

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

<u>Group</u>	Note	Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000 Restated
Interest income	A20	7,765,666	5,570,402	22,078,430	15,076,537
Interest expense	A21	(4,598,695)	(2,107,105)	(12,475,493)	(4,775,530)
Net interest income		<u>3,166,971</u>	<u>3,463,297</u>	<u>9,602,937</u>	<u>10,301,007</u>
Income from Islamic Banking Scheme operations	A39a	1,876,927	1,996,003	5,518,978	5,431,971
Insurance/takaful service result	A22	54,212	(20,456)	266,321	171,440
Other operating income	A24	1,864,996	1,480,670	6,090,225	2,797,790
Total operating income		<u>6,963,106</u>	<u>6,919,514</u>	<u>21,478,461</u>	<u>18,702,208</u>
Net insurance/takaful investment/finance result	A25	(212,980)	202,144	(1,094,250)	978,608
Net operating income		<u>6,750,126</u>	<u>7,121,658</u>	<u>20,384,211</u>	<u>19,680,816</u>
Overhead expenses	A26	(3,297,191)	(3,210,469)	(9,769,775)	(8,834,484)
Operating profit before impairment losses		<u>3,452,935</u>	<u>3,911,189</u>	<u>10,614,436</u>	<u>10,846,332</u>
Allowances for impairment losses on loans, advances, financing and other debts, net	A27	(440,247)	(599,550)	(1,361,995)	(1,880,489)
Writeback of/(allowances for) impairment losses on financial investments, net	A28	104,071	(245,843)	182,797	(694,307)
(Allowances for)/writeback of impairment losses on other financial assets, net	A29	(5,977)	4,267	(30,338)	(19,505)
Operating profit		<u>3,110,782</u>	<u>3,070,063</u>	<u>9,404,900</u>	<u>8,252,031</u>
Share of profits in associates and joint ventures		<u>45,575</u>	<u>29,629</u>	<u>177,103</u>	<u>122,645</u>
Profit before taxation and zakat		<u>3,156,357</u>	<u>3,099,692</u>	<u>9,582,003</u>	<u>8,374,676</u>
Taxation and zakat	B5	(749,800)	(1,025,365)	(2,445,397)	(2,661,982)
Profit for the financial period		<u>2,406,557</u>	<u>2,074,327</u>	<u>7,136,606</u>	<u>5,712,694</u>
Attributable to:					
Equity holders of the Bank		2,358,063	2,100,047	6,962,023	5,755,279
Non-controlling interests		48,494	(25,720)	174,583	(42,585)
		<u>2,406,557</u>	<u>2,074,327</u>	<u>7,136,606</u>	<u>5,712,694</u>
Earnings per share attributable to equity holders of the Bank					
Basic/diluted	B12	<u>19.56 sen</u>	<u>17.67 sen</u>	<u>57.75 sen</u>	<u>48.20 sen</u>

(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
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000 Restated
Profit for the financial period	2,406,557	2,074,327	7,136,606	5,712,694
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial (gain)/loss	(156)	7,684	4,592	2,731
Income tax effect	(3)	(643)	100	(643)
Net gain/(loss) from change in fair value on equity instruments at fair value through other comprehensive income	1,735	(1,368)	12,424	(1,710)
	1,576	5,673	17,116	378
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on debt instruments at fair value through other comprehensive income	2,107,533	(2,316,952)	3,230,173	(3,538,605)
- Net gain/(loss) from change in fair value	2,809,376	(3,400,932)	4,135,641	(5,361,010)
- Changes in expected credit losses	(22,144)	5,155	40,300	239,346
- Income tax effect	(679,699)	1,078,825	(945,768)	1,583,059
Net (loss)/gain on foreign exchange translation	(238,144)	1,416,863	2,188,260	1,537,806
Cost of hedging for fair value hedge	3,193	12,537	(9,741)	12,666
Net gain/(loss) on capital reserve	33	934	(87)	967
Net (loss)/gain on revaluation reserve	(14)	-	480	-
Share of change in associates' reserve	11,652	(79,855)	(309,054)	(217,064)
Net insurance finance/investment result	81,641	3,442	47,681	(10,326)
	1,965,894	(963,031)	5,147,712	(2,214,556)
Other comprehensive income/(loss) for the financial period, net of tax	1,967,470	(957,358)	5,164,828	(2,214,178)
Total comprehensive income for the financial period	4,374,027	1,116,969	12,301,434	3,498,516
Other comprehensive income/(loss) for the financial period, attributable to:				
Equity holders of the Bank	1,956,403	(921,280)	5,078,805	(2,127,531)
Non-controlling interests	11,067	(36,078)	86,023	(86,647)
	1,967,470	(957,358)	5,164,828	(2,214,178)
Total comprehensive income for the financial period, attributable to:				
Equity holders of the Bank	4,314,466	2,787,139	12,040,828	3,627,748
Non-controlling interests	59,561	(121,240)	260,606	(129,232)
	4,374,027	2,665,899	12,301,434	3,498,516

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

Bank	Note	Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Interest income	A20	5,378,270	3,796,725	15,476,526	10,021,852
Interest expense	A21	(3,622,551)	(1,711,148)	(10,010,711)	(3,693,294)
Net interest income		1,755,719	2,085,577	5,465,815	6,328,558
Dividends from subsidiaries and associate	A23	1,241,185	1,514,890	3,442,381	3,426,417
Other operating income	A24	1,599,923	1,551,800	4,593,312	3,435,154
		2,841,108	3,066,690	8,035,693	6,861,571
Net operating income		4,596,827	5,152,267	13,501,508	13,190,129
Overhead expenses	A26	(1,523,254)	(1,584,622)	(4,574,177)	(4,113,602)
Operating profit before impairment losses		3,073,573	3,567,645	8,927,331	9,076,527
Allowances for impairment					
losses on loans, advances, financing					
and other debts, net	A27	(292,332)	(612,579)	(667,222)	(1,945,711)
(Allowances for)/writeback of impairment losses					
on financial investments, net	A28	(3,068)	11,066	(1,383)	(42,110)
Writeback of /(allowances for) impairment losses					
on other financial assets, net	A29	3,135	3,260	(576)	(16,652)
Profit before taxation and zakat		2,781,308	2,969,392	8,258,150	7,072,054
Taxation and zakat	B5	(378,119)	(452,235)	(1,173,717)	(1,189,418)
Profit for the financial period		2,403,189	2,517,157	7,084,433	5,882,636

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

<u>Bank</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Profit for the financial period	2,403,189	2,517,157	7,084,433	5,882,636
Other comprehensive (loss)/income:				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain from change in fair value on equity instruments at fair value through other comprehensive income	(4,332)	404	24,674	1,621
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on debt instruments at fair value through other comprehensive income	1,974,552	(411,790)	2,562,128	(2,282,425)
- Net gain/(loss) from change in fair value	2,642,823	(762,791)	3,297,626	(3,669,019)
- Changes in expected credit losses	(35,110)	99,477	31,059	223,596
- Income tax effect	(633,161)	251,524	(766,557)	1,162,998
Net gain on foreign exchange translation	6,051	231,641	527,797	491,268
Cost of hedging for fair value hedge	3,193	9,924	(9,741)	12,666
	1,983,796	(170,225)	3,080,184	(1,778,491)
Other comprehensive income/(loss) for the financial period, net of tax	1,979,464	(169,821)	3,104,858	(1,776,870)
Total comprehensive income for the financial period	4,382,653	2,347,336	10,189,291	4,105,766

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Note	Group		Bank	
		30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
ASSETS					
Cash and short-term funds		37,044,504	37,573,869	28,889,734	29,590,431
Deposits and placements with financial institutions		7,094,416	16,095,978	24,482,755	28,358,259
Financial assets purchased under resale agreements		18,301,407	14,968,762	17,506,126	14,330,476
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	13,212,979	12,822,800	-	-
Financial investments at fair value through profit or loss	A10(ii)	26,709,338	25,143,208	13,316,934	13,978,475
Financial investments at fair value through other comprehensive income	A10(iii)	144,879,942	121,366,990	81,156,053	73,551,480
Financial investments at amortised cost	A10(iv)	65,584,632	71,756,942	53,000,148	46,234,128
Loans, advances and financing to financial institutions	A11(i)	1,201,071	1,361,712	36,777,604	31,304,965
Loans, advances and financing to customers	A11(ii)	604,950,728	573,765,662	226,748,415	213,831,963
Derivative assets	A36	28,184,699	24,686,755	27,987,353	24,293,832
Insurance/reinsurance contract assets/ takaful/retakaful certificate assets	A12(i)	4,050,011	4,561,651	-	-
Other assets	A13	18,669,494	11,458,151	10,067,925	7,229,657
Investment properties		989,932	988,895	-	-
Statutory deposits with central banks		15,944,074	13,777,324	4,509,216	2,728,211
Investment in subsidiaries		-	-	34,490,072	33,860,627
Interest in associates and joint ventures		2,065,053	2,207,244	438,859	438,859
Property, plant and equipment		2,172,090	2,142,065	861,049	869,693
Right-of-use assets		1,612,748	1,176,776	516,216	550,311
Intangible assets		7,296,691	6,747,125	485,777	425,796
Deferred tax assets		1,452,068	2,374,433	348,905	1,099,262
TOTAL ASSETS		1,001,415,877	944,976,342	561,583,141	522,676,425
LIABILITIES					
Customers' funding:					
- Deposits from customers	A14	636,700,662	614,895,094	278,680,828	274,854,161
- Investment accounts of customers ¹	A39g	25,110,526	24,500,981	-	-
Deposits and placements from financial institutions	A15	55,092,541	51,893,780	67,626,373	66,794,444
Obligations on financial assets sold under repurchase agreements		34,716,125	15,585,836	53,416,099	26,290,296
Derivative liabilities	A36	31,921,716	27,874,325	31,277,375	27,190,450
Financial liabilities at fair value through profit or loss	A16	7,188,207	8,317,084	7,188,207	8,317,084
Bills and acceptances payable		1,152,139	1,810,954	678,790	1,212,731
Insurance contract liabilities/takaful certificate liabilities	A12(ii)	41,574,428	39,364,029	-	-
Other liabilities	A18	28,845,971	25,992,601	11,551,282	9,801,242
Provision for taxation and zakat		374,681	372,176	-	-
Deferred tax liabilities		590,048	435,668	-	-
Borrowings	A17(i)	31,042,082	31,736,007	22,394,804	22,486,167
Subordinated obligations	A17(ii)	10,100,582	10,238,389	9,783,229	9,830,233
Capital securities	A17(iii)	2,800,642	2,828,817	2,800,642	2,828,817
TOTAL LIABILITIES		907,210,350	855,845,741	485,397,629	449,605,625

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A39e.

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Group		Bank	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Note	RM'000	RM'000 Restated	RM'000	RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK				
Share capital	54,673,596	54,619,344	54,673,596	54,619,344
Shares held-in-trust	(198)	(198)	(198)	(198)
Retained profits	29,847,754	29,908,176	14,991,854	14,936,379
Reserves	6,549,526	1,577,107	6,520,260	3,515,275
	91,070,678	86,104,429	76,185,512	73,070,800
Non-controlling interests	3,134,849	3,026,172	-	-
	94,205,527	89,130,601	76,185,512	73,070,800
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,001,415,877	944,976,342	561,583,141	522,676,425
COMMITMENTS AND CONTINGENCIES	A34 1,613,268,313	1,526,306,198	1,489,754,857	1,422,559,344
<u>CAPITAL ADEQUACY</u>	A35			
The capital adequacy ratios of the Group and of the Bank are as follows:				
CET1 Capital Ratio	15.414%	15.669%	14.568%	15.264%
Tier 1 Capital Ratio	16.086%	16.376%	15.307%	16.045%
Total Capital Ratio	18.773%	19.080%	17.932%	18.635%
Net assets per share attributable to equity holders of the Bank	RM7.56	RM7.14	RM6.32	RM6.06

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

<u>Group</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Other Reserves RM'000	Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2023												
- 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 A40)	-	-	-	-	(42,515)	(3,296)	-	(9,509)	202,715	147,395	66,066	213,461
At 1 January 2023, as restated	54,619,344	(198)	429,303	2,465,059	(1,673,234)	495,973	89,687	(229,681)	29,908,176	86,104,429	3,026,172	89,130,601
Profit for the financial period	-	-	-	-	-	-	-	-	6,962,023	6,962,023	174,583	7,136,606
Other comprehensive income	-	-	-	-	3,195,230	1,855,246	-	28,329	-	5,078,805	86,023	5,164,828
Defined benefit plan actuarial gain/(loss)	-	-	-	-	-	-	-	4,697	-	4,697	(5)	4,692
Share of associates' reserve	-	-	-	-	9,699	(318,753)	-	-	-	(309,054)	-	(309,054)
Net gain on foreign exchange translation	-	-	-	-	-	2,173,999	-	-	-	2,173,999	14,261	2,188,260
Net gain on financial investments at fair value through other comprehensive income	-	-	-	-	3,185,531	-	-	-	-	3,185,531	57,066	3,242,597
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	(9,741)	-	(9,741)	-	(9,741)
Net loss on capital reserve	-	-	-	-	-	-	-	(84)	-	(84)	(3)	(87)
Net gain on revaluation reserve	-	-	-	-	-	-	-	475	-	475	5	480
Net insurance finance/investment result	-	-	-	-	-	-	-	32,982	-	32,982	14,699	47,681
Total comprehensive income for the financial period	-	-	-	-	3,195,230	1,855,246	-	28,329	6,962,023	12,040,828	260,606	12,301,434
Carried forward	54,619,344	(198)	429,303	2,465,059	1,521,996	2,351,219	89,687	(201,352)	36,870,199	98,145,257	3,286,778	101,432,035

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 ¹	Retained Profits RM'000 ²	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	54,619,344	(198)	429,303	2,465,059	1,521,996	2,351,219	89,687	(201,352)	36,870,199	98,145,257	3,286,778	101,432,035
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	(1,121)	-	-	-	1,121	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	37,356	-	-	37,356	-	37,356
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	-	231	231
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(13,784)	(13,784)
Transfer to statutory reserve	-	-	4,691	-	-	-	-	-	(4,691)	-	-	-
Transfer from regulatory reserve	-	-	-	(93,060)	-	-	-	-	93,060	-	-	-
Issue of shares pursuant to Maybank Group ESGP (Note A8(i)(a))	54,252	-	-	-	-	-	(54,252)	-	-	-	-	-
Dividends paid (Note A9)	-	-	-	-	-	-	-	-	(7,111,935)	(7,111,935)	(138,376)	(7,250,311)
Total transactions with shareholders/ other equity movements	54,252	-	4,691	(93,060)	(1,121)	-	(16,896)	-	(7,022,445)	(7,074,579)	(151,929)	(7,226,508)
At 30 September 2023	54,673,596	(198)	433,994	2,371,999	1,520,875	2,351,219	72,791	(201,352)	29,847,754	91,070,678	3,134,849	94,205,527

¹ The further breakdown and movement of other reserves are disclosed in Note A19.

² The retained profits of the Group include the non-distributable Life Funds surplus from an insurance subsidiary amounted to RM867.1 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.

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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

Group	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 ¹	Retained Profits RM'000 ²	Total Shareholders' Equity RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2022												
- 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 A40)	-	-	-	-	(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	-	-	-	-	-	-	-	-	5,755,279	5,755,279	(42,585)	5,712,694
Other comprehensive (loss)/income	-	-	-	-	(3,431,030)	1,295,609	-	7,890	-	(2,127,531)	(86,647)	(2,214,178)
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	1,434	-	1,434	654	2,088
Share of associates' reserve	-	-	-	-	39,352	(256,416)	-	-	-	(217,064)	-	(217,064)
Net gain/(loss) on foreign exchange translation	-	-	-	-	-	1,552,025	-	-	-	1,552,025	(14,219)	1,537,806
Net loss on financial investments at fair value through other comprehensive income	-	-	-	-	(3,470,382)	-	-	-	-	(3,470,382)	(69,933)	(3,540,315)
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	12,666	-	12,666	-	12,666
Net gain on capital reserve	-	-	-	-	-	-	-	920	-	920	47	967
Net insurance finance/investment result	-	-	-	-	-	-	-	(7,130)	-	(7,130)	(3,196)	(10,326)
Total comprehensive (loss)/income for the financial period	-	-	-	-	(3,431,030)	1,295,609	-	7,890	5,755,279	3,627,748	(129,232)	3,498,516
Carried forward	53,156,473	(1,274)	332,372	1,315,261	(2,210,553)	1,646,886	94,006	(318,207)	35,774,531	89,789,495	2,768,791	92,558,286

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 ¹	Retained Profits RM'000 ²	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	53,156,473	(1,274)	332,372	1,315,261	(2,210,553)	1,646,886	94,006	(318,207)	35,774,531	89,789,495	2,768,791	92,558,286
Net loss on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	9,196	-	-	-	(9,196)	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	48,754	-	-	48,754	-	48,754
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	(5,379)	(5,379)	(1,898)	(7,277)
Transfer to statutory reserve	-	-	100,076	-	-	-	-	-	(100,076)	-	-	-
Transfer to regulatory reserve	-	-	-	776,936	-	-	-	-	(776,936)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	756,238	-	-	-	-	-	-	-	-	756,238	-	756,238
Issue of shares pursuant to Maybank Group ESGP	54,447	-	-	-	-	-	(54,447)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(3,563,554)	(3,563,554)	(92,714)	(3,656,268)
Dividends payable	-	-	-	-	-	-	-	-	(2,736,458)	(2,736,458)	-	(2,736,458)
Total transactions with shareholders/ other equity movements	810,685	-	100,076	776,936	9,196	-	(5,693)	-	(7,191,599)	(5,500,399)	(94,612)	(5,595,011)
At 30 September 2022	53,967,158	(1,274)	432,448	2,092,197	(2,201,357)	1,646,886	88,313	(318,207)	28,582,932	84,289,096	2,674,179	86,963,275

¹ The further breakdown and movement of other reserves are disclosed in Note A19.

² The retained profits of the Group include the non-distributable Life Funds surplus from an insurance subsidiary amounted to RM809.6 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)

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	Attributable to equity holders of the Bank									
	Non-Distributable									
	Share Capital	Shares Held-in-trust	Statutory Reserve	Regulatory Reserve	Fair Value Through Other Comprehensive Income	Exchange Fluctuation Reserve	ESGP Reserve	Hedge Reserve	Distributable Retained Profits	Total Equity
Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	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	-	-	-	-	-	-	-	-	7,084,433	7,084,433
Other comprehensive income/(loss)	-	-	-	-	2,586,802	527,797	-	(9,741)	-	3,104,858
Net gain on foreign exchange translation	-	-	-	-	-	527,797	-	-	-	527,797
Net gain on financial investments at fair value through other comprehensive income	-	-	-	-	2,586,802	-	-	-	-	2,586,802
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	(9,741)	-	(9,741)
Total comprehensive income/(loss) for the financial period	-	-	-	-	2,586,802	527,797	-	(9,741)	7,084,433	10,189,291
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	(7,523)	-	-	-	7,523	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	37,356	-	-	37,356
Transfer to statutory reserve	-	-	4,691	-	-	-	-	-	(4,691)	-
Transfer from regulatory reserve	-	-	-	(80,145)	-	-	-	-	80,145	-
Issue of shares pursuant to Maybank Group ESGP (Note A8(i)(a))	54,252	-	-	-	-	-	(54,252)	-	-	-
Dividends paid (Notes A9(a) & (b))	-	-	-	-	-	-	-	-	(7,111,935)	(7,111,935)
Total transactions with shareholders/ other equity movements	54,252	-	4,691	(80,145)	(7,523)	-	(16,896)	-	(7,028,958)	(7,074,579)
At 30 September 2023	54,673,596	(198)	83,694	1,468,888	1,399,037	3,448,897	72,791	46,953	14,991,854	76,185,512

(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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<u>Bank</u>	Attributable to equity holders of the Bank									
	Non-Distributable									
	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2022	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	-	-	-	-	-	-	-	-	5,882,636	5,882,636
Other comprehensive (loss)/income	-	-	-	-	(2,280,804)	491,268	-	12,666	-	(1,776,870)
Net gain on foreign exchange translation	-	-	-	-	-	491,268	-	-	-	491,268
Net loss on financial investments at fair value through other comprehensive income	-	-	-	-	(2,280,804)	-	-	-	-	(2,280,804)
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	12,666	-	12,666
Total comprehensive (loss)/income for the financial period	-	-	-	-	(2,280,804)	491,268	-	12,666	5,882,636	4,105,766
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	48,754	-	-	48,754
Transfer to statutory reserve	-	-	4,274	-	-	-	-	-	(4,274)	-
Transfer to regulatory reserve	-	-	-	266,203	-	-	-	-	(266,203)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	756,238	-	-	-	-	-	-	-	-	756,238
Issue of shares pursuant to Maybank Group ESGP	54,447	-	-	-	-	-	(54,447)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(3,563,554)	(3,563,554)
Dividends payable	-	-	-	-	-	-	-	-	(2,736,458)	(2,736,458)
Total transactions with shareholders/ other equity movements	810,685	-	4,274	266,203	-	-	(5,693)	-	(6,570,489)	(5,495,020)
At 30 September 2022	53,967,158	(1,274)	78,970	1,446,404	(1,350,521)	2,921,910	88,313	19,661	14,548,565	71,719,186

(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 CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

	Group		Bank	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	9,582,003	8,374,676	8,258,150	7,072,054
Adjustments for:				
Share of profits in associates and joint ventures	(177,103)	(122,645)	-	-
Depreciation of property, plant and equipment	226,729	209,461	58,712	58,439
Depreciation of right-of-use assets	428,237	359,891	87,504	86,238
Amortisation of intangible assets	176,177	193,686	52,278	55,792
Gain on disposal of property, plant and equipment	(2,561)	(4,129)	(645)	(745)
Net loss on liquidation of subsidiaries	10	-	-	-
Excess of capital repayment of a subsidiary	-	-	(50,706)	-
Net gain on partial disposal of a deemed controlled structured entity	-	-	(3,331)	-
Net (gain)/loss on disposal of financial assets at fair value through profit or loss	(189,706)	372,592	(284,313)	88,697
Net (gain)/loss on disposal of financial investments at fair value through other comprehensive income	(140,294)	150,061	(306,413)	(27,473)
Net loss on redemption of financial investments at amortised cost	-	1,601	-	1,601
Unrealised loss on revaluation of financial assets at fair value through profit or loss and derivatives	1,507,609	3,849,411	2,234,039	2,473,448
Unrealised gain on revaluation of financial liabilities at fair value through profit or loss	(2,558,299)	(3,454,249)	(2,558,299)	(3,454,249)
Allowances for impairment losses on loans, advances and financing, net	1,772,675	2,227,800	885,611	2,152,131
Allowances for impairment losses on other debts (Writeback of)/allowances for impairment losses on financial investments, net	10,457	9,290	2,294	146
Allowances for impairment losses on other financial assets, net	(182,797)	694,307	1,383	42,110
Dividend income	30,338	19,505	576	16,652
ESGP expenses	(162,625)	(132,469)	(3,447,809)	(3,432,238)
Other adjustments for non-operating and non-cash items	40,956	62,276	16,676	34,049
Operating profit before working capital changes	164,208	241,328	(198,959)	(38,920)
	10,526,014	13,052,393	4,746,748	5,127,732
Change in cash and short-term funds with original maturity of more than three months	(6,147,939)	4,203,865	(1,174,282)	387,228
Change in deposits and placements with financial institutions with original maturity of more than three months	(2,409,466)	(439,665)	(6,252,606)	10,415,138
Change in financial investments portfolio	(14,336,836)	(21,529,147)	(9,693,806)	(16,958,357)
Change in loans, advances and financing	(17,596,884)	(32,738,292)	(12,623,129)	(8,952,314)
Change in insurance/reinsurance contract assets/takaful/retakaful certificate assets	2,980,097	4,655,524	-	-
Change in statutory deposits with central banks	(2,166,425)	(408,801)	(1,781,006)	1,101,870
Change in deposits from customers	11,753,474	24,083,206	247,538	817,161
Change in investment accounts of customers	609,546	(2,965,956)	-	-
Change in deposits and placements from financial institutions	3,198,761	17,887,565	831,928	15,849,695
Change in financial liabilities at fair value through profit or loss	(18,205)	155,709	(18,205)	155,709
Change in insurance contract liabilities/takaful certificate liabilities	(340,322)	(4,712,128)	-	-
Change in other operating activities	8,895,812	6,033,027	21,160,431	(698,686)
Cash (used in)/generated from operations	(5,052,373)	7,277,300	(4,556,389)	7,245,176
Taxes and zakat paid	(2,422,709)	(1,891,027)	(1,176,601)	(635,452)
Net cash (used in)/generated from operating activities	(7,475,082)	5,386,273	(5,732,990)	6,609,724

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	Group		Bank	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000
Cash flows from investing activities				
Dividends received from:				
- financial investments portfolio	162,625	132,469	5,428	5,821
- subsidiaries	-	-	3,441,682	3,426,417
- associate	-	-	699	-
Purchase of property, plant and equipment	(236,957)	(184,029)	(38,885)	(37,659)
Purchase of intangible assets	(280,799)	(188,462)	(112,412)	(50,379)
Purchase of investment properties	(856)	(412)	-	-
Purchase of additional ordinary shares in existing subsidiaries	-	-	(627,962)	(703,240)
Proceeds from disposal of property, plant and equipment	8,027	8,211	668	1,907
Proceeds from disposal of investment properties	-	102	-	-
Proceeds from partial disposal of a deemed controlled structured entity	-	-	22,782	-
Purchase of shares in deemed controlled structured entities	-	-	(20,934)	-
Net effect arising from transaction with non-controlling interests	(13,553)	(7,276)	-	-
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	(361,513)	(239,397)	2,721,772	2,641,053
Cash flows from financing activities				
Proceeds from issuance of shares	-	756,238	-	756,238
Repayment of borrowings, net	(3,547,875)	(4,907,853)	(2,386,630)	(5,747,650)
Redemption of subordinated obligations	(93,390)	-	-	-
Repayment of lease liabilities	(132,334)	(144,321)	(38,714)	(43,216)
Dividends paid	(7,111,935)	(3,563,554)	(7,111,935)	(3,563,554)
Dividends paid to non-controlling interests	(138,376)	(92,714)	-	-
Net cash used in financing activities	(11,023,910)	(7,952,204)	(9,537,279)	(8,598,182)
Net (decrease)/increase in cash and cash equivalents	(18,860,505)	(2,805,328)	(12,548,497)	652,595
Cash and cash equivalents at beginning of the financial period	50,830,482	51,882,143	43,210,287	35,122,120
Effects of foreign exchange rate changes	784,613	1,014,970	542,908	512,449
Cash and cash equivalents at end of the financial period	32,754,590	50,091,785	31,204,698	36,287,164
Cash and cash equivalents comprise:				
Cash and short-term funds	37,073,823	38,327,505	28,896,137	28,556,152
Deposits and placements with financial institutions	7,101,247	13,673,217	24,485,681	19,031,297
	44,175,070	52,000,722	53,381,818	47,587,449
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(11,420,480)	(1,908,937)	(22,177,120)	(11,300,285)
Cash and cash equivalents at end of the financial period	32,754,590	50,091,785	31,204,698	36,287,164

(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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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 A40. 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;

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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.

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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.

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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.

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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 period ended 30 September 2023.

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

During the financial period ended 30 September 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 period ended 30 September 2023.

A8. Changes in Debt and Equity Securities

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

(a) **Share capital**

The share capital of the Bank increased from RM54,619,343,465 as at 31 December 2022 to RM54,673,595,825 as at 30 September 2023 via issuance of 6,109,500 new ordinary shares amounting to RM54,252,360 arising from the Employees Shares Grant Plan ("ESGP").

The issued ordinary shares of the Bank as at 30 September 2023 is 12,060,236,592 units (31 December 2022: 12,054,127,092 units).

(b) **Borrowings**

Issuance/redemption of medium term notes by the Bank

Currency	Description	Aggregate Nominal Value (in million)
Issuance of medium term notes		
USD	Floating Rate Notes	213.0
USD	Fixed Rate Notes	95.0
HKD	Fixed Rate Notes	2,735.0
Redemption of medium term notes		
USD	Fixed Rate Notes	20.0
CNY	Fixed Rate Notes	400.0
HKD	Fixed Rate Notes	1,001.0

Redemption of structured notes by the Bank

Currency	Description	Aggregate Nominal Value (in million)
Redemption of structured notes		
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)
Issuance of bonds		
IDR	Fixed Rate Notes	1,000,000.0
Redemption of bonds		
IDR	Fixed Rate Notes	1,685,300.0

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

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

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

Issuance of commercial papers by the Bank

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

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

* Extendible money market certificates

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 September 2023 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
USD	Zero Coupon Notes	560.1

(c) **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 period ended 30 September 2023 and have not been reflected in the financial statements for the financial period ended 30 September 2023:

(a) **Borrowings**

Redemption of medium term notes by the Bank

Currency	Description	Aggregate Nominal Value (in million)
Redemption of medium term notes		
USD	Floating Rate Notes	225.0
HKD	Fixed Rate Notes	120.0
USD	Fixed Rate Notes	20.0
CNY	Fixed Rate Notes	385.0

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

Currency	Description	Aggregate Nominal Value (in million)
Redemption of bonds		
IDR	Fixed Rate Notes	75,000.0

A9. Dividends Paid

Dividends paid during the financial period ended 30 September 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) A single-tier first interim cash dividend, in respect of the financial year ending 31 December 2023 of 29.0 sen per ordinary share, was declared by the Bank on 30 August 2023.

The single-tier first interim cash dividend of 29.0 sen per ordinary share amounting to RM3,495,696,857 was paid on 27 September 2023.

- (c) Dividends paid by Maybank's subsidiaries to non-controlling interests amounted to RM138,376,000 during the financial period ended 30 September 2023.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	13,212,979	12,822,800	-	-
Financial investments at fair value through profit or loss	(ii)	26,709,338	25,143,208	13,316,934	13,978,475
Financial investments at fair value through other comprehensive income	(iii)	144,879,942	121,366,990	81,156,053	73,551,480
Financial investments at amortised cost	(iv)	65,584,632	71,756,942	53,000,148	46,234,128
		250,386,891	231,089,940	147,473,135	133,764,083

Included in notes (iii) and (iv) are the impact of the Group Investment Management Framework ("GIMF") implementation during the financial period ended 30 September 2023 which constitutes a change in business model for managing financial assets under MFRS 9 *Financial Instruments*.

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	435,880	407,092	-	-
Malaysian Government Investment Issues	478,863	468,099	-	-
	914,743	875,191	-	-
Quoted securities:				
In Malaysia:				
Unit trusts	-	3,932	-	-
Outside Malaysia:				
Shares, warrants and loan stocks	16,624	18,790	-	-
	16,624	22,722	-	-
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	12,145,048	11,764,213	-	-
Outside Malaysia:				
Corporate Bonds and Sukuk	136,564	160,674	-	-
	12,281,612	11,924,887	-	-
Total financial assets designated upon initial recognition at FVTPL	13,212,979	12,822,800	-	-

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A10. Financial Investments Portfolio (cont'd.)

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	2,473,257	1,563,979	2,409,394	1,523,469
Malaysian Government Investment Issues	1,194,323	317,298	1,084,951	275,496
Cagamas Bonds	501,229	-	461,097	-
Foreign Government Securities	4,009,808	4,631,204	3,523,466	4,493,485
Malaysian Government Treasury Bills	2,714,133	1,648,435	2,714,133	1,648,435
Bank Negara Malaysia Bills and Notes	909,570	241,757	479,829	241,757
	11,802,320	8,402,673	10,672,870	8,182,642
Quoted securities:				
In Malaysia:				
Shares, warrants, mutual funds and loan stocks	2,736,859	2,910,063	-	-
Unit trusts	344,998	328,970	241,894	240,453
Outside Malaysia:				
Shares, warrants, mutual funds and loan stocks	3,561,418	4,255,594	16,968	66
Unit trusts	1,516,385	1,273,604	294,018	274,087
Corporate Bonds and Sukuk	2,365,292	1,236,259	-	-
Government Bonds	514,129	57,922	-	-
Government Treasury Bills	3,438	-	-	-
	11,042,519	10,062,412	552,880	514,606
Unquoted securities:				
In Malaysia:				
Shares	903,012	972,960	733,325	715,908
Unit trusts	196,083	29,003	-	-
Corporate Bonds and Sukuk	1,346,518	1,768,316	568,130	1,079,658
Structured deposits	327,536	155,582	-	-
Outside Malaysia:				
Shares	1,096	369	-	-
Mutual funds	159,094	92,814	-	-
Corporate Bonds and Sukuk	603,669	2,906,292	462,238	2,732,874
Government Bonds	327,491	752,787	327,491	752,787
	3,864,499	6,678,123	2,091,184	5,281,227
Total financial investments at FVTPL	26,709,338	25,143,208	13,316,934	13,978,475

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A10. Financial Investments Portfolio (cont'd.)

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	17,947,616	11,745,562	17,571,758	11,327,132
Malaysian Government Investment Issues	30,134,148	21,835,585	12,394,638	8,531,351
Negotiable instruments of deposits	603,099	4,991	600,523	-
Foreign Government Securities	21,062,509	19,531,047	8,435,196	9,125,421
Foreign Government Treasury Bills	13,655,379	4,778,217	6,227,143	2,155,557
Khazanah Bonds	107,300	55,874	107,300	55,874
Cagamas Bonds	622,267	166,245	622,267	166,245
	84,132,318	58,117,521	45,958,825	31,361,580
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	372,765	194,460	316	18,029
Outside Malaysia:				
Corporate Bonds and Sukuk	4,499,099	4,445,570	-	-
Government Bonds	1,865,337	2,375,552	-	-
Government Treasury Bills	-	177,957	-	-
	6,737,201	7,193,539	316	18,029
Unquoted securities:				
In Malaysia:				
Shares and loan stocks	366,362	353,597	352,125	341,113
Government Bonds	1,603,602	1,343,430	1,463,037	1,343,430
Corporate Bonds and Sukuk	34,268,887	27,063,652	17,941,731	15,286,933
Outside Malaysia:				
Shares	3,977	3,806	-	-
Government Bonds	9,212,257	15,704,130	8,564,062	15,118,709
Corporate Bonds and Sukuk	8,555,338	11,587,315	6,875,957	10,081,686
	54,010,423	56,055,930	35,196,912	42,171,871
Total financial investments at FVOCI	144,879,942	121,366,990	81,156,053	73,551,480

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A10. Financial Investments Portfolio (cont'd.)

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

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	29,462	8,344	149,600	187,406
Transferred to Stage 2	1,895	(1,895)	-	-
Net remeasurement of allowances	811	(555)	(126,665)	(126,409)
New financial assets originated or purchased	15,855	-	-	15,855
Financial assets derecognised	(4,476)	(1,449)	-	(5,925)
Changes in models/risk parameters	(5,943)	1,357	-	(4,586)
Amount related to insurance/takaful contract liabilities	-	-	116,750	116,750
Amount written-off	-	-	(1,345)	(1,345)
Exchange differences	(39)	-	17	(22)
At 30 September 2023	37,565	5,802	138,357	181,724

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	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	29,462	8,344	149,600	187,406

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A10. Financial Investments Portfolio (cont'd.)

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

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Bank				
As at 30 September 2023				
At 1 January 2023	16,928	3,210	139,919	160,057
Transferred to Stage 2	(9)	9	-	-
Net remeasurement of allowances	(362)	135	(702)	(929)
New financial assets originated or purchased	9,041	-	-	9,041
Financial assets derecognised	(1,900)	(34)	-	(1,934)
Changes in models/risk parameters	(4,672)	1,357	-	(3,315)
Exchange differences	422	-	-	422
At 30 September 2023	19,448	4,677	139,217	163,342
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
Bank				
As at 31 December 2022				
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	16,928	3,210	139,919	160,057

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments at amortised cost

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Money market instruments:				
Malaysian Government Securities	8,786,126	12,357,726	8,786,024	12,357,624
Malaysian Government Investment Issues	14,425,295	24,691,751	4,986,167	9,254,337
Foreign Government Securities	3,510,428	3,488,456	284,596	270,289
Khazanah Bonds	557,890	592,145	-	46,262
Cagamas Bonds	187,315	175,710	187,315	50,242
	27,467,054	41,305,788	14,244,102	21,978,754
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	22,768,663	28,496,001	21,941,872	21,158,007
Government Bonds	206,136	-	206,136	-
Outside Malaysia:				
Corporate Bonds and Sukuk	2,976,080	1,208,594	4,296,901	2,270,632
Government Bonds	13,391,463	2,244,819	12,328,966	846,006
	39,342,342	31,949,414	38,773,875	24,274,645
Allowances for impairment losses	(1,224,764)	(1,498,260)	(17,829)	(19,271)
Total financial investments at amortised cost	65,584,632	71,756,942	53,000,148	46,234,128

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	60,775	3,801	1,433,684	1,498,260
Transferred to Stage 2	-	(850)	850	-
Net remeasurement of allowances	(3,520)	-	(50,835)	(54,355)
New financial assets originated or purchased	6,525	-	-	6,525
Financial assets derecognised	(5,508)	-	-	(5,508)
Changes in models/risk parameters	(8,394)	-	-	(8,394)
Amount written-off	-	-	(212,204)	(212,204)
Exchange differences	440	-	-	440
At 30 September 2023	50,318	2,951	1,171,495	1,224,764

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A10. Financial Investments Portfolio (cont'd.)

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

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2022	RM'000	RM'000	RM'000	RM'000
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

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	19,271	-	-	19,271
Net remeasurement of allowances	503	-	-	503
New financial assets originated or purchased	6,502	-	-	6,502
Financial assets derecognised	(4,339)	-	-	(4,339)
Changes in models/risk parameters	(4,146)	-	-	(4,146)
Exchange differences	38	-	-	38
At 30 September 2023	17,829	-	-	17,829

Bank	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	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

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A11. Loans, Advances and Financing

	Note	Group		Bank	
		30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
Loans, advances and financing to financial institutions	(i)	1,201,071	1,361,712	36,777,604	31,304,965
Loans, advances and financing to customers	(ii)	604,950,728	573,765,662	226,748,415	213,831,963
		606,151,799	575,127,374	263,526,019	245,136,928
(i) Loans, advances and financing to financial institutions[^]:					
(A) Loans, advances and financing to financial institutions at amortised cost		1,078,313	1,250,070	37,737,676	32,798,507
(B) Loans, advances and financing to financial institutions at fair value through other comprehensive income		128,455	117,597	505,869	440,406
Gross loans, advances and financing to financial institutions		1,206,768	1,367,667	38,243,545	33,238,913
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(5,596)	(5,868)	(43,941)	(18,972)
- Stage 2 - Lifetime ECL not credit impaired		(101)	(87)	(31,153)	(1,228)
- Stage 3 - Lifetime ECL credit impaired		-	-	(1,390,847)	(1,913,748)
Net loans, advances and financing to financial institutions		1,201,071	1,361,712	36,777,604	31,304,965
(ii) Loans, advances and financing to customers:					
(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		35,030,742	29,898,744	35,630,191	26,414,713
(C) Loans, advances and financing to customers at amortised cost		656,106,516	633,504,864	197,016,047	194,236,286
Unearned interest and income		691,137,258	663,405,276	232,646,238	220,652,667
Gross loans, advances and financing to customers		(75,380,186)	(77,911,147)	(776,279)	(808,629)
Net loans, advances and financing to customers		615,757,072	585,494,129	231,869,959	219,844,038
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(1,899,558)	(2,000,435)	(837,993)	(883,584)
- Stage 2 - Lifetime ECL not credit impaired		(3,341,138)	(3,329,902)	(1,400,206)	(1,343,859)
- Stage 3 - Lifetime ECL credit impaired		(5,565,648)	(6,398,130)	(2,883,345)	(3,784,632)
Net loans, advances and financing to customers		604,950,728	573,765,662	226,748,415	213,831,963
Net loans, advances and financing	(i) & (ii)	606,151,799	575,127,374	263,526,019	245,136,928

[^] 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 RM1,026.7 million (31 December 2022: RM1,003.5 million), and under the Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM35,597.7 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.

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
(iii) Loans, advances and financing to financial institutions and customers				
Loans/financing to financial institutions	1,206,768	1,367,667	38,243,545	33,238,913
Overdrafts/cashline	18,576,469	17,756,331	6,107,327	5,834,436
Term loans:				
- Housing loans/financing	201,442,979	193,701,007	46,361,672	46,344,789
- Syndicated loans/financing	54,325,942	56,349,988	48,578,986	46,756,972
- Hire purchase receivables	90,921,111	83,038,247	9,309,711	9,846,496
- Lease receivables	2,788,165	2,034,794	-	-
- Other loans/financing	212,762,661	205,466,209	60,009,369	54,836,583
Credit card receivables	11,408,587	10,517,219	7,292,652	6,872,769
Bills receivables	6,773,150	5,969,774	6,267,787	5,370,263
Trust receipts	5,040,430	4,345,917	2,992,647	3,660,378
Claims on customers under acceptance credits	12,861,683	11,452,266	5,312,244	5,065,436
Revolving credits	62,908,367	62,208,363	37,409,744	33,162,108
Share margin financing	7,148,849	6,531,112	2,474,520	2,361,531
Staff loans	4,116,529	3,961,950	527,471	538,960
Loans to:				
- Directors of the Bank	2,668	5,101	1,992	1,770
- Directors of subsidiaries	6,671	6,761	108	175
Others	52,997	60,237	8	1
	692,344,026	664,772,943	270,889,783	253,891,580
Unearned interest and income	(75,380,186)	(77,911,147)	(776,279)	(808,629)
Gross loans, advances and financing	616,963,840	586,861,796	270,113,504	253,082,951
Allowances for loans, advances and financing:				
- Stage 1 - 12-month ECL	(1,905,154)	(2,006,303)	(881,934)	(902,556)
- Stage 2 - Lifetime ECL not credit impaired	(3,341,239)	(3,329,989)	(1,431,359)	(1,345,087)
- Stage 3 - Lifetime ECL credit impaired	(5,565,648)	(6,398,130)	(4,274,192)	(5,698,380)
Net loans, advances and financing	606,151,799	575,127,374	263,526,019	245,136,928

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
Domestic banking institutions	1,560,600	1,343,013	38,354,460	33,092,908
Domestic non-banking financial institutions	29,713,817	19,762,607	22,430,892	13,139,759
Domestic business enterprises:				
- Small and medium enterprises	89,329,259	71,922,930	30,315,619	24,495,849
- Others	110,834,995	127,808,720	65,195,008	72,728,290
Government and statutory bodies	15,676,530	16,583,958	56,760	60,405
Individuals	305,573,975	292,854,226	64,402,295	64,927,922
Other domestic entities	16,656,612	13,368,408	5,862,912	4,688,532
Foreign entities	47,618,052	43,217,934	43,495,558	39,949,286
Gross loans, advances and financing	616,963,840	586,861,796	270,113,504	253,082,951

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

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
Malaysia	371,305,747	364,003,666	159,810,331	155,189,402
Singapore	159,796,251	144,695,517	71,919,374	62,449,296
Indonesia	35,055,372	31,670,365	-	-
Labuan Offshore	10,973,942	10,259,682	10,973,478	10,259,682
Hong Kong SAR	18,350,033	17,324,297	18,129,981	16,999,129
United States of America	415,108	493,813	415,108	493,813
People's Republic of China	6,323,090	4,892,403	6,323,090	4,892,403
Vietnam	1,903,094	1,636,999	1,064,298	1,152,433
United Kingdom	938,098	1,052,385	938,098	1,052,385
Brunei	482,573	487,659	482,573	487,659
Cambodia	5,160,453	4,541,390	-	-
Philippines	4,195,794	3,748,979	-	-
Thailand	2,007,112	1,947,892	-	-
Laos	27,461	36,921	27,461	36,921
Myanmar	29,712	69,828	29,712	69,828
Gross loans, advances and financing	616,963,840	586,861,796	270,113,504	253,082,951

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
Fixed rate:				
- Housing loans/financing	26,093,522	26,736,931	363,365	401,843
- Hire purchase receivables	66,823,580	61,128,825	7,690,494	8,209,430
- Other fixed rate loans/financing	71,293,386	74,359,077	62,481,396	56,183,519
Variable rate:				
- Base lending/financing rate/ base rate plus	229,532,914	223,618,388	76,058,087	75,825,992
- Cost plus	35,448,501	39,087,461	15,085,360	20,938,621
- Other variable rates	187,771,937	161,931,114	108,434,802	91,523,546
Gross loans, advances and financing	616,963,840	586,861,796	270,113,504	253,082,951

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
Purchase of securities	34,253,302	38,039,719	6,336,538	6,952,551
Purchase of transport vehicles	80,999,370	74,233,906	6,942,867	7,663,122
Purchase of landed properties:				
- Residential	176,269,906	164,810,326	46,885,287	46,115,807
- Non-residential	44,355,097	41,281,360	15,051,569	14,971,398
Purchase of fixed assets (excluding landed properties)	3,296,960	3,204,664	2,128,282	2,141,348
Personal use	9,155,817	9,075,444	3,343,505	3,557,514
Credit card	11,491,231	10,610,731	7,310,164	6,893,291
Purchase of consumer durables	5,250	5,637	4,757	5,162
Constructions	13,726,408	14,689,441	6,717,683	7,716,731
Mergers and acquisitions	2,818,398	2,722,043	2,297,396	2,249,790
Working capital	195,102,235	191,823,359	135,742,308	125,137,198
Others	45,489,866	36,365,166	37,353,148	29,679,039
Gross loans, advances and financing	616,963,840	586,861,796	270,113,504	253,082,951

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

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
Within one year	138,301,239	129,189,210	89,155,781	79,080,550
One year to three years	69,112,953	62,679,135	44,630,788	40,540,022
Three years to five years	79,542,830	78,094,060	47,898,602	43,925,512
After five years	330,006,818	316,899,391	88,428,333	89,536,867
Gross loans, advances and financing	616,963,840	586,861,796	270,113,504	253,082,951

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 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	3,489,176	4,310,636	1,127,873	2,001,356
Reclassified as non-impaired	(272,076)	(792,624)	(72,795)	(433,128)
Amount recovered	(713,067)	(2,817,825)	(272,352)	(1,867,027)
Amount written-off	(3,198,392)	(3,078,763)	(2,432,934)	(2,130,955)
Exchange differences	302,465	539,902	149,598	531,154
Gross impaired loans at 30 September 2023/ 31 December 2022	8,812,965	9,204,859	6,704,493	8,205,103
Less: Stage 3 - Lifetime ECL credit impaired	(5,739,506)	(6,590,207)	(4,448,050)	(5,890,457)
Net impaired loans at 30 September 2023/ 31 December 2022	3,073,459	2,614,652	2,256,443	2,314,646

Calculation of ratio of net impaired loans:

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Gross impaired loans at 30 September 2023/ 31 December 2022 (excluding financing funded by Investment Account*)	8,684,860	9,145,242	6,704,493	8,205,103
Less: Stage 3 - Lifetime ECL credit impaired	(5,739,506)	(6,590,207)	(4,448,050)	(5,890,457)
Net impaired loans	2,945,354	2,555,035	2,256,443	2,314,646
Gross loans, advances and financing	616,963,840	586,861,796	270,113,504	253,082,951
Less: Funded by Investment Account*	(25,110,526)	(24,500,981)	-	-
Less: Allowances for loans, advances and financing at fair value through other comprehensive income and at amortised cost	(11,201,893)	(12,078,292)	(6,951,860)	(8,282,624)
Net loans, advances and financing	580,651,421	550,282,523	263,161,644	244,800,327
Ratio of net impaired loans	0.51%	0.46%	0.86%	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 September 2023 was RM25,110.5 million (31 December 2022: RM24,501.0 million).

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

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Purchase of securities	87,116	52,985	5,735	6,792
Purchase of transport vehicles	406,693	291,952	68,615	51,381
Purchase of landed properties:				
- Residential	1,069,020	751,425	424,189	216,693
- Non-residential	770,026	509,803	228,143	198,830
Purchase of fixed assets (excluding landed properties)	140,303	67,961	66,216	43,646
Personal use	239,992	134,571	56,462	83,441
Credit card	77,532	75,784	39,414	39,515
Purchase of consumer durables	3,289	3,370	3,288	3,368
Constructions	560,493	639,312	89,118	366,362
Working capital	5,099,932	6,489,133	5,448,785	7,048,421
Others	358,569	188,563	274,528	146,654
Gross impaired loans, advances and financing	8,812,965	9,204,859	6,704,493	8,205,103

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Malaysia	4,846,634	5,030,783	5,355,538	6,072,338
Singapore	1,112,903	823,840	517,130	476,616
Indonesia	1,544,347	1,314,119	-	-
Labuan Offshore	223,330	11,079	223,330	11,079
Hong Kong SAR	438,269	1,535,103	438,269	1,535,103
People's Republic of China	126,153	60,218	126,153	60,218
Vietnam	18,091	16,637	16,687	16,580
Brunei	15,555	19,781	15,555	19,781
Cambodia	207,788	110,249	-	-
Philippines	235,347	236,939	-	-
Thailand	32,715	32,723	-	-
Laos	7,468	7,986	7,468	7,986
Myanmar	4,365	5,402	4,363	5,402
Gross impaired loans, advances and financing	8,812,965	9,204,859	6,704,493	8,205,103

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

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

At fair value through other comprehensive income

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Group				
As at 30 September 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	(5,407)	5,407	-	-
Net remeasurement of allowances	(967)	18,662	(19,851)	(2,156)
New financial assets originated or purchased	64,889	-	-	64,889
Financial assets derecognised	(37,210)	(96)	-	(37,306)
Changes in models/risk parameters	12,436	(1,573)	-	10,863
Exchange differences	6,287	1,773	1,632	9,692
At 30 September 2023	162,569	53,425	173,858	389,852
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Group				
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	122,541	29,252	192,077	343,870
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Bank				
As at 30 September 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	(2,535)	2,535	-	-
Net remeasurement of allowances	(967)	2,651	(19,851)	(18,167)
New financial assets originated or purchased	61,331	-	-	61,331
Financial assets derecognised	(35,140)	(96)	-	(35,236)
Changes in models/risk parameters	11,746	(1,573)	-	10,173
Exchange differences	6,264	1,777	1,632	9,673
At 30 September 2023	155,972	34,545	173,858	364,375

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

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

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Bank				
As at 31 December 2022	RM'000	RM'000	RM'000	RM'000
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	
Group				
As at 30 September 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	2,006,303	3,329,989	6,398,130	11,734,422
Transferred to Stage 1	266,748	(245,708)	(21,040)	-
Transferred to Stage 2	(90,254)	133,724	(43,470)	-
Transferred to Stage 3	(54,764)	(326,938)	381,702	-
Net remeasurement of allowances	(405,971)	629,895	2,075,254	2,299,178
New financial assets originated or purchased	608,711	153,456	-	762,167
Financial assets derecognised	(488,329)	(297,906)	(496,542)	(1,282,777)
Changes in models/risk parameters	38,477	(94,752)	46,442	(9,833)
Amount written-off	-	-	(3,058,788)	(3,058,788)
Exchange differences	24,233	59,479	283,960	367,672
At 30 September 2023	<u>1,905,154</u>	<u>3,341,239</u>	<u>5,565,648</u>	<u>10,812,041</u>

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Group				
As at 31 December 2022	RM'000	RM'000	RM'000	RM'000
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>

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

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

At amortised cost (cont'd.)

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	902,556	1,345,087	5,698,380	7,946,023
Transferred to Stage 1	82,044	(78,576)	(3,468)	-
Transferred to Stage 2	(33,461)	51,144	(17,683)	-
Transferred to Stage 3	(6,205)	(208,871)	215,076	-
Net remeasurement of allowances	(93,943)	414,780	899,820	1,220,657
New financial assets originated or purchased	235,358	38,991	-	274,349
Financial assets derecognised	(235,777)	(74,140)	(298,856)	(608,773)
Changes in models/risk parameters	49,302	(75,891)	24,119	(2,470)
Amount written-off	-	-	(2,432,934)	(2,432,934)
Exchange differences	(17,940)	18,835	189,738	190,633
At 30 September 2023	881,934	1,431,359	4,274,192	6,587,485

Bank	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	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	902,556	1,345,087	5,698,380	7,946,023

A12. Insurance/reinsurance contracts/takaful/retakaful certificates

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

	Group	
	30 September 2023	31 December 2022
	RM'000	RM'000
		Restated
Assets for remaining coverage	512,243	638,042
Amounts recoverable for incurred claims	3,537,768	3,923,609
	4,050,011	4,561,651

(ii) Insurance contract liabilities/takaful certificate liabilities

	Group	
	30 September 2023	31 December 2022
	RM'000	RM'000
		Restated
Liabilities for remaining coverage	31,632,032	32,490,007
- Excluding loss component	30,868,116	31,961,262
- Loss component	763,916	528,745
Liabilities for incurred claims	9,622,569	6,687,387
Assets for insurance/takaful acquisition cash flow	319,827	186,635
	41,574,428	39,364,029

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A13. Other Assets

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
Other debtors, net of allowances for impairment losses	11,517,378	7,227,573	9,467,975	6,592,721
Amount due from brokers and clients	4,710,403	2,421,721	-	-
Prepayments and deposits	1,599,640	983,587	309,585	326,216
Tax recoverable	411,012	416,790	261,865	282,220
Foreclosed properties	431,061	408,480	28,500	28,500
	18,669,494	11,458,151	10,067,925	7,229,657

A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	331,333,708	288,829,538	156,644,562	147,069,267
- More than one year	7,537,529	8,678,151	1,338,113	1,360,535
	338,871,237	297,507,689	157,982,675	148,429,802
Money market deposits	64,622,555	76,894,298	15,372,719	10,175,820
Savings deposits	90,598,791	91,065,792	33,067,041	34,263,311
Demand deposits	142,608,079	149,427,315	72,258,393	81,985,228
	636,700,662	614,895,094	278,680,828	274,854,161

(ii) By type of customer

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Business enterprises	279,268,241	277,008,600	162,582,124	158,132,250
Individuals	249,592,951	230,613,145	82,980,529	83,639,653
Government and statutory bodies	54,195,850	52,219,059	15,406,830	13,797,858
Others	53,643,620	55,054,290	17,711,345	19,284,400
	636,700,662	614,895,094	278,680,828	274,854,161

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Within six months	258,990,843	230,952,662	129,658,983	125,929,702
Six months to one year	72,342,865	57,876,876	26,985,579	21,139,565
One year to three years	7,434,635	8,561,099	1,277,296	1,297,992
Three years to five years	102,894	117,052	60,817	62,543
	338,871,237	297,507,689	157,982,675	148,429,802

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A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Licensed banks	52,412,381	49,139,318	65,823,351	65,244,035
Licensed finance companies	37,114	55,217	37,114	55,217
Licensed investment banks	745,462	878,171	745,462	878,171
Other financial institutions	1,897,584	1,821,074	1,020,446	617,021
	55,092,541	51,893,780	67,626,373	66,794,444

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
One year or less	49,699,459	49,454,866	63,020,249	65,351,189
More than one year	5,393,082	2,438,914	4,606,124	1,443,255
	55,092,541	51,893,780	67,626,373	66,794,444

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Structured deposits	192,071	209,827	192,071	209,827
Borrowings				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	6,996,136	8,107,257	6,996,136	8,107,257
Total financial liabilities at fair value through profit or loss	7,188,207	8,317,084	7,188,207	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 September 2023 were RM192,814,000 (31 December 2022: RM211,019,000) and RM14,189,642,000 (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.

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A17. Borrowings, Subordinated Obligations and Capital Securities

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
(i) Borrowings				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- IDR	890,595	636,894	-	-
	890,595	636,894	-	-
- More than one year				
Denominated in:				
- IDR	1,456,290	1,308,473	-	-
	1,456,290	1,308,473	-	-
Total secured borrowings	2,346,885	1,945,367	-	-
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	2,755,756	3,204,317	29,463	221,002
- CNY	59,152	378,352	59,152	378,352
- SGD	1,932,515	1,222,753	1,075,073	388,752
- THB	1,453,725	1,422,339	-	-
- HKD	170,061	98,517	-	-
- IDR	812,341	1,667,064	-	-
- PHP	4,173	3,960	-	-
- INR	63,863	-	-	-
- JPY	133	422	-	-
- CAD	2,363	-	-	-
- RM	28,000	-	28,000	-
	7,282,082	7,997,724	1,191,688	988,106
- More than one year				
Denominated in:				
- USD	691,261	214,925	691,261	214,925
- IDR	209,999	294,855	-	-
- CNY	319,503	220,592	319,503	220,592
- RM (Note (a))	2,543,073	2,507,594	2,543,073	2,507,594
	3,763,836	3,237,966	3,553,837	2,943,111

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 RM1,697,414,000 (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.

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A18. Other Liabilities

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000 Restated	30 September 2023 RM'000	31 December 2022 RM'000
Amount due to brokers and clients	7,003,520	6,515,828	-	-
Deposits, other creditors and accruals	11,708,133	10,322,903	10,061,569	8,696,564
Defined benefit pension plans	547,107	483,374	-	-
Provisions for commitments and contingencies	49,533	38,880	38,733	28,080
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i) 378,790	454,808	207,798	268,678
Lease liabilities	1,520,801	1,139,694	515,595	543,134
Structured deposits	7,638,087	7,037,114	727,587	264,786
	28,845,971	25,992,601	11,551,282	9,801,242

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
As at 30 September 2023				
At 1 January 2023	162,152	37,846	254,810	454,808
Transferred to Stage 1	7,112	(7,038)	(74)	-
Transferred to Stage 2	(4,283)	4,596	(313)	-
Transferred to Stage 3	(147)	(283)	430	-
Net remeasurement of allowances	(10,151)	1,540	119,227	110,616
New credit exposures originated or purchased	81,099	80,736	-	161,835
Credit exposures derecognised	(86,021)	(18,463)	(240,530)	(345,014)
Changes in models/risk parameters	(3,179)	(206)	34	(3,351)
Exchange differences	4,116	509	(4,729)	(104)
At 30 September 2023	150,698	99,237	128,855	378,790
Group				
As at 31 December 2022				
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	162,152	37,846	254,810	454,808

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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	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Bank	RM'000	RM'000	RM'000	RM'000
As at 30 September 2023				
At 1 January 2023	91,147	20,107	157,424	268,678
Transferred to Stage 1	2,525	(2,525)	-	-
Transferred to Stage 2	(2,045)	2,345	(300)	-
Transferred to Stage 3	(62)	-	62	-
Net remeasurement of allowances	(1,882)	(1,389)	35,243	31,972
New credit exposures originated or purchased	54,191	75,635	-	129,826
Credit exposures derecognised	(61,027)	(11,447)	(147,263)	(219,737)
Changes in models/risk parameters	(25)	-	-	(25)
Exchange differences	2,023	42	(4,981)	(2,916)
At 30 September 2023	84,845	82,768	40,185	207,798
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Bank	RM'000	RM'000	RM'000	RM'000
As at 31 December 2022				
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	91,147	20,107	157,424	268,678

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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
At 1 January 2023						
- 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	13,997	(3,155)	80,034	(311,048)	(9,509)	(229,681)
Other comprehensive (loss)/income	(84)	475	4,697	(9,741)	32,982	28,329
Defined benefit plan actuarial gain	-	-	4,697	-	-	4,697
Cost of hedging for fair value hedge	-	-	-	(9,741)	-	(9,741)
Net insurance finance/investment result	-	-	-	-	32,982	32,982
Net loss on capital reserve	(84)	-	-	-	-	(84)
Net gain on revaluation reserve	-	475	-	-	-	475
Total comprehensive (loss)/income for the financial period	(84)	475	4,697	(9,741)	32,982	28,329
At 30 September 2023	13,913	(2,680)	84,731	(320,789)	23,473	(201,352)

<----- 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
At 1 January 2022						
- 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	12,912	(2,712)	49,423	(360,747)	(24,973)	(326,097)
Other comprehensive income	920	-	1,434	12,666	(7,130)	7,890
Defined benefit plan actuarial gain	-	-	1,434	-	-	1,434
Cost of hedging for fair value hedge	-	-	-	12,666	-	12,666
Net insurance finance/investment result	-	-	-	-	(7,130)	(7,130)
Net gain on capital reserve	920	-	-	-	-	920
Total comprehensive income/(loss) for the financial period	920	-	1,434	12,666	(7,130)	7,890
At 30 September 2022	13,832	(2,712)	50,857	(348,081)	(32,103)	(318,207)

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A20. Interest Income

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000 Restated
Loans, advances and financing	5,309,854	3,834,839	15,019,785	10,281,503
Money at call and deposits and placements with financial institutions	307,388	163,178	1,049,511	350,446
Financial assets purchased under resale agreements	237,667	70,821	677,171	146,428
Financial assets at FVTPL	265,228	236,663	760,902	708,320
Financial investments at FVOCI	1,124,374	873,185	3,098,772	2,415,643
Financial investments at amortised cost	543,121	441,184	1,557,633	1,338,018
Structured deposit	7	-	7	-
	7,787,639	5,619,870	22,163,781	15,240,358
Accretion of discounts, net	(21,973)	(49,468)	(85,351)	(163,821)
	7,765,666	5,570,402	22,078,430	15,076,537

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Loans, advances and financing	3,479,890	2,451,370	9,811,986	6,409,692
Money at call and deposits and placements with financial institutions	459,999	258,935	1,489,000	611,023
Financial assets purchased under resale agreements	188,668	52,429	554,807	92,557
Financial assets at FVTPL	54,312	48,597	173,249	156,964
Financial investments at FVOCI	696,607	554,136	1,964,028	1,531,735
Financial investments at amortised cost	426,501	402,602	1,272,663	1,149,108
Structured deposit	7	-	7	-
	5,305,984	3,768,069	15,265,740	9,951,079
Amortisation of premiums, net	72,286	28,656	210,786	70,773
	5,378,270	3,796,725	15,476,526	10,021,852

Included in interest income for the period financial period ended 30 September 2023 was interest on impaired assets amounting to approximately RM160,847,000 (30 September 2022: RM180,307,000) for the Group and RM83,000,000 (30 September 2022: RM127,462,000) for the Bank.

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A21. Interest Expense

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000 Restated
Deposits and placements from financial institutions	527,986	251,095	1,441,487	433,940
Deposits from customers	2,948,774	1,295,110	7,989,882	3,011,411
Obligations on financial assets sold under repurchase agreements	297,853	63,756	731,013	103,845
Borrowings	391,390	223,705	1,091,114	565,946
Subordinated obligations	111,390	116,171	339,351	343,283
Capital securities	29,159	29,159	86,531	86,531
Structured deposits	63,922	23,094	181,257	38,590
Financial liabilities at FVTPL	228,221	105,015	614,858	191,984
	4,598,695	2,107,105	12,475,493	4,775,530

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Deposits and placements from financial institutions	644,048	275,707	1,778,721	480,421
Deposits from customers	1,928,718	924,780	5,412,607	2,024,943
Obligations on financial assets sold under repurchase agreements	445,170	139,548	1,156,071	279,427
Borrowings	252,688	144,057	681,284	352,003
Subordinated obligations	92,017	92,017	273,065	273,065
Capital securities	29,159	29,159	86,531	86,531
Structured deposits	2,530	865	7,574	4,920
Financial liabilities at FVTPL	228,221	105,015	614,858	191,984
	3,622,551	1,711,148	10,010,711	3,693,294

A22. Insurance/takaful service result

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000 Restated
Insurance/takaful revenue	2,196,702	1,961,920	6,230,157	4,932,469
Insurance/takaful service expenses	(1,505,396)	(1,660,013)	(4,874,538)	(3,462,577)
Net expenses from reinsurance contracts/retakaful certificate held	(637,094)	(322,363)	(1,089,298)	(1,298,452)
	54,212	(20,456)	266,321	171,440

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A23. Dividends from Subsidiaries and Associate

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Bank	RM'000	RM'000	RM'000	RM'000
Gross dividend income from:				
Subsidiaries	1,240,486	1,514,890	3,441,682	3,426,417
Associate	699	-	699	-
	<u>1,241,185</u>	<u>1,514,890</u>	<u>3,442,381</u>	<u>3,426,417</u>

A24. Other Operating Income

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Group	RM'000	RM'000 Restated	RM'000	RM'000 Restated
(a) Fee income:				
Commission	317,888	309,345	933,423	919,344
Service charges and fees	496,587	316,699	1,239,324	1,031,604
Underwriting fees	22,278	18,466	66,830	36,868
Brokerage income	65,708	64,654	210,782	257,827
Fees on loans, advances and financing	47,288	71,931	125,541	215,387
	<u>949,749</u>	<u>781,095</u>	<u>2,575,900</u>	<u>2,461,030</u>
(b) Investment income:				
Net gain/(loss) on disposal of financial assets at FVTPL	84,376	(177,410)	175,594	(373,634)
Net gain/(loss) on disposal of financial investments at FVOCI	(3,674)	(162,214)	68,392	(167,104)
Net gain/(loss) on redemption of financial investments at amortised cost	-	9	-	(1,601)
Net gain/(loss) on liquidation of subsidiaries	153	-	(10)	-
	<u>80,855</u>	<u>(339,615)</u>	<u>243,976</u>	<u>(542,339)</u>
(c) Gross dividend income from:				
Financial investments portfolio	62,005	37,068	162,625	132,469
(d) Unrealised (loss)/gain on revaluation of:				
Financial assets designated upon initial recognition at FVTPL	(85,765)	(92,974)	363,201	(874,276)
Financial investments at FVTPL	117,796	3,302	167,333	(851,405)
Financial liabilities at FVTPL	1,872,039	1,119,442	2,558,299	3,454,249
Derivatives	(1,970,248)	(606,510)	(2,079,795)	(2,129,141)
	<u>(66,178)</u>	<u>423,260</u>	<u>1,009,038</u>	<u>(400,573)</u>
(e) Other income:				
Foreign exchange gain, net	663,554	445,931	1,619,357	389,417
Realised gain on derivatives	108,492	51,505	278,020	545,799
Rental income	12,045	11,234	36,394	29,836
Gain on disposal of property, plant and equipment	785	1,185	2,561	4,129
Gain on disposal of foreclosed properties	3,121	3,222	8,741	12,451
Fair value adjustments on investments properties	(36)	(34)	(107)	(106)
Others	50,604	65,819	153,720	165,677
	<u>838,565</u>	<u>578,862</u>	<u>2,098,686</u>	<u>1,147,203</u>
Total other operating income	<u>1,864,996</u>	<u>1,480,670</u>	<u>6,090,225</u>	<u>2,797,790</u>

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A24. Other Operating Income (cont'd.)

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
(a) Fee income:				
Commission	240,081	245,344	719,086	711,804
Service charges and fees	351,410	210,146	797,883	620,719
Underwriting fees	17,858	10,564	30,556	16,846
Brokerage income	364	90	846	506
Fees on loans, advances and financing	39,116	63,921	99,319	167,742
	648,829	530,065	1,647,690	1,517,617
(b) Investment income:				
Net gain/(loss) on disposal of financial assets at FVTPL	112,637	33,326	284,313	(88,697)
Net gain on disposal of financial investments at FVOCI	133,115	19,767	306,413	27,473
Net gain/(loss) on redemption of financial investments at amortised cost	-	9	-	(1,601)
Excess of capital repayment of a subsidiary	-	-	50,706	-
Net gain on partial disposal of a deemed controlled structured entity	1,881	-	3,331	-
	247,633	53,102	644,763	(62,825)
(c) Gross dividend income from:				
Financial investments portfolio	1,117	1,634	5,428	5,821
(d) Unrealised (loss)/gain on revaluation of:				
Financial investments at FVTPL	(49,804)	(10,181)	(7,668)	(57,418)
Financial liabilities at FVTPL	1,872,039	1,119,442	2,558,299	3,454,249
Derivatives	(1,933,621)	(565,636)	(2,226,371)	(2,416,030)
	(111,386)	543,625	324,260	980,801
(e) Other income:				
Foreign exchange gain, net	695,915	308,495	1,601,705	326,310
Realised gain on derivatives	55,026	61,897	185,218	516,224
Rental income	16,118	14,936	47,084	44,336
Gain on disposal of property, plant and equipment	100	303	645	745
Others	46,571	37,743	136,519	106,125
	813,730	423,374	1,971,171	993,740
Total other operating income	1,599,923	1,551,800	4,593,312	3,435,154

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A25. Net insurance/takaful investment/finance result

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000 Restated
Finance expenses/(income) from insurance/ takaful certificate contract issued	220,006	(174,289)	1,105,606	(940,286)
Finance income from reinsurance/ retakaful certificate contract held	(7,026)	(27,855)	(11,356)	(38,322)
Net insurance/takaful investment/finance result	212,980	(202,144)	1,094,250	(978,608)

A26. Overhead Expenses

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000 Restated
(a) Personnel expenses				
Salaries, allowances and bonuses	1,476,741	1,393,324	4,372,897	3,874,982
Social security cost	13,889	12,064	41,806	34,575
Retirement costs	172,596	164,962	518,187	457,318
ESGP expenses	(3,198)	18,300	40,956	62,276
Other staff related expenses	220,237	241,219	693,714	680,870
	1,880,265	1,829,869	5,667,560	5,110,021
(b) Establishment costs				
Depreciation of property, plant and equipment	77,473	68,679	226,729	209,461
Depreciation of right-of-use assets	142,987	144,144	428,237	359,891
Amortisation of intangible assets	56,846	63,986	176,177	193,686
Rental of leasehold land and premises	10,146	7,829	16,551	16,226
Repairs and maintenance of property, plant and equipment	44,271	45,820	136,588	139,587
Information technology expenses	194,759	177,029	566,575	499,515
Finance cost on lease liabilities	14,989	9,690	41,082	27,766
Others	5,817	5,526	16,674	16,183
	547,288	522,703	1,608,613	1,462,315
(c) Marketing expenses				
Advertisement and publicity	57,501	41,307	139,290	114,923
Others	83,459	163,478	250,642	278,216
	140,960	204,785	389,932	393,139

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A26. Overhead Expenses (cont'd.)

Group (cont'd.)	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000 Restated
(d) Administration and general expenses				
Fees and brokerage	379,320	325,603	1,032,728	868,671
Administrative expenses	147,286	122,014	437,183	388,651
General expenses	196,605	202,400	622,639	599,451
Others	5,467	3,095	11,120	12,236
	728,678	653,112	2,103,670	1,869,009
Total overhead expenses	3,297,191	3,210,469	9,769,775	8,834,484
Cost to income ratio ("CIR")¹	48.8%	45.1%	47.9%	44.9%

¹ 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	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	842,024	840,275	2,522,354	2,157,777
Social security cost	7,252	6,135	21,894	17,833
Retirement costs	124,394	124,523	376,941	325,883
ESGP expenses	(11,141)	9,000	16,676	34,049
Other staff related expenses	123,815	110,548	380,058	353,120
	1,086,344	1,090,481	3,317,923	2,888,662
(b) Establishment costs				
Depreciation of property, plant and equipment	19,540	19,337	58,712	58,439
Depreciation of right-of-use assets	28,946	30,097	87,504	86,238
Amortisation of intangible assets	17,401	18,342	52,278	55,792
Rental of leasehold land and premises	2,232	1,341	5,914	4,272
Repairs and maintenance of property, plant and equipment	25,755	23,439	75,471	70,610
Information technology expenses	336,640	292,996	984,853	792,126
Finance cost on lease liabilities	4,042	3,902	11,138	10,872
Others	5,204	4,406	13,644	10,281
	439,760	393,860	1,289,514	1,088,630
(c) Marketing expenses				
Advertisement and publicity	26,783	24,115	57,698	52,192
Others	56,145	130,820	169,661	212,399
	82,928	154,935	227,359	264,591
(d) Administration and general expenses				
Fees and brokerage	268,930	205,959	727,351	578,218
Administrative expenses	65,619	59,766	184,519	162,739
General expenses	74,750	83,771	268,578	227,758
Others	3,945	671	5,467	2,926
	413,244	350,167	1,185,915	971,641
(e) Overhead expenses allocated to subsidiaries, net	(499,022)	(404,821)	(1,446,534)	(1,099,922)
Total overhead expenses	1,523,254	1,584,622	4,574,177	4,113,602
Cost to income ratio ("CIR")²	33.1%	30.8%	33.9%	31.2%

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

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

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000 Restated
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(65,720)	328,590	(226,216)	111,109
- Stage 2 - Lifetime ECL not credit impaired, net	(67,909)	(273,802)	471,293	(303,543)
- Stage 3 - Lifetime ECL credit impaired, net	666,875	654,980	1,484,034	2,360,681
Bad debts and financing written-off	12,892	20,908	43,564	59,553
Bad debts and financing recovered	(111,105)	(139,406)	(421,137)	(356,601)
Writeback of impairment losses on other debts	5,214	8,280	10,457	9,290
	440,247	599,550	1,361,995	1,880,489

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	7,218	292,091	(16,833)	255,092
- Stage 2 - Lifetime ECL not credit impaired, net	168,835	(281,613)	367,521	(293,544)
- Stage 3 - Lifetime ECL credit impaired, net	154,013	672,847	493,212	2,143,896
Bad debts and financing written-off	19,647	16,088	41,711	46,687
Bad debts and financing recovered	(58,407)	(87,563)	(220,683)	(206,566)
Writeback of impairment losses on other debts	1,026	729	2,294	146
	292,332	612,579	667,222	1,945,711

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

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	6,230	(1,888)	6,247	(3,143)
- Stage 2 - Lifetime ECL not credit impaired, net	(1,728)	510	(647)	2,316
- Stage 3 - Lifetime ECL credit impaired, net	(85,760)	(13,532)	(126,665)	292,457
Net	(81,258)	(14,910)	(121,065)	291,630
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(759)	6,747	(10,897)	5,061
- Stage 2 - Lifetime ECL not credit impaired, net	(5,725)	208	-	804
- Stage 3 - Lifetime ECL credit impaired, net	(16,329)	253,798	(50,835)	396,812
Net	(22,813)	260,753	(61,732)	402,677
	(104,071)	245,843	(182,797)	694,307

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Bank	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	2,238	(1,577)	2,107	(708)
- Stage 2 - Lifetime ECL not credit impaired, net	(244)	(4)	1,458	(12)
- Stage 3 - Lifetime ECL credit impaired, net	(250)	(9,327)	(702)	181,397
Net	<u>1,744</u>	<u>(10,908)</u>	<u>2,863</u>	<u>180,677</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	1,324	(179)	(1,480)	(1,536)
- Stage 2 - Lifetime ECL not credit impaired, net	-	21	-	(45)
- Stage 3 - Lifetime ECL credit impaired, net	-	-	-	(136,986)
Net	<u>1,324</u>	<u>(158)</u>	<u>(1,480)</u>	<u>(138,567)</u>
	<u>3,068</u>	<u>(11,066)</u>	<u>1,383</u>	<u>42,110</u>

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Group	RM'000	RM'000 Restated	RM'000	RM'000 Restated
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	1,125	(4,634)	12,208	1,558
Net	<u>1,125</u>	<u>(4,634)</u>	<u>12,208</u>	<u>1,558</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	1,398	(1,459)	(1,371)	(9,943)
Net	<u>1,398</u>	<u>(1,459)</u>	<u>(1,371)</u>	<u>(9,943)</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	2,611	(2,832)	8,025	1,504
Net	<u>2,611</u>	<u>(2,832)</u>	<u>8,025</u>	<u>1,504</u>
Insurance/reinsurance contract/takaful/retakaful operators' certificate assets				
- Stage 1 - 12-month ECL, net	3,696	(1,008)	10,903	130
Net	<u>3,696</u>	<u>(1,008)</u>	<u>10,903</u>	<u>130</u>
Other assets				
- Stage 1 - 12-month ECL, net	(753)	(13)	(874)	1,109
- Stage 2 - Lifetime ECL not credit impaired	(3)	(4)	10	(9)
- Stage 3 - Lifetime ECL credit impaired	(2,546)	4,800	1,763	23,897
Net	<u>(3,302)</u>	<u>4,783</u>	<u>899</u>	<u>24,997</u>
Statutory deposit with central banks				
- Stage 1 - 12-month ECL, net	449	883	(326)	1,259
Net	<u>449</u>	<u>883</u>	<u>(326)</u>	<u>1,259</u>
	<u>5,977</u>	<u>(4,267)</u>	<u>30,338</u>	<u>19,505</u>

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Bank				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	(854)	(4,882)	(336)	(3,265)
Net	<u>(854)</u>	<u>(4,882)</u>	<u>(336)</u>	<u>(3,265)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	(691)	(2,925)	(3,057)	(3,939)
Net	<u>(691)</u>	<u>(2,925)</u>	<u>(3,057)</u>	<u>(3,939)</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	253	1,672	910	2,722
Net	<u>253</u>	<u>1,672</u>	<u>910</u>	<u>2,722</u>
Other assets				
- Stage 3 - Lifetime ECL credit impaired	(1,843)	2,875	3,059	21,134
Net	<u>(1,843)</u>	<u>2,875</u>	<u>3,059</u>	<u>21,134</u>
	<u>(3,135)</u>	<u>(3,260)</u>	<u>576</u>	<u>16,652</u>

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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.

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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.

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>							Total RM'000
	<===== Group Global Banking =====>							
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000		
Nine Months Ended 30 September 2023								
Net interest income/(loss):								
- External	6,010,314	2,662,869	323,747	1,174	1,231,293	(626,460)		9,602,937
- Inter-segment	-	-	(52,750)	2,302	50,979	(531)		-
	6,010,314	2,662,869	270,997	3,476	1,282,272	(626,991)		9,602,937
Net interest income/(loss)	6,010,314	2,662,869	270,997	3,476	1,282,272	(626,991)		9,602,937
Income/(loss) from IBS operations	4,002,804	1,524,368	40,447	-	-	(48,641)		5,518,978
Insurance/takaful service result	-	-	-	-	111,029	155,292		266,321
Other operating income	2,490,815	1,784,906	528,740	72,775	447,926	765,063		6,090,225
Total operating income	12,503,933	5,972,143	840,184	76,251	1,841,227	244,723		21,478,461
Net insurance/takaful investment/finance result	-	-	-	-	(1,094,250)	-		(1,094,250)
Net operating income	12,503,933	5,972,143	840,184	76,251	746,977	244,723		20,384,211
Overhead expenses	(7,081,462)	(1,656,436)	(728,881)	(69,932)	(233,064)	-		(9,769,775)
Operating profit before impairment losses	5,422,471	4,315,707	111,303	6,319	513,913	244,723		10,614,436
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(1,343,286)	(19,592)	(9,188)	-	10,071	-		(1,361,995)
(Allowances for)/writeback of impairment losses on financial investments, net	(2)	56,710	-	-	126,089	-		182,797
Writeback of/(allowances for) impairment losses on other financial assets, net	1,391	(24,335)	2,860	1	(10,255)	-		(30,338)
Operating profit	4,080,574	4,328,490	104,975	6,320	639,818	244,723		9,404,900
Share of profits in associates and joint ventures	1,558	175,130	415	-	-	-		177,103
Profit before taxation and zakat	4,082,132	4,503,620	105,390	6,320	639,818	244,723		9,582,003
Taxation and zakat								(2,445,397)
Profit after taxation and zakat								7,136,606
Non-controlling interests								(174,583)
Profit for the financial period attributable to equity holders of the Bank								6,962,023

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>							Total RM'000
	<===== Group Global Banking =====>							
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000		
Nine Months Ended 30 September 2023 (cont'd.)								
Included in other operating income are:								
Fee income:								
Commission	972,319	67,627	42,166	18,269	-	(166,958)		933,423
Service charges and fees	851,640	201,656	80,106	87,590	1,795	16,537		1,239,324
Underwriting fees	-	30,556	36,940	-	-	(666)		66,830
Brokerage income	846	-	209,936	-	-	-		210,782
Fees on loans, advances and financing	22,495	99,705	2,634	-	-	707		125,541
Fee income from IBS operations	319,256	74,264	35,930	-	-	2,070		431,520
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(161,263)	(38,509)	(22,431)	(308)	(4,218)	-		(226,729)
Depreciation of right-of-use assets	(289,463)	(79,552)	(50,995)	(2,972)	(5,255)	-		(428,237)
Amortisation of intangible assets	(135,131)	(34,688)	(2,008)	(23)	(4,327)	-		(176,177)

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

Nine Months Ended 30 September 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	Total RM'000 Restated	
Net interest income/(loss):								
- External	5,433,474	3,203,177	258,262	849	1,042,160	363,085	10,301,007	
- Inter-segment	-	-	(13,044)	1,096	35,622	(23,674)	-	
	5,433,474	3,203,177	245,218	1,945	1,077,782	339,411	10,301,007	
Net interest income	5,433,474	3,203,177	245,218	1,945	1,077,782	339,411	10,301,007	
Income from IBS operations	3,770,545	1,456,735	37,264	-	-	167,427	5,431,971	
Insurance/takaful service result	-	-	-	-	(50,177)	221,617	171,440	
Other operating income/(loss)	2,314,536	2,281,096	621,509	77,609	(1,890,389)	(606,571)	2,797,790	
Total operating income/(loss)	11,518,555	6,941,008	903,991	79,554	(862,784)	121,884	18,702,208	
Net insurance/takaful investment/finance result	-	-	-	-	978,608	-	978,608	
Net operating income	11,518,555	6,941,008	903,991	79,554	115,824	121,884	19,680,816	
Overhead expenses	(6,237,247)	(1,528,925)	(747,927)	(98,939)	(221,446)	-	(8,834,484)	
Operating profit/(loss) before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	5,281,308	5,412,083	156,064	(19,385)	(105,622)	121,884	10,846,332	
Allowances for impairment losses on financial investments, net	(311,509)	(1,570,787)	2,729	-	(922)	-	(1,880,489)	
Writeback of/(allowances for) impairment losses on other financial assets, net	(65)	(584,139)	-	-	(110,103)	-	(694,307)	
Operating profit/(loss)	525	(17,456)	(1,414)	(7)	(1,153)	-	(19,505)	
Share of profits in associates and joint ventures	4,970,259	3,239,701	157,379	(19,392)	(217,800)	121,884	8,252,031	
Profit/(loss) before taxation and zakat	-	123,416	(771)	-	-	-	122,645	
Taxation and zakat	4,970,259	3,363,117	156,608	(19,392)	(217,800)	121,884	8,374,676	
Profit after taxation and zakat							(2,661,982)	
Non-controlling interests							5,712,694	
Profit for the financial period attributable to equity holders of the Bank							42,585	
							5,755,279	

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>							Total RM'000 Restated
	<===== Group Global Banking =====>						Head Office and Others RM'000	
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000 Restated	Total RM'000 Restated		
Nine Months Ended 30 September 2022 (cont'd.)								
Included in other operating income are:								
Fee income:								
Commission	963,996	79,909	53,151	19,555	-	(197,267)	919,344	
Service charges and fees	671,895	186,266	113,945	94,644	(59,745)	24,599	1,031,604	
Underwriting fees	-	16,705	21,707	-	-	(1,544)	36,868	
Brokerage income	506	-	257,321	-	-	-	257,827	
Fees on loans, advances and financing	45,104	169,447	1,209	-	-	(373)	215,387	
Fee income from IBS operations	267,373	82,330	33,760	-	-	2,764	386,227	
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(145,228)	(36,309)	(23,751)	(373)	(3,800)	-	(209,461)	
Depreciation of right-of-use assets	(238,776)	(65,119)	(43,395)	(2,519)	(10,082)	-	(359,891)	
Amortisation of intangible assets	(143,826)	(38,156)	(2,443)	(330)	(8,931)	-	(193,686)	

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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 period ended 30 September 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 September 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
<u>Contingent liabilities</u>						
Direct credit substitutes	13,841,443	11,607,941	8,287,256	12,624,792	11,792,332	6,488,154
Certain transaction-related contingent items	15,687,510	8,061,947	4,424,138	14,534,071	7,370,135	3,999,055
Short-term self-liquidating trade-related contingencies	4,869,405	1,012,708	646,834	7,143,351	1,067,336	601,663
	34,398,358	20,682,596	13,358,228	34,302,214	20,229,803	11,088,872
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	152,273,531	17,567,756	5,543,648	142,217,444	13,893,627	3,697,325
- Maturity exceeding one year	65,154,985	73,429,728	30,527,810	40,319,358	64,801,259	29,833,459
	217,428,516	90,997,484	36,071,458	182,536,802	78,694,886	33,530,784
Miscellaneous commitments and contingencies	15,082,794	3,102,893	79,043	11,205,013	1,060,766	60,300
Total credit-related commitments and contingencies	266,909,668	114,782,973	49,508,729	228,044,029	99,985,455	44,679,956
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	566,951,226	8,085,062	1,918,276	592,564,361	8,289,850	1,540,396
- One year to less than five years	42,404,293	2,616,841	1,199,798	31,244,650	1,791,523	1,037,341
- Five years and above	8,616,199	1,001,966	569,865	7,950,665	997,186	700,553
	617,971,718	11,703,869	3,687,939	631,759,676	11,078,559	3,278,290
Interest rate related contracts:						
- Less than one year	234,825,390	31,933	19,649	173,030,838	68,376	50,099
- One year to less than five years	302,275,835	1,563,054	807,180	307,593,840	1,454,413	925,605
- Five years and above	182,380,382	3,262,724	1,664,160	177,013,049	2,877,381	1,430,600
	719,481,607	4,857,711	2,490,989	657,637,727	4,400,170	2,406,304

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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 September 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
Group (cont'd.)						
<u>Derivative financial instruments (cont'd.)</u>						
Equity and commodity related contracts:						
- Less than one year	6,244,815	170,323	109,749	6,551,126	406,085	112,334
- One year to less than five years	2,605,156	351,701	190,536	2,246,767	166,111	47,112
	<u>8,849,971</u>	<u>522,024</u>	<u>300,285</u>	<u>8,797,893</u>	<u>572,196</u>	<u>159,446</u>
Credit related contracts:						
- Less than one year	55,349	-	-	57,489	-	-
- One year to less than five years	-	-	-	9,384	-	-
	<u>55,349</u>	<u>-</u>	<u>-</u>	<u>66,873</u>	<u>-</u>	<u>-</u>
Total treasury-related commitments and contingencies	<u>1,346,358,645</u>	<u>17,083,604</u>	<u>6,479,213</u>	<u>1,298,262,169</u>	<u>16,050,925</u>	<u>5,844,040</u>
Total commitments and contingencies	<u>1,613,268,313</u>	<u>131,866,577</u>	<u>55,987,942</u>	<u>1,526,306,198</u>	<u>116,036,380</u>	<u>50,523,996</u>
Bank						
<u>Contingent liabilities</u>						
Direct credit substitutes	9,864,465	7,768,137	5,353,666	8,970,256	8,417,835	4,113,690
Certain transaction-related contingent items	10,961,787	5,762,722	3,037,717	10,397,750	5,393,107	2,815,646
Short-term self-liquidating trade-related contingencies	3,860,903	811,429	532,183	6,278,940	879,558	506,456
	<u>24,687,155</u>	<u>14,342,288</u>	<u>8,923,566</u>	<u>25,646,946</u>	<u>14,690,500</u>	<u>7,435,792</u>
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	87,206,914	9,253,129	2,684,331	88,867,814	6,476,767	1,341,339
- Maturity exceeding one year	41,643,495	47,470,401	20,597,375	17,659,753	39,595,776	20,129,633
	<u>128,850,409</u>	<u>56,723,530</u>	<u>23,281,706</u>	<u>106,527,567</u>	<u>46,072,543</u>	<u>21,470,972</u>
Miscellaneous commitments and contingencies	<u>11,414,117</u>	<u>3,306,287</u>	<u>107,942</u>	<u>9,748,609</u>	<u>1,426,290</u>	<u>117,630</u>
Total credit-related commitments and contingencies	<u>164,951,681</u>	<u>74,372,105</u>	<u>32,313,214</u>	<u>141,923,122</u>	<u>62,189,333</u>	<u>29,024,394</u>
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	552,337,507	7,746,362	1,697,280	579,667,448	8,110,780	1,390,769
- One year to less than five years	42,181,600	2,534,941	1,003,883	30,208,110	1,678,805	927,325
- Five years and above	7,421,988	986,419	531,302	7,436,048	979,354	676,602
	<u>601,941,095</u>	<u>11,267,722</u>	<u>3,232,465</u>	<u>617,311,606</u>	<u>10,768,939</u>	<u>2,994,696</u>

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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 September 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
Bank (cont'd.)						
<u>Derivative financial instruments</u>						
<u>(cont'd.)</u>						
Interest rate related contracts:						
- Less than one year	234,899,752	29,848	10,280	171,421,796	60,216	23,752
- One year to less than five years	299,949,371	1,489,156	475,085	309,390,096	1,426,533	604,151
- Five years and above	182,292,099	3,258,936	1,654,999	177,013,048	2,871,441	1,427,107
	717,141,222	4,777,940	2,140,364	657,824,940	4,358,190	2,055,010
Equity and commodity related contracts:						
- Less than one year	3,060,355	71,226	21,616	3,186,036	262,117	81,430
- One year to less than five years	2,605,155	351,701	114,195	2,246,767	166,111	47,112
	5,665,510	422,927	135,811	5,432,803	428,228	128,542
Credit related contracts:						
- Less than one year	55,349	-	-	57,489	-	-
- One year to less than five years	-	-	-	9,384	-	-
	55,349	-	-	66,873	-	-
Total treasury-related commitments and contingencies	1,324,803,176	16,468,589	5,508,640	1,280,636,222	15,555,357	5,178,248
Total commitments and contingencies	1,489,754,857	90,840,694	37,821,854	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 September 2023, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM28,184.7 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.

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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).

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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.

Pursuant to Note A9(b), in arriving the capital adequacy ratios for the nine months financial period ended 30 September 2023, the declared dividend have been deducted from the calculation of CET1 Capital.

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

	Group		Bank	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
CET1 Capital Ratio	15.414%	15.669%	14.568%	15.264%
Tier 1 Capital Ratio	16.086%	16.376%	15.307%	16.045%
Total Capital Ratio	18.773%	19.080%	17.932%	18.635%

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A35. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
CET1 Capital				
Share capital	54,673,596	54,619,344	54,673,596	54,619,344
Retained profits ¹	19,266,725	22,007,168	12,589,917	14,937,554
Other reserves ¹	6,073,632	1,349,642	5,992,374	3,018,421
Qualifying non-controlling interests	119,778	113,735	-	-
CET1 Capital before regulatory adjustments	<u>80,133,731</u>	<u>78,089,889</u>	<u>73,255,887</u>	<u>72,575,319</u>
Less: Regulatory adjustments applied on CET1 Capital:				
Capital:	(14,087,646)	(14,065,528)	(37,752,840)	(37,380,391)
Deferred tax assets	(1,330,945)	(2,169,271)	(348,905)	(1,099,262)
Goodwill	(6,025,891)	(5,583,795)	(81,015)	(81,015)
Other intangibles	(1,103,048)	(993,569)	(404,762)	(344,781)
Gains on financial instruments classified as fair value through other comprehensive income ¹	(605,947)	(61,980)	(530,627)	(36,096)
Regulatory reserve	(2,371,999)	(2,465,059)	(1,468,888)	(1,549,033)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(2,649,816)	(2,791,854)	(34,918,643)	(34,270,204)
Total CET1 Capital	66,046,085	64,024,361	35,503,047	35,194,928
Additional Tier 1 Capital				
Capital securities	2,800,000	2,800,000	2,800,000	2,800,000
Qualifying CET1 and Additional Tier 1 Capital instruments held by third parties	80,790	90,601	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(1,000,000)	(1,000,000)
Total Tier 1 Capital	68,926,875	66,914,962	37,303,047	36,994,928
Tier 2 Capital				
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	38,429	35,759	-	-
General provisions ³	654,150	273,100	414,080	36,059
Surplus of total eligible provision over total expected loss	1,811,901	1,730,272	1,068,048	1,028,820
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(691,000)	(691,000)	(4,783,759)	(4,791,418)
Total Tier 2 Capital	11,513,480	11,048,131	6,398,369	5,973,461
Total Capital	80,440,355	77,963,093	43,701,416	42,968,389

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

² For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank 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.

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

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

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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:

	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Maybank Indonesia Tbk	Maybank Singapore Limited
<u>At 30 September 2023</u>				
CET1 Capital Ratio	13.440%	21.421%	-	13.244%
Tier 1 Capital Ratio	14.495%	21.421%	-	13.244%
Total Capital Ratio	17.135%	23.390%	28.174%	17.121%
<u>At 31 December 2022</u>				
CET1 Capital Ratio	14.100%	27.260%	-	14.178%
Tier 1 Capital Ratio	15.171%	27.260%	-	14.178%
Total Capital Ratio	17.844%	29.468%	26.648%	18.327%

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A35. Capital Adequacy (cont'd.)

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

At 30 September 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	56,619,597	24,267,200	2,369,842	922,218	26,927,784	17,494,282
Internal Ratings-Based Approach exposure after scaling factor	301,983,476	178,008,031	95,116,640	-	-	32,841,458
Credit valuation adjustment	-	-	-	-	-	65,092
Total RWA for credit risk	358,603,073	202,275,231	97,486,482	922,218	26,927,784	50,400,832
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(15,387,032)	-	-	-
Total RWA for market risk	19,336,316	17,126,978	768,331	776,739	1,021,691	76,801
Total RWA for operational risk	49,701,721	23,455,635	11,916,546	893,168	3,413,579	4,340,505
Large exposure risk RWA for equity holdings	844,864	844,864	-	-	-	-
Total RWA	428,485,974	243,702,708	94,784,327	2,592,125	31,363,054	54,818,138

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
Total RWA for credit risk	337,699,623	190,996,711	92,108,470	694,767	24,715,405	44,401,918
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
Total RWA	408,608,691	230,575,583	93,389,714	2,100,616	30,651,504	48,228,699

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

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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 ----->	
	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
At 30 September 2023						
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	63,854,680	802,430	(352,153)	40,562,951	609,323	(159,652)
- One year to three years	2,947,734	97,472	(28,288)	2,577,690	76,901	(28,206)
- More than three years	3,703,623	38,579	(30,725)	2,422,405	23,312	(27,039)
	70,506,037	938,481	(411,166)	45,563,046	709,536	(214,897)
Currency swaps:						
- Less than one year	469,719,873	4,942,156	(4,575,984)	479,118,582	5,017,011	(4,554,598)
- One year to three years	1,155,850	1,730	(4,609)	1,155,855	1,727	(4,609)
- More than three years	63,441	2,182	-	51,755	1,704	-
	470,939,164	4,946,068	(4,580,593)	480,326,192	5,020,442	(4,559,207)
Currency spots:						
- Less than one year	7,920,030	11,537	(27,494)	7,708,347	12,693	(15,013)
Currency options:						
- Less than one year	6,922,619	15,963	(3,947)	6,919,415	15,993	(12,353)
- One year to three years	651,182	67	-	651,182	67	-
- More than three years	549,434	4,925	(39,125)	666,646	7,014	(53,241)
	8,123,235	20,955	(43,072)	8,237,243	23,074	(65,594)
Cross currency interest rate swaps ¹ :						
- Less than one year	15,652,239	323,388	(771,928)	15,146,427	322,276	(744,667)
- One year to three years	21,369,315	359,131	(852,999)	20,877,393	374,088	(839,855)
- More than three years	14,155,537	274,221	(525,242)	14,776,286	332,358	(590,902)
	51,177,091	956,740	(2,150,169)	50,800,106	1,028,722	(2,175,424)
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- Less than one year	220,196,935	1,150,160	(1,187,640)	220,271,297	1,160,935	(1,193,459)
- One year to three years	171,661,004	2,842,070	(2,707,992)	171,764,197	2,854,594	(2,706,165)
- More than three years	277,122,784	17,646,309	(17,275,292)	277,193,103	17,660,192	(17,257,783)
	668,980,723	21,638,539	(21,170,924)	669,228,597	21,675,721	(21,157,407)
Interest rate futures:						
- Less than one year	12,097,435	58,035	(21,068)	12,097,435	58,035	(21,068)
- One year to three years	5,644,352	798	(237)	5,644,352	798	(237)
	17,741,787	58,833	(21,305)	17,741,787	58,833	(21,305)
Cross currency interest rate swaps:						
- One year to three years	-	-	(48,882)	-	-	-
Interest rate options:						
- Less than one year	82,009	-	-	82,009	-	-
- One year to three years	591,012	564	(1,781)	36,874	564	(1,781)
- More than three years	25,169,401	1,315,701	(4,308,445)	23,135,280	1,315,701	(4,308,445)
	25,842,422	1,316,265	(4,310,226)	23,254,163	1,316,265	(4,310,226)

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A36. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<----- Fair Value ----->		Principal Amount RM'000	<----- Fair Value ----->	
At 30 September 2023 (cont'd.)	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	-	-	(12)	-	-	(12)
Equity options:						
- Less than one year	1,966,915	97,371	(375,464)	43,830	4,368	-
- One year to three years	14,422	-	-	14,422	-	-
	<u>1,981,337</u>	<u>97,371</u>	<u>(375,464)</u>	<u>58,252</u>	<u>4,368</u>	<u>-</u>
Equity swaps:						
- Less than one year	1,261,375	93,316	(55,225)	-	-	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	2,994,671	261,109	(261,109)	2,994,671	261,109	(261,109)
- One year to three years	2,588,217	205,096	(205,096)	2,588,217	205,096	(205,096)
	<u>5,582,888</u>	<u>466,205</u>	<u>(466,205)</u>	<u>5,582,888</u>	<u>466,205</u>	<u>(466,205)</u>
Commodity swaps:						
- Less than one year	21,854	947	(654)	21,854	947	(654)
- One year to three years	2,517	192	(185)	2,516	192	(184)
	<u>24,371</u>	<u>1,139</u>	<u>(839)</u>	<u>24,370</u>	<u>1,139</u>	<u>(838)</u>
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	55,349	1,104	(490)	55,349	1,104	(490)
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps ¹ :						
- Less than one year	2,881,785	28,168	(131,134)	2,881,785	28,168	(131,134)
- One year to three years	4,274,261	128,833	(464,562)	4,274,261	128,833	(464,562)
- More than three years	2,150,115	144,863	(329,633)	2,150,115	144,863	(329,633)
	<u>9,306,161</u>	<u>301,864</u>	<u>(925,329)</u>	<u>9,306,161</u>	<u>301,864</u>	<u>(925,329)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- Less than one year	2,449,011	86,908	(1,063)	2,449,011	86,908	(1,063)
- One year to three years	2,437,760	108,476	(34,472)	2,437,760	108,476	(34,472)
- More than three years	2,029,904	141,928	(299,816)	2,029,904	141,925	(299,815)
	<u>6,916,675</u>	<u>337,312</u>	<u>(335,351)</u>	<u>6,916,675</u>	<u>337,309</u>	<u>(335,350)</u>
Netting effects for reporting under MFRS 132	-	(3,001,030)	3,001,030	-	(2,969,922)	2,969,922
Total	<u>1,346,358,645</u>	<u>28,184,699</u>	<u>(31,921,716)</u>	<u>1,324,803,176</u>	<u>27,987,353</u>	<u>(31,277,375)</u>

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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
Trading derivatives						
<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 ¹ :						
- 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 ² :						
- 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>

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A36. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
At 31 December 2022 (cont'd.)	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Equity options:						
- Less than one year	1,695,322	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>
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps ¹ :						
- 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 ² :						
- 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
Total	<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>

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

² 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.

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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 September 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	

Financial assets measured at fair value:

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

	16,624	13,196,355	-	13,212,979
Money market instruments	-	914,743	-	914,743
Quoted securities	16,624	-	-	16,624
Unquoted securities	-	12,281,612	-	12,281,612

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

	11,042,519	14,763,191	903,628	26,709,338
Money market instruments	-	11,802,320	-	11,802,320
Quoted securities	11,042,519	-	-	11,042,519
Unquoted securities	-	2,960,871	903,628	3,864,499

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

	6,737,201	137,601,042	541,699	144,879,942
Money market instruments	-	84,132,318	-	84,132,318
Quoted securities	6,737,201	-	-	6,737,201
Unquoted securities	-	53,468,724	541,699	54,010,423

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

	-	-	35,159,197	35,159,197
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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 September 2023 and 31 December 2022 is summarised in the table (cont'd.):

Group (cont'd.) At 30 September 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	
Financial assets measured at fair value (cont'd.):				
Derivative assets	-	27,718,494	466,205	28,184,699
Foreign exchange related contracts	-	7,175,645	-	7,175,645
Interest rate related contracts	-	23,350,949	-	23,350,949
Equity and commodity related contracts	-	191,826	466,205	658,031
Credit related contracts	-	1,104	-	1,104
Netting effects under MFRS 132 Amendments	-	(3,001,030)	-	(3,001,030)
	17,796,344	193,279,082	37,070,729	248,146,155
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	7,188,207	-	7,188,207
Structured deposits	-	192,071	-	192,071
Borrowings	-	6,996,136	-	6,996,136
Derivative liabilities	-	31,455,511	466,205	31,921,716
Foreign exchange related contracts	-	8,137,823	-	8,137,823
Interest rate related contracts	-	25,886,688	-	25,886,688
Equity and commodity related contracts	-	431,540	466,205	897,745
Credit related contracts	-	490	-	490
Netting effects under MFRS 132 Amendments	-	(3,001,030)	-	(3,001,030)
	-	38,643,718	466,205	39,109,923
Group				
<u>Valuation technique using</u>				
Group At 31 December 2022 Restated	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	Total RM'000
Financial assets measured at fair value:				
Financial assets designated upon initial recognition at fair value through profit or loss	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
Financial investments at fair value through profit or loss	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
Financial investments at fair value through other comprehensive income	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
Loans, advances and financing at fair value through profit or loss	-	-	1,668	1,668
Loans, advances and financing at fair value through other comprehensive income	-	-	30,016,341	30,016,341

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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 September 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	
Financial assets measured at fair value (cont'd.):				
Derivative assets	-	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>
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	8,317,084	-	8,317,084
Structured deposits	-	209,827	-	209,827
Borrowings	-	8,107,257	-	8,107,257
Derivative liabilities	-	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>
Bank				
<u>Valuation technique using</u>				
At 30 September 2023	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	Total RM'000
Financial assets measured at fair value:				
Financial investments at fair value through profit or loss	552,880	12,030,729	733,325	13,316,934
Money market instruments	-	10,672,870	-	10,672,870
Quoted securities	552,880	-	-	552,880
Unquoted securities	-	1,357,859	733,325	2,091,184
Financial investments at fair value through other comprehensive income	316	80,621,203	534,534	81,156,053
Money market instruments	-	45,958,825	-	45,958,825
Quoted securities	316	-	-	316
Unquoted securities	-	34,662,378	534,534	35,196,912
Loans, advances and financing at fair value through other comprehensive income	-	-	36,136,060	36,136,060
Derivative assets	-	27,521,148	466,205	27,987,353
Foreign exchange related contracts	-	7,096,331	-	7,096,331
Interest rate related contracts	-	23,388,128	-	23,388,128
Equity and commodity related contracts	-	5,507	466,205	471,712
Credit related contracts	-	1,104	-	1,104
Netting effects under MFRS 132 Amendments	-	(2,969,922)	-	(2,969,922)
	<u>553,196</u>	<u>120,173,080</u>	<u>37,870,124</u>	<u>158,596,400</u>

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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 September 2023 and 31 December 2022 is summarised in the table (cont'd.):

	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Bank (cont'd.)				
At 30 September 2023				
<i>Financial liabilities measured at fair value:</i>				
Financial liabilities at fair value through profit or loss	-	7,188,207	-	7,188,207
Structured deposits	-	192,071	-	192,071
Borrowings	-	6,996,136	-	6,996,136
Derivative liabilities	-	30,811,170	466,205	31,277,375
Foreign exchange related contracts	-	7,955,464	-	7,955,464
Interest rate related contracts	-	25,824,288	-	25,824,288
Equity and commodity related contracts	-	850	466,205	467,055
Credit related contracts	-	490	-	490
Netting effects under MFRS 132 Amendments	-	(2,969,922)	-	(2,969,922)
	-	37,999,377	466,205	38,465,582
	<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
Bank				
At 31 December 2022				
<i>Financial assets measured at fair value:</i>				
Financial investments at fair value through profit or loss	514,606	12,747,961	715,908	13,978,475
Money market instruments	-	8,182,642	-	8,182,642
Quoted securities	514,606	-	-	514,606
Unquoted securities	-	4,565,319	715,908	5,281,227
Financial investments at fair value through other comprehensive income	18,029	73,135,323	398,128	73,551,480
Money market instruments	-	31,361,580	-	31,361,580
Quoted securities	18,029	-	-	18,029
Unquoted securities	-	41,773,743	398,128	42,171,871
Loans, advances and financing at fair value through profit or loss	-	-	1,668	1,668
Loans, advances and financing at fair value through other comprehensive income	-	-	26,855,119	26,855,119
Derivative assets	-	23,853,653	440,179	24,293,832
Foreign exchange related contracts	-	6,663,812	-	6,663,812
Interest rate related contracts	-	19,366,758	-	19,366,758
Equity and commodity related contracts	-	8,889	440,179	449,068
Credit related contracts	-	1,814	-	1,814
Netting effects under MFRS132 Amendments	-	(2,187,620)	-	(2,187,620)
	532,635	109,736,937	28,411,002	138,680,574

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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 September 2023 and 31 December 2022 is summarised in the table (cont'd.):

Bank (cont'd.) At 31 December 2022	Quoted Market Price (Level 1) RM'000	<u>Valuation technique using</u> Observable Unobservable Inputs Inputs (Level 2) (Level 3) RM'000 RM'000		Total RM'000
	Financial liabilities measured at fair value:			
Financial liabilities at fair value through profit or loss	-	8,317,084	-	8,317,084
Structured deposits	-	209,827	-	209,827
Borrowings	-	8,107,257	-	8,107,257
Derivative liabilities	-	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.

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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 RM'000	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	At 30 September 2023 RM'000
As at 30 September 2023									
Financial investments at fair value through profit or loss									
Unquoted securities	882,222	-	21,388	-	-	-	-	18	903,628
Financial investments at fair value through other comprehensive income									
Unquoted securities	406,133	(1,534)	-	137,060	-	-	-	40	541,699
Loans, advances and financing at fair value through profit or loss	1,668	-	-	-	-	-	(1,576)	(92)	-
Loans, advances and financing at fair value through other comprehensive income	30,016,341	-	-	95,293	12,335,817	-	(8,570,335)	1,282,081	35,159,197
Derivative assets									
Equity and commodity related contracts	440,179	236,431	(11,798)	-	192,986	(391,593)	-	-	466,205
Total Level 3 financial assets	<u>31,746,543</u>	<u>234,897</u>	<u>9,590</u>	<u>232,353</u>	<u>12,528,803</u>	<u>(391,593)</u>	<u>(8,571,911)</u>	<u>1,282,047</u>	<u>37,070,729</u>
Derivative liabilities									
Equity and commodity related contracts	(440,179)	(241,801)	12,540	-	(192,986)	396,221	-	-	(466,205)
Total Level 3 financial liabilities	<u>(440,179)</u>	<u>(241,801)</u>	<u>12,540</u>	<u>-</u>	<u>(192,986)</u>	<u>396,221</u>	<u>-</u>	<u>-</u>	<u>(466,205)</u>
Total net Level 3 financial assets/(liabilities)	<u>31,306,364</u>	<u>(6,904)</u>	<u>22,130</u>	<u>232,353</u>	<u>12,335,817</u>	<u>4,628</u>	<u>(8,571,911)</u>	<u>1,282,047</u>	<u>36,604,524</u>

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

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

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

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

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

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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 September 2023 RM'000
As at 30 September 2023									
Financial investments at fair value through profit or loss									
Unquoted securities	715,908	-	17,417	-	-	-	-	-	733,325
Financial investments at fair value through other comprehensive income									
Unquoted securities	398,128	(616)	-	137,022	-	-	-	-	534,534
Loans, advances and financing at fair value through profit or loss	1,668	-	-	-	-	-	(1,576)	(92)	-
Loans, advances and financing at fair value through other comprehensive income	26,855,119	-	-	96,275	13,887,689	-	(5,977,280)	1,274,257	36,136,060
Derivative assets									
Equity and commodity related contracts	440,179	236,431	(11,798)	-	192,986	(391,593)	-	-	466,205
Total Level 3 financial assets	<u>28,411,002</u>	<u>235,815</u>	<u>5,619</u>	<u>233,297</u>	<u>14,080,675</u>	<u>(391,593)</u>	<u>(5,978,856)</u>	<u>1,274,165</u>	<u>37,870,124</u>
Derivative liabilities									
Equity and commodity related contracts	(440,179)	(241,801)	12,540	-	(192,986)	396,221	-	-	(466,205)
Total Level 3 financial liabilities	<u>(440,179)</u>	<u>(241,801)</u>	<u>12,540</u>	<u>-</u>	<u>(192,986)</u>	<u>396,221</u>	<u>-</u>	<u>-</u>	<u>(466,205)</u>
Total net Level 3 financial assets/(liabilities)	<u>27,970,823</u>	<u>(5,986)</u>	<u>18,159</u>	<u>233,297</u>	<u>13,887,689</u>	<u>4,628</u>	<u>(5,978,856)</u>	<u>1,274,165</u>	<u>37,403,919</u>

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

Included within 'Other operating income'.

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

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

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

* 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 period ended 30 September 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 period ended 30 September 2023.

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A38. 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 Period Ended 30 September 2023

Group Nine-Month Ended	Life Business		Family Takaful Business		General Takaful Business		General Business and Others		Total	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	606,545	473,239	483,900	452,218	138,376	117,717	112,744	102,695	1,341,565	1,145,869
Interest expense	(15,109)	(23,834)	-	-	-	-	(44,185)	(44,254)	(59,294)	(68,088)
Net interest income	591,436	449,405	483,900	452,218	138,376	117,717	68,559	58,441	1,282,271	1,077,781
Insurance/takaful service result	22,846	(306,156)	(62,021)	55,474	47,819	96,806	102,385	103,699	111,029	(50,177)
Other operating income/(loss)	153,552	(1,512,292)	208,226	(447,856)	18,881	(15,038)	67,267	84,796	447,926	(1,890,390)
Total operating income	767,834	(1,369,043)	630,105	59,836	205,076	199,485	238,211	246,936	1,841,226	(862,786)
Net insurance/takaful investment/finance result	(710,342)	950,892	(389,801)	26,812	64	24	5,829	880	(1,094,250)	978,608
Net operating income/(loss)	57,492	(418,151)	240,304	86,648	205,140	199,509	244,040	247,816	746,976	115,822
Overhead expenses	(43,612)	(57,332)	(9,834)	(9,861)	(17,218)	(22,565)	(156,847)	(111,654)	(227,511)	(201,412)
Operating profit before impairment losses	13,880	(475,483)	230,470	76,787	187,922	176,944	87,193	136,162	519,465	(85,590)
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(1,026)	77	293	(471)	1	6	10,804	(534)	10,072	(922)
Writeback of/(allowances for) impairment losses on financial investments, net	125,960	(110,245)	(55)	(53)	(35)	(5)	218	200	126,088	(110,103)
Writeback of/(allowances for) impairment losses on other financial assets, net	1,312	(456)	(19)	(1,130)	(3)	(75)	(11,545)	508	(10,255)	(1,153)
Profit/(loss) before taxation and zakat	140,126	(586,107)	230,689	75,133	187,885	176,870	86,670	136,336	645,370	(197,768)
Taxation and zakat	(46,547)	6,496	(51,892)	58,528	(66,433)	(26,005)	(27,844)	(59,908)	(192,716)	(20,889)
Profit/(loss) for the financial period	93,579	(579,611)	178,797	133,661	121,452	150,865	58,826	76,428	452,654	(218,657)

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

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A38. 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 September 2023

Group	Life Business		Family Takaful Business		General Takaful Business		General Business and Others*		Total	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
ASSETS										
Cash and short-term funds	1,058,596	703,777	698,163	61,806	87,510	11,428	138,382	158,637	1,982,651	935,648
Deposits and placements with financial institutions	736,191	871,854	444,858	1,174,782	1,221,295	1,224,700	561,496	476,486	2,963,840	3,747,822
Financial assets designated upon initial recognition at fair value through profit or loss	6,607,025	6,486,343	6,500,986	6,196,994	13,645	18,895	35,721	35,436	13,157,377	12,737,668
Financial investments at fair value through profit or loss	7,082,737	4,956,731	811,338	620,073	129,639	143,632	639,477	499,151	8,663,191	6,219,587
Financial investments at fair value through other comprehensive income	7,927,665	9,174,065	6,912,155	6,758,073	3,259,619	3,013,680	1,715,309	1,648,359	19,814,748	20,594,177
Financial investments at amortised cost	-	-	-	-	-	-	54,265	39,624	54,265	39,624
Loans, advances and financing	22,431	34,572	10,530	11,181	428	422	69,524	57,060	102,913	103,235
Derivative assets	3,656	239,689	-	-	-	-	-	43	3,656	239,732
Insurance/reinsurance contract assets/ takaful/retakaful certificate assets	227,524	241,527	284,773	471,227	307,470	321,545	3,230,244	3,527,352	4,050,011	4,561,651
Other assets	246,287	117,507	114,982	118,814	(63)	56,138	372,412	259,353	733,618	551,812
Investment properties	814,931	814,075	-	-	-	-	170,322	170,265	985,253	984,340
Statutory deposits with central banks	3,282	3,084	-	-	-	-	-	3,084	3,282	6,168
Interest in associates	-	-	-	-	-	-	-	152	-	152
Property, plant and equipment	91,925	92,049	168	200	64	82	62,260	63,418	154,417	155,749
Right-of-use assets	12,686	17,442	760	112	-	-	11,838	12,363	25,284	29,917
Intangible assets	58,834	61,251	10,387	7,969	1,546	1,803	82,135	83,887	152,902	154,910
Deferred tax assets	10,147	15,658	47,973	22,637	79,245	114,442	53,738	52,426	191,103	205,163
TOTAL ASSETS	24,903,917	23,829,624	15,837,073	15,443,868	5,100,398	4,906,767	7,197,123	7,087,096	53,038,511	51,267,355
LIABILITIES										
Derivative liabilities	153,669	20,821	-	-	-	-	48,922	21,288	202,591	42,109
Insurance contract liabilities/takaful certificate liabilities	20,913,456	20,029,540	12,815,912	11,715,508	3,170,449	2,834,265	4,674,611	4,784,716	41,574,428	39,364,029
Other liabilities #	1,086,674	1,128,231	285,285	1,045,220	185,582	440,938	439,137	458,509	1,996,678	3,072,898
Provision for taxation and zakat	109	24,353	16,271	40,813	22,660	50,568	(26,491)	(18,888)	12,549	96,846
Deferred tax liabilities	440,715	313,454	50,630	3,561	(18,849)	14,682	32,368	28,737	504,864	360,434
Subordinated obligations	-	-	-	-	-	-	315,103	312,051	315,103	312,051
TOTAL LIABILITIES	22,594,623	21,516,399	13,168,098	12,805,102	3,359,842	3,340,453	5,483,650	5,586,413	44,606,213	43,248,367
EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE SUBSIDIARIES										
Share capital	1,439,365	1,366,371	100,000	99,999	970,001	970,000	(1,848,500)	(1,775,505)	660,866	660,865
Other reserves	869,929	946,854	2,568,975	2,538,767	770,555	596,314	3,561,973	3,276,188	7,771,432	7,358,123
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	24,903,917	23,829,624	15,837,073	15,443,868	5,100,398	4,906,767	7,197,123	7,087,096	53,038,511	51,267,355

* 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.

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A39. The Operations of Islamic Banking Scheme

A39a. Unaudited Income Statements for the Financial Period Ended 30 September 2023

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	2,927,045	2,541,280	8,666,631	6,716,509
Income derived from investment of investment account funds	301,267	275,238	866,090	815,818
Income derived from investment of Islamic Banking Funds	181,992	145,963	553,001	397,761
Allowances for impairment losses on financing and advances, net	(4,198)	(148,751)	(409,294)	(340,224)
Writeback of/(allowances for) impairment losses on financial investments, net	4,029	(1,965)	13,160	(3,803)
Writeback of impairment losses on other financial assets, net	8	2,378	101	3,882
Total distributable income	3,410,143	2,814,143	9,689,689	7,589,943
Profit share income from investment accounts	60,466	37,418	141,967	142,998
Profit distributed to depositors	(1,520,815)	(903,486)	(4,531,957)	(2,309,144)
Profit distributed to investment account holders	(112,359)	(94,333)	(327,147)	(248,439)
Total net income	1,837,435	1,853,742	4,972,552	5,175,358
Finance cost	(141,593)	(109,131)	(420,726)	(310,496)
Overhead expenses	(693,815)	(559,716)	(1,968,369)	(1,511,746)
Profit before taxation and zakat	1,002,027	1,184,895	2,583,457	3,353,116
Taxation	(221,001)	(375,048)	(587,365)	(1,093,079)
Zakat	(12,599)	(4,545)	(42,657)	(33,933)
Profit for the financial period	768,427	805,302	1,953,435	2,226,104

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

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	2,927,045	2,541,280	8,666,631	6,716,509
Income derived from investment of investment account funds	301,267	275,238	866,090	815,818
Income derived from investment of Islamic Banking Funds	181,992	145,963	553,001	397,761
Total income before allowances for impairment losses on financial assets and overhead expenses	3,410,304	2,962,481	10,085,722	7,930,088
Profit share income from investment accounts	60,466	37,418	141,967	142,998
Profit distributed to depositors	(1,520,815)	(903,486)	(4,531,957)	(2,309,144)
Profit distributed to investment account holders	(112,359)	(94,333)	(327,147)	(248,439)
	1,837,596	2,002,080	5,368,585	5,515,503
Finance cost	(141,593)	(109,131)	(420,726)	(310,496)
Net of intercompany income and expenses	241,325	140,340	712,703	369,775
Profit share income from investment accounts funded by the Bank	(60,401)	(37,286)	(141,584)	(142,811)
Income from Islamic Banking Scheme operations reported in the Income Statement of the Group	1,876,927	1,996,003	5,518,978	5,431,971

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39b. Unaudited Statements of Comprehensive Income for the Financial Period Ended 30 September 2023

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Profit for the financial period	768,427	805,302	1,953,435	2,226,104
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net loss on foreign exchange translation	(163)	(269)	(3,376)	(503)
Net gain/(loss) on financial investments at fair value through other comprehensive income	282,064	(111,380)	550,982	(447,304)
- Net gain/(loss) from change in fair value	344,974	(165,949)	703,178	(656,931)
- Changes in expected credit losses	19,884	(194)	16,567	1,286
- Income tax effect	(82,794)	54,763	(168,763)	208,341
	281,901	(111,649)	547,606	(447,807)
Other comprehensive income/(loss) for the financial period, net of tax	281,901	(111,649)	547,606	(447,807)
Total comprehensive income for the financial period	1,050,328	693,653	2,501,041	1,778,297

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39c. Unaudited Statement of Financial Position as at 30 September 2023

<u>Group</u>	Note	30 September 2023 RM'000	31 December 2022 RM'000
ASSETS			
Cash and short-term funds		10,673,064	15,094,889
Deposits and placements with financial institutions		2,205,602	5,329,880
Financial assets purchased under resale agreements		2,180,771	2,121,695
Financial investments at fair value through profit or loss		679,855	309,504
Financial investments at fair value through other comprehensive income		24,300,986	15,645,983
Financial investments at amortised cost		14,000,416	27,461,699
Financing and advances	A39e	220,049,462	214,379,623
Derivative assets		339,854	263,763
Other assets		5,375,664	5,971,596
Statutory deposit with central banks		3,602,581	3,505,736
Property, plant and equipment		241	341
Right-of-use assets		5,026	7,279
Deferred tax assets		110,143	288,433
Total Assets		283,523,665	290,380,421
LIABILITIES			
Customers' funding:			
- Deposits from customers	A39f	200,043,362	209,783,463
- Investment accounts of customers ¹	A39g	25,876,714	25,637,702
Deposits and placements from financial institutions		25,048,777	23,593,505
Obligations on financial assets sold under repurchase agreements		1,742,426	461,081
Bills and acceptances payable		57,148	32,569
Derivative liabilities		296,087	384,674
Other liabilities		1,577,620	3,218,678
Provision for taxation and zakat		69,844	150,781
Term funding	A39h	10,948,778	9,421,202
Subordinated sukuk	A39i	2,025,803	2,021,893
Capital securities	A39j	1,014,215	1,002,347
Total Liabilities		268,700,774	275,707,895
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		11,681,910	11,034,955
Retained profits		1,874,634	2,901,255
Other reserves		1,266,347	736,316
		14,822,891	14,672,526
Total liabilities and Islamic Banking Capital Funds		283,523,665	290,380,421
Restricted investment accounts managed by the Group	A39g	35,913,175	30,552,966
TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE GROUP		319,436,840	320,933,387
COMMITMENTS AND CONTINGENCIES		95,330,238	80,496,780

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A39e.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Period Ended 30 September 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 ¹ RM'000	Distributable Retained Profits RM'000	
At 1 January 2023	11,034,955	904,654	(169,847)	(188)	1,697	2,901,255	14,672,526
Profit for the financial period	-	-	-	-	-	1,953,435	1,953,435
Other comprehensive income/(loss)	-	-	550,982	(3,376)	-	-	547,606
Net loss on foreign exchange translation	-	-	-	(3,376)	-	-	(3,376)
Net gain on financial investments at fair value through other comprehensive income	-	-	550,982	-	-	-	550,982
Total comprehensive income/(loss) for the financial period	-	-	550,982	(3,376)	-	1,953,435	2,501,041
Issue of ordinary shares	646,955	-	-	-	-	-	646,955
Transfer to conventional banking operations	-	-	-	-	-	(199,141)	(199,141)
Transfer from regulatory reserve	-	(17,575)	-	-	-	17,575	-
Dividends paid	-	-	-	-	-	(2,798,490)	(2,798,490)
At 30 September 2023	11,681,910	887,079	381,135	(3,564)	1,697	1,874,634	14,822,891

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

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Period Ended 30 September 2023 (cont'd.)

<u>Group</u>	-----Non-distributable ----->						Total RM'000
	Islamic Banking Funds RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	Equity contribution from the holding Company¹ RM'000	Distributable Retained Profits RM'000	
At 1 January 2022	10,327,374	121,014	77,254	(48)	1,697	3,488,469	14,015,760
Profit for the financial period	-	-	-	-	-	2,226,104	2,226,104
Other comprehensive loss	-	-	(447,304)	(503)	-	-	(447,807)
Net loss on foreign exchange translation	-	-	-	(503)	-	-	(503)
Net loss on financial investments at fair value through other comprehensive income	-	-	(447,304)	-	-	-	(447,304)
Total comprehensive (loss)/income for the financial period	-	-	(447,304)	(503)	-	2,226,104	1,778,297
Issue of ordinary shares	707,581	-	-	-	-	-	707,581
Transfer to regulatory reserve	-	512,698	-	-	-	(512,698)	-
Dividends paid	-	-	-	-	-	(2,841,125)	(2,841,125)
At 30 September 2022	11,034,955	633,712	(370,050)	(551)	1,697	2,360,750	13,660,513

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

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances

<u>Group</u>	30 September 2023 RM'000	31 December 2022 RM'000
Financing and advances*:		
(A) Financing and advances at fair value through other comprehensive income	1,509,290	3,141,460
(B) Financing and advances at amortised cost	279,419,464	280,573,323
	280,928,754	283,714,783
Unearned income	(57,867,253)	(66,345,579)
Gross financing and advances	223,061,501	217,369,204
Allowances for impaired financing and advances:		
- Stage 1 - 12-month ECL	(352,373)	(442,735)
- Stage 2 - Lifetime ECL not credit impaired	(1,275,094)	(1,309,534)
- Stage 3 - Lifetime ECL credit impaired	(1,384,572)	(1,237,312)
Net financing and advances	220,049,462	214,379,623

* As at 30 September 2023, the financing and advances funded by RPSIA amounting to RM28,739.6 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 September 2023 was RM25,876.7 million (31 December 2022: RM25,637.7 million).

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances (cont'd.)

<u>Group</u>	Bai ¹	Murabahah	Musharakah	Al-Ijarah Thumma Al-Bai ("AITAB") ²	Ijarah ³	Others	Total Financing and Advances
As at 30 September 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	6,836,932	-	-	-	-	6,836,932
Term financing							
- Housing financing	11,037,066	94,096,534	1,433,306	-	-	591	106,567,497
- Syndicated financing	-	4,232,855	-	-	-	-	4,232,855
- Hire purchase receivables	-	14,129,426	-	45,826,259	-	-	59,955,685
- Lease receivables	-	-	-	-	2,332,931	-	2,332,931
- Other term financing	4,839,174	78,582,521	424,144	-	-	21,970	83,867,809
Trust receipts	-	230,570	-	-	-	-	230,570
Claims on customers under acceptance credits	-	7,327,194	-	-	-	-	7,327,194
Staff financing	242,913	2,755,756	5,745	139,127	-	44,853	3,188,394
Credit card receivables	-	-	-	-	-	2,018,228	2,018,228
Revolving credit	-	4,326,927	-	-	-	-	4,326,927
Share margin financing	-	41,187	-	-	-	-	41,187
Financing to:							
- Directors of the Bank	-	2,270	-	274	-	1	2,545
	16,119,153	212,562,172	1,863,195	45,965,660	2,332,931	2,085,643	280,928,754
Unearned income							(57,867,253)
Gross financing and advances ⁴							223,061,501
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							(352,373)
- Stage 2 - Lifetime ECL not credit impaired							(1,275,094)
- Stage 3 - Lifetime ECL credit impaired							(1,384,572)
Net financing and advances							220,049,462

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

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

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

⁴ Included in financing and advances are the underlying assets under the IA.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances (cont'd.)

<u>Group</u>	Bai ¹	Murabahah	Musharakah	Al-Ijarah Thumma Al-Bai ("AITAB") ²	Ijarah ³	Others	Total Financing and Advances
As at 31 December 2022	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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
	<u>18,542,380</u>	<u>217,827,066</u>	<u>2,042,391</u>	<u>41,592,857</u>	<u>1,735,870</u>	<u>1,974,219</u>	<u>283,714,783</u>
Unearned income							<u>(66,345,579)</u>
Gross financing and advances ⁴							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							<u>(1,237,312)</u>
Net financing and advances							<u>214,379,623</u>

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

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

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

⁴ Included in financing and advances are the underlying assets under the IA.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances (cont'd.)

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

Group	30 September 2023 RM'000	31 December 2022 RM'000
At 1 January	2,061,080	1,492,756
Newly impaired	1,087,750	1,237,425
Reclassified as non-impaired	(59,552)	(65,139)
Amount recovered	(70,261)	(223,830)
Amount written-off	(499,555)	(380,132)
Gross impaired financing at 30 September 2023/31 December 2022	<u>2,519,462</u>	<u>2,061,080</u>
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,384,572)</u>	<u>(1,237,312)</u>
Net impaired financing at 30 September 2023/31 December 2022	<u>1,134,890</u>	<u>823,768</u>
<u>Calculation of ratio of net impaired financing (excluding financing funded by IA):</u>		
Gross impaired financing at 30 September 2023/31 December 2022	2,391,358	2,001,463
Less: Stage 3 - Lifetime ECL credit impaired	(1,384,572)	(1,237,312)
Net impaired financing at 30 September 2023/31 December 2022	<u>1,006,786</u>	<u>764,151</u>
Gross financing and advances	197,184,787	191,731,502
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	<u>(3,037,517)</u>	<u>(2,996,850)</u>
Net financing and advances	<u>194,147,270</u>	<u>188,734,652</u>
Net impaired financing as a percentage of net financing and advances	<u>0.52%</u>	<u>0.40%</u>

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. 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>	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	7,269	-	-	7,269
Transferred to Stage 2	(2,872)	2,872	-	-
New financial assets originated or purchased	3,557	-	-	3,557
Financial assets derecognised	(2,070)	-	-	(2,070)
Changes in models/risk parameters	690	16,012	-	16,702
Exchange differences	20	-	-	20
At 30 September 2023	6,594	18,884	-	25,478

<u>Group</u>	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	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	7,269	-	-	7,269

At amortised cost

<u>Group</u>	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	442,735	1,309,534	1,237,312	2,989,581
Transferred to Stage 1	110,439	(105,053)	(5,386)	-
Transferred to Stage 2	(29,573)	44,812	(15,239)	-
Transferred to Stage 3	(6,005)	(79,514)	85,519	-
Net remeasurement of allowances	(130,129)	141,066	561,645	572,582
New financial assets originated or purchased	97,431	46,574	-	144,005
Financial assets derecognised	(63,861)	(43,868)	(10,380)	(118,109)
Changes in models/risk parameters	(69,235)	(38,631)	(4,545)	(112,411)
Amount written-off	-	-	(499,555)	(499,555)
Exchange differences	571	174	35,201	35,946
At 30 September 2023	352,373	1,275,094	1,384,572	3,012,039

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances (cont'd.)

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

At amortised cost (cont'd.)

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
	RM'000	RM'000	RM'000	RM'000
As at 31 December 2022				
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	442,735	1,309,534	1,237,312	2,989,581

A39f. Deposits from Customers

Group	30 September 2023	31 December 2022
	RM'000	RM'000
Savings deposits		
Murabahah	27,656,586	27,711,469
Qard	615,192	601,896
	28,271,778	28,313,365
Demand deposits		
Murabahah	40,011,748	37,422,903
Qard	495,770	1,381,375
	40,507,518	38,804,278
Term deposits		
Murabahah	130,607,407	142,073,732
Qard	656,659	592,088
	131,264,066	142,665,820
Total deposits from customers	200,043,362	209,783,463

A39g. Investment Accounts

Group	30 September 2023	31 December 2022
	RM'000	RM'000
Investment accounts of customers		
- Unrestricted investment accounts ¹	25,876,714	25,637,702
Restricted investment accounts managed by the Group ²	35,913,175	30,552,966

The unrestricted investment accounts (net of intercompany balances) as at 30 September 2023 was RM25,110.5 million (31 December 2022: RM24,501.0 million) as reported on the Group's statements of financial position.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39g. Investment Accounts (cont'd.)

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

<u>Group</u>	Unrestricted investment accounts ¹ RM'000	Restricted investment accounts managed by the Group ² RM'000
As at 30 September 2023		
Business enterprises	13,569,861	-
Individuals	10,257,486	-
Government and statutory bodies	328,104	-
Licensed banks	-	35,421,316
Others	1,721,263	491,859
	<u>25,876,714</u>	<u>35,913,175</u>
As at 31 December 2022		
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 ¹ RM'000	Restricted investment accounts managed by the Group ² RM'000
As at 30 September 2023		
- without maturity	22,077,555	-
- with maturity		
Within six months	3,223,507	9,330,771
Six months to one year	560,017	169,393
One year to three years	12,012	5,298,564
Three years to five years	3,623	21,114,447
	<u>3,799,159</u>	<u>35,913,175</u>
Total investment accounts of customers	<u>25,876,714</u>	<u>35,913,175</u>
As at 31 December 2022		
- 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>

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39g. Investment Accounts (cont'd.)

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

<u>Group</u>	Unrestricted investment accounts ¹ RM'000	Restricted investment accounts managed by the Group ² RM'000
As at 30 September 2023		
Retail financing	24,876,714	-
Non-retail financing	1,000,000	28,801,355
Corporate Sukuk	-	7,111,820
	<u>25,876,714</u>	<u>35,913,175</u>
As at 31 December 2022		
Retail financing	23,987,702	-
Non-retail financing	1,650,000	25,955,010
Corporate Sukuk	-	4,597,956
	<u>25,637,702</u>	<u>30,552,966</u>

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

<u>Group</u>	<u>Investment account holder ("IAH")</u>	
	Average profit sharing ratio (%)	Average rate of return (%)
As at 30 September 2023		
Investment accounts of customers		
- Unrestricted investment accounts ¹	38.57	1.60
Restricted investment accounts managed by the Group ²	<u>78.36</u>	<u>4.20</u>
As at 31 December 2022		
Investment accounts of customers		
- Unrestricted investment accounts ¹	32.04	2.58
Restricted investment accounts managed by the Group ²	<u>76.29</u>	<u>4.60</u>

¹ The total funds invested in Multi-Asset Investment Account-i ("MAIA") product was RM121.8 million (31 December 2022: RM122.7 million) of which RM1.5 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 RM120.3 million as at 30 September 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.

² Included in the restricted investment accounts managed by the Group is an arrangement between MIB with the Bank and with the third party where MIB acts as an investment agent to manage and administer the restricted investment accounts amounting to RM35,421.3 million and RM491.9 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.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39h. Term Funding

<u>Group</u>	30 September 2023 RM'000	31 December 2022 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	7,896,707	6,413,953
(ii) Medium Term Notes		
- More than one year	2,025,387	2,003,796
(iii) Term funding		
- More than one year (Note (a))	1,026,684	1,003,453
Total term funding	<u>10,948,778</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.

A39i. Subordinated Sukuk

<u>Group</u>	30 September 2023 RM'000	31 December 2022 RM'000
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2029	1,022,069	1,010,849
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2031	1,003,734	1,011,044
	<u>2,025,803</u>	<u>2,021,893</u>

A39j. Capital Securities

<u>Group</u>	30 September 2023 RM'000	31 December 2022 RM'000
RM1.0 billion 4.76% Additional Tier 1 Sukuk Wakalah	1,014,215	1,002,347

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A40. 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

Group	30 September 2022 RM'000	Effects of MFRS 17 adoption RM'000	30 September 2022 RM'000 Restated
Interest income	15,080,757	(4,220)	15,076,537
Interest expense	(4,765,861)	(9,669)	(4,775,530)
Net interest income	10,314,896	(13,889)	10,301,007
Income from Islamic Banking Scheme operations	5,431,971	-	5,431,971
Insurance/takaful service result	-	171,440	171,440
Net earned insurance premiums	6,883,522	(6,883,522)	-
Other operating income	2,859,387	(61,597)	2,797,790
Total operating income	25,489,776	(6,787,568)	18,702,208
Net insurance/takaful investment/finance result	-	978,608	978,608
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(4,771,776)	4,771,776	-
Net operating income	20,718,000	(1,037,184)	19,680,816
Overhead expenses	(9,399,917)	565,433	(8,834,484)
Operating profit before impairment losses	11,318,083	(471,751)	10,846,332
Allowances for impairment losses on loans, advances, financing and other debts, net	(1,880,560)	71	(1,880,489)
Allowances for impairment losses on financial investments, net	(694,307)	-	(694,307)
Allowances for impairment losses on other financial assets, net	(19,720)	215	(19,505)
Operating profit	8,723,496	(471,465)	8,252,031
Share of profits in associates and joint ventures	122,645	-	122,645
Profit before taxation and zakat	8,846,141	(471,465)	8,374,676
Taxation and zakat	(2,681,075)	19,093	(2,661,982)
Profit for the financial period	6,165,066	(452,372)	5,712,694
Attributable to:			
Equity holders of the Bank	6,067,642	(312,363)	5,755,279
Non-controlling interests	97,424	(140,009)	(42,585)
	6,165,066	(452,372)	5,712,694
Earnings per share attributable to equity holders of the Bank			
Basic/diluted	50.81 sen	(2.62) sen	48.20 sen

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A40. 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.)

<u>Group</u>	30 September 2022 RM'000	Effects of MFRS 17 adoption RM'000	30 September 2022 RM'000 Restated
Profit for the financial period	6,165,066	(452,372)	5,712,694
Other comprehensive loss:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Defined benefit plan actuarial loss	2,731	-	2,731
Income tax effect	(643)	-	(643)
Net loss from change in fair value on equity instruments at fair value through other comprehensive income	(1,710)	-	(1,710)
	378	-	378
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net loss on debt instruments at fair value through other comprehensive income	(3,492,257)	(46,348)	(3,538,605)
- Net loss from change in fair value	(5,314,662)	(46,348)	(5,361,010)
- Changes in expected credit losses	239,346	-	239,346
- Income tax effect	1,583,059	-	1,583,059
Net gain on foreign exchange translation	1,541,387	(3,581)	1,537,806
Cost of hedging for fair value hedge	12,666	-	12,666
Net gain on capital reserve	967	-	967
Share of change in associates' reserve	(217,064)	-	(217,064)
Net insurance finance/investment result	-	(10,326)	(10,326)
	(2,154,301)	(60,255)	(2,214,556)
Other comprehensive loss for the financial period, net of tax	(2,153,923)	(60,255)	(2,214,178)
Total comprehensive income/(loss) for the financial period	4,011,143	(512,627)	3,498,516
Other comprehensive loss for the financial period, attributable to:			
Equity holders of the Bank	(2,085,926)	(41,605)	(2,127,531)
Non-controlling interests	(67,997)	(18,650)	(86,647)
	(2,153,923)	(60,255)	(2,214,178)
Total comprehensive income/(loss) for the financial period, attributable to:			
Equity holders of the Bank	3,981,716	(353,968)	3,627,748
Non-controlling interests	29,427	(158,659)	(129,232)
	4,011,143	(512,627)	3,498,516

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A40. 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
ASSETS						
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
TOTAL ASSETS	888,172,393	(2,681,141)	885,491,252	947,812,835	(2,836,493)	944,976,342

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A40. 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.)

Group (cont'd.)	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
LIABILITIES						
Customers' funding:						
- Deposits from customers	588,967,633	-	588,967,633	614,895,094	-	614,895,094
- Investment accounts of customers ¹	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
TOTAL LIABILITIES	799,619,972	(3,188,490)	796,431,482	858,895,695	(3,049,954)	855,845,741
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK						
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
	85,811,422	350,325	86,161,747	85,957,034	147,395	86,104,429
Non-controlling interests	2,740,999	157,024	2,898,023	2,960,106	66,066	3,026,172
	88,552,421	507,349	89,059,770	88,917,140	213,461	89,130,601
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	888,172,393	(2,681,141)	885,491,252	947,812,835	(2,836,493)	944,976,342

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

B1. Performance Review

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

The Group posted profit after tax and zakat attributable to equity holders of RM6,962.0 million for nine-month financial period ended 30 September 2023, an increase of RM1,206.7 million or 21.0% as compared to the previous corresponding nine-month financial period ended 30 September 2022.

The Group's net interest income and Islamic Banking income for the nine-month financial period ended 30 September 2023 decreased by RM611.1 million or 3.9% to RM15,121.9 million as compared to the previous corresponding nine-month financial period ended 30 September 2022.

The Group's insurance/takaful service result increased by RM94.9 million or 55.4% to RM266.3 million for nine-month financial period ended 30 September 2023 as compared to the previous corresponding nine-month financial period ended 30 September 2022.

Other operating income of the Group for the nine-month financial period ended 30 September 2023 was RM6,090.2 million, an increase of RM3,292.4 million or 117.7% from RM2,797.8 million in the previous corresponding nine-month financial period ended 30 September 2022. The increase was mainly due to unrealised mark-to-market gain on financial assets designated upon initial recognition at FVTPL of RM363.2 million for the nine-month financial period ended 30 September 2023 as compared to unrealised mark-to-market loss of RM874.3 million for the previous corresponding nine-month financial period ended 30 September 2022, higher foreign exchange gain of RM1,230.0 million, unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM167.3 million for the nine-month financial period ended 30 September 2023 as compared to unrealised mark-to-market loss of RM851.4 million for the previous corresponding nine-month financial period ended 30 September 2022, net investment income of RM244.0 million for the nine-month financial period ended 30 September 2023 as compared to net investment loss of RM542.3 million for the previous corresponding nine-month financial period ended 30 September 2022, higher fee income of RM114.9 million and lower unrealised mark-to-market loss on revaluation of derivatives of RM49.3 million. The increases were, however, offset by lower unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM896.0 million and lower realised gain on derivatives of RM267.8 million.

The Group's overhead expenses for the nine-month financial period ended 30 September 2023 recorded an increase of RM935.3 million or 10.6% to RM9,769.8 million as compared to the previous corresponding nine-month financial period ended 30 September 2022. The increase in overhead expenses was mainly due to higher personnel expenses of RM557.5 million, higher administration and general expenses of RM234.7 million and higher establishment costs of RM146.3 million. The increases were, however, mitigated by lower marketing expenses of RM3.2 million.

The Group's net allowances for impairment losses on loans, advances, financing and other debts decreased by RM518.5 million or 27.6% to RM1,362.0 million as compared to the previous corresponding nine-month financial period ended 30 September 2022.

The Group's recorded net writeback of impairment losses on financial investments for the nine-month financial period ended 30 September 2023 of RM182.8 million against net allowances of RM694.3 million for the nine-month financial period ended 30 September 2022.

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B1. Performance Review (cont'd.)

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

The Group's profit before taxation and zakat the nine-month financial period ended 30 September 2023 compared to the previous corresponding nine-month financial period ended 30 September 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 RM888.2 million or 17.9% to RM4,082.1 million for the financial period ended 30 September 2023 from RM4,970.3 million for the previous corresponding financial period ended 30 September 2022. The decrease was mainly due to higher net allowances for impairment losses on loans, advances, financing and other debts of RM1,031.8 million and higher overhead expenses of RM844.3 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM809.1 million and higher other operating income of RM176.3 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation and zakat increased by RM1,140.5 million or 33.9% to RM4,503.6 million for the financial period ended 30 September 2023 from RM3,363.1 million for the previous corresponding financial period ended 30 September 2022. The increase was mainly due to lower net allowance of impairment losses on loans, advances, financing and other debts of RM1,551.2 million, net writeback for impairment losses on financial investments and other financial asset of RM32.4 million from net allowance of RM601.6 million and higher share of profits in associates and joint ventures of RM51.7 million. The increases were, however, offset by lower net interest income and income from IBS operations of RM472.6 million, lower other operating income of RM496.2 million and higher overhead expenses of RM127.5 million.

b) Group Investment Banking

Group Investment Banking's profit before taxation and zakat decreased by RM51.2 million or 32.7% to RM105.4 million for the financial period ended 30 September 2023 from RM156.6 million for the previous corresponding financial period ended 30 September 2022. The decrease was mainly due to lower other operating income of RM92.8 million and net allowances for impairment losses on loans, advances, financing and other debts of RM9.2 million from net writeback of RM2.7 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM28.9 million, lower overhead expenses of RM19.0 million and higher share of profit in associates and joint ventures of RM1.2 million.

c) Group Asset Management

Group Asset Management recorded profit before taxation and zakat of RM6.3 million for the financial period ended 30 September 2023 from loss before taxation and zakat of RM19.4 million for the previous corresponding financial period ended 30 September 2022. The profit was mainly due to lower overhead expenses of RM29.0 million, higher net interest income and income from IBS operations of RM1.5 million. These were, however, offset by lower other operating income of RM4.8 million.

Group Insurance and Takaful

Group Insurance and Takaful recorded profit before taxation and zakat of RM639.8 million for the financial period ended 30 September 2023 from loss before taxation and zakat of RM217.8 million for the previous corresponding financial period ended 30 September 2022. The profit was mainly contributed by other operating income of RM447.9 million from other operating expenses of RM1,890.4 million, net writeback of impairment losses on financial investments and other financial assets of RM115.8 million from net allowances of RM111.3 million, higher net interest income of RM204.5 million and higher Insurance/takaful service result of RM161.2 million. These were, however, offset by lower net insurance/takaful investment/finance result of RM2,072.9 million and higher overhead of RM11.7 million.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter

The Group posted profit after tax and zakat attributable to equity holders of RM2,358.1 million for the quarter ended 30 September 2023, an increase of RM258.1 million or 12.3% as compared to the previous period corresponding quarter ended 30 September 2022.

The Group's net interest income and Islamic Banking income for the quarter ended 30 September 2023 decreased by RM415.4 million or 7.6% to RM5,043.9 million as compared to the previous period corresponding quarter ended 30 September 2022.

The Group's insurance/takaful service result for the quarter ended 30 September 2023 was reported at a net income of RM54.2 million as compared to net expense of RM20.5 million for the quarter ended 30 September 2022.

The Group's other operating income increased by RM384.3 million to RM1,865.0 million for the quarter ended 30 September 2023 as compared to the previous period corresponding quarter ended 30 September 2022. The increase was mainly due to higher unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM752.5 million, higher foreign exchange gain of RM217.6 million, net investment income of RM80.9 million for the quarter ended 30 September 2023 as compared to net investment loss of RM339.7 million for the previous period corresponding quarter ended 30 September 2022, higher fee income of RM168.7 million, higher unrealised mark-to-market gain on revaluation of financial investment at FVTPL of RM114.5 million and higher realised gain on derivatives of RM57.0 million. The increases were, however, mitigated by higher unrealised mark-to-market loss on revaluation of derivatives of RM1,363.7 million.

The Group's overhead expenses for the quarter ended 30 September 2023 recorded an increase of RM86.7 million or 2.7% to RM3,792.2 million as compared to the previous period corresponding quarter ended 30 September 2022. The increase in overhead expenses was mainly due to higher administration and general expenses of RM75.5 million, higher personnel expenses of RM50.4 million and higher establishment costs of RM24.6 million. The increases were, however, mitigated by lower marketing expenses of RM63.8 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM159.3 million or 26.6% to RM440.2 million as compared to the previous period corresponding quarter ended 30 September 2022.

The Group's recorded writeback of impairment losses on financial investments for the quarter ended 30 September 2023 of RM104.1 million against net allowances of RM245.8 million for the quarter ended 30 September 2022.

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B1. Performance Review (cont'd.)

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

The Group's profit before taxation and zakat for the quarter ended 30 September 2023 compared to the previous period corresponding quarter ended 30 September 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 RM85.2 million or 6.0% to RM1,342.0 million for the quarter ended 30 September 2023 from RM1,427.2 million for the previous period corresponding quarter ended 30 September 2022. The decrease was mainly due to higher net allowances for impairment losses on loans, advances, financing and other debts of RM447.8 million and higher overhead expenses of RM79.5 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM258.3 million and lower other operating income of RM181.5 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets's profit before taxation and zakat increased by RM364.9 million to RM1,791.2 million for the quarter ended 30 September 2023 from RM1,426.3 million for the previous period corresponding quarter ended 30 September 2022. The increase was mainly due to net writeback of impairment losses on loans, advances, financing and other debts of RM262.1 million from net allowances of RM344.5 million, net writeback of impairment losses on financial investments and other financial assets of RM11.7 million from net allowance of RM247.0 million and higher share of profits in associates and joint ventures of RM10.4 million. The increases were, however, offset by lower other operating income of RM373.6 million, lower net interest income and income from IBS operations of RM128.0 million and higher overhead expenses of RM9.1 million.

b) Group Investment Banking

Group Investment Banking's profit before taxation and zakat increased by RM20.2 million to RM38.1 million for the quarter ended 30 September 2023 from RM17.9 million for the previous period corresponding quarter ended 30 September 2022. The increase was mainly due to higher net interest income and income from IBS operations of RM23.6 million, lower overhead expenses by RM12.5 million and net writeback of impairment losses on financial investments and other financial assets of RM0.7 million from net allowance of RM1.1 million and higher share of profit in associates and joint ventures of RM3.9 million. The increases were, however, offset by lower other operating income of RM17.3 million and net allowances for impairment losses on loans, advances, financing and other debts of RM3.4 million from net writeback of RM0.9 million.

c) Group Asset Management

Group Asset Management's profit before taxation and zakat decreased by RM2.4 million to RM1.2 million for the quarter ended 30 September 2023 from RM3.6 million for the previous period corresponding quarter ended 30 September 2022. The decrease was mainly due to lower other operating income of RM3.9 million. There decrease was, however, mitigated by lower overhead expenses of RM1.1 million and higher net interest income and income from IBS operations of RM0.4 million.

Group Insurance and Takaful

Group Insurance and Takaful recorded profit before taxation and zakat of RM156.5 million for the quarter ended 30 September 2023 from loss before taxation and zakat of RM42.3 million for the previous period corresponding quarter ended 30 September 2022. The profit was mainly due to lower other operating expenses of RM354.1 million, higher Insurance/takaful service result of RM123.7 million, higher net writeback of impairment losses on financial investments and other financial assets of RM78.5 million, higher net interest income of RM64.4 million and net writeback of impairment losses on loans, advances, financing and other debts of RM4.5 million from net allowance of RM0.4 million. These were, however, offset by lower net insurance/takaful investment/finance result of RM415.1 million and higher overhead expenses of RM11.8 million.

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B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax and zakat attributable to equity holders for the quarter ended 30 September 2023 increased by RM19.5 million to RM2,358.1 million against the preceding quarter ended 30 June 2023 of RM2,338.6 million.

The Group's net interest income and income from Islamic Banking Scheme operations for the quarter ended 30 September 2023 decreased by RM14.5 million to RM5,043.9 million against the preceding quarter ended 30 June 2023 of RM5,058.4 million.

The Group's insurance/takaful service result for the quarter ended 30 September 2023 decreased by RM165.9 million or 75.4% to RM54.2 million as compared to the previous period corresponding quarter ended 30 June 2023.

Other operating income of the Group for the quarter ended 30 September 2023 decreased by RM640.8 million to RM1,865.0 million as compared to RM2,505.8 million in the preceding quarter ended 30 June 2023. The decrease was mainly due to higher unrealised mark-to-market loss on revaluation of derivatives of RM1,753.3 million and loss on financial assets designated upon initial recognition at FVTPL of RM157.5 million for the quarter ended 30 June 2023 as compared to gain of RM85.8 million for the quarter ended 30 September 2023. The decreases were, however, offset by higher unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM767.4 million, higher foreign exchange gain of RM204.9 million, realised gain on derivatives of RM108.5 million for the quarter ended 30 September 2023 as compared to realised loss of RM35.0 million in the preceding quarter ended 30 June 2023, higher fee income of RM127.1 million and unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM117.8 million for the quarter ended 30 September 2023 as compared to mark-to-market loss of RM4.9 million in the preceding quarter ended 30 June 2023.

The Group posted a decreased of RM123.2 million in overhead expenses to RM3,297.2 million for the quarter ended 30 September 2023 as compared to RM3,420.4 million in the preceding quarter ended 30 June 2023. The decrease in overhead expenses was mainly due to lower personnel expenses of RM124.0 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts for the quarter ended 30 September 2023 decreased by RM121.4 million or 21.6% to RM440.2 million as compared to the preceding quarter ended 30 June 2023.

The Group's writeback of impairment losses on financial investments for the quarter ended 30 September 2023 increased by RM101.2 million as compared to the preceding quarter ended 30 June 2023.

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B3. Prospects

Global economic growth is forecast to moderate slightly to 3.3% in 2023 (2022: 3.5%) reflecting the impact of interest rate hikes by central banks globally and China's modest economic recovery amid a real estate downturn. Notwithstanding this, the ASEAN-6 economies are expected to grow at 4.1% in 2023 supported by growth in the services sector on the back of the recovery in tourism and robust foreign direct investments (FDI). Most ASEAN countries are poised for stronger growth in 2024 in anticipation of an electronics sector cycle upturn and interest rate cuts in the second half of 2024 by central banks as inflationary pressures ease.

Malaysia's economy is estimated to grow at 3.9% in 2023 (2022: 8.7%) driven by continuing recovery in the tourism sector, trade diversion and FDI relocation in response to US-China geopolitical risks. Growth is further supported by investment, the technology sector and policy support for the green energy transition sector and electric vehicle ecosystem. However, exports are anticipated to be negatively impacted by softer external demand. Bank Negara Malaysia is expected to maintain the Overnight Policy Rate at 3.00% for the remainder of 2023 after the cumulative +125bps increase in the policy rate between May 2022 and May 2023.

Singapore's GDP is forecast to grow at a slower pace of 0.8% in 2023 (2022: 3.6%) with a resilient services sector expected to offset the weaker manufacturing sector. Core inflation is estimated to taper to about 3% by year-end given declining import prices and moderating inflation in the services sector. The Monetary Authority of Singapore maintained its current exchange rate appreciation stance at the recent October policy meeting.

Indonesia's GDP growth is projected to remain stable at 5.0% in 2023 (2022: 5.3%) backed by steady domestic demand and potential upside from election-related spending towards year-end. Core inflation continued to ease despite an uptick in headline inflation amidst higher food costs. Bank Indonesia recently increased its policy rate by 25 basis points to 6.0% in October to stabilise the rupiah in response to financial market volatility.

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 especially to SME customers, as needed. To date, the expiry of repayment assistance programmes have not led to any material 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 period ended 30 September 2023.

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B5. Taxation and Zakat

The analysis of the tax expense for the financial period ended 30 September 2023 are as follows:

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000 Restated	30 September 2023 RM'000	30 September 2022 RM'000 Restated
Malaysian income tax	691,856	1,163,635	2,033,002	2,660,023
Foreign income tax	140,218	187,064	512,634	565,625
Less: Double taxation relief	(66,971)	(85,528)	(224,070)	(268,333)
	765,103	1,265,171	2,321,566	2,957,315
Under/(over) provision in respect of prior period:				
Malaysian income tax	3,034	(41,772)	3,140	(28,958)
Foreign income tax	117	(17,063)	12,639	(20,855)
	768,254	1,206,336	2,337,345	2,907,502
Deferred tax				
- Relating to origination and reversal of temporary differences	(37,329)	(191,845)	46,672	(291,970)
Tax expense for the financial period	730,925	1,014,491	2,384,017	2,615,532
Zakat	18,875	10,874	61,380	46,450
	749,800	1,025,365	2,445,397	2,661,982

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

<u>Bank</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Malaysian income tax	422,771	681,190	1,145,535	1,327,214
Foreign income tax	68,537	85,527	228,474	271,770
Less: Double taxation relief	(66,971)	(85,528)	(224,070)	(268,333)
	424,337	681,189	1,149,939	1,330,651
Under/(over) provision in respect of prior period:				
Malaysian income tax	23,150	(20,864)	23,150	(20,864)
Foreign income tax	-	3,801	-	-
	447,487	664,126	1,173,089	1,309,787
Deferred tax				
- Relating to origination and reversal of temporary differences	(69,637)	(211,891)	359	(120,369)
Tax expense for the financial period	377,850	452,235	1,173,448	1,189,418
Zakat	269	-	269	-
Tax expense for the financial period	378,119	452,235	1,173,717	1,189,418

The Bank's effective tax rate for the financial period ended 30 September 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.

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B6. Status of Corporate Proposals Announced but Not Completed

As announced on the Bursa Malaysia's website on 19 October 2023, the Bank had on the same day entered into a conditional share sale agreement with Permodalan Nasional Berhad ("PNB") in relation to the proposed acquisition of 8,336,404 ordinary shares in Maybank Asset Management Group Berhad ("MAMG"), representing 20% of the total issued share capital of MAMG for a cash consideration of RM70,391,800 pursuant to the exercise of the put option granted by the Bank to PNB. The proposed acquisition is expected to be completed by the fourth quarter of 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 A39g.

B9. Derivative Financial Instruments

Please refer to Note A36.

B10. Changes in Material Litigation

There is no material litigation during the financial period ended 30 September 2023.

B11. Dividend

No interim dividend has been recommended during the financial period ended 30 September 2023.

B12. Earnings Per Share ("EPS")

Basic EPS

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023	30 September 2022 Restated	30 September 2023	30 September 2022 Restated
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	2,358,063	2,100,047	6,962,023	5,755,279
Weighted average number of ordinary shares in issue ('000)	12,054,127	11,884,750	12,054,806	11,941,592
Basic earnings per share	19.56 sen	17.67 sen	57.75 sen	48.20 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
22 November 2023