation and zakat decreased by RM0.5 million to RM4.6 million for the quarter ended 30 June 2023 from RM5.2 million for the previous period corresponding quarter ended 30 June 2022. The decrease was mainly due to lower other operating income of RM1.7 million. There decrease was, however, mitigated by lower overhead expenses of RM0.6 million and higher net interest income and income from IBS operations of RM0.5 million.

**Group Insurance and Takaful**

Group Insurance and Takaful recorded profit before taxation and zakat of RM245.5 million for the quarter ended 30 June 2023 from loss before taxation and zakat of RM189.5 million for the previous period corresponding quarter ended 30 June 2022. The profit was mainly due to higher other operating income of RM1,325.5 million, higher net interest income of RM78.1 million, lower net allowances for impairment losses on financial investments and other financial assets of RM13.2 million and net writeback of impairment losses on loans, advances, financing and other debts of RM2.7 million from net allowance of RM0.4 million. The profits were, however, offset by lower net insurance/takaful investment/finance result of RM990.8 million and higher overhead expenses of RM0.1 million.

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

**B2. Variation of Current Quarter Results Against Preceding Quarter**

The Group's profit after tax and zakat attributable to equity holders for the quarter ended 30 June 2023 increased by RM73.2 million to RM2,338.6 million against the preceding quarter ended 31 March 2023 of RM2,265.4 million.

The Group's net interest income and income from Islamic Banking Scheme operations for the quarter ended 30 June 2023 increased by RM38.9 million to RM5,058.5 million against the preceding quarter ended 31 March 2023 of RM5,019.6 million.

The Group's insurance/takaful service result for the quarter ended 30 June 2023 was reported at a net income of RM220.2 million whereas the Group's insurance/takaful service result was reported at a net expense of RM8.0 million for the quarter ended 31 March 2023.

Other operating income of the Group for the quarter ended 30 June 2023 increased by RM786.4 million to RM2,505.8 million compared to RM1,719.4 million in the preceding quarter ended 31 March 2023. The increase was mainly due to unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM1,104.6 million for the quarter ended 30 June 2023 as compared to unrealised mark-to-market loss of RM418.4 million in the preceding quarter ended 31 March 2023, higher gross dividend income from financial investments portfolio of RM20.3 million and higher fee income of RM19.2 million. The increases were, however, offset by unrealised mark-to-market loss on revaluation of derivatives of RM217.0 million for the quarter ended 30 June 2023 as compared to unrealised mark-to-market gain of RM107.4 million in the preceding quarter ended 31 March 2023, realised loss on derivatives of RM35.0 million for the quarter ended 30 June 2023 as compared to realised gain of RM204.5 million in the preceding quarter ended 31 March 2023, lower gain on financial assets designated upon initial recognition at FVTPL of RM134.0 million and lower unrealised mark-to-market loss on revaluation of financial investments at FVTPL of RM4.9 million for the quarter ended 30 June 2023 as compared to mark-to-market gain of RM54.4 million in the preceding quarter ended 31 March 2023.

The Group posted an increase of RM368.2 million in overhead expenses to RM3,420.4 million for the quarter ended 30 June 2023 compared to RM3,052.2 million in the preceding quarter ended 31 March 2023. The increase in overhead expenses was mainly due to higher personnel expenses of RM221.2 million, higher administration and general expenses of RM78.6 million, higher establishment costs of RM47.3 million and higher marketing expenses of RM21.1 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM201.6 million or 56.0% to RM561.7 million as compared to the preceding quarter ended 31 March 2023.



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

**B3. Prospects**

Global economic growth is expected to moderate to 2.7% in 2023 (2022: 3.4%) as the economic impact of China's reopening has been modest while demand from other major advanced economies remains tempered. ASEAN economic growth will be supported by resilient services growth, rising Foreign Direct Investments (FDI) in ASEAN based manufacturing supply chains, falling inflation and the end of the monetary tightening cycle. Stronger growth is projected across most ASEAN countries in 2024 as central banks begin cutting interest rates amid moderating inflationary pressures.

Malaysia's economy is estimated to grow at 4.0% in 2023 (2022: 8.7%) underpinned by the recovery of the tourism sector and green and technology investments, following trade diversion and FDI relocation in response to US-China geopolitical risk as well as policy support for the renewable energy sector and electric vehicle ecosystem. However, exports are expected to underperform in line with weaker external demand. Bank Negara Malaysia will likely maintain the Overnight Policy Rate at 3.00% for the rest of 2023 after the cumulative +125bps increase between May 2022 and May 2023.

Singapore's GDP growth is expected to slow to 0.8% in 2023 (2022: 3.6%) on weak external demand and a slowdown in exports to China. Although the manufacturing sector is expected to contract, the services sector will likely remain supported by the hospitality and consumer-facing segments such as the accommodation and food and beverages industries. Core inflation may taper in the second half of 2023 with easing services inflation and wage cost pressures but remain sticky given the tight labour market.

Indonesia's GDP growth will likely remain stable at 5.0% in 2023 (2022: 5.3%) with steady domestic demand and potential upside from election-related spending in the second half of 2023. However, the decline in exports may persist as commodity prices continue to fall from the high base in 2022. Bank Indonesia is expected to keep its policy rate unchanged to support the Rupiah and domestic growth.

Notwithstanding the global challenges, Maybank Group will pursue opportunities for growth across its consumer and business segments within its ASEAN franchise. The Group will maintain its strong liquidity position to support asset growth.

Asset quality management remains a priority and the Group will continue to monitor its loan portfolio and offer targeted support to customers, if needed. To date, the expiry of repayment assistance programmes have not led to material negative effect on the Group's asset quality.

The Group will actively prioritise customer centricity through enhancing end-to-end customer journeys by providing financial solutions and services across various touchpoints. Strategic investments will be channelled to further integrate its digital and physical networks, enhance IT capabilities, and drive regional cross-selling synergies aligned to the M25+ corporate strategy.

In supporting its ambition of being a sustainability leader in ASEAN, the Group will focus on capacity-building and on engagement through advisory and client solutioning to support the responsible transition of the Group and its clients to a low carbon economy. In addition, the Group will continue to deepen its Islamic wealth management capabilities by developing a Centre of Excellence to lead the Group's aspiration of becoming a Global Islamic Finance leader.

Barring any unforeseen circumstances, the Group targets to achieve a Headline Key Performance Indicator (KPI) of return on equity of between 10.5% and 11% for FY2023.

**B4. Profit Forecast or Profit Guarantee**

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the financial half year ended 30 June 2023.

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

**B5. Taxation and Zakat**

The analysis of the tax expense for the financial half year ended 30 June 2023 are as follows:

<b>Group</b>	<b>Second Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>		<b>Restated</b>
Malaysian income tax	<b>882,970</b>	613,837	<b>1,341,146</b>	1,496,388
Foreign income tax	<b>157,800</b>	226,646	<b>372,416</b>	378,561
Less: Double taxation relief	<b>(66,157)</b>	(119,063)	<b>(157,099)</b>	(182,805)
	<b>974,613</b>	721,420	<b>1,556,463</b>	1,692,144
Under/(over) provision in respect of prior period:				
Malaysian income tax	<b>106</b>	(1,370)	<b>106</b>	12,814
Foreign income tax	<b>12,763</b>	(3,458)	<b>12,522</b>	(3,792)
	<b>987,482</b>	716,592	<b>1,569,091</b>	1,701,166
Deferred tax				
- Relating to origination and reversal of temporary differences	<b>(37,343)</b>	26,394	<b>84,001</b>	(100,125)
Tax expense for the financial period	<b>950,139</b>	742,986	<b>1,653,092</b>	1,601,041
Zakat	<b>22,205</b>	7,894	<b>42,505</b>	35,576
	<b>972,344</b>	750,880	<b>1,695,597</b>	1,636,617

The Group's effective tax rate for the financial period ended 30 June 2023 was higher than the statutory tax rate due to additional tax on foreign sourced income.

<b>Bank</b>	<b>Second Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	<b>496,485</b>	195,803	<b>722,764</b>	646,024
Foreign income tax	<b>67,624</b>	121,369	<b>159,937</b>	186,243
Less: Double taxation relief	<b>(66,157)</b>	(119,063)	<b>(157,099)</b>	(182,805)
	<b>497,952</b>	198,109	<b>725,602</b>	649,462
Over provision in respect of prior period:				
Foreign income tax	-	(3,801)	-	(3,801)
	<b>497,952</b>	194,308	<b>725,602</b>	645,661
Deferred tax				
- Relating to origination and reversal of temporary differences	<b>(29,926)</b>	64,172	<b>69,996</b>	91,522
Tax expense for the financial period	<b>468,026</b>	258,480	<b>795,598</b>	737,183

The Bank's effective tax rate for the financial period ended 30 June 2023 was lower than the statutory tax rate due to certain income not subject to tax.

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

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

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

There are no corporate proposals announced but not completed during the financial half year ended 30 June 2023.

**B7. Status of Utilisation of Proceeds Raised from Corporate Proposal**

The proceeds raised from the borrowings, issuance of subordinated obligations and capital securities have been used for working capital, general banking and other corporate purposes, as intended.

**B8. Deposits from Customers, Investment Accounts of Customers, Deposits and Placements from Financial Institutions and Debt Securities**

Please refer to Note A14, A15, A16, A17 and A40g.

**B9. Derivative Financial Instruments**

Please refer to Note A36.

**B10. Changes in Material Litigation**

There is no material litigation during the financial half year ended 30 June 2023.

**B11. Dividend**

The Board of Directors has declared a single-tier first interim cash dividend in respect of the financial year ending 31 December 2023 of 29.0 sen (30 June 2022: 28.0 sen) per ordinary share, amounting to dividend payable of RM3,495,696,857 (based on 12,054,127,092 ordinary shares issued as at 30 June 2023).

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

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

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

**Basic EPS**

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2023	30 June 2022 Restated	30 June 2023	30 June 2022 Restated
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	<b>2,338,555</b>	1,608,372	<b>4,603,960</b>	3,655,232
Weighted average number of ordinary shares in issue ('000)	<b>12,054,127</b>	11,970,013	<b>12,054,127</b>	11,924,263
Basic earnings per share	<b>19.40 sen</b>	13.44 sen	<b>38.19 sen</b>	30.65 sen

**Diluted EPS**

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

By Order of the Board

**Wan Marzimin Wan Muhammad**  
LS0009924  
Company Secretary  
30 August 2023