

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

CONDENSED FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

<u>Group</u>	Note	Unaudited		Audited	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		RM'000	RM'000	RM'000	RM'000
			Restated		Restated
Interest income	A20	8,146,503	6,532,390	30,230,550	21,608,927
Interest expense	A21	(4,963,535)	(3,017,812)	(17,439,028)	(7,793,342)
Net interest income		3,182,968	3,514,578	12,791,522	13,815,585
Income from Islamic Banking Scheme operations	A40a	2,058,217	1,981,895	7,577,195	7,413,866
Insurance/takaful service result	A22	283,777	40,252	550,098	211,692
Other operating income	A24	1,903,569	1,805,381	7,988,177	4,603,171
Total operating income		7,428,531	7,342,106	28,906,992	26,044,314
Net insurance/takaful investment/finance result	A25	(451,601)	(530,644)	(1,545,851)	447,964
Net operating income		6,976,930	6,811,462	27,361,141	26,492,278
Overhead expenses	A26	(3,619,025)	(3,139,708)	(13,388,800)	(11,974,192)
Operating profit before impairment losses		3,357,905	3,671,754	13,972,341	14,518,086
Allowances for impairment losses on loans, advances, financing and other debts, net	A27	(464,217)	(302,246)	(1,826,212)	(2,182,735)
(Allowances for)/writeback of impairment losses on financial investments, net	A28	(2,234)	170,923	180,563	(523,384)
Allowances for impairment losses on other financial assets and interest in associates, net	A29	(5,078)	(51,602)	(35,416)	(71,107)
Operating profit		2,886,376	3,488,829	12,291,276	11,740,860
Share of profits in associates and joint ventures		63,222	8,205	240,325	130,850
Profit before taxation and zakat		2,949,598	3,497,034	12,531,601	11,871,710
Taxation and zakat	B5	(471,342)	(1,234,152)	(2,916,739)	(3,896,134)
Profit for the financial period/year		2,478,256	2,262,882	9,614,862	7,975,576
Attributable to:					
Equity holders of the Bank		2,387,757	2,205,247	9,349,780	7,960,526
Non-controlling interests		90,499	57,635	265,082	15,050
		2,478,256	2,262,882	9,614,862	7,975,576
Earnings per share attributable to equity holders of the Bank					
Basic/diluted	B12	19.80 sen	18.29 sen	77.55 sen	66.51 sen

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

MALAYAN BANKING BERHAD
(Co. Reg. No.: 196001000142)
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CONDENSED FINANCIAL STATEMENTS
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

<u>Group</u>	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Profit for the financial period/year	2,478,256	2,262,882	9,614,862	7,975,576
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial gain	22,085	37,942	26,677	40,673
Income tax effect	(4,376)	(7,842)	(4,276)	(8,485)
Net gain from change in fair value on equity instruments at fair value through other comprehensive income	20,517	19,730	32,941	18,020
	38,226	49,830	55,342	50,208
<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	1,906,281	569,545	5,136,454	(2,969,060)
- Net gain/(loss) from change in fair value	2,391,066	1,680,217	6,526,707	(3,680,793)
- Changes in expected credit losses	16,782	(324,366)	57,082	(85,020)
- Income tax effect	(501,567)	(786,306)	(1,447,335)	796,753
Net (loss)/gain on foreign exchange translation	(174,340)	(884,331)	2,013,920	653,475
Cost of hedging for fair value hedge	(6,023)	37,033	(15,764)	49,699
Net gain on capital reserve	351	173	264	1,140
Net (loss)/gain on revaluation reserve	(8)	(443)	472	(443)
Share of change in associates' reserve	16,368	(74,191)	(292,686)	(291,255)
Net insurance finance/investment result	(316,848)	185,223	(269,167)	174,897
	1,425,781	(166,991)	6,573,493	(2,381,547)
Other comprehensive income/(loss) for the financial period/year, net of tax	1,464,007	(117,161)	6,628,835	(2,331,339)
Total comprehensive income for the financial period/year	3,942,263	2,145,721	16,243,697	5,644,237
Other comprehensive income/(loss) for the financial period/year, attributable to:				
Equity holders of the Bank	1,519,610	(420,936)	6,598,415	(2,548,467)
Non-controlling interests	(55,603)	303,775	30,420	217,128
	1,464,007	(117,161)	6,628,835	(2,331,339)
Total comprehensive income for the financial period/year, attributable to:				
Equity holders of the Bank	3,907,367	1,784,311	15,948,195	5,412,059
Non-controlling interests	34,896	361,410	295,502	232,178
	3,942,263	2,145,721	16,243,697	5,644,237

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CONDENSED FINANCIAL STATEMENTS
INCOME STATEMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

Bank	Note	Unaudited		Audited	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		RM'000	RM'000	RM'000	RM'000
Interest income	A20	5,697,838	4,567,492	21,179,981	14,589,344
Interest expense	A21	(3,916,131)	(2,514,330)	(13,926,842)	(6,207,624)
Net interest income		1,781,707	2,053,162	7,253,139	8,381,720
Dividends from subsidiaries and associates	A23	91,903	72,428	3,534,284	3,498,845
Other operating income	A24	1,259,239	894,582	5,846,934	4,329,736
		1,351,142	967,010	9,381,218	7,828,581
Net operating income		3,132,849	3,020,172	16,634,357	16,210,301
Overhead expenses	A26	(1,721,998)	(1,638,453)	(6,296,175)	(5,752,055)
Operating profit before impairment losses		1,410,851	1,381,719	10,338,182	10,458,246
Writeback of/(allowances for) impairment losses on loans, advances, financing and other debts, net	A27	95,731	50,151	(571,491)	(1,895,560)
(Allowances for)/writeback of impairment losses on financial investments, net	A28	(4,927)	139,303	(6,310)	97,193
Writeback of/(allowances for) impairment losses on other financial assets, net	A29	2,067	(3,862)	1,491	(20,514)
Profit before taxation and zakat		1,503,722	1,567,311	9,761,872	8,639,365
Taxation and zakat	B5	(315,362)	(479,028)	(1,489,079)	(1,668,446)
Profit for the financial period/year		1,188,360	1,088,283	8,272,793	6,970,919

(These audited 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
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2023

<u>Bank</u>	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2023 RM'000	31 December 2022 RM'000	Cumulative 12 Months Ended 31 December 2023 RM'000	31 December 2022 RM'000
Profit for the financial period/year	1,188,360	1,088,283	8,272,793	6,970,919
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net gain from change in fair value on equity instruments at fair value through other comprehensive income	270	20,104	24,944	21,725
<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	999,530	150,175	3,561,658	(2,132,250)
- Net gain/(loss) from change in fair value	1,287,915	1,027,058	4,585,541	(2,641,961)
- Changes in expected credit losses	20,720	(297,891)	51,779	(74,295)
- Income tax effect	(309,105)	(578,992)	(1,075,662)	584,006
Net gain/(loss) on foreign exchange translation	39,993	(810)	567,790	490,458
Cost of hedging for fair value hedge	(6,023)	37,033	(15,764)	49,699
	1,033,500	186,398	4,113,684	(1,592,093)
Other comprehensive income/(loss) for the financial period/year, net of tax	1,033,770	206,502	4,138,628	(1,570,368)
Total comprehensive income for the financial period/year	2,222,130	1,294,785	12,411,421	5,400,551

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group		Bank	
		31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
ASSETS					
Cash and short-term funds		28,904,035	37,573,869	20,060,300	29,590,431
Deposits and placements with financial institutions		13,471,607	16,095,978	27,639,111	28,358,259
Financial assets purchased under resale agreements		17,344,364	14,968,762	15,680,716	14,330,476
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	13,378,789	12,822,800	-	-
Financial investments at fair value through profit or loss	A10(ii)	35,970,200	25,143,208	21,757,370	13,978,475
Financial investments at fair value through other comprehensive income	A10(iii)	132,182,135	121,366,990	73,299,044	73,551,480
Financial investments at amortised cost	A10(iv)	84,384,398	71,756,942	65,738,592	46,234,128
Loans, advances and financing to financial institutions	A11(i)	1,499,258	1,361,712	43,303,631	31,304,965
Loans, advances and financing to customers	A11(ii)	628,922,780	573,765,662	235,022,856	213,831,963
Derivative assets	A36	21,647,554	24,686,755	21,476,761	24,293,832
Insurance contract/takaful certificate assets	A12(i)	123,204	76,787	-	-
Reinsurance contract/retakaful certificate assets	A12(ii)	5,698,832	7,576,222	-	-
Other assets	A13	12,665,956	11,452,663	6,258,105	7,229,657
Investment properties		1,019,958	988,895	-	-
Statutory deposits with central banks		15,739,735	13,777,324	4,691,146	2,728,211
Investment in subsidiaries		-	-	34,486,241	33,860,627
Interest in associates and joint ventures		2,105,534	2,207,244	438,859	438,859
Property, plant and equipment		2,309,246	2,142,065	868,825	869,693
Right-of-use assets		1,636,137	1,176,776	519,635	550,311
Intangible assets		7,361,911	6,747,125	543,296	425,796
Deferred tax assets		1,308,986	2,442,304	83,505	1,099,262
TOTAL ASSETS		1,027,674,619	948,130,083	571,867,993	522,676,425
LIABILITIES					
Customers' funding:					
- Deposits from customers	A14	670,359,336	614,895,094	299,676,139	274,854,161
- Investment accounts of customers ¹	A40g	26,475,396	24,500,981	-	-
Deposits and placements from financial institutions	A15	44,676,892	51,893,780	58,221,783	66,794,444
Obligations on financial assets sold under repurchase agreements		38,072,708	15,585,836	57,152,843	26,290,296
Derivative liabilities	A36	25,082,955	27,874,325	24,554,173	27,190,450
Financial liabilities at fair value through profit or loss	A16	8,766,563	8,317,084	8,766,563	8,317,084
Bills and acceptances payable		1,133,170	1,810,954	442,847	1,212,731
Insurance contract/takaful certificate liabilities	A12(i)	44,497,551	42,497,471	-	-
Reinsurance contract/retakaful certificate liabilities	A12(ii)	83,001	749,188	-	-
Other liabilities	A18	25,940,928	25,946,083	9,178,066	9,801,242
Provision for taxation and zakat		239,389	372,376	-	-
Deferred tax liabilities		685,646	271,612	-	-
Borrowings	A17(i)	31,037,570	31,736,007	22,785,069	22,486,167
Subordinated obligations	A17(ii)	10,145,549	10,238,389	9,831,248	9,830,233
Capital securities	A17(iii)	2,829,802	2,828,817	2,829,802	2,828,817
TOTAL LIABILITIES		930,026,456	859,517,997	493,438,533	449,605,625

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

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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group		Bank	
		31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 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		(1,203)	(198)	(1,203)	(198)
Retained profits		31,672,801	29,450,452	15,822,764	14,936,379
Reserves		8,296,423	1,676,585	7,934,303	3,515,275
		94,641,617	85,746,183	78,429,460	73,070,800
Non-controlling interests		3,006,546	2,865,903	-	-
		97,648,163	88,612,086	78,429,460	73,070,800
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		1,027,674,619	948,130,083	571,867,993	522,676,425
COMMITMENTS AND CONTINGENCIES					
	A34	1,855,617,668	1,526,306,198	1,742,985,421	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		16.191%	15.669%	15.701%	15.264%
Tier 1 Capital Ratio		16.845%	16.376%	16.417%	16.045%
Total Capital Ratio		19.404%	19.080%	18.844%	18.635%
Net assets per share attributable to equity holders of the Bank					
		RM7.85	RM7.11	RM6.50	RM6.06

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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 ¹	Retained Profits RM'000 ²	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 A41)	-	-	-	-	9,112	(28,945)	-	63,991	(255,009)	(210,851)	(94,203)	(305,054)
At 1 January 2023, as restated	54,619,344	(198)	429,303	2,465,059	(1,621,607)	470,324	89,687	(156,181)	29,450,452	85,746,183	2,865,903	88,612,086
Profit for the financial year	-	-	-	-	-	-	-	-	9,349,780	9,349,780	265,082	9,614,862
Other comprehensive income	-	-	-	-	5,065,432	1,712,844	-	(179,861)	-	6,598,415	30,420	6,628,835
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	20,979	-	20,979	1,422	22,401
Share of associates' reserve	-	-	-	-	14,793	(307,479)	-	-	-	(292,686)	-	(292,686)
Net gain on foreign exchange translation	-	-	-	-	-	2,020,323	-	-	-	2,020,323	(6,403)	2,013,920
Net gain on financial investments at fair value through other comprehensive income	-	-	-	-	5,050,639	-	-	-	-	5,050,639	118,756	5,169,395
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	(15,764)	-	(15,764)	-	(15,764)
Net gain on capital reserve	-	-	-	-	-	-	-	250	-	250	14	264
Net gain on revaluation reserve	-	-	-	-	-	-	-	467	-	467	5	472
Net insurance finance/investment result	-	-	-	-	-	-	-	(185,793)	-	(185,793)	(83,374)	(269,167)
Total comprehensive income for the financial year	-	-	-	-	5,065,432	1,712,844	-	(179,861)	9,349,780	15,948,195	295,502	16,243,697
Carried forward	54,619,344	(198)	429,303	2,465,059	3,443,825	2,183,168	89,687	(336,042)	38,800,232	101,694,378	3,161,405	104,855,783

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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

<u>Group (cont'd.)</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	1 Other Reserves RM'000	2 Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	54,619,344	(198)	429,303	2,465,059	3,443,825	2,183,168	89,687	(336,042)	38,800,232	101,694,378	3,161,405	104,855,783
Net loss on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	5,670	-	-	-	(5,670)	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	54,310	-	4,864	59,174	-	59,174
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	-	237	237
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(16,655)	(16,655)
Transfer to statutory reserve	-	-	6,557	-	-	-	-	-	(6,557)	-	-	-
Transfer to regulatory reserve	-	-	-	8,133	-	-	-	-	(8,133)	-	-	-
Issue of shares pursuant to Maybank Group ESGP (Note A8(i)(a))	54,252	(1,005)	-	-	-	-	(53,247)	-	-	-	-	-
Dividends paid (Note A9)	-	-	-	-	-	-	-	-	(7,111,935)	(7,111,935)	(138,441)	(7,250,376)
Total transactions with shareholders/ other equity movements	54,252	(1,005)	6,557	8,133	5,670	-	1,063	-	(7,127,431)	(7,052,761)	(154,859)	(7,207,620)
At 31 December 2023	54,673,596	(1,203)	435,860	2,473,192	3,449,495	2,183,168	90,750	(336,042)	31,672,801	94,641,617	3,006,546	97,648,163

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 RM806.7 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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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 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 A41)	-	-	-	-	4,229	(596)	-	(56,775)	19,414	(33,728)	(14,003)	(47,731)
At 1 January 2022, as restated	53,156,473	(1,274)	332,372	1,315,261	1,238,934	350,681	94,006	(357,899)	29,649,140	85,777,694	2,726,996	88,504,690
Profit for the financial year	-	-	-	-	-	-	-	-	7,960,526	7,960,526	15,050	7,975,576
Other comprehensive (loss)/income	-	-	-	-	(2,869,828)	119,643	-	201,718	-	(2,548,467)	217,128	(2,331,339)
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	30,611	-	30,611	1,577	32,188
Share of associates' reserve	-	-	-	-	54,419	(345,674)	-	-	-	(291,255)	-	(291,255)
Net gain on foreign exchange translation	-	-	-	-	-	465,317	-	-	-	465,317	188,158	653,475
Net loss on financial investments at fair value												
through other comprehensive income	-	-	-	-	(2,924,247)	-	-	-	-	(2,924,247)	(26,793)	(2,951,040)
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	49,699	-	49,699	-	49,699
Net gain on capital reserve	-	-	-	-	-	-	-	1,085	-	1,085	55	1,140
Net insurance finance/investment result	-	-	-	-	-	-	-	120,766	-	120,766	54,131	174,897
Net loss on revaluation reserve	-	-	-	-	-	-	-	(443)	-	(443)	-	(443)
Total comprehensive (loss)/income for the financial year	-	-	-	-	(2,869,828)	119,643	-	201,718	7,960,526	5,412,059	232,178	5,644,237
Carried forward	53,156,473	(1,274)	332,372	1,315,261	(1,630,894)	470,324	94,006	(156,181)	37,609,666	91,189,753	2,959,174	94,148,927

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AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
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<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

<u>Group (cont'd.)</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	1 Other Reserves RM'000	2 Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	53,156,473	(1,274)	332,372	1,315,261	(1,630,894)	470,324	94,006	(156,181)	37,609,666	91,189,753	2,959,174	94,148,927
Net loss on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	9,287	-	-	-	(9,287)	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	51,208	-	17,326	68,534	-	68,534
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	(5,379)	(5,379)	(765)	(6,144)
Transfer to statutory reserve	-	-	96,931	-	-	-	-	-	(96,931)	-	-	-
Transfer to regulatory reserve	-	-	-	1,149,798	-	-	-	-	(1,149,798)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	1,408,424	(4)	-	-	-	-	-	-	-	1,408,420	-	1,408,420
Issue of shares pursuant to Maybank Group ESGP	54,447	1,080	-	-	-	-	(55,527)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(6,915,145)	(6,915,145)	(92,506)	(7,007,651)
Total transactions with shareholders/ other equity movements	1,462,871	1,076	96,931	1,149,798	9,287	-	(4,319)	-	(8,159,214)	(5,443,570)	(93,271)	(5,536,841)
At 31 December 2022, as restated	54,619,344	(198)	429,303	2,465,059	(1,621,607)	470,324	89,687	(156,181)	29,450,452	85,746,183	2,865,903	88,612,086

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 RM810.7 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 audited 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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AUDITED STATEMENT OF CHANGES IN EQUITY
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	Attributable to equity holders of the Bank									
	Non-Distributable									
Bank	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 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 year	-	-	-	-	-	-	-	-	8,272,793	8,272,793
Other comprehensive income/(loss)	-	-	-	-	3,586,602	567,790	-	(15,764)	-	4,138,628
Net gain on foreign exchange translation	-	-	-	-	-	567,790	-	-	-	567,790
Net gain on financial investments at fair value through other comprehensive income	-	-	-	-	3,586,602	-	-	-	-	3,586,602
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	(15,764)	-	(15,764)
Total comprehensive income/(loss) for the financial year	-	-	-	-	3,586,602	567,790	-	(15,764)	8,272,793	12,411,421
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") (Note A8(i)(a))	-	-	-	-	-	-	54,310	-	4,864	59,174
Transfer to statutory reserve	-	-	6,337	-	-	-	-	-	(6,337)	-
Transfer to regulatory reserve	-	-	-	280,523	-	-	-	-	(280,523)	-
Issue of shares pursuant to Maybank Group ESGP	54,252	(1,005)	-	-	-	-	(53,247)	-	-	-
Dividends paid (Notes A9(a) & (b))	-	-	-	-	-	-	-	-	(7,111,935)	(7,111,935)
Total transactions with shareholders/ other equity movements	54,252	(1,005)	6,337	280,523	(7,523)	-	1,063	-	(7,386,408)	(7,052,761)
At 31 December 2023	54,673,596	(1,203)	85,340	1,829,556	2,398,837	3,488,890	90,750	40,930	15,822,764	78,429,460

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	Attributable to equity holders of the Bank									
	Non-Distributable									
<u>Bank</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
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 year	-	-	-	-	-	-	-	-	6,970,919	6,970,919
Other comprehensive (loss)/income	-	-	-	-	(2,110,525)	490,458	-	49,699	-	(1,570,368)
Net gain on foreign exchange translation	-	-	-	-	-	490,458	-	-	-	490,458
Net loss on financial investments at fair value through other comprehensive income	-	-	-	-	(2,110,525)	-	-	-	-	(2,110,525)
Cost of hedging for fair value hedge	-	-	-	-	-	-	-	49,699	-	49,699
Total comprehensive (loss)/income for the financial year	-	-	-	-	(2,110,525)	490,458	-	49,699	6,970,919	5,400,551
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	-	51,208	-	17,326	68,534
Transfer to statutory reserve	-	-	4,307	-	-	-	-	-	(4,307)	-
Transfer to regulatory reserve	-	-	-	368,832	-	-	-	-	(368,832)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	1,408,424	(4)	-	-	-	-	-	-	-	1,408,420
Issue of shares pursuant to Maybank Group ESGP	54,447	1,080	-	-	-	-	(55,527)	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(6,915,145)	(6,915,145)
Total transactions with shareholders/ other equity movements	1,462,871	1,076	4,307	368,832	-	-	(4,319)	-	(7,270,958)	(5,438,191)
At 31 December 2022	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

(These audited 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
AUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	12,531,601	11,871,710	9,761,872	8,639,365
Adjustments for:				
Share of profits in associates and joint ventures	(240,325)	(130,850)	-	-
Depreciation of property, plant and equipment	322,496	297,091	77,957	77,836
Depreciation of right-of-use assets	577,684	511,365	116,644	115,958
Amortisation of intangible assets	251,126	270,960	69,697	73,519
Gain on disposal of property, plant and equipment	(4,134)	(3,999)	(773)	(1,015)
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	-	-	(4,264)	-
Net loss on dilution of interest in associate	-	1,752	-	-
Net (gain)/loss on disposal of financial assets at fair value through profit or loss	(117,713)	617,074	(323,577)	59,077
Net (gain)/loss on disposal of financial investments at fair value through other comprehensive income	(372,443)	197,213	(508,349)	(32,567)
Net (gain)/loss on redemption of financial investments at amortised cost	(5)	1,159	(5)	1,159
Unrealised (gain)/loss on revaluation of financial assets at fair value through profit or loss and derivatives	(679,195)	3,620,817	423,884	2,840,354
Unrealised gain on revaluation of financial liabilities at fair value through profit or loss	(1,045,215)	(3,550,781)	(1,045,215)	(3,550,781)
Allowances for impairment losses on loans, advances and financing, net	2,464,186	2,735,231	901,065	2,256,059
Allowances for/(writeback of) impairment losses on other debts (Writeback of)/allowances for impairment losses on financial investments, net	19,289	10,886	3,510	(697)
Allowances for/(writeback of) impairment losses on other financial assets, interest in associates, net	(180,563)	523,384	6,310	(97,193)
Dividend income	35,416	71,107	(1,491)	20,514
ESGP expenses	(210,095)	(186,561)	(3,539,712)	(3,505,286)
Other adjustments for non-operating and non-cash items	93,811	87,616	39,667	44,662
Other adjustments for non-operating and non-cash items	189,240	292,543	(268,555)	(102,444)
Operating profit before working capital changes	13,635,171	17,237,717	5,657,959	6,838,520
Change in cash and short-term funds with original maturity of more than three months	225,964	4,123,799	2,261,241	2,001,790
Change in deposits and placements with financial institutions with original maturity of more than three months	1,319,692	(1,313,737)	(910,371)	5,350,628
Change in financial investments portfolio	(26,750,586)	(13,236,713)	(21,149,476)	(9,644,529)
Change in loans, advances and financing	(43,044,117)	(33,753,755)	(27,901,422)	(6,463,445)
Change in insurance/reinsurance contract/takaful/retakaful certificate assets	1,814,519	(465,608)	-	-
Change in statutory deposits with central banks	(1,961,589)	(6,264,872)	(1,962,936)	(1,032,733)
Change in deposits from customers	45,170,303	24,685,310	21,216,904	(1,951,116)
Change in investment accounts of customers	1,974,415	(4,219,818)	-	-
Change in deposits and placements from financial institutions	(7,216,888)	15,310,707	(8,572,662)	25,226,934
Change in financial liabilities at fair value through profit or loss	113,356	170,018	113,356	170,018
Change in insurance/reinsurance contract/takaful/retakaful certificate liabilities	2,083,082	308,543	-	-
Change in other operating activities	17,800,314	10,631,946	30,004,564	(2,133,079)
Cash generated from/(used in) operations	5,163,636	13,213,537	(1,242,843)	18,362,988
Taxes and zakat paid	(3,368,687)	(4,305,846)	(1,671,405)	(1,931,270)
Net cash generated from/(used in) operating activities	1,794,949	8,907,691	(2,914,248)	16,431,718

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AUDITED STATEMENTS OF CASH FLOWS
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	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Cash flows from investing activities				
Dividends received from:				
- financial investments portfolio	210,095	186,561	5,428	6,441
- subsidiaries	-	-	3,533,548	3,498,346
- associate	-	-	736	499
Purchase of property, plant and equipment	(435,688)	(305,251)	(62,295)	(50,223)
Purchase of intangible assets	(465,863)	(345,500)	(187,529)	(95,153)
Purchase of investment properties	(856)	(609)	-	-
Purchase of additional ordinary shares in existing subsidiaries	-	-	(627,962)	(653,040)
Proceeds from disposal of property, plant and equipment	16,883	7,412	886	1,271
Proceeds from disposal of investment properties	-	137	-	-
Proceeds from partial disposal of a deemed controlled structured entity	-	-	27,545	-
Purchase of shares in deemed controlled structured entities	-	-	(20,934)	-
Net effect arising from transaction with non-controlling interests	(16,423)	(6,144)	-	-
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	(691,852)	(463,394)	2,720,129	2,706,327
Cash flows from financing activities				
Proceeds from issuance of shares	-	1,408,420	-	1,408,420
Repayment of borrowings, net	(3,538,674)	(3,930,539)	(1,998,447)	(5,797,913)
Redemption of subordinated obligations	(93,390)	-	-	-
Repayment of lease liabilities	(657,114)	(494,739)	(109,858)	(99,629)
Dividends paid	(7,111,935)	(6,915,145)	(7,111,935)	(6,915,145)
Dividends paid to non-controlling interests	(138,441)	(92,506)	-	-
Net cash used in financing activities	(11,539,554)	(10,024,509)	(9,220,240)	(11,404,267)
Net (decrease)/increase in cash and cash equivalents	(10,436,457)	(1,580,212)	(9,414,359)	7,733,778
Cash and cash equivalents at beginning of the financial year	50,830,482	51,882,143	43,210,287	35,122,120
Effects of foreign exchange rate changes	707,429	528,551	513,987	354,389
Cash and cash equivalents at end of the financial year	41,101,454	50,830,482	34,309,915	43,210,287
Cash and cash equivalents comprise:				
Cash and short-term funds	28,940,553	37,590,175	20,067,341	29,596,878
Deposits and placements with financial institutions	13,478,320	16,103,382	27,641,936	28,363,641
	42,418,873	53,693,557	47,709,277	57,960,519
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(1,317,419)	(2,863,075)	(13,399,362)	(14,750,232)
Cash and cash equivalents at end of the financial year	41,101,454	50,830,482	34,309,915	43,210,287

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

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

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

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

The material 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 new 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*
- Amendments to MFRS 112 *Income Taxes - International Tax Reform - Pillar Two Model Rules*

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

MFRS 17 *Insurance Contracts*

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

(i) Changes to classification and measurement

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

MFRS 17 requires the Group to:

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

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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.

Amendments to MFRS 112 *Income Taxes - International Tax Reform - Pillar Two Model Rules*

An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective, as this helps users of financial statements understand the relative level of those taxes.

The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the Amendments.

The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023. The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in United Kingdom and Vietnam effective 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

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A1. Basis of Preparation (cont'd.)

Standards and annual improvements to standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 <i>Leases - Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 10 <i>Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 7 <i>Financial Instruments: Disclosures - Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 107 <i>Statement of Cash Flows: Disclosures - Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 101 <i>Presentation of Financial Statements - Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025

Amendments to MFRS 16 Leases - Lease Liability in Sale and Leaseback

The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

The amendment applies retrospectively to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. The amendments are not expected to have material impact on the Group's and the Bank's financial statements.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

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

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

Amendments to MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

The disclosure requirements in the amendments enhance the current requirements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. As a result, supplier finance arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the original payment due dates.

Different terms are used to describe these arrangements, such as supply chain finance, payables finance and reverse factoring arrangements. Arrangements that are solely credit enhancements for the entity, for example, financial guarantees including letters of credit used as guarantees, are not supplier finance arrangements. Similarly, instruments used to settle the amounts owed directly with a supplier, for example, credit cards, are not supplier finance arrangements.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The amendments are not expected to have a significant impact on the preparation of the Group's and the Bank's financial statements.

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A1. Basis of Preparation (cont'd.)

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

Amendments to MFRS 107 *Statement of Cash Flows: Disclosures - Supplier Finance Arrangements*

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including:

- Terms and conditions;
- As at the beginning and end of the reporting period:
 - (a) The carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented;
 - (b) The carrying amounts of financial liabilities and the line items, for which the finance providers have already settled the corresponding trade payables; and
 - (c) The range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements payables.
- The type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed. The amendments are not expected to have a significant impact on the preparation of the Group's and the Bank's financial statements.

Amendments to MFRS 101 *Presentation of Financial Statements - Non-current Liabilities with Covenants*

The amendments clarify the following:

- Right to defer settlement;
- Expected deferrals;
- Settlement by way of own equity instruments; and
- Disclosures.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024 and will need to be applied retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a significant impact on the preparation of the Group's and the Bank's financial statements.

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted, in which case, an entity is required to disclose that fact. The amendments are not expected to have a significant impact on the preparation of the Group's and the Bank's financial statements.

A2. 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 material accounting policies adopted in preparing these audited condensed interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 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.

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A3. Significant Accounting Estimates and Judgements

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

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

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 year ended 31 December 2023.

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

During the fourth quarter and 12 months financial year ended 31 December 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 fourth quarter and 12 months financial year ended 31 December 2023.

A8. Changes in Debt and Equity Securities

(i) The following are the changes in debt and equity securities for the Group and the Bank during the fourth quarter and 12 months financial year ended 31 December 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 31 December 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 31 December 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
RM	Zero Coupon Notes	51.0
Redemption of medium term notes		
USD	Fixed Rate Notes	40.0
USD	Floating Rate Notes	812.0
CNY	Fixed Rate Notes	785.0
HKD	Fixed Rate Notes	1,121.0
JPY	Fixed Rate Notes (Samurai Bonds)	46,700.0

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

- (i) The following are the changes in debt and equity securities for the Group and the Bank during the fourth quarter and 12 months financial year ended 31 December 2023 (cont'd.).

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

Redemption of structured notes by the Bank

Currency	Description	Aggregate Nominal Value (in million)
Redemption of structured notes		
AUD	Collared Floating Rate Notes	39.0

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	1,760,300.0

Issuance of commercial papers by the Bank

The aggregate nominal value of the commercial papers issued by the Bank and outstanding as at 31 December 2023 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
RM	Zero Coupon Notes	283.2
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 31 December 2023 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
USD	Zero Coupon Notes	489.2

(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 and equity securities for the Group and the Bank subsequent to the fourth quarter and 12 months financial year ended 31 December 2023 and have not been reflected in the financial statements for the fourth quarter and 12 months financial year ended 31 December 2023:

(a) **Share capital**

The share capital of the Bank increased from RM54,673,595,825 as at 31 December 2023 to RM54,736,195,010 as at 28 February 2024 via issuance of 6,715,600 new ordinary shares amounting to RM62,599,185 arising from the ESGP.

The issued ordinary shares of the Bank as at 28 February 2024 is 12,066,952,192 units.

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

- (ii) The following are the changes in debt and equity securities for the Group and the Bank subsequent to the fourth quarter and 12 months financial year ended 31 December 2023 and have not been reflected in the financial statements for the fourth quarter and 12 months financial year ended 31 December 2023 (cont'd.):

(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	381.0
JPY	Fixed Rate Notes	10,000.0
Redemption of medium term notes		
HKD	Fixed Rate Notes	1,923.0

(c) **Subordinated Obligations**

Issuance of RM3.0 billion Tier 2 Subordinated Sukuk Murabahah pursuant to the RM30.0 billion Sukuk Programme of the Bank

Issuance	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	31 January 2029	31 January 2034	RM3.0 billion	Tier 2 Subordinated Sukuk (10 non-call 5)	10 years

Redemption of RM2.0 billion Tier 2 Subordinated Sukuk Murabahah pursuant to the RM30.0 billion Sukuk Programme of the Bank

Redemption	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Redemption	31 January 2024	31 January 2029	RM2.0 billion	Tier 2 Subordinated Sukuk (10 non-call 5)	10 years

A9. Dividends Paid

Dividends paid during the 12 months financial year ended 31 December 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 ended 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 RM138,441,000 during the 12 months financial year ended 31 December 2023.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	13,378,789	12,822,800	-	-
Financial investments at fair value through profit or loss	(ii)	35,970,200	25,143,208	21,757,370	13,978,475
Financial investments at fair value through other comprehensive income	(iii)	132,182,135	121,366,990	73,299,044	73,551,480
Financial investments at amortised cost	(iv)	84,384,398	71,756,942	65,738,592	46,234,128
		265,915,522	231,089,940	160,795,006	133,764,083

Included in notes (iii) and (iv) are the impact of the Group Investment Management Framework ("GIMF") implementation during the financial year ended 31 December 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	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	468,209	407,092	-	-
Malaysian Government Investment Issues	625,884	468,099	-	-
	1,094,093	875,191	-	-
Quoted securities:				
In Malaysia:				
Unit trusts	-	3,932	-	-
Outside Malaysia:				
Shares, warrants and loan stocks	18,681	18,790	-	-
	18,681	22,722	-	-
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	12,140,994	11,764,213	-	-
Outside Malaysia:				
Corporate Bonds and Sukuk	125,021	160,674	-	-
	12,266,015	11,924,887	-	-
Total financial assets designated upon initial recognition at FVTPL	13,378,789	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	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	5,405,233	1,563,979	5,351,438	1,523,469
Malaysian Government Investment Issues	2,001,611	317,298	1,449,436	275,496
Cagamas Bonds	541,463	-	511,453	-
Negotiable instruments of deposits	69,421	-	69,421	-
Foreign Government Securities	3,954,819	4,631,204	3,569,035	4,493,485
Malaysian Government Treasury Bills	2,319,432	1,648,435	2,319,432	1,648,435
Bank Negara Malaysia Bills and Notes	2,489,316	241,757	1,776,025	241,757
	16,781,295	8,402,673	15,046,240	8,182,642
Quoted securities:				
In Malaysia:				
Shares, warrants, mutual funds and loan stocks	2,672,515	2,910,063	-	-
Unit trusts	355,016	328,970	251,960	240,453
Outside Malaysia:				
Shares, warrants, mutual funds and loan stocks	3,414,933	4,255,594	52,120	66
Unit trusts	1,660,089	1,273,604	308,358	274,087
Corporate Bonds and Sukuk	2,047,106	1,236,259	-	-
Government Bonds	732,563	57,922	-	-
Government Treasury Bills	17,400	-	-	-
	10,899,622	10,062,412	612,438	514,606
Unquoted securities:				
In Malaysia:				
Shares	944,476	972,960	733,325	715,908
Unit trusts	298,063	29,003	-	-
Corporate Bonds and Sukuk	1,697,639	1,768,316	805,919	1,079,658
Structured deposits	338,217	155,582	-	-
Outside Malaysia:				
Shares	228,461	369	-	-
Mutual funds	172,378	92,814	-	-
Corporate Bonds and Sukuk	1,068,532	2,906,292	1,017,931	2,732,874
Government Bonds	3,541,517	752,787	3,541,517	752,787
	8,289,283	6,678,123	6,098,692	5,281,227
Total financial investments at FVTPL	35,970,200	25,143,208	21,757,370	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	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	18,809,979	11,745,562	18,436,336	11,327,132
Malaysian Government Investment Issues	29,692,062	21,835,585	12,358,476	8,531,351
Negotiable instruments of deposits	201,101	4,991	200,235	-
Foreign Government Securities	10,626,667	19,531,047	2,407,191	9,125,421
Foreign Government Treasury Bills	12,660,065	4,778,217	6,311,237	2,155,557
Khazanah Bonds	73,615	55,874	73,615	55,874
Cagamas Bonds	749,857	166,245	749,857	166,245
Bank Negara Malaysia Monetary Notes	584,212	-	-	-
	73,397,558	58,117,521	40,536,947	31,361,580
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	390,574	194,460	340	18,029
Outside Malaysia:				
Corporate Bonds and Sukuk	4,399,518	4,445,570	-	-
Government Bonds	2,209,428	2,375,552	-	-
Government Treasury Bills	-	177,957	-	-
	6,999,520	7,193,539	340	18,029
Unquoted securities:				
In Malaysia:				
Shares and loan stocks	364,956	353,597	351,603	341,113
Government Bonds	1,247,216	1,343,430	1,109,549	1,343,430
Corporate Bonds and Sukuk	35,975,696	27,063,652	18,714,681	15,286,933
Outside Malaysia:				
Shares	4,034	3,806	-	-
Government Bonds	6,739,684	15,704,130	6,571,006	15,118,709
Corporate Bonds and Sukuk	7,453,471	11,587,315	6,014,918	10,081,686
	51,785,057	56,055,930	32,761,757	42,171,871
Total financial investments at FVOCI	132,182,135	121,366,990	73,299,044	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 31 December 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	29,462	8,344	149,600	187,406
Transferred to Stage 1	1,924	(1,924)	-	-
Net remeasurement of allowances	92	95	(89,399)	(89,212)
New financial assets originated or purchased	13,212	-	-	13,212
Financial assets derecognised	(13,088)	(1,543)	(39,741)	(54,372)
Changes in models/risk parameters	(2,313)	1,331	-	(982)
Amount related to insurance/takaful contract liabilities	-	-	118,617	118,617
Amount written-off	-	-	(1,359)	(1,359)
Exchange differences	2,103	-	-	2,103
At 31 December 2023	31,392	6,303	137,718	175,413

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	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Bank				
As at 31 December 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	16,928	3,210	139,919	160,057
Net remeasurement of allowances	(157)	-	(954)	(1,111)
New financial assets originated or purchased	4,786	-	-	4,786
Financial assets derecognised	(9,798)	(105)	-	(9,903)
Changes in models/risk parameters	(1,171)	1,331	-	160
Exchange differences	350	-	-	350
At 31 December 2023	10,938	4,436	138,965	154,339
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Bank				
As at 31 December 2022	RM'000	RM'000	RM'000	RM'000
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	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Money market instruments:				
Malaysian Government Securities	9,240,445	12,357,726	9,240,344	12,357,624
Malaysian Government Investment Issues	14,493,705	24,691,751	5,233,632	9,254,337
Foreign Government Securities	16,768,560	3,488,456	8,946,525	270,289
Khazanah Bonds	630,931	592,145	68,921	46,262
Cagamas Bonds	136,805	175,710	136,805	50,242
	<u>41,270,446</u>	<u>41,305,788</u>	<u>23,626,227</u>	<u>21,978,754</u>
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	24,785,943	28,496,001	23,273,917	21,158,007
Government Bonds	200,404	-	200,404	-
Outside Malaysia:				
Corporate Bonds and Sukuk	5,663,081	1,208,594	6,191,246	2,270,632
Government Bonds	13,666,390	2,244,819	12,478,409	846,006
	<u>44,315,818</u>	<u>31,949,414</u>	<u>42,143,976</u>	<u>24,274,645</u>
Allowances for impairment losses	(1,201,866)	(1,498,260)	(31,611)	(19,271)
Total financial investments at amortised cost	<u>84,384,398</u>	<u>71,756,942</u>	<u>65,738,592</u>	<u>46,234,128</u>

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Group				
As at 31 December 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 3	-	(850)	850	-
Net remeasurement of allowances	3,388	-	(54,004)	(50,616)
New financial assets originated or purchased	19,807	-	-	19,807
Financial assets derecognised	(10,963)	(2,878)	-	(13,841)
Changes in models/risk parameters	(4,559)	-	-	(4,559)
Amount written-off	-	-	(247,491)	(247,491)
Exchange differences	306	-	-	306
At 31 December 2023	<u>68,754</u>	<u>73</u>	<u>1,133,039</u>	<u>1,201,866</u>

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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 31 December 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	19,271	-	-	19,271
Net remeasurement of allowances	600	-	-	600
New financial assets originated or purchased	18,862	-	-	18,862
Financial assets derecognised	(4,853)	-	-	(4,853)
Changes in models/risk parameters	(2,231)	-	-	(2,231)
Exchange differences	(38)	-	-	(38)
At 31 December 2023	31,611	-	-	31,611

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	
		31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Loans, advances and financing to financial institutions	(i)	1,499,258	1,361,712	43,303,631	31,304,965
Loans, advances and financing to customers	(ii)	628,922,780	573,765,662	235,022,856	213,831,963
		630,422,038	575,127,374	278,326,487	245,136,928
(i) Loans, advances and financing to financial institutions[^]:					
(A) Loans, advances and financing to financial institutions at amortised cost		1,372,207	1,250,070	44,342,852	32,798,507
(B) Loans, advances and financing to financial institutions at fair value through other comprehensive income		132,174	117,597	352,956	440,406
Gross loans, advances and financing to financial institutions		1,504,381	1,367,667	44,695,808	33,238,913
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(5,028)	(5,868)	(50,031)	(18,972)
- Stage 2 - Lifetime ECL not credit impaired		(95)	(87)	(25,895)	(1,228)
- Stage 3 - Lifetime ECL credit impaired		-	-	(1,316,251)	(1,913,748)
Net loans, advances and financing to financial institutions		1,499,258	1,361,712	43,303,631	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		34,842,043	29,898,744	34,958,823	26,414,713
(C) Loans, advances and financing to customers at amortised cost		682,843,947	633,498,288	205,706,643	194,236,286
		717,685,990	663,398,700	240,665,466	220,652,667
Unearned interest and income		(78,440,090)	(77,911,147)	(917,416)	(808,629)
Gross loans, advances and financing to customers		639,245,900	585,487,553	239,748,050	219,844,038
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(2,013,466)	(1,993,859)	(858,429)	(883,584)
- Stage 2 - Lifetime ECL not credit impaired		(3,286,344)	(3,329,902)	(1,175,253)	(1,343,859)
- Stage 3 - Lifetime ECL credit impaired		(5,023,310)	(6,398,130)	(2,691,512)	(3,784,632)
Net loans, advances and financing to customers		628,922,780	573,765,662	235,022,856	213,831,963
Net loans, advances and financing	(i) & (ii)	630,422,038	575,127,374	278,326,487	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 RM1,034.6 million (31 December 2022: RM1,003.5 million), and under the Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM42,262.4 million net of expected credit losses (31 December 2022: RM30,138.8 million). The RPSIA is a contract based on the Mudharabah principle between two parties financing where the Bank acts as the investor who provides capital to MIB whereas the business venture is managed by MIB as an entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Bank.

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

(iii) Loans, advances and financing to financial institutions and customers

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Loans/financing to financial institutions	1,504,381	1,367,667	44,695,808	33,238,913
Overdrafts/cashline	19,086,958	17,756,331	6,142,133	5,834,436
Term loans/financing:				
- Housing loans/financing	204,566,719	193,701,007	46,599,582	46,344,789
- Syndicated loans/financing	56,586,238	56,349,988	50,071,390	46,756,972
- Hire purchase receivables	93,278,871	83,038,247	10,051,872	9,846,496
- Lease receivables	3,048,741	2,034,794	-	-
- Other loans/financing	224,604,083	205,459,633	63,247,517	54,836,583
Credit card receivables	12,216,174	10,517,219	7,846,099	6,872,769
Bills receivables	8,939,669	5,969,774	8,465,842	5,370,263
Trust receipts	2,897,149	4,345,917	2,179,805	3,660,378
Claims on customers under				
acceptance credits	13,866,982	11,452,266	5,845,369	5,065,436
Revolving credits	66,883,953	62,208,363	37,151,752	33,162,108
Share margin financing	2,588,945	6,531,112	2,535,980	2,361,531
Staff loans/financing	4,250,060	3,961,950	527,204	538,960
Loans/financing to:				
- Directors of the Bank	1,426	5,101	757	1,770
- Directors of subsidiaries	6,419	6,761	158	175
Others	4,863,603	60,237	6	1
	719,190,371	664,766,367	285,361,274	253,891,580
Unearned interest and income	(78,440,090)	(77,911,147)	(917,416)	(808,629)
Gross loans, advances and financing	640,750,281	586,855,220	284,443,858	253,082,951
Allowances for loans, advances and financing:				
- Stage 1 - 12-month ECL	(2,018,494)	(1,999,727)	(908,460)	(902,556)
- Stage 2 - Lifetime ECL not credit impaired	(3,286,439)	(3,329,989)	(1,201,148)	(1,345,087)
- Stage 3 - Lifetime ECL credit impaired	(5,023,310)	(6,398,130)	(4,007,763)	(5,698,380)
Net loans, advances and financing	630,422,038	575,127,374	278,326,487	245,136,928

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

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Domestic banking institutions	1,936,376	1,343,013	44,895,540	33,092,908
Domestic non-banking financial institutions	28,438,368	19,762,607	21,697,893	13,139,759
Domestic business enterprises:				
- Small and medium enterprises	95,692,357	71,922,930	31,802,434	24,495,849
- Others	119,948,579	127,808,720	71,021,372	72,728,290
Government and statutory bodies	18,668,275	16,583,958	47,854	60,405
Individuals	311,404,258	292,847,650	65,459,149	64,927,922
Other domestic entities	16,580,453	13,368,408	5,168,962	4,688,532
Foreign entities	48,081,615	43,217,934	44,350,654	39,949,286
Gross loans, advances and financing	640,750,281	586,855,220	284,443,858	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	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Malaysia	387,070,037	363,997,090	168,713,780	155,189,402
Singapore	167,118,630	144,695,517	78,023,289	62,449,296
Indonesia	35,809,516	31,670,365	-	-
Labuan Offshore	11,312,953	10,259,682	11,312,490	10,259,682
Hong Kong SAR	17,169,558	17,324,297	16,935,600	16,999,129
United States of America	401,172	493,813	401,172	493,813
People's Republic of China	6,323,762	4,892,403	6,323,762	4,892,403
Vietnam	1,709,873	1,636,999	899,830	1,152,433
United Kingdom	1,315,898	1,052,385	1,315,898	1,052,385
Brunei	476,830	487,659	476,830	487,659
Cambodia	5,382,759	4,541,390	-	-
Philippines	4,678,247	3,748,979	-	-
Thailand	1,939,839	1,947,892	-	-
Laos	19,133	36,921	19,133	36,921
Myanmar	22,074	69,828	22,074	69,828
Gross loans, advances and financing	640,750,281	586,855,220	284,443,858	253,082,951

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

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Fixed rate:				
- Housing loans/financing	28,152,220	26,736,931	345,189	401,843
- Hire purchase receivables	68,998,472	61,128,825	8,230,306	8,209,430
- Other fixed rate loans/financing	78,044,012	74,352,501	70,873,544	56,183,519
Variable rate:				
- Base lending/financing rate/ base rate plus	236,863,933	223,618,388	76,517,396	75,825,992
- Cost plus	38,582,121	39,087,461	17,502,736	20,938,621
- Other variable rates	190,109,523	161,931,114	110,974,687	91,523,546
Gross loans, advances and financing	640,750,281	586,855,220	284,443,858	253,082,951

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

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Purchase of securities	35,622,067	38,039,719	6,931,578	6,952,551
Purchase of transport vehicles	82,872,161	74,233,906	7,498,923	7,663,122
Purchase of landed properties:				
- Residential	180,220,553	164,810,326	47,158,664	46,115,807
- Non-residential	45,488,021	41,281,360	14,781,507	14,971,398
Purchase of fixed assets (excluding landed properties)	3,174,980	3,204,664	1,985,747	2,141,348
Personal use	9,551,966	9,075,444	3,297,102	3,557,514
Credit card	12,305,245	10,610,731	7,853,489	6,893,291
Purchase of consumer durables	2,880	5,637	2,296	5,162
Constructions	15,332,454	14,689,441	8,198,816	7,716,731
Mergers and acquisitions	3,806,916	2,722,043	3,375,707	2,249,790
Working capital	204,515,329	191,823,359	144,112,471	125,137,198
Others	47,857,709	36,358,590	39,247,558	29,679,039
Gross loans, advances and financing	640,750,281	586,855,220	284,443,858	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	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Within one year	150,427,836	129,182,634	88,494,729	79,080,550
One year to three years	71,513,116	62,679,135	51,543,347	40,540,022
Three years to five years	78,540,208	78,094,060	45,669,527	43,925,512
After five years	340,269,121	316,899,391	98,736,255	89,536,867
Gross loans, advances and financing	640,750,281	586,855,220	284,443,858	253,082,951

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

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 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 year	4,594,744	4,310,636	1,526,746	2,001,356
Reclassified as non-impaired	(408,463)	(792,624)	(193,962)	(433,128)
Amount recovered	(965,745)	(2,817,825)	(357,461)	(1,867,027)
Amount written-off	(4,169,692)	(3,078,763)	(2,864,849)	(2,130,955)
Exchange differences	344,722	539,902	131,868	531,154
Gross impaired loans at 31 December 2023/ 31 December 2022	8,600,425	9,204,859	6,447,445	8,205,103
Less: Stage 3 - Lifetime ECL credit impaired	(5,246,751)	(6,590,207)	(4,231,204)	(5,890,457)
Net impaired loans at 31 December 2023/ 31 December 2022	3,353,674	2,614,652	2,216,241	2,314,646

Calculation of ratio of net impaired loans:

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Gross impaired loans at 31 December 2023/ 31 December 2022 (excluding financing funded by Investment Account*)	8,473,279	9,145,242	6,447,445	8,205,103
Less: Stage 3 - Lifetime ECL credit impaired	(5,246,751)	(6,590,207)	(4,231,204)	(5,890,457)
Net impaired loans	3,226,528	2,555,035	2,216,241	2,314,646
Gross loans, advances and financing	640,750,281	586,855,220	284,443,858	253,082,951
Less: Funded by Investment Account*	(26,475,396)	(24,500,981)	-	-
Less: Allowances for loans, advances and financing at fair value through other comprehensive income and at amortised cost	(10,741,188)	(12,071,716)	(6,511,469)	(8,282,624)
Net loans, advances and financing	603,533,697	550,282,523	277,932,389	244,800,327
Ratio of net impaired loans	0.53%	0.46%	0.80%	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 31 December 2023 was RM26,475.4 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	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Purchase of securities	104,353	52,985	29,641	6,792
Purchase of transport vehicles	419,866	291,952	75,051	51,381
Purchase of landed properties:				
- Residential	1,108,275	751,425	435,907	216,693
- Non-residential	780,449	509,803	213,098	198,830
Purchase of fixed assets (excluding landed properties)	144,698	67,961	70,278	43,646
Personal use	492,184	134,571	61,769	83,441
Credit card	88,498	75,784	50,626	39,515
Purchase of consumer durables	756	3,370	755	3,368
Constructions	655,059	639,312	192,168	366,362
Working capital	4,356,969	6,489,133	4,946,284	7,048,421
Others	449,318	188,563	371,868	146,654
Gross impaired loans, advances and financing	8,600,425	9,204,859	6,447,445	8,205,103

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

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Malaysia	4,708,598	5,030,783	5,172,202	6,072,338
Singapore	1,342,265	823,840	603,677	476,616
Indonesia	1,376,549	1,314,119	-	-
Labuan Offshore	327,803	11,079	327,803	11,079
Hong Kong SAR	108,703	1,535,103	108,703	1,535,103
People's Republic of China	181,183	60,218	181,183	60,218
Vietnam	35,628	16,637	34,276	16,580
Brunei	15,088	19,781	15,088	19,781
Cambodia	221,331	110,249	-	-
Philippines	242,320	236,939	-	-
Thailand	36,444	32,723	-	-
Laos	735	7,986	735	7,986
Myanmar	3,778	5,402	3,778	5,402
Gross impaired loans, advances and financing	8,600,425	9,204,859	6,447,445	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 31 December 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	(7,514)	7,514	-	-
Transferred to Stage 3	-	(1,019)	1,019	-
Net remeasurement of allowances	(3,110)	(6,765)	28,167	18,292
New financial assets originated or purchased	75,311	-	-	75,311
Financial assets derecognised	(40,197)	(96)	-	(40,293)
Changes in models/risk parameters	7,326	(1,696)	-	5,630
Exchange differences	6,721	1,236	2,178	10,135
At 31 December 2023	161,078	28,426	223,441	412,945
	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 31 December 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	(4,328)	4,328	-	-
Transferred to Stage 3	-	(1,019)	1,019	-
Net remeasurement of allowances	(3,109)	(16,968)	28,167	8,090
New financial assets originated or purchased	73,484	-	-	73,484
Financial assets derecognised	(38,861)	(96)	-	(38,957)
Changes in models/risk parameters	6,453	(1,696)	-	4,757
Exchange differences	6,705	1,240	2,178	10,123
At 31 December 2023	155,617	15,040	223,441	394,098

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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 31 December 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023				
- as previously stated	2,006,303	3,329,989	6,398,130	11,734,422
- effects of adopting MFRS 17	(6,576)	-	-	(6,576)
At 1 January 2023, as restated	<u>1,999,727</u>	<u>3,329,989</u>	<u>6,398,130</u>	<u>11,727,846</u>
Transferred to Stage 1	316,521	(291,986)	(24,535)	-
Transferred to Stage 2	(100,733)	184,545	(83,812)	-
Transferred to Stage 3	(65,014)	(380,122)	445,136	-
Net remeasurement of allowances	43,412	793,102	3,469,170	4,305,684
New financial assets originated or purchased	747,473	233,646	-	981,119
Financial assets derecognised	(509,538)	(409,848)	(1,142,224)	(2,061,610)
Changes in models/risk parameters	(458,684)	(233,612)	(80,741)	(773,037)
Amount written-off	-	-	(4,169,692)	(4,169,692)
Exchange differences	45,330	60,725	211,878	317,933
At 31 December 2023	<u>2,018,494</u>	<u>3,286,439</u>	<u>5,023,310</u>	<u>10,328,243</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	(340,509)	214,470	3,216,070	3,090,031
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, as restated	<u>1,999,727</u>	<u>3,329,989</u>	<u>6,398,130</u>	<u>11,727,846</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.)

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Bank				
As at 31 December 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	114,169	(110,974)	(3,195)	-
Transferred to Stage 2	(32,801)	93,029	(60,228)	-
Transferred to Stage 3	(11,852)	(232,430)	244,282	-
Net remeasurement of allowances	111,104	260,222	1,883,292	2,254,618
New financial assets originated or purchased	301,715	56,246	-	357,961
Financial assets derecognised	(263,463)	(95,321)	(976,847)	(1,335,631)
Changes in models/risk parameters	(213,451)	(137,867)	(54,018)	(405,336)
Amount written-off	-	-	(2,864,849)	(2,864,849)
Exchange differences	483	23,156	140,946	164,585
At 31 December 2023	908,460	1,201,148	4,007,763	6,117,371
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Bank				
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

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A12. Insurance contract/takaful certificate assets/liabilities and reinsurance contract/retakaful certificate assets/liabilities

	Note	Group	
		31 December 2023 RM'000	31 December 2022 RM'000 Restated
Insurance contract/takaful certificate assets		123,204	76,787
Insurance contract/takaful certificate liabilities		(44,497,551)	(42,497,471)
Insurance contract/takaful certificate liabilities, net	(i)	(44,374,347)	(42,420,684)
Reinsurance contract/retakaful certificate assets		5,698,832	7,576,222
Reinsurance contract/retakaful certificate liabilities		(83,001)	(749,188)
Reinsurance contract/retakaful certificate assets, net	(ii)	5,615,831	6,827,034

(i) Insurance contract/takaful certificate

	Group	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated
Remaining coverage	(33,547,824)	(31,776,661)
- Excluding loss component	(32,642,875)	(30,954,754)
- Loss component	(904,949)	(821,907)
Incurred claims	(10,597,871)	(10,329,483)
Insurance/takaful acquisition cash flow	(228,652)	(314,540)
	(44,374,347)	(42,420,684)

(ii) Reinsurance contract/retakaful certificate

	Group	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated
Remaining coverage	2,543,444	1,746,201
- Excluding loss component	2,514,913	1,720,221
- Loss component	28,531	25,980
Amounts recoverable for incurred claims	3,072,387	5,080,833
	5,615,831	6,827,034

A13. Other Assets

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Other debtors, net of allowances for impairment losses	7,591,211	7,222,085	5,494,586	6,592,721
Amount due from brokers and clients	2,405,763	2,421,721	-	-
Prepayments and deposits	1,680,979	983,587	311,043	326,216
Tax recoverable	556,070	416,790	423,976	282,220
Foreclosed properties	431,933	408,480	28,500	28,500
	12,665,956	11,452,663	6,258,105	7,229,657

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A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	338,484,742	288,829,538	168,785,966	147,069,267
- More than one year	5,262,596	8,678,151	1,671,026	1,360,535
	343,747,338	297,507,689	170,456,992	148,429,802
Money market deposits	92,717,328	76,894,298	24,511,481	10,175,820
Savings deposits	91,945,677	91,065,792	32,501,601	34,263,311
Demand deposits	141,948,993	149,427,315	72,206,065	81,985,228
	670,359,336	614,895,094	299,676,139	274,854,161

(ii) By type of customer

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Business enterprises	321,757,207	277,008,600	181,905,063	158,132,250
Individuals	252,096,036	230,613,145	82,240,142	83,639,653
Government and statutory bodies	46,551,421	52,219,059	13,396,190	13,797,858
Others	49,954,672	55,054,290	22,134,744	19,284,400
	670,359,336	614,895,094	299,676,139	274,854,161

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

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Within six months	253,874,268	230,952,662	129,783,677	125,929,702
Six months to one year	84,610,474	57,876,876	39,002,289	21,139,565
One year to three years	4,919,566	8,561,099	1,364,284	1,297,992
Three years to five years	172,871	117,052	136,583	62,543
More than five years	170,159	-	170,159	-
	343,747,338	297,507,689	170,456,992	148,429,802

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A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Licensed banks	41,889,399	49,139,318	56,227,471	65,244,035
Licensed finance companies	164,567	55,217	164,568	55,217
Licensed investment banks	681,618	878,171	681,618	878,171
Other financial institutions	1,941,308	1,821,074	1,148,126	617,021
	44,676,892	51,893,780	58,221,783	66,794,444

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

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
One year or less	39,390,242	49,454,866	53,682,671	65,351,189
More than one year	5,286,650	2,438,914	4,539,112	1,443,255
	44,676,892	51,893,780	58,221,783	66,794,444

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

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Structured deposits	322,871	209,827	322,871	209,827
Borrowings				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	8,443,692	8,107,257	8,443,692	8,107,257
Total financial liabilities at fair value through profit or loss	8,766,563	8,317,084	8,766,563	8,317,084

The contractual carrying amounts of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 31 December 2023 were RM324,375,000 (31 December 2022: RM211,019,000) and RM14,123,352,000 (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	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
(i) Borrowings				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- IDR	914,219	636,894	-	-
	914,219	636,894	-	-
- More than one year				
Denominated in:				
- USD	491,023	-	491,023	-
- IDR	1,490,234	1,308,473	-	-
	1,981,257	1,308,473	491,023	-
Total secured borrowings	2,895,476	1,945,367	491,023	-
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	3,432,706	3,204,317	265,788	221,002
- CNY	380,848	378,352	380,848	378,352
- SGD	1,332,132	1,222,753	1,091,115	388,752
- THB	1,460,043	1,422,339	-	-
- HKD	233,416	98,517	-	-
- IDR	525,220	1,667,064	-	-
- PHP	4,152	3,960	-	-
- JPY	137	422	-	-
- EUR	10,752	-	-	-
	7,379,406	7,997,724	1,737,751	988,106
- More than one year				
Denominated in:				
- USD	458,166	214,925	458,166	214,925
- IDR	206,393	294,855	-	-
- CNY	1,940,775	220,592	1,940,775	220,592
- RM (Note (a))	2,560,435	2,507,594	2,560,435	2,507,594
	5,165,769	3,237,966	4,959,376	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 RM1,710,435,000 (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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A17. Borrowings, Subordinated Obligations and Capital Securities (cont'd.)

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
(i) Borrowings (cont'd.)				
Unsecured (cont'd.)				
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- USD	4,928,923	3,802,532	4,928,923	3,802,532
- HKD	2,304,248	653,592	2,304,248	653,592
- SGD	-	687	-	687
- JPY	292,159	1,556,787	292,159	1,556,787
- AUD	-	116,490	-	116,490
- CNH	711,824	533,795	711,824	533,795
- CNY	4,525	-	4,525	-
- RM	322,721	179,358	322,721	179,358
	8,564,400	6,843,241	8,564,400	6,843,241
- More than one year				
Denominated in:				
- USD	2,438,405	5,660,976	2,438,405	5,660,976
- HKD	719,935	1,224,550	719,935	1,224,550
- JPY	2,263,112	2,614,635	2,263,112	2,614,635
- AUD	410,689	381,549	410,689	381,549
- CNH	1,199,999	1,829,999	1,199,999	1,829,999
- CNY	379	-	379	-
	7,032,519	11,711,709	7,032,519	11,711,709
Total unsecured borrowings	28,142,094	29,790,640	22,294,046	22,486,167
Total borrowings	31,037,570	31,736,007	22,785,069	22,486,167
	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
(ii) Subordinated Obligations				
Unsecured				
- More than one year				
Denominated in:				
- RM	10,145,549	10,144,534	9,831,248	9,830,233
- IDR	-	93,855	-	-
	10,145,549	10,238,389	9,831,248	9,830,233
	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
(iii) Capital Securities				
Unsecured				
- More than one year				
Denominated in:				
- RM	2,829,802	2,828,817	2,829,802	2,828,817
	2,829,802	2,828,817	2,829,802	2,828,817

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A18. Other Liabilities

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000
Amount due to brokers and clients	5,003,307	6,515,828	-	-
Deposits, other creditors and accruals	11,288,218	10,276,385	7,975,735	8,696,564
Defined benefit pension plans	524,485	483,374	-	-
Provisions for commitments and contingencies	28,976	38,880	18,176	28,080
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i) 345,443	454,808	189,089	268,678
Lease liabilities	1,513,084	1,139,694	520,650	543,134
Structured deposits	7,237,415	7,037,114	474,416	264,786
	25,940,928	25,946,083	9,178,066	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 31 December 2023				
At 1 January 2023	162,152	37,846	254,810	454,808
Transferred to Stage 1	6,423	(6,336)	(87)	-
Transferred to Stage 2	(3,437)	3,659	(222)	-
Transferred to Stage 3	(121)	(660)	781	-
Net remeasurement of allowances	(10,282)	3,098	101,864	94,680
New credit exposures originated or purchased	87,107	83,417	-	170,524
Credit exposures derecognised	(101,230)	(23,041)	(246,640)	(370,911)
Changes in models/risk parameters	(4,395)	(219)	1,450	(3,164)
Exchange differences	3,699	722	(4,915)	(494)
At 31 December 2023	139,916	98,486	107,041	345,443
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 31 December 2023				
At 1 January 2023	91,147	20,107	157,424	268,678
Transferred to Stage 1	2,028	(2,028)	-	-
Transferred to Stage 2	(1,536)	1,536	-	-
Transferred to Stage 3	(62)	(508)	570	-
Net remeasurement of allowances	(2,215)	1,213	35,824	34,822
New credit exposures originated or purchased	49,692	76,732	-	126,424
Credit exposures derecognised	(70,030)	(14,418)	(153,368)	(237,816)
Changes in models/risk parameters	(21)	-	-	(21)
Exchange differences	1,958	337	(5,293)	(2,998)
At 31 December 2023	70,961	82,971	35,157	189,089
	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	-	-	-	-	63,991	63,991
At 1 January 2023, as restated	13,997	(3,155)	80,034	(311,048)	63,991	(156,181)
Other comprehensive income/(loss)	250	467	20,979	(15,764)	(185,793)	(179,861)
Defined benefit plan actuarial gain	-	-	20,979	-	-	20,979
Cost of hedging for fair value hedge	-	-	-	(15,764)	-	(15,764)
Net insurance finance/investment result	-	-	-	-	(185,793)	(185,793)
Net gain on capital reserve	250	-	-	-	-	250
Net gain on revaluation reserve	-	467	-	-	-	467
Total comprehensive income/(loss) for the financial year	250	467	20,979	(15,764)	(185,793)	(179,861)
At 31 December 2023	14,247	(2,688)	101,013	(326,812)	(121,802)	(336,042)
<===== 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	-	-	-	-	(56,775)	(56,775)
At 1 January 2022, as restated	12,912	(2,712)	49,423	(360,747)	(56,775)	(357,899)
Other comprehensive income/(loss)	1,085	(443)	30,611	49,699	120,766	201,718
Defined benefit plan actuarial gain	-	-	30,611	-	-	30,611
Cost of hedging for fair value hedge	-	-	-	49,699	-	49,699
Net insurance finance/investment result	-	-	-	-	120,766	120,766
Net gain on capital reserve	1,085	-	-	-	-	1,085
Net loss on revaluation reserve	-	(443)	-	-	-	(443)
Total comprehensive income/(loss) for the financial year	1,085	(443)	30,611	49,699	120,766	201,718
At 31 December 2022, as restated	13,997	(3,155)	80,034	(311,048)	63,991	(156,181)

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A20. Interest Income

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000 Restated
Loans, advances and financing	5,527,578	4,472,589	20,547,363	14,754,092
Money at call and deposits and placements with financial institutions	360,200	324,618	1,409,718	675,064
Financial assets purchased under resale agreements	271,812	140,720	948,983	287,148
Financial assets at FVTPL	264,101	214,639	1,025,003	922,959
Financial investments at FVOCI	1,250,517	922,663	4,354,906	3,338,306
Financial investments at amortised cost	494,178	496,171	2,051,811	1,834,189
	8,168,386	6,571,400	30,337,784	21,811,758
Amortisation of premiums, net	(21,883)	(39,010)	(107,234)	(202,831)
	8,146,503	6,532,390	30,230,550	21,608,927

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Loans, advances and financing	3,597,140	2,920,632	13,409,126	9,330,324
Money at call and deposits and placements with financial institutions	544,780	436,079	2,033,787	1,047,102
Financial assets purchased under resale agreements	211,877	113,307	766,684	205,864
Financial assets at FVTPL	55,333	25,866	228,582	182,830
Financial investments at FVOCI	832,956	607,801	2,802,601	2,139,536
Financial investments at amortised cost	381,805	417,447	1,654,468	1,566,555
	5,623,891	4,521,132	20,895,248	14,472,211
Accretion of discounts, net	73,947	46,360	284,733	117,133
	5,697,838	4,567,492	21,179,981	14,589,344

Included in interest income for the 12 months financial year ended 31 December 2023 was interest on impaired assets amounting to approximately RM215,960,000 (31 December 2022: RM227,523,000) for the Group and RM103,982,000 (31 December 2022: RM155,157,000) for the Bank.

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A21. Interest Expense

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000 Restated
Deposits and placements from financial institutions	626,184	412,601	2,067,671	846,541
Deposits from customers	3,152,115	1,841,762	11,141,997	4,853,173
Obligations on financial assets sold under repurchase agreements	331,586	103,861	1,062,599	207,706
Borrowings	382,255	299,814	1,473,369	865,760
Subordinated obligations	111,989	115,632	451,340	458,915
Capital securities	29,159	29,159	115,690	115,690
Structured deposits	90,217	55,207	271,474	93,797
Financial liabilities at FVTPL	240,030	159,776	854,888	351,760
	4,963,535	3,017,812	17,439,028	7,793,342

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000 Restated
Deposits and placements from financial institutions	747,108	499,408	2,525,829	979,829
Deposits from customers	2,057,080	1,350,859	7,469,687	3,375,802
Obligations on financial assets sold under repurchase agreements	513,589	196,773	1,669,660	476,200
Borrowings	231,297	185,251	912,581	537,254
Subordinated obligations	92,017	92,017	365,082	365,082
Capital securities	29,159	29,159	115,690	115,690
Structured deposits	5,851	1,087	13,425	6,007
Financial liabilities at FVTPL	240,030	159,776	854,888	351,760
	3,916,131	2,514,330	13,926,842	6,207,624

A22. Insurance/takaful service result

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000 Restated
Insurance/takaful revenue	2,313,441	2,588,291	8,543,598	7,520,760
Insurance/takaful service expenses	(1,510,403)	(2,927,509)	(6,384,941)	(6,390,086)
Net (expenses)/income from reinsurance contracts/retakaful certificate held	(519,261)	379,470	(1,608,559)	(918,982)
	283,777	40,252	550,098	211,692

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A23. Dividends from Subsidiaries and Associates

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Bank	RM'000	RM'000	RM'000	RM'000
Gross dividend income from:				
Subsidiaries	91,866	71,929	3,533,548	3,498,346
Associates	37	499	736	499
	<u>91,903</u>	<u>72,428</u>	<u>3,534,284</u>	<u>3,498,845</u>

A24. Other Operating Income

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Group	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
(a) Fee income:				
Commission	311,427	312,141	1,244,850	1,231,485
Service charges and fees	498,568	420,266	1,737,892	1,451,870
Underwriting fees	10,987	13,718	77,817	50,586
Brokerage income	67,159	69,980	277,941	327,807
Fees on loans, advances and financing	49,689	43,252	175,230	258,639
	<u>937,830</u>	<u>859,357</u>	<u>3,513,730</u>	<u>3,320,387</u>
(b) Investment income:				
Net (loss)/gain on disposal of financial assets at FVTPL	(81,266)	(250,899)	94,328	(624,533)
Net gain/(loss) on disposal of financial investments at FVOCI	157,199	(53,309)	225,591	(220,413)
Net gain/(loss) on redemption of financial investments at amortised cost	5	442	5	(1,159)
Net loss on liquidation of subsidiaries	-	-	(10)	-
Net loss on dilution of interest in associate	-	(1,752)	-	(1,752)
	<u>75,938</u>	<u>(305,518)</u>	<u>319,914</u>	<u>(847,857)</u>
(c) Gross dividend income from:				
Financial investments portfolio	47,470	54,092	210,095	186,561
(d) Unrealised gain/(loss) on revaluation of: Financial assets designated upon initial recognition at FVTPL	200,996	347,483	564,197	(526,793)
Financial investments at FVTPL	297,293	543,001	464,626	(308,404)
Financial liabilities at FVTPL	(1,513,084)	96,532	1,045,215	3,550,781
Derivatives	1,696,082	(656,249)	(389,330)	(2,785,390)
	<u>681,287</u>	<u>330,767</u>	<u>1,684,708</u>	<u>(69,806)</u>
(e) Other income:				
Foreign exchange gain, net	376,882	433,665	1,996,239	823,082
Realised (loss)/gain on derivatives	(338,117)	350,282	(60,097)	896,081
Rental income	13,435	12,643	49,829	42,479
Gain/(loss) on disposal of property, plant and equipment	1,573	(130)	4,134	3,999
Gain on disposal of foreclosed properties	1,461	10,440	10,202	22,891
Fair value adjustments on investments properties	30,084	13,637	29,977	13,531
Others	75,726	46,146	229,446	211,823
	<u>161,044</u>	<u>866,683</u>	<u>2,259,730</u>	<u>2,013,886</u>
Total other operating income	<u>1,903,569</u>	<u>1,805,381</u>	<u>7,988,177</u>	<u>4,603,171</u>

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A24. Other Operating Income (cont'd.)

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Bank	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	228,356	240,061	947,442	951,865
Service charges and fees	292,852	221,764	1,090,735	842,483
Underwriting fees	6,749	6,365	37,305	23,211
Brokerage income	317	456	1,163	962
Fees on loans, advances and financing	41,597	36,760	140,916	204,502
	569,871	505,406	2,217,561	2,023,023
(b) Investment income:				
Net gain/(loss) on disposal of financial assets at FVTPL	39,264	29,620	323,577	(59,077)
Net gain on disposal of financial investments at FVOCI	201,936	5,094	508,349	32,567
Net gain/(loss) on redemption of financial investments at amortised cost	5	442	5	(1,159)
Excess of capital repayment of a subsidiary	-	-	50,706	-
Net gain on partial disposal of a deemed controlled structured entity	933	-	4,264	-
	242,138	35,156	886,901	(27,669)
(c) Gross dividend income from:				
Financial investments portfolio	-	620	5,428	6,441
(d) Unrealised gain/(loss) on revaluation of:				
Financial investments at FVTPL	103,463	65,710	95,795	8,292
Financial liabilities at FVTPL	(1,513,084)	96,532	1,045,215	3,550,781
Derivatives	1,712,309	(432,616)	(519,679)	(2,848,646)
	302,688	(270,374)	621,331	710,427
(e) Other income:				
Foreign exchange gain, net	434,729	361,301	2,036,434	687,611
Realised (loss)/gain on derivatives	(355,658)	201,724	(170,440)	717,948
Rental income	16,356	15,477	63,440	59,813
Gain on disposal of property, plant and equipment	128	270	773	1,015
Others	48,987	45,002	185,506	151,127
	144,542	623,774	2,115,713	1,617,514
Total other operating income	1,259,239	894,582	5,846,934	4,329,736

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A25. Net insurance/takaful investment/finance result

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Finance expenses/(income) from insurance/ takaful certificate contract issued	451,350	489,212	1,556,956	(451,074)
Finance expenses/(income) from reinsurance/ retakaful certificate contract held	251	41,432	(11,105)	3,110
Net insurance/takaful investment/finance result	451,601	530,644	1,545,851	(447,964)

A26. Overhead Expenses

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
(a) Personnel expenses				
Salaries, allowances and bonuses	1,603,733	1,531,047	5,976,630	5,406,029
Social security cost	13,782	12,283	55,588	46,858
Retirement costs	196,235	187,469	714,422	644,787
ESGP expenses	24,543	17,501	65,499	79,777
Other staff related expenses	273,161	155,024	966,875	835,894
	2,111,454	1,903,324	7,779,014	7,013,345
(b) Establishment costs				
Depreciation of property, plant and equipment	84,182	75,126	310,911	284,587
Depreciation of right-of-use assets	140,549	141,768	568,786	501,659
Amortisation of intangible assets	55,823	56,959	232,000	250,645
Rental of leasehold land and premises	5,785	2,999	22,336	19,225
Repairs and maintenance of property, plant and equipment	46,693	46,856	183,281	186,443
Information technology expenses	208,379	129,268	774,954	628,783
Finance cost on lease liabilities	16,323	12,573	57,405	40,339
Others	6,049	6,491	22,723	22,674
	563,783	472,040	2,172,396	1,934,355
(c) Marketing expenses				
Advertisement and publicity	78,121	103,291	217,411	218,214
Others	96,911	97,226	347,553	375,442
	175,032	200,517	564,964	593,656

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A26. Overhead Expenses (cont'd.)

Group (cont'd.)	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000 Restated	31 December 2023 RM'000	31 December 2022 RM'000 Restated
(d) Administration and general expenses				
Fees and brokerage	407,664	274,153	1,440,392	1,142,824
Administrative expenses	150,475	137,902	587,658	526,553
General expenses	209,321	156,910	831,960	756,361
Others	1,296	(5,138)	12,416	7,098
	768,756	563,827	2,872,426	2,432,836
Total overhead expenses	3,619,025	3,139,708	13,388,800	11,974,192
Cost to income ratio ("CIR")¹	51.9%	46.1%	48.9%	45.2%
Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	883,713	888,876	3,406,067	3,046,653
Social security cost	7,259	6,957	29,153	24,790
Retirement costs	132,771	132,433	509,712	458,316
ESGP expenses	22,991	10,613	39,667	44,662
Other staff related expenses	153,346	126,949	533,404	480,069
	1,200,080	1,165,828	4,518,003	4,054,490
(b) Establishment costs				
Depreciation of property, plant and equipment	19,245	19,397	77,957	77,836
Depreciation of right-of-use assets	29,140	29,720	116,644	115,958
Amortisation of intangible assets	17,419	17,727	69,697	73,519
Rental of leasehold land and premises	1,964	1,503	7,878	5,775
Repairs and maintenance of property, plant and equipment	25,990	27,245	101,461	97,855
Information technology expenses	367,825	291,019	1,352,678	1,083,145
Finance cost on lease liabilities	4,244	3,443	15,382	14,315
Others	4,687	4,374	18,331	14,655
	470,514	394,428	1,760,028	1,483,058
(c) Marketing expenses				
Advertisement and publicity	37,890	46,201	95,588	98,393
Others	63,972	87,178	233,633	299,577
	101,862	133,379	329,221	397,970
(d) Administration and general expenses				
Fees and brokerage	311,804	225,300	1,039,155	803,518
Administrative expenses	70,470	65,996	254,989	228,735
General expenses	77,995	102,711	346,573	330,469
Others	2,707	(7,578)	8,174	(4,652)
	462,976	386,429	1,648,891	1,358,070
(e) Overhead expenses allocated to subsidiaries, net	(513,434)	(441,611)	(1,959,968)	(1,541,533)
Total overhead expenses	1,721,998	1,638,453	6,296,175	5,752,055
Cost to income ratio ("CIR")¹	55.0%	54.3%	37.9%	35.5%

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.

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A27. Allowances for/(writeback of) Impairment Losses on Loans, Advances, Financing and Other Debts, net

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	59,409	(211,808)	(166,807)	(100,699)
- Stage 2 - Lifetime ECL not credit impaired, net	(33,307)	128,961	437,986	(174,582)
- Stage 3 - Lifetime ECL credit impaired, net	647,012	562,899	2,131,046	2,923,580
Bad debts and financing written-off	18,397	27,379	61,961	86,932
Bad debts and financing recovered	(236,126)	(206,781)	(657,263)	(563,382)
Allowances for impairment losses on other debts	8,832	1,596	19,289	10,886
	464,217	302,246	1,826,212	2,182,735

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(31,869)	(175,101)	(48,702)	79,991
- Stage 2 - Lifetime ECL not credit impaired, net	(239,474)	(17,488)	128,047	(311,032)
- Stage 3 - Lifetime ECL credit impaired, net	269,838	285,183	763,050	2,429,079
Bad debts and financing written-off	16,959	11,334	58,670	58,021
Bad debts and financing recovered	(112,401)	(153,236)	(333,084)	(359,802)
Allowances for/(writeback of) impairment losses on other debts	1,216	(843)	3,510	(697)
	(95,731)	(50,151)	571,491	1,895,560

A28. Allowances for/(writeback of) Impairment Losses on Financial Investments, net

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(8,344)	2,045	(2,097)	(1,098)
- Stage 2 - Lifetime ECL not credit impaired, net	530	3,272	(117)	5,588
- Stage 3 - Lifetime ECL credit impaired, net	(2,475)	(145,232)	(129,140)	147,225
Net	(10,289)	(139,915)	(131,354)	151,715
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	18,570	(6,489)	7,673	(1,428)
- Stage 2 - Lifetime ECL not credit impaired, net	(2,878)	(608)	(2,878)	196
- Stage 3 - Lifetime ECL credit impaired, net	(3,169)	(23,911)	(54,004)	372,901
Net	12,523	(31,008)	(49,209)	371,669
	2,234	(170,923)	(180,563)	523,384

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

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 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	(8,447)	(23)	(6,340)	(731)
- Stage 2 - Lifetime ECL not credit impaired, net	(232)	2,983	1,226	2,971
- Stage 3 - Lifetime ECL credit impaired, net	(252)	(138,196)	(954)	43,201
Net	<u>(8,931)</u>	<u>(135,236)</u>	<u>(6,068)</u>	<u>45,441</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	13,858	(3,845)	12,378	(5,381)
- Stage 2 - Lifetime ECL not credit impaired, net	-	(222)	-	(267)
- Stage 3 - Lifetime ECL credit impaired, net	-	-	-	(136,986)
Net	<u>13,858</u>	<u>(4,067)</u>	<u>12,378</u>	<u>(142,634)</u>
	<u>4,927</u>	<u>(139,303)</u>	<u>6,310</u>	<u>(97,193)</u>

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

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Group	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
(a) Other financial assets				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	7,411	(2,808)	19,619	(1,250)
Net	<u>7,411</u>	<u>(2,808)</u>	<u>19,619</u>	<u>(1,250)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	(149)	(1,668)	(1,520)	(11,611)
Net	<u>(149)</u>	<u>(1,668)</u>	<u>(1,520)</u>	<u>(11,611)</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(13,747)	(4,403)	(5,722)	(2,899)
Net	<u>(13,747)</u>	<u>(4,403)</u>	<u>(5,722)</u>	<u>(2,899)</u>
Insurance/reinsurance contract/takaful/retakaful operators' certificate assets				
- Stage 1 - 12-month ECL, net	5,552	(775)	16,455	(645)
Net	<u>5,552</u>	<u>(775)</u>	<u>16,455</u>	<u>(645)</u>
Other assets				
- Stage 1 - 12-month ECL, net	3,906	(896)	3,032	213
- Stage 2 - Lifetime ECL not credit impaired	(1)	(2)	9	(11)
- Stage 3 - Lifetime ECL credit impaired	2,602	3,735	4,365	27,632
Net	<u>6,507</u>	<u>2,837</u>	<u>7,406</u>	<u>27,834</u>
Statutory deposit with central banks				
- Stage 1 - 12-month ECL, net	(496)	419	(822)	1,678
Net	<u>(496)</u>	<u>419</u>	<u>(822)</u>	<u>1,678</u>
	<u>5,078</u>	<u>(6,398)</u>	<u>35,416</u>	<u>13,107</u>
(b) Interest in associate				
Impairment on interest in associate	-	58,000	-	58,000
	<u>5,078</u>	<u>51,602</u>	<u>35,416</u>	<u>71,107</u>

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

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Bank				
(a) Other financial assets				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	791	78	455	(3,187)
Net	<u>791</u>	<u>78</u>	<u>455</u>	<u>(3,187)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	(185)	1,672	(3,242)	(2,267)
Net	<u>(185)</u>	<u>1,672</u>	<u>(3,242)</u>	<u>(2,267)</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	88	(2,030)	998	692
Net	<u>88</u>	<u>(2,030)</u>	<u>998</u>	<u>692</u>
Other assets				
- Stage 3 - Lifetime ECL credit impaired	(2,761)	4,142	298	25,276
Net	<u>(2,761)</u>	<u>4,142</u>	<u>298</u>	<u>25,276</u>
	<u>(2,067)</u>	<u>3,862</u>	<u>(1,491)</u>	<u>20,514</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.

The corresponding business segment results have been restated to align to current basis of allocation in between the segments.

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

Twelve-Month Ended 31 December 2023	<===== Business Segments =====>							Total RM'000
	<===== Group Global Banking =====>							
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000		
Net interest income/(loss):								
- External	8,141,667	3,563,479	494,399	47	1,626,663	(1,034,733)	12,791,522	
- Inter-segment	-	-	(116,829)	4,738	92,050	20,041	-	
	<u>8,141,667</u>	<u>3,563,479</u>	<u>377,570</u>	<u>4,785</u>	<u>1,718,713</u>	<u>(1,014,692)</u>	<u>12,791,522</u>	
Net interest income/(loss)	8,141,667	3,563,479	377,570	4,785	1,718,713	(1,014,692)	12,791,522	
Income from IBS operations	5,375,479	2,095,016	65,891	-	-	40,809	7,577,195	
Insurance/takaful service result	-	-	-	-	318,158	231,940	550,098	
Other operating income	3,394,969	2,396,550	791,285	96,863	672,209	636,301	7,988,177	
Total operating income/(loss)	<u>16,912,115</u>	<u>8,055,045</u>	<u>1,234,746</u>	<u>101,648</u>	<u>2,709,080</u>	<u>(105,642)</u>	<u>28,906,992</u>	
Net insurance/takaful investment/finance result	-	-	-	-	(1,545,851)	-	(1,545,851)	
Net operating income/(loss)	<u>16,912,115</u>	<u>8,055,045</u>	<u>1,234,746</u>	<u>101,648</u>	<u>1,163,229</u>	<u>(105,642)</u>	<u>27,361,141</u>	
Overhead expenses	<u>(9,646,277)</u>	<u>(2,278,738)</u>	<u>(1,062,501)</u>	<u>(97,007)</u>	<u>(304,277)</u>	<u>-</u>	<u>(13,388,800)</u>	
Operating profit/(loss) before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	<u>7,265,838</u>	<u>5,776,307</u>	<u>172,245</u>	<u>4,641</u>	<u>858,952</u>	<u>(105,642)</u>	<u>13,972,341</u>	
Writeback of impairment losses on financial investments, net	(1,559,921)	(263,141)	(15,191)	-	12,041	-	(1,826,212)	
Writeback of/(allowances for) impairment losses on other financial assets, net	12	54,073	-	-	126,478	-	180,563	
Operating profit/(loss)	<u>5,711,791</u>	<u>5,549,020</u>	<u>153,961</u>	<u>4,642</u>	<u>977,504</u>	<u>(105,642)</u>	<u>12,291,276</u>	
Share of profits in associates and joint ventures	2,657	236,907	761	-	-	-	240,325	
Profit/(loss) before taxation and zakat	<u>5,714,448</u>	<u>5,785,927</u>	<u>154,722</u>	<u>4,642</u>	<u>977,504</u>	<u>(105,642)</u>	<u>12,531,601</u>	
Taxation and zakat							<u>(2,916,739)</u>	
Profit after taxation and zakat							<u>9,614,862</u>	
Non-controlling interests							<u>(265,082)</u>	
Profit for the financial year attributable to equity holders of the Bank							<u>9,349,780</u>	

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						
	<===== Group Global Banking =====>						
Twelve-Month Ended 31 December 2023 (cont'd.)	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	Total RM'000
Included in other operating income are:							
Fee income:							
Commission	1,304,651	90,499	57,281	23,209	-	(230,790)	1,244,850
Service charges and fees	1,161,391	284,997	163,407	115,005	18,221	(5,129)	1,737,892
Underwriting fees	-	37,305	45,423	-	-	(4,911)	77,817
Brokerage income	1,163	-	276,778	-	-	-	277,941
Fees on loans, advances and financing	28,916	140,465	11,649	-	-	(5,800)	175,230
Fee income from IBS operations	449,301	117,850	60,055	-	-	2,678	629,884
<hr/>							
Included in overhead expenses and insurance/takaful service result are:							
Depreciation of property, plant and equipment	(217,976)	(52,603)	(30,272)	(429)	(21,216)	-	(322,496)
Depreciation of right-of-use assets	(384,686)	(106,142)	(67,714)	(3,829)	(15,313)	-	(577,684)
Amortisation of intangible assets	(177,389)	(46,320)	(2,833)	(23)	(24,561)	-	(251,126)
<hr/>							

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

Twelve-Month Ended 31 December 2022	<===== Business Segments =====>							Total RM'000 Restated
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000 Restated	Head Office and Others RM'000 Restated	Group Global Banking =====	
Net interest income/(loss):								
- External	7,404,228	4,101,639	372,645	175	1,409,383	527,515		13,815,585
- Inter-segment	-	-	(49,441)	2,778	73,497	(26,834)		-
	<u>7,404,228</u>	<u>4,101,639</u>	<u>323,204</u>	<u>2,953</u>	<u>1,482,880</u>	<u>500,681</u>		<u>13,815,585</u>
Net interest income	7,404,228	4,101,639	323,204	2,953	1,482,880	500,681		13,815,585
Income from IBS operations	5,114,192	1,924,360	47,414	-	-	327,900		7,413,866
Insurance/takaful service result	-	-	-	-	(77,264)	288,956		211,692
Other operating income/(loss)	3,102,708	2,672,436	824,357	100,440	(1,348,422)	(748,348)		4,603,171
Total operating income	<u>15,621,128</u>	<u>8,698,435</u>	<u>1,194,975</u>	<u>103,393</u>	<u>57,194</u>	<u>369,189</u>		<u>26,044,314</u>
Net insurance/takaful investment/finance result	-	-	-	-	447,964	-		447,964
Net operating income	<u>15,621,128</u>	<u>8,698,435</u>	<u>1,194,975</u>	<u>103,393</u>	<u>505,158</u>	<u>369,189</u>		<u>26,492,278</u>
Overhead expenses	(8,539,771)	(2,104,046)	(1,012,585)	(72,984)	(244,806)	-		(11,974,192)
Operating profit before impairment losses	<u>7,081,357</u>	<u>6,594,389</u>	<u>182,390</u>	<u>30,409</u>	<u>260,352</u>	<u>369,189</u>		<u>14,518,086</u>
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(656,521)	(1,525,146)	3,200	102	(4,370)	-		(2,182,735)
Allowances for impairment losses on financial investments, net	(48)	(417,511)	-	-	(105,825)	-		(523,384)
(Allowances for)/writeback of impairment losses on other financial assets and interest in associates, net	(57,624)	(16,808)	(1,238)	4	4,559	-		(71,107)
Operating profit	<u>6,367,164</u>	<u>4,634,924</u>	<u>184,352</u>	<u>30,515</u>	<u>154,716</u>	<u>369,189</u>		<u>11,740,860</u>
Share of (losses)/profits in associates and joint ventures	(24,990)	156,433	(593)	-	-	-		130,850
Profit before taxation and zakat	<u>6,342,174</u>	<u>4,791,357</u>	<u>183,759</u>	<u>30,515</u>	<u>154,716</u>	<u>369,189</u>		<u>11,871,710</u>
Taxation and zakat								(3,896,134)
Profit after taxation and zakat								<u>7,975,576</u>
Non-controlling interests								(15,050)
Profit for the financial year attributable to equity holders of the Bank								<u>7,960,526</u>

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

Twelve-Month Ended 31 December 2022 (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			
Included in other operating income are:								
Fee income:								
Commission	1,289,273	109,006	68,429	21,846	-	(257,069)		1,231,485
Service charges and fees	905,450	242,806	171,529	120,977	17,758	(6,650)		1,451,870
Underwriting fees	-	23,211	30,563	-	-	(3,188)		50,586
Brokerage income	962	-	326,845	-	-	-		327,807
Fees on loans, advances and financing	51,536	208,495	2,611	-	-	(4,003)		258,639
Fee income from IBS operations	364,688	102,191	42,538	-	-	3,276		512,693
Included in overhead expenses and insurance/takaful service result are:								
Depreciation of property, plant and equipment	(192,993)	(48,505)	(31,427)	(435)	(23,731)			(297,091)
Depreciation of right-of-use assets	(335,182)	(90,367)	(59,826)	(3,472)	(22,518)		-	(511,365)
Amortisation of intangible assets	(187,960)	(50,456)	(3,205)	(340)	(28,999)		-	(270,960)

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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

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 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 acquisition was completed on 23 February 2024.

A33. Changes in the Composition of the Group

There were no significant changes to the composition of the Group during the fourth quarter and 12 months financial year ended 31 December 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 31 December 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	12,590,604	10,548,940	6,668,531	12,624,792	11,792,332	6,488,154
Certain transaction-related contingent items	17,055,885	8,006,445	4,270,082	14,534,071	7,370,135	3,999,055
Short-term self-liquidating trade-related contingencies	4,527,117	910,972	552,924	7,143,351	1,067,336	601,663
	34,173,606	19,466,357	11,491,537	34,302,214	20,229,803	11,088,872
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	159,580,959	17,194,705	4,582,983	142,217,444	13,893,627	3,697,325
- Maturity exceeding one year	63,768,979	78,669,363	32,519,449	40,319,358	64,801,259	29,833,459
	223,349,938	95,864,068	37,102,432	182,536,802	78,694,886	33,530,784
Miscellaneous commitments and contingencies	14,186,766	4,346,037	116,083	11,205,013	1,060,766	60,300
Total credit-related commitments and contingencies	271,710,310	119,676,462	48,710,052	228,044,029	99,985,455	44,679,956
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	559,500,074	6,920,906	1,728,821	592,564,361	8,289,850	1,540,396
- One year to less than five years	47,713,732	2,829,980	1,326,784	31,244,650	1,791,523	1,037,341
- Five years and above	7,858,631	923,124	538,875	7,950,665	997,186	700,553
	615,072,437	10,674,010	3,594,480	631,759,676	11,078,559	3,278,290
Interest rate related contracts:						
- Less than one year	396,045,798	30,783	15,834	173,030,838	68,376	50,099
- One year to less than five years	370,786,372	1,566,076	740,116	307,593,840	1,454,413	925,605
- Five years and above	192,906,047	3,055,788	1,536,755	177,013,049	2,877,381	1,430,600
	959,738,217	4,652,647	2,292,705	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 31 December 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</u>						
<u>(cont'd.)</u>						
Equity and commodity related contracts:						
- Less than one year	6,263,404	277,150	105,521	6,551,126	406,085	112,334
- One year to less than five years	2,772,827	177,735	66,588	2,246,767	166,111	47,112
	9,036,231	454,885	172,109	8,797,893	572,196	159,446
Credit related contracts:						
- Less than one year	55,393	-	-	57,489	-	-
- One year to less than five years	5,080	-	-	9,384	-	-
	60,473	-	-	66,873	-	-
Total treasury-related commitments and contingencies	1,583,907,358	15,781,542	6,059,294	1,298,262,169	16,050,925	5,844,040
Total commitments and contingencies	1,855,617,668	135,458,004	54,769,346	1,526,306,198	116,036,380	50,523,996

	As at 31 December 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						
<u>Contingent liabilities</u>						
Direct credit substitutes	8,518,750	6,625,817	4,352,387	8,970,256	8,417,835	4,113,690
Certain transaction-related contingent items	12,106,304	5,570,744	2,769,309	10,397,750	5,393,107	2,815,646
Short-term self-liquidating trade-related contingencies	3,542,837	681,768	451,552	6,278,940	879,558	506,456
	24,167,891	12,878,329	7,573,248	25,646,946	14,690,500	7,435,792

Commitments

Irrevocable commitments to extend credit:						
- Maturity within one year	94,547,717	8,756,609	2,102,256	88,867,814	6,476,767	1,341,339
- Maturity exceeding one year	38,226,816	49,391,317	21,691,239	17,659,753	39,595,776	20,129,633
	132,774,533	58,147,926	23,793,495	106,527,567	46,072,543	21,470,972
Miscellaneous commitments and contingencies	10,937,580	4,874,785	215,622	9,748,609	1,426,290	117,630
Total credit-related commitments and contingencies	167,880,004	75,901,040	31,582,365	141,923,122	62,189,333	29,024,394

Derivative financial instruments

Foreign exchange related contracts:						
- Less than one year	556,387,408	6,769,703	1,448,406	579,667,448	8,110,780	1,390,769
- One year to less than five years	48,813,704	2,740,054	1,095,773	30,208,110	1,678,805	927,325
- Five years and above	7,068,613	909,781	482,025	7,436,048	979,354	676,602
	612,269,725	10,419,538	3,026,204	617,311,606	10,768,939	2,994,696

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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 31 December 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	396,156,000	29,650	12,419	171,421,796	60,216	23,752
- One year to less than five years	368,025,013	1,434,461	546,624	309,390,096	1,426,533	604,151
- Five years and above	192,748,011	3,047,785	1,525,012	177,013,048	2,871,441	1,427,107
	956,929,024	4,511,896	2,084,055	657,824,940	4,358,190	2,055,010
Equity and commodity related contracts:						
- Less than one year	3,073,368	167,665	60,913	3,186,036	262,117	81,430
- One year to less than five years	2,772,827	177,735	66,588	2,246,767	166,111	47,112
	5,846,195	345,400	127,501	5,432,803	428,228	128,542
Credit related contracts:						
- Less than one year	55,393	-	-	57,489	-	-
- One year to less than five years	5,080	-	-	9,384	-	-
	60,473	-	-	66,873	-	-
Total treasury-related commitments and contingencies	1,575,105,417	15,276,834	5,237,760	1,280,636,222	15,555,357	5,178,248
Total commitments and contingencies	1,742,985,421	91,177,874	36,820,125	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 31 December 2023, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM21,647.6 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 15 December 2023 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 18 December 2023 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 15 December 2023 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 18 December 2023. 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) Large exposure risk requirements.

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 15 December 2023 and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 18 December 2023. 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) Large exposure risk requirements.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ended 31 December 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 15 December 2023 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 18 December 2023. The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ended 31 December 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 ended 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 28 July 2022) issued by the Monetary Authority of Singapore ("MAS"). The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 6.5%, 8.0% and 10.0% of total RWA for the financial year ended 31 December 2023 (2022: 6.5%, 8.0% and 10.0% of total RWA).

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

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

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

In respect of the financial year ended 31 December 2023, the Bank has declared a single-tier second interim cash dividend of 31.0 sen per ordinary share subsequent to financial year end.

In arriving the capital adequacy ratios for the financial year ended 31 December 2023, the single-tier second interim cash dividend has not been deducted from the calculation of CET1 Capital.

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

	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
CET1 Capital Ratio	16.191%	15.669%	15.701%	15.264%
Tier 1 Capital Ratio	16.845%	16.376%	16.417%	16.045%
Total Capital Ratio	19.404%	19.080%	18.844%	18.635%

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A35. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 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	23,750,815	22,007,168	15,824,633	14,937,554
Other reserves ¹	7,873,697	1,349,642	7,384,668	3,018,421
Qualifying non-controlling interests	122,620	113,735	-	-
CET1 Capital before regulatory adjustments	<u>86,420,728</u>	<u>78,089,889</u>	<u>77,882,897</u>	<u>72,575,319</u>
Less: Regulatory adjustments applied on CET1 Capital:				
Capital:	(15,038,723)	(14,065,528)	(38,398,518)	(37,380,391)
Deferred tax assets	(1,092,648)	(2,169,271)	(83,505)	(1,099,262)
Goodwill	(5,967,622)	(5,583,795)	(81,015)	(81,015)
Other intangibles	(1,224,188)	(993,569)	(462,281)	(344,781)
Gains on financial instruments classified as fair value through other comprehensive income ¹	(1,590,777)	(61,980)	(1,027,349)	(36,096)
Regulatory reserve	(2,473,192)	(2,465,059)	(1,829,556)	(1,549,033)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(2,690,296)	(2,791,854)	(34,914,812)	(34,270,204)
Total CET1 Capital	<u>71,382,005</u>	<u>64,024,361</u>	<u>39,484,379</u>	<u>35,194,928</u>
Additional Tier 1 Capital				
Capital securities	2,800,000	2,800,000	2,800,000	2,800,000
Qualifying CET1 and Additional Tier 1 Capital instruments held by third parties	84,973	90,601	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(1,000,000)	(1,000,000)
Total Tier 1 Capital	<u>74,266,978</u>	<u>66,914,962</u>	<u>41,284,379</u>	<u>36,994,928</u>
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	39,623	35,759	-	-
General provisions ³	378,234	273,100	110,946	36,059
Surplus of total eligible provision over total expected loss	1,857,137	1,730,272	1,092,736	1,028,820
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	(691,000)	(691,000)	(4,799,793)	(4,791,418)
Total Tier 2 Capital	<u>11,283,994</u>	<u>11,048,131</u>	<u>6,103,889</u>	<u>5,973,461</u>
Total Capital	<u>85,550,972</u>	<u>77,963,093</u>	<u>47,388,268</u>	<u>42,968,389</u>

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

² For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad as at 31 December 2023 of RM1 (31 December 2022: 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 31 December 2023</u>				
CET1 Capital Ratio	14.303%	24.024%	-	14.466%
Tier 1 Capital Ratio	15.300%	24.024%	-	14.466%
Total Capital Ratio	17.824%	26.158%	27.744%	18.263%
<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 31 December 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	59,471,039	26,487,842	2,654,993	881,595	27,590,217	17,920,825
Internal Ratings-Based Approach exposure after scaling factor	309,522,834	182,122,733	101,660,571	-	-	33,159,590
Credit valuation adjustment	-	-	-	-	-	173,909
Total RWA for credit risk	368,993,873	208,610,575	104,315,564	881,595	27,590,217	51,254,324
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(17,268,203)	-	-	-
Total RWA for market risk	20,690,780	18,222,303	1,035,378	463,255	1,105,143	120,820
Total RWA for operational risk	50,280,489	23,836,121	12,166,196	842,333	3,353,928	4,428,170
Large exposure risk RWA for equity holdings	922,052	809,938	-	112,114	-	-
Total RWA	440,887,194	251,478,937	100,248,935	2,299,297	32,049,288	55,803,314

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 ----->	
At 31 December 2023	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	61,478,282	436,607	(499,771)	39,351,350	253,207	(369,871)
- One year to three years	3,098,571	59,211	(13,287)	3,302,614	68,513	(26,862)
- More than three years	3,159,711	22,917	(15,947)	3,159,711	22,917	(15,947)
	67,736,564	518,735	(529,005)	45,813,675	344,637	(412,680)
Currency swaps:						
- Less than one year	470,799,759	4,064,499	(4,719,482)	490,007,692	4,050,961	(4,625,599)
- One year to three years	1,099,375	442	(1,925)	1,099,379	438	(1,925)
- More than three years	49,474	1,925	-	37,655	1,335	-
	471,948,608	4,066,866	(4,721,407)	491,144,726	4,052,734	(4,627,524)
Currency spots:						
- Less than one year	5,709,538	3,938	(9,207)	5,970,297	4,567	(9,708)
Currency options:						
- Less than one year	1,386,775	1,707	(5,682)	1,392,741	4,002	(5,836)
- One year to three years	1,220,363	5,268	(17,396)	1,335,105	8,363	(13,901)
	2,607,138	6,975	(23,078)	2,727,846	12,365	(19,737)
Cross currency interest rate swaps ¹ :						
- Less than one year	17,316,654	486,530	(606,984)	16,856,262	485,756	(585,495)
- One year to three years	26,151,245	424,545	(911,859)	26,249,488	506,006	(900,523)
- More than three years	14,589,248	442,336	(569,047)	14,493,989	455,348	(607,119)
	58,057,147	1,353,411	(2,087,890)	57,599,739	1,447,110	(2,093,137)
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- Less than one year	384,241,912	982,571	(845,735)	384,361,292	994,094	(848,018)
- One year to three years	234,029,271	2,281,759	(2,078,066)	234,222,009	2,283,405	(2,079,713)
- More than three years	295,254,882	12,829,067	(13,846,538)	295,392,552	12,841,109	(13,849,173)
	913,526,065	16,093,397	(16,770,339)	913,975,853	16,118,608	(16,776,904)
Interest rate futures:						
- Less than one year	9,268,922	112,474	(33,469)	9,259,744	112,474	(33,431)
- One year to three years	917,800	-	(677)	917,800	-	(677)
	10,186,722	112,474	(34,146)	10,177,544	112,474	(34,108)
Interest rate options:						
- One year to three years	560,281	26,923	(28,580)	33,570	1,581	(3,238)
- More than three years	28,786,318	1,362,767	(2,855,411)	26,063,226	1,388,107	(2,880,751)
	29,346,599	1,389,690	(2,883,991)	26,096,796	1,389,688	(2,883,989)

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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 2023 (cont'd.)	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives (cont'd.)						
Equity options:						
- Less than one year	2,122,724	138,387	(363,553)	118,806	8,962	(623)
- One year to three years	7,090	243	-	7,090	243	-
	<u>2,129,814</u>	<u>138,630</u>	<u>(363,553)</u>	<u>125,896</u>	<u>9,205</u>	<u>(623)</u>
Equity swaps:						
- Less than one year	1,172,098	56,345	(43,397)	-	-	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	2,942,926	208,017	(208,017)	2,942,926	208,017	(208,017)
- One year to three years	2,763,606	196,080	(196,080)	2,763,606	196,080	(196,080)
	<u>5,706,532</u>	<u>404,097</u>	<u>(404,097)</u>	<u>5,706,532</u>	<u>404,097</u>	<u>(404,097)</u>
Commodity swaps:						
- Less than one year	25,656	905	(142)	11,636	364	(142)
- One year to three years	2,131	57	(50)	2,131	57	(50)
	<u>27,787</u>	<u>962</u>	<u>(192)</u>	<u>13,767</u>	<u>421</u>	<u>(192)</u>
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	55,393	1,669	(761)	55,393	1,669	(761)
- One year to three years	5,080	29	(14)	5,080	29	(14)
	<u>60,473</u>	<u>1,698</u>	<u>(775)</u>	<u>60,473</u>	<u>1,698</u>	<u>(775)</u>
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps ¹ :						
- Less than one year	2,809,066	42,521	(109,495)	2,809,066	42,521	(109,495)
- One year to three years	4,365,081	138,484	(381,365)	4,365,081	138,484	(381,365)
- More than three years	1,839,295	153,772	(169,010)	1,839,295	153,772	(169,010)
	<u>9,013,442</u>	<u>334,777</u>	<u>(659,870)</u>	<u>9,013,442</u>	<u>334,777</u>	<u>(659,870)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- Less than one year	2,534,964	85,831	(1,196)	2,534,964	85,831	(1,196)
- One year to three years	2,156,830	111,855	(13,146)	2,156,830	111,855	(13,146)
- More than three years	1,987,037	140,548	289,659	1,987,037	140,548	289,659
	<u>6,678,831</u>	<u>338,234</u>	<u>275,317</u>	<u>6,678,831</u>	<u>338,234</u>	<u>275,317</u>
Netting effects for reporting under MFRS 132	-	(3,172,675)	3,172,675	-	(3,093,854)	3,093,854
Total	<u>1,583,907,358</u>	<u>21,647,554</u>	<u>(25,082,955)</u>	<u>1,575,105,417</u>	<u>21,476,761</u>	<u>(24,554,173)</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 31 December 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	
Non-financial assets measured at fair value:				
Investment properties	-	-	1,019,958	1,019,958
Financial assets measured at fair value:				
Financial assets designated upon initial recognition at fair value through profit or loss				
Money market instruments	18,681	13,360,108	-	13,378,789
Quoted securities	-	1,094,093	-	1,094,093
Unquoted securities	18,681	-	-	18,681
	-	12,266,015	-	12,266,015
Financial investments at fair value through profit or loss				
Money market instruments	10,899,622	24,166,950	903,628	35,970,200
Quoted securities	-	16,781,295	-	16,781,295
Unquoted securities	10,899,622	-	-	10,899,622
	-	7,385,655	903,628	8,289,283
Financial investments at fair value through other comprehensive income				
Money market instruments	6,999,520	124,640,831	541,784	132,182,135
Quoted securities	-	73,397,558	-	73,397,558
Unquoted securities	6,999,520	-	-	6,999,520
	-	51,243,273	541,784	51,785,057
Loans, advances and financing at fair value through other comprehensive income				
	-	-	34,974,217	34,974,217

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

Group (cont'd.) At 31 December 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	-	21,243,457	404,097	21,647,554
Foreign exchange related contracts	-	6,284,702	-	6,284,702
Interest rate related contracts	-	17,933,795	-	17,933,795
Equity and commodity related contracts	-	195,937	404,097	600,034
Credit related contracts	-	1,698	-	1,698
Netting effects under MFRS 132 Amendments	-	(3,172,675)	-	(3,172,675)
	<u>17,917,823</u>	<u>183,411,346</u>	<u>36,823,726</u>	<u>238,152,895</u>
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	8,766,563	-	8,766,563
Structured deposits	-	322,871	-	322,871
Borrowings	-	8,443,692	-	8,443,692
Derivative liabilities	-	24,678,858	404,097	25,082,955
Foreign exchange related contracts	-	8,030,457	-	8,030,457
Interest rate related contracts	-	19,413,159	-	19,413,159
Equity and commodity related contracts	-	407,142	404,097	811,239
Credit related contracts	-	775	-	775
Netting effects under MFRS 132 Amendments	-	(3,172,675)	-	(3,172,675)
	<u>-</u>	<u>33,445,421</u>	<u>404,097</u>	<u>33,849,518</u>
Group				
At 31 December 2022	Quoted	Valuation technique using		Total
Restated	Market Price	Observable	Unobservable	RM'000
	(Level 1)	Inputs	Inputs	
	RM'000	(Level 2)	(Level 3)	RM'000
		RM'000	RM'000	
Non-financial assets measured at fair value:				
Investment properties	-	-	988,895	988,895
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 31 December 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>			Total RM'000
Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000		
Financial assets measured at fair value:				
Financial investments at fair value through profit or loss	612,438	20,411,607	733,325	21,757,370
Money market instruments	-	15,046,240	-	15,046,240
Quoted securities	612,438	-	-	612,438
Unquoted securities	-	5,365,367	733,325	6,098,692
Financial investments at fair value through other comprehensive income	340	72,764,141	534,563	73,299,044
Money market instruments	-	40,536,947	-	40,536,947
Quoted securities	340	-	-	340
Unquoted securities	-	32,227,194	534,563	32,761,757
Loans, advances and financing at fair value through other comprehensive income	-	-	35,311,779	35,311,779
Derivative assets	-	21,072,664	404,097	21,476,761
Foreign exchange related contracts	-	6,196,190	-	6,196,190
Interest rate related contracts	-	17,959,004	-	17,959,004
Equity and commodity related contracts	-	9,626	404,097	413,723
Credit related contracts	-	1,698	-	1,698
Netting effects under MFRS 132 Amendments	-	(3,093,854)	-	(3,093,854)
	<u>612,778</u>	<u>114,248,412</u>	<u>36,983,764</u>	<u>151,844,954</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 31 December 2023 and 31 December 2022 is summarised in the table (cont'd.):

Bank (cont'd.) At 31 December 2022	Quoted	Valuation technique using		Total RM'000
	Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	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.

Investment properties

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

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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 31 December 2023 RM'000
As at 31 December 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	(1,744)	-	137,299	-	-	-	96	541,784
Loans, advances and financing at fair value through profit or loss	1,668	-	-	-	-	-	(1,624)	(44)	-
Loans, advances and financing at fair value through other comprehensive income	30,016,341	-	-	161,966	13,582,998	-	(10,188,991)	1,401,903	34,974,217
Derivative assets									
Equity and commodity related contracts	440,179	336,576	(82,310)	-	269,942	(560,290)	-	-	404,097
Total Level 3 financial assets	<u>31,746,543</u>	<u>334,832</u>	<u>(60,922)</u>	<u>299,265</u>	<u>13,852,940</u>	<u>(560,290)</u>	<u>(10,190,615)</u>	<u>1,401,973</u>	<u>36,823,726</u>
Derivative liabilities									
Equity and commodity related contracts	(440,179)	(344,576)	83,052	-	(269,942)	567,548	-	-	(404,097)
Total Level 3 financial liabilities	<u>(440,179)</u>	<u>(344,576)</u>	<u>83,052</u>	<u>-</u>	<u>(269,942)</u>	<u>567,548</u>	<u>-</u>	<u>-</u>	<u>(404,097)</u>
Total net Level 3 financial assets/(liabilities)	<u>31,306,364</u>	<u>(9,744)</u>	<u>22,130</u>	<u>299,265</u>	<u>13,582,998</u>	<u>7,258</u>	<u>(10,190,615)</u>	<u>1,401,973</u>	<u>36,419,629</u>

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

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

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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', '(Allowances for)/writeback of impairment losses on financial investments' and 'Income from Islamic Banking Scheme operations'.

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

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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 1 January 2023 RM'000	Other (losses)/gains recognised in income statements* RM'000	Unrealised gains/(losses) recognised in income statements# RM'000	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	At 31 December 2023 RM'000
As at 31 December 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	(826)	-	137,261	-	-	-	-	534,563
Loans, advances and financing at fair value through profit or loss	1,668	-	-	-	-	-	(1,624)	(44)	-
Loans, advances and financing at fair value through other comprehensive income	26,855,119	-	-	85,763	14,567,569	-	(7,593,493)	1,396,821	35,311,779
Derivative assets									
Equity and commodity related contracts	440,179	336,576	(82,310)	-	269,942	(560,290)	-	-	404,097
Total Level 3 financial assets	28,411,002	335,750	(64,893)	223,024	14,837,511	(560,290)	(7,595,117)	1,396,777	36,983,764
Derivative liabilities									
Equity and commodity related contracts	(440,179)	(344,576)	83,052	-	(269,942)	567,548	-	-	(404,097)
Total Level 3 financial liabilities	(440,179)	(344,576)	83,052	-	(269,942)	567,548	-	-	(404,097)
Total net Level 3 financial assets/(liabilities)	27,970,823	(8,826)	18,159	223,024	14,567,569	7,258	(7,595,117)	1,396,777	36,579,667

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

Included within 'Other operating income'.

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

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the 12 months financial year ended 31 December 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 12 months financial year ended 31 December 2023.

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A38. Credit Exposure Arising from Credit Transactions with Connected Parties

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

	Group		Bank	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Outstanding credit exposures with connected parties (RM'000)	13,434,094	23,296,154	14,378,940	19,572,786
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	1.3%	2.5%	2.5%	3.7%
Percentage of outstanding credit exposures with connected parties which is impaired* or in default	-	15.7%	-	18.7%

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

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A39. Audited Income Statements and Statements of Financial Position of Insurance and Takaful Business

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 29 April 2022, the breakdown of Audited 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) Audited Income Statements for the Financial Year Ended 31 December 2023

Group Twelve-Month Ended	Life Business		Family Takaful Business		General Takaful Business		General Business and Others		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	808,986	645,643	650,788	615,359	186,322	162,118	151,475	137,199	1,797,571	1,560,319
Interest expense	(20,372)	(19,145)	-	-	-	-	(58,486)	(58,294)	(78,858)	(77,439)
Net interest income	788,614	626,498	650,788	615,359	186,322	162,118	92,989	78,905	1,718,713	1,482,880
Insurance/takaful service result	111,633	(352,660)	(11,435)	(34,374)	93,235	154,051	124,725	155,719	318,158	(77,264)
Other operating income/(loss)	249,262	(1,122,995)	311,032	(289,604)	26,989	(12,592)	84,926	76,769	672,209	(1,348,422)
Total operating income/(loss)	1,149,509	(849,157)	950,385	291,381	306,546	303,577	302,640	311,393	2,709,080	57,194
Net insurance/takaful investment/finance result	(997,115)	515,709	(554,678)	(64,525)	96	32	5,846	(3,252)	(1,545,851)	447,964
Net operating income/(loss)	152,394	(333,448)	395,707	226,856	306,642	303,609	308,486	308,141	1,163,229	505,158
Overhead expenses	(59,046)	(17,636)	(18,846)	(16,912)	(22,374)	(18,135)	(198,114)	(156,238)	(298,380)	(208,921)
Operating profit/(loss) before impairment losses	93,348	(351,084)	376,861	209,944	284,268	285,474	110,372	151,903	864,849	296,237
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(1,117)	(5,610)	293	(285)	1	4	12,864	1,521	12,041	(4,370)
Writeback of/(allowances for) impairment losses on financial investments, net	126,946	(104,957)	(278)	(134)	(208)	(88)	18	(646)	126,478	(105,825)
Writeback of/(allowances for) impairment losses on other financial assets, net	1,263	1,680	(618)	(544)	(317)	(239)	(20,295)	3,662	(19,967)	4,559
Profit/(loss) before taxation and zakat	220,440	(459,971)	376,258	208,981	283,744	285,151	102,959	156,440	983,401	190,601
Taxation and zakat	(63,792)	(9,572)	(75,155)	(102,316)	(94,141)	(112,910)	(49,787)	(85,375)	(282,875)	(310,173)
Profit/(loss) for the financial year	156,648	(469,543)	301,103	106,665	189,603	172,241	53,172	71,065	700,526	(119,572)

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

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

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 29 April 2022, the breakdown of Audited 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) Audited Statements of Financial Position as at 31 December 2023

Group	Life Business		Family Takaful Business		General Takaful Business		General Business and Others*		Total	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
Cash and short-term funds	812,843	703,777	32,360	61,806	65,759	11,428	136,070	158,637	1,047,032	935,648
Deposits and placements with financial institutions	712,585	871,854	1,155,217	1,174,782	1,176,136	1,224,700	654,994	476,486	3,698,932	3,747,822
Financial assets designated upon initial recognition at fair value through profit or loss	6,751,895	6,486,343	6,528,658	6,196,994	13,723	18,895	30,231	35,436	13,324,507	12,737,668
Financial investments at fair value through profit or loss	6,978,270	4,956,731	913,165	620,073	134,258	143,632	580,176	499,151	8,605,869	6,219,587
Financial investments at fair value through other comprehensive income	8,182,945	9,174,065	7,259,005	6,758,073	3,519,871	3,013,680	1,721,609	1,648,359	20,683,430	20,594,177
Financial investments at amortised cost	-	-	-	-	-	-	45,998	39,624	45,998	39,624
Loans, advances and financing	23,173	34,572	10,172	11,181	647	422	70,085	57,060	104,077	103,235
Derivative assets	139,605	239,689	-	-	-	-	43	43	139,648	239,732
Insurance contract/takaful certificate assets	35,764	(120,754)	417	225,783	-	321,877	87,023	(350,119)	123,204	76,787
Reinsurance contract/retakaful certificate assets	2,480,357	1,843,232	278,644	509,410	289,678	1,100,867	2,650,153	4,122,713	5,698,832	7,576,222
Other assets	294,655	112,242	114,122	118,723	717	55,959	374,888	259,399	784,382	546,323
Investment properties	835,270	814,075	-	-	-	-	180,045	170,265	1,015,315	984,340
Statutory deposits with central banks	3,213	3,084	-	-	-	-	-	3,084	3,213	6,168
Interest in associates	-	-	-	-	-	-	-	152	-	152
Property, plant and equipment	95,701	92,049	228	200	62	82	71,657	63,418	167,648	155,749
Right-of-use assets	11,130	17,442	713	112	-	-	12,401	12,363	24,244	29,917
Intangible assets	56,924	61,251	11,012	7,969	1,641	1,803	85,674	83,887	155,251	154,910
Deferred tax assets	8,286	15,658	51,597	63,390	70,158	107,275	86,297	86,711	216,338	273,034
TOTAL ASSETS	27,422,616	25,305,310	16,355,310	15,748,496	5,272,650	6,000,620	6,787,344	7,366,669	55,837,920	54,421,095
LIABILITIES										
Derivative liabilities	9,562	20,821	-	-	-	-	70,480	21,288	80,042	42,109
Insurance contract/takaful certificate liabilities	23,896,836	22,122,660	13,247,304	12,115,712	3,136,983	3,176,722	4,216,428	5,082,377	44,497,551	42,497,471
Reinsurance contract/retakaful certificate liabilities	53,504	-	-	-	-	659,352	29,497	89,836	83,001	749,188
Other liabilities #	1,383,349	1,121,044	300,242	997,529	208,596	443,320	484,446	464,487	2,376,633	3,026,380
Provision for taxation and zakat	(18,306)	24,353	22,652	41,028	35,026	50,568	(21,603)	(18,888)	17,769	97,061
Deferred tax liabilities	467,011	136,327	26,081	3,561	16,801	18,821	50,417	37,652	560,310	196,361
Subordinated obligations	-	-	-	-	-	-	312,051	312,051	312,051	312,051
TOTAL LIABILITIES	25,791,956	23,425,205	13,596,279	13,157,830	3,397,406	4,348,783	5,141,716	5,988,803	47,927,357	46,920,621
EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE SUBSIDIARIES										
Share capital	1,452,185	1,366,371	100,000	99,999	970,001	970,000	(1,861,321)	(1,775,505)	660,865	660,865
Other reserves	178,475	513,734	2,659,031	2,490,667	905,243	681,837	3,506,949	3,153,371	7,249,698	6,839,609
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	27,422,616	25,305,310	16,355,310	15,748,496	5,272,650	6,000,620	6,787,344	7,366,669	55,837,920	54,421,095

* 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 audited statements of financial position have been prepared under MFRS 17 *Insurance Contracts* and the comparative restated.

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A40. The Operations of Islamic Banking Scheme

A40a. Income Statements for the Fourth Quarter and Financial Year Ended 31 December 2023

<u>Group</u>	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	3,214,101	2,818,214	11,880,732	9,534,723
Income derived from investment of investment account funds	297,216	276,792	1,163,306	1,092,610
Income derived from investment of Islamic Banking Funds	164,314	145,092	717,315	542,853
Allowances for impairment losses on financing and advances, net	(519,276)	(39,636)	(928,570)	(379,860)
Writeback of/(allowances for) impairment losses on financial investments, net	779	2,922	13,939	(881)
Writeback of impairment losses on other financial assets, net	615	2,403	716	6,285
Total distributable income	3,157,749	3,205,787	12,847,438	10,795,730
Profit share income from investment accounts	48,637	48,945	190,604	191,943
Profit distributed to depositors	(1,629,512)	(1,216,996)	(6,161,469)	(3,526,140)
Profit distributed to investment account holders	(107,457)	(104,576)	(434,604)	(353,015)
Total net income	1,469,417	1,933,160	6,441,969	7,108,518
Finance cost	(140,837)	(118,264)	(561,563)	(428,760)
Overhead expenses	(742,997)	(626,936)	(2,711,366)	(2,138,682)
Profit before taxation and zakat	585,583	1,187,960	3,169,040	4,541,076
Taxation	(131,798)	(383,422)	(719,163)	(1,476,501)
Zakat	(8,895)	6,909	(51,552)	(27,024)
Profit for the financial period/year	444,890	811,447	2,398,325	3,037,551

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

<u>Group</u>	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	3,214,101	2,818,214	11,880,732	9,534,723
Income derived from investment of investment account funds	297,216	276,792	1,163,306	1,092,610
Income derived from investment of Islamic Banking Funds	164,314	145,092	717,315	542,853
Total income before allowances for impairment losses on financial assets and overhead expenses	3,675,631	3,240,098	13,761,353	11,170,186
Profit share income from investment accounts	48,637	48,945	190,604	191,943
Profit distributed to depositors	(1,629,512)	(1,216,996)	(6,161,469)	(3,526,140)
Profit distributed to investment account holders	(107,457)	(104,576)	(434,604)	(353,015)
	1,987,299	1,967,471	7,355,884	7,482,974
Finance cost	(140,837)	(118,264)	(561,563)	(428,760)
Net of intercompany income and expenses	260,332	181,578	973,035	551,353
Profit share income from investment accounts funded by the Bank	(48,577)	(48,890)	(190,161)	(191,701)
Income from Islamic Banking Scheme operations reported in the Income Statement of the Group	2,058,217	1,981,895	7,577,195	7,413,866

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

A40b. Statements of Comprehensive Income for the Fourth Quarter and Financial Year Ended 31 December 2023

<u>Group</u>	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Profit for the financial period/year	444,890	811,447	2,398,325	3,037,551
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on foreign exchange translation	807	363	(2,569)	(140)
Net gain/(loss) on financial investments at fair value through other comprehensive income	239,012	200,203	789,994	(247,101)
- Net gain/(loss) from change in fair value	321,942	327,382	1,025,120	(329,549)
- Changes in expected credit losses	(5,664)	2,070	10,903	3,356
- Income tax effect	(77,266)	(129,249)	(246,029)	79,092
	239,819	200,566	787,425	(247,241)
Other comprehensive income/(loss) for the financial period/year, net of tax	239,819	200,566	787,425	(247,241)
Total comprehensive income for the financial period/year	684,709	1,012,013	3,185,750	2,790,310

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

A40c. Audited Statement of Financial Position as at 31 December 2023

<u>Group</u>	Note	31 December 2023 RM'000	31 December 2022 RM'000
ASSETS			
Cash and short-term funds		7,813,136	15,094,889
Deposits and placements with financial institutions		2,801,850	5,329,880
Financial assets purchased under resale agreements		58,118	2,121,695
Financial investments at fair value through profit or loss		1,331,059	309,504
Financial investments at fair value through other comprehensive income		24,342,546	15,645,983
Financial investments at amortised cost		13,759,189	27,461,699
Financing and advances	A40e	228,807,155	214,379,623
Derivative assets		160,619	263,763
Other assets		4,044,371	5,971,596
Statutory deposit with central banks		3,621,143	3,505,736
Property, plant and equipment		199	341
Right-of-use assets		4,494	7,279
Deferred tax assets		79,648	288,433
Total Assets		286,823,527	290,380,421
LIABILITIES			
Customers' funding:			
- Deposits from customers	A40f	210,698,979	209,783,463
- Investment accounts of customers ¹	A40g	27,354,337	25,637,702
Deposits and placements from financial institutions		17,488,615	23,593,505
Obligations on financial assets sold under repurchase agreements		-	461,081
Bills and acceptances payable		80,796	32,569
Derivative liabilities		309,093	384,674
Other liabilities		1,349,883	3,218,678
Provision for taxation and zakat		77,757	150,781
Term funding	A40h	10,932,227	9,421,202
Subordinated sukuk	A40i	2,021,893	2,021,893
Capital securities	A40j	1,002,347	1,002,347
Total Liabilities		271,315,927	275,707,895
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		11,681,910	11,034,955
Retained profits		2,577,023	2,901,255
Other reserves		1,248,667	736,316
		15,507,600	14,672,526
Total liabilities and Islamic Banking Capital Funds		286,823,527	290,380,421
Restricted investment accounts managed by the Group	A40g	42,884,778	30,552,966
TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE GROUP		329,708,305	320,933,387
COMMITMENTS AND CONTINGENCIES		100,661,175	80,496,780

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

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

A40d. Audited Statements of Changes in Islamic Banking Capital Funds for the Financial Year Ended 31 December 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 year	-	-	-	-	-	2,398,325	2,398,325
Other comprehensive income/(loss)	-	-	789,994	(2,569)	-	-	787,425
Net loss on foreign exchange translation	-	-	-	(2,569)	-	-	(2,569)
Net gain on financial investments at fair value through other comprehensive income	-	-	789,994	-	-	-	789,994
Total comprehensive income/(loss) for the financial year	-	-	789,994	(2,569)	-	2,398,325	3,185,750
Issue of ordinary shares	646,955	-	-	-	-	-	646,955
Transfer to conventional banking operations	-	-	-	-	-	(199,141)	(199,141)
Transfer from regulatory reserve	-	(275,074)	-	-	-	275,074	-
Dividends paid	-	-	-	-	-	(2,798,490)	(2,798,490)
At 31 December 2023	11,681,910	629,580	620,147	(2,757)	1,697	2,577,023	15,507,600

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

A40d. Audited Statements of Changes in Islamic Banking Capital Funds for the Financial Year Ended 31 December 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 year	-	-	-	-	-	3,037,551	3,037,551
Other comprehensive loss	-	-	(247,101)	(140)	-	-	(247,241)
Net loss on foreign exchange translation	-	-	-	(140)	-	-	(140)
Net loss on financial investments at fair value through other comprehensive income	-	-	(247,101)	-	-	-	(247,101)
Total comprehensive (loss)/income for the financial year	-	-	(247,101)	(140)	-	3,037,551	2,790,310
Issue of ordinary shares	707,581	-	-	-	-	-	707,581
Transfer to regulatory reserve	-	783,640	-	-	-	(783,640)	-
Dividends paid	-	-	-	-	-	(2,841,125)	(2,841,125)
At 31 December 2022	11,034,955	904,654	(169,847)	(188)	1,697	2,901,255	14,672,526

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

A40e. Financing and Advances

<u>Group</u>	31 December 2023 RM'000	31 December 2022 RM'000
Financing and advances*:		
(A) Financing and advances at fair value through other comprehensive income	1,491,790	3,141,460
(B) Financing and advances at amortised cost	289,328,434	280,573,323
	290,820,224	283,714,783
Unearned income	(58,938,346)	(66,345,579)
Gross financing and advances	231,881,878	217,369,204
Allowances for impaired financing and advances:		
- Stage 1 - 12-month ECL	(548,816)	(442,735)
- Stage 2 - Lifetime ECL not credit impaired	(1,423,854)	(1,309,534)
- Stage 3 - Lifetime ECL credit impaired	(1,102,053)	(1,237,312)
Net financing and advances	228,807,155	214,379,623

* As at 31 December 2023, the financing and advances funded by RPSIA amounting to RM34,308.6 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 31 December 2023 was RM27,354.3 million (31 December 2022: RM25,637.7 million).

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

A40e. 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 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	7,068,707	-	-	-	-	7,068,707
Term financing							
- Housing financing	10,805,361	97,680,534	1,397,371	-	-	590	109,883,856
- Syndicated financing	-	5,213,306	-	-	-	-	5,213,306
- Hire purchase receivables	-	14,063,247	-	47,001,375	-	-	61,064,622
- Lease receivables	-	-	-	-	2,548,038	-	2,548,038
- Other term financing	4,645,909	82,088,431	402,904	-	-	41,582	87,178,826
Bills receivables	-	-	-	-	-	52	52
Trust receipts	-	212,698	-	-	-	-	212,698
Claims on customers under acceptance credits	-	7,786,061	-	-	-	-	7,786,061
Staff financing	234,631	2,894,181	5,608	141,127	-	48,654	3,324,201
Credit card receivables	-	-	-	-	-	2,158,462	2,158,462
Revolving credit	-	4,340,427	-	-	-	-	4,340,427
Share margin financing	-	38,482	-	-	-	-	38,482
Financing to:							
- Directors of the Bank	-	1,631	-	186	-	84	1,901
- Directors of subsidiaries	-	348	-	237	-	-	585
	15,685,901	221,388,053	1,805,883	47,142,925	2,548,038	2,249,424	290,820,224
Unearned income							(58,938,346)
Gross financing and advances ⁴							231,881,878
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							(548,816)
- Stage 2 - Lifetime ECL not credit impaired							(1,423,854)
- Stage 3 - Lifetime ECL credit impaired							(1,102,053)
Net financing and advances							228,807,155

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

A40e. 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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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40e. Financing and Advances (cont'd.)

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

<u>Group</u>	31 December 2023 RM'000	31 December 2022 RM'000
At 1 January	2,061,080	1,492,756
Newly impaired	1,605,365	1,237,425
Reclassified as non-impaired	(56,988)	(65,139)
Amount recovered	(99,115)	(223,830)
Amount written-off	<u>(1,060,045)</u>	<u>(380,132)</u>
Gross impaired financing at 31 December 2023/31 December 2022	2,450,297	2,061,080
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,102,053)</u>	<u>(1,237,312)</u>
Net impaired financing at 31 December 2023/31 December 2022	<u>1,348,244</u>	<u>823,768</u>
 <u>Calculation of ratio of net impaired financing (excluding financing funded by IA):</u>		
Gross impaired financing at 31 December 2023/31 December 2022	2,323,152	2,001,463
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,102,053)</u>	<u>(1,237,312)</u>
Net impaired financing at 31 December 2023/31 December 2022	<u>1,221,099</u>	<u>764,151</u>
Gross financing and advances	204,527,541	191,731,502
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	<u>(3,094,536)</u>	<u>(2,996,850)</u>
Net financing and advances	<u>201,433,005</u>	<u>188,734,652</u>
Net impaired financing as a percentage of net financing and advances	<u>0.61%</u>	<u>0.40%</u>

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

A40e. Financing and Advances (cont'd.)

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

At fair value through other comprehensive income

<u>Group</u>	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2023	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	7,269	-	-	7,269
Transferred to Stage 2	(3,186)	3,186	-	-
Net remeasurement of allowances	-	10,203	-	10,203
New financial assets originated or purchased	1,827	-	-	1,827
Financial assets derecognised	(371)	-	-	(371)
Changes in models/risk parameters	873	-	-	873
Exchange differences	12	-	-	12
At 31 December 2023	6,424	13,389	-	19,813

<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 31 December 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	114,366	(108,573)	(5,793)	-
Transferred to Stage 2	(31,198)	46,414	(15,216)	-
Transferred to Stage 3	(8,799)	(98,770)	107,569	-
Net remeasurement of allowances	41,988	299,978	803,183	1,145,149
New financial assets originated or purchased	134,253	71,265	-	205,518
Financial assets derecognised	(67,846)	(58,074)	25,299	(100,621)
Changes in models/risk parameters	(77,070)	(38,031)	(10,877)	(125,978)
Amount written-off	-	-	(1,060,045)	(1,060,045)
Exchange differences	387	111	20,621	21,119
At 31 December 2023	548,816	1,423,854	1,102,053	3,074,723

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

A40e. Financing and Advances (cont'd.)

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

At amortised cost (cont'd.)

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

A40f. Deposits from Customers

Group	31 December 2023	31 December 2022
	RM'000	RM'000
Savings deposits		
Murabahah	27,898,298	27,711,469
Qard	537,261	601,896
	28,435,559	28,313,365
Demand deposits		
Murabahah	38,688,322	37,422,903
Qard	497,776	1,381,375
	39,186,098	38,804,278
Term deposits		
Murabahah	142,778,570	142,073,732
Qard	298,752	592,088
	143,077,322	142,665,820
Total deposits from customers	210,698,979	209,783,463

A40g. Investment Accounts

Group	31 December 2023	31 December 2022
	RM'000	RM'000
Investment accounts of customers		
- Unrestricted investment accounts	27,354,337	25,637,702
Restricted investment accounts managed by the Group ¹	42,884,778	30,552,966

The unrestricted investment accounts (net of intercompany balances) as at 31 December 2023 was RM26,475.4 million (31 December 2022: RM24,501.0 million) as reported on the Group's statements of financial position.

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

A40g. Investment Accounts (cont'd.)

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

<u>Group</u>	Unrestricted investment accounts			Restricted investment accounts managed by the Group ¹
	Mudharabah ² RM'000	Wakalah RM'000	Total RM'000	Mudharabah RM'000
As at 31 December 2023				
Business enterprises	14,795,428	-	14,795,428	-
Individuals	10,344,687	-	10,344,687	-
Government and statutory bodies	322,997	-	322,997	-
Licensed banks	-	-	-	42,226,738
Others	1,640,671	250,554	1,891,225	658,040
	<u>27,103,783</u>	<u>250,554</u>	<u>27,354,337</u>	<u>42,884,778</u>
As at 31 December 2022				
Business enterprises	13,389,602	-	13,389,602	-
Individuals	10,342,032	-	10,342,032	-
Government and statutory bodies	246,938	-	246,938	-
Licensed banks	-	-	-	30,123,166
Others	1,659,130	-	1,659,130	429,800
	<u>25,637,702</u>	<u>-</u>	<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			Restricted investment accounts managed by the Group ¹
	Mudharabah ² RM'000	Wakalah RM'000	Total RM'000	Mudharabah RM'000
As at 31 December 2023				
- without maturity	23,437,559	-	23,437,559	-
- with maturity				
Within six months	2,558,744	190,510	2,749,254	12,974,987
Six months to one year	1,073,409	60,044	1,133,453	163,298
One year to three years	30,557	-	30,557	6,470,699
Three years to five years	3,514	-	3,514	23,275,794
	<u>3,666,224</u>	<u>250,554</u>	<u>3,916,778</u>	<u>42,884,778</u>
Total investment accounts of customers	<u>27,103,783</u>	<u>250,554</u>	<u>27,354,337</u>	<u>42,884,778</u>
As at 31 December 2022				
- without maturity	21,160,119	-	21,160,119	-
- with maturity				
Within six months	3,055,394	-	3,055,394	10,280,098
Six months to one year	1,403,496	-	1,403,496	30,109
One year to three years	13,924	-	13,924	3,995,512
Three years to five years	4,769	-	4,769	16,247,247
	<u>4,477,583</u>	<u>-</u>	<u>4,477,583</u>	<u>30,552,966</u>
Total investment accounts of customers	<u>25,637,702</u>	<u>-</u>	<u>25,637,702</u>	<u>30,552,966</u>

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

A40g. Investment Accounts (cont'd.)

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

<u>Group</u>	Unrestricted investment accounts			Restricted investment accounts managed by the Group ¹
	Mudharabah ² RM'000	Wakalah RM'000	Total RM'000	Mudharabah RM'000
As at 31 December 2023				
Retail financing	26,103,783	250,554	26,354,337	-
Non-retail financing	1,000,000	-	1,000,000	34,496,355
Corporate Sukuk	-	-	-	8,388,423
	27,103,783	250,554	27,354,337	42,884,778
As at 31 December 2022				
Retail financing	23,987,702	-	23,987,702	-
Non-retail financing	1,650,000	-	1,650,000	25,955,010
Corporate Sukuk	-	-	-	4,597,956
	25,637,702	-	25,637,702	30,552,966

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

<u>Group</u>	Investment account holder ("IAH")	
	Average profit sharing ratio (%)	Average rate of return (%)
As at 31 December 2023		
Investment accounts of customers		
- Unrestricted investment accounts		
- Mudharabah ²	38.18	1.61
- Wakalah	-	4.11
Restricted investment accounts managed by the Group ¹	79.41	4.17
As at 31 December 2022		
Investment accounts of customers		
- Unrestricted investment accounts		
- Mudharabah ²	32.04	2.58
- Wakalah	-	-
Restricted investment accounts managed by the Group ¹	76.29	4.60

¹ 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 RM42,226.7 million and RM658.0 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.

² The total funds invested in Multi-Asset Investment Account-i ("MAIA") product was RM121.1 million (31 December 2022: RM122.7 million) of which RM0.7 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 RM120.4 million as at 31 December 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.

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

A40h. Term Funding

<u>Group</u>	31 December 2023 RM'000	31 December 2022 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	7,894,346	6,413,953
(ii) Medium Term Notes		
- More than one year	2,003,322	2,003,796
(iii) Term funding		
- More than one year (Note (a))	1,034,559	1,003,453
Total term funding	<u>10,932,227</u>	<u>9,421,202</u>

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

A40i. Subordinated Sukuk

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

A40j. Capital Securities

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

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

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

Income statements

Group	31 December 2022 RM'000	Effects of MFRS 17 adoption RM'000	31 December 2022 RM'000 Restated
Interest income	21,627,555	(18,628)	21,608,927
Interest expense	(7,793,342)	-	(7,793,342)
Net interest income	13,834,213	(18,628)	13,815,585
Income from Islamic Banking Scheme operations	7,413,866	-	7,413,866
Insurance/takaful service result	-	211,692	211,692
Net earned insurance premiums	8,977,582	(8,977,582)	-
Other operating income	4,625,377	(22,206)	4,603,171
Total operating income	34,851,038	(8,806,724)	26,044,314
Net insurance/takaful investment/finance result	-	447,964	447,964
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(7,235,971)	7,235,971	-
Net operating income	27,615,067	(1,122,789)	26,492,278
Overhead expenses	(12,807,088)	832,896	(11,974,192)
Operating profit before impairment losses	14,807,979	(289,893)	14,518,086
Allowances for impairment losses on loans, advances, financing and other debts, net	(2,189,311)	6,576	(2,182,735)
Allowances for impairment losses on financial investments, net	(523,384)	-	(523,384)
Allowances for impairment losses on other financial assets and interest in associates, net	(72,868)	1,761	(71,107)
Operating profit	12,022,416	(281,556)	11,740,860
Share of profits in associates and joint ventures	130,850	-	130,850
Profit before taxation and zakat	12,153,266	(281,556)	11,871,710
Taxation and zakat	(3,780,264)	(115,870)	(3,896,134)
Profit for the financial year	8,373,002	(397,426)	7,975,576
Attributable to:			
Equity holders of the Bank	8,234,949	(274,423)	7,960,526
Non-controlling interests	138,053	(123,003)	15,050
	8,373,002	(397,426)	7,975,576
Earnings per share attributable to equity holders of the Bank			
Basic/diluted	68.80 sen	(2.29) sen	66.51 sen

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

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

Statements of Comprehensive Income

<u>Group</u>	31 December 2022 RM'000	Effects of MFRS 17 adoption RM'000	31 December 2022 RM'000 Restated
Profit for the financial year	8,373,002	(397,426)	7,975,576
Other comprehensive income/(loss):			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Defined benefit plan actuarial gain	40,673	-	40,673
Income tax effect	(8,485)	-	(8,485)
Net gain from change in fair value on equity instruments at fair value through other comprehensive income	18,020	-	18,020
	<u>50,208</u>	<u>-</u>	<u>50,208</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net loss on debt instruments at fair value through other comprehensive income	(2,976,131)	7,071	(2,969,060)
- Net loss from change in fair value	(3,687,864)	7,071	(3,680,793)
- Changes in expected credit losses	(85,020)	-	(85,020)
- Income tax effect	796,753	-	796,753
Net gain on foreign exchange translation	695,340	(41,865)	653,475
Cost of hedging for fair value hedge	49,699	-	49,699
Net gain on capital reserve	1,140	-	1,140
Net loss on revaluation reserve	(443)	-	(443)
Share of change in associates' reserve	(291,255)	-	(291,255)
Net insurance finance/investment result	-	174,897	174,897
	<u>(2,521,650)</u>	<u>140,103</u>	<u>(2,381,547)</u>
Other comprehensive loss for the financial year, net of tax	<u>(2,471,442)</u>	<u>140,103</u>	<u>(2,331,339)</u>
Total comprehensive income for the financial year	<u>5,901,560</u>	<u>(257,323)</u>	<u>5,644,237</u>
Other comprehensive (loss)/income for the financial year, attributable to:			
Equity holders of the Bank	(2,645,767)	97,300	(2,548,467)
Non-controlling interests	174,325	42,803	217,128
	<u>(2,471,442)</u>	<u>140,103</u>	<u>(2,331,339)</u>
Total comprehensive income for the financial year, attributable to:			
Equity holders of the Bank	5,589,182	(177,123)	5,412,059
Non-controlling interests	312,378	(80,200)	232,178
	<u>5,901,560</u>	<u>(257,323)</u>	<u>5,644,237</u>

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

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

Statements of Financial Position

<u>Group</u>	31 December 2021 RM'000	Effects of MFRS 17 adoption RM'000	1 January 2022 RM'000 Restated	31 December 2022 RM'000	Effects of MFRS 17 adoption RM'000	31 December 2022 RM'000 Restated
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 contract/takaful certificate assets	-	46,002	46,002	-	76,787	76,787
Reinsurance contract/retakaful certificate assets	-	7,137,803	7,137,803	-	7,576,222	7,576,222
Reinsurance/retakaful assets and other insurance receivables	7,515,864	(7,515,864)	-	7,041,010	(7,041,010)	-
Other assets	8,644,931	(10,568)	8,634,363	11,466,678	(14,015)	11,452,663
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	58,110	1,563,488	2,462,917	(20,613)	2,442,304
TOTAL ASSETS	888,172,393	(540,304)	887,632,089	947,812,835	317,248	948,130,083

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

(ii) The adoption of MFRS 17 resulted in the following financial effects to the statements of financial position of the Group (cont'd.):

Statements of Financial Position (cont'd.)

<u>Group (cont'd.)</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
LIABILITIES						
Customers' funding:						
- Deposits from customers	588,967,633	-	588,967,633	614,895,094	-	614,895,094
- Investment accounts of customers	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/takaful certificate liabilities	-	42,188,928	42,188,928	-	42,497,471	42,497,471
Reinsurance contract/retakaful certificate liabilities	-	51,360	51,360	-	749,188	749,188
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	(468,917)	21,033,179	26,527,065	(580,982)	25,946,083
Provision for taxation and zakat	311,385	-	311,385	372,176	200	372,376
Deferred tax liabilities	539,066	(170,329)	368,737	400,437	(128,825)	271,612
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	(492,573)	799,127,399	858,895,695	622,302	859,517,997
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	19,414	29,649,140	29,705,461	(255,009)	29,450,452
Reserves	3,026,497	(53,142)	2,973,355	1,632,427	44,158	1,676,585
	85,811,422	(33,728)	85,777,694	85,957,034	(210,851)	85,746,183
Non-controlling interests	2,740,999	(14,003)	2,726,996	2,960,106	(94,203)	2,865,903
	88,552,421	(47,731)	88,504,690	88,917,140	(305,054)	88,612,086
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	888,172,393	(540,304)	887,632,089	947,812,835	317,248	948,130,083

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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 RM9,349.8 million for the financial year ended 31 December 2023, an increase of RM1,389.3 million or 17.5% as compared to the previous corresponding financial year ended 31 December 2022.

The Group's net interest income and Islamic Banking income for the financial year ended 31 December 2023 decreased by RM860.7 million or 4.1% to RM20,368.7 million as compared to the previous corresponding financial year ended 31 December 2022.

The Group's insurance/takaful service result increased by RM338.4 million or 159.9% to RM550.1 million for the financial year ended 31 December 2023 as compared to the previous corresponding the financial year ended 31 December 2022.

Other operating income of the Group for the financial year ended 31 December 2023 was RM7,988.2 million, an increase of RM3,385.0 million or 73.5% from RM4,603.2 million in the previous corresponding financial year ended 31 December 2022. The increase was mainly due to lower unrealised mark-to-market loss on revaluation of derivatives of RM2,396.1 million, higher foreign exchange gain of RM1,173.2 million, net investment income of RM319.9 million for the financial year ended 31 December 2023 as compared to net investment loss of RM847.9 million for the previous corresponding financial year ended 31 December 2022, unrealised mark-to-market gain on revaluation of financial assets designated upon initial recognition at FVTPL of RM564.2 million for the financial year ended 31 December 2023 as compared to unrealised mark-to-market loss of RM526.8 million for the previous corresponding financial year ended 31 December 2022, unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM464.6 million for the financial year ended 31 December 2023 as compared to unrealised mark-to-market loss of RM308.4 million for the previous corresponding financial year ended 31 December 2022 and higher fee income of RM193.3 million. The increases were, however, offset by lower unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM2,505.6 million and realised loss on derivatives of RM60.1 million for the financial year ended 31 December 2023 as compared to realised gain on derivatives of RM896.1 million for the previous corresponding financial year ended 31 December 2022.

The Group's overhead expenses for the financial year ended 31 December 2023 recorded an increase of RM1,414.6 million or 11.8% to RM13,388.8 million as compared to the previous corresponding financial year ended 31 December 2022. The increase in overhead expenses was mainly due to higher personnel expenses of RM765.7 million, higher administration and general expenses of RM439.6 million and higher establishment costs of RM238.0 million. The increases were, however, mitigated by lower marketing expenses of RM28.7 million.

The Group's net allowances for impairment losses on loans, advances, financing and other debts decreased by RM356.5 million or 16.3% to RM1,826.2 million as compared to the previous corresponding financial year ended 31 December 2022.

The Group's recorded net writeback of impairment losses on financial investments the financial year ended 31 December 2023 of RM180.6 million against net allowances of RM523.4 million to the previous corresponding financial year ended 31 December 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 for the twelve-month financial year ended 31 December 2023 compared to the previous corresponding twelve-month financial year ended 31 December 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 RM627.8 million or 9.9% to RM5,714.4 million for the financial year ended 31 December 2023 from RM6,342.2 million for the previous corresponding financial year ended 31 December 2022. The decrease was mainly due to higher overhead expenses of RM1,106.5 million and higher net allowances for impairment losses on loans, advances, financing and other debts of RM903.4 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM998.7 million, higher other operating income of RM292.3 million, net writeback of impairment losses on financial investments and other financial asset of RM5.9 million from net allowance of RM57.7 million and share of profits in associates and joint ventures of RM2.7 million from share of loss in associate and joint ventures of RM25.0 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation and zakat increased by RM994.5 million or 20.8% to RM5,785.9 million for the financial year ended 31 December 2023 from RM4,791.4 million for the previous corresponding financial year ended 31 December 2022. The increase was mainly due to lower net allowances for impairment losses on loans, advances, financing and other debts of RM1,262.0 million, net writeback of impairment losses on financial investments and other financial assets of RM35.9 million from net allowances of RM434.3 million and higher share of profits in associates and joint ventures of RM80.5 million. The increases were, however, offset by lower net interest income and income from IBS operations of RM367.5 million, lower other operating income of RM275.9 million and higher overhead expenses of RM174.7 million.

b) Group Investment Banking

Group Investment Banking's profit before taxation and zakat decreased by RM29.1 million or 15.8% to RM154.7 million for the financial year ended 31 December 2023 from RM183.8 million for the previous corresponding financial year ended 31 December 2022. The decrease was mainly due to higher overhead expenses of RM49.9 million, lower other operating income of RM33.1 million, net allowances for impairment losses on loans, advances, financing and other debts of RM15.2 million from net writeback of RM3.2 million and higher net allowances for impairment losses on financial investments and other financial asset of RM1.9 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM72.8 million and higher share of profit in associates and joint ventures of RM1.4 million.

c) Group Asset Management

Group Asset Management's profit before taxation and zakat decreased by RM25.9 million to RM4.6 million for the financial year ended 31 December 2023 from RM30.5 million for the previous corresponding financial year ended 31 December 2022. The decrease was mainly due to higher overhead expenses of RM24.0 million and lower other operating income of RM3.6 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM1.8 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat increased by RM822.8 million to RM977.5 million for the financial year ended 31 December 2023 from RM154.7 million for the previous corresponding financial year ended 31 December 2022. The increase was mainly contributed by other operating income of RM672.2 million from other operating losses of RM1,348.4 million, higher insurance/takaful service result of RM395.4 million, higher net interest income of RM235.8 million and net writeback of impairment losses on financial investments and other financial assets of RM106.5 million from net allowances of RM101.3 million. These were, however, offset by lower net insurance/takaful investment/finance result of RM1,993.8 million and higher overhead expenses of RM59.5 million.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter

The Group posted profit after tax and zakat attributable to equity holders of RM2,387.8 million for the quarter ended 31 December 2023, an increase of RM182.5 million or 8.3% as compared to the previous period corresponding quarter ended 31 December 2022.

The Group's net interest income and Islamic Banking income for the quarter ended 31 December 2023 decreased by RM255.3 million or 4.6% to RM5,241.2 million as compared to the previous period corresponding quarter ended 31 December 2022.

The Group's insurance/takaful service result for the quarter ended 31 December 2023 increased by RM243.5 million to RM283.8 million as compared to the previous period corresponding quarter ended 31 December 2022.

The Group's other operating income increased by RM98.2 million to RM1,903.6 million for the quarter ended 31 December 2023 as compared to the previous period corresponding quarter ended 31 December 2022. The increase was mainly due to unrealised mark-to-market gain on revaluation of derivatives of RM1,696.1 million for the quarter ended 31 December 2023 as compared to unrealised mark-to-market loss of RM656.2 million for previous period corresponding quarter ended 31 December 2022, net investment income of RM75.9 million for the quarter ended 31 December 2023 as compared to net investment loss of RM305.5 million for the previous period corresponding quarter ended 31 December 2022 and higher fee income of RM78.5 million. The increases were, however, offset by unrealised mark-to-market loss on revaluation of financial liabilities at FVTPL of RM1,513.1 million for the quarter ended 31 December 2023 as compared to unrealised mark-to-market gain of RM96.5 million for the previous period corresponding quarter ended 31 December 2022, realised loss on derivatives of RM338.1 million for the quarter ended 31 December 2023 as compared to realised gain of RM350.3 million for the previous period corresponding quarter ended 31 December 2022, lower unrealised mark-to-market gain on revaluation of financial investment at FVTPL of RM245.7 million and lower foreign exchange gain of RM56.8 million.

The Group's overhead expenses for the quarter ended 31 December 2023 recorded an increase of RM479.3 million or 15.3% to RM3,619.0 million as compared to the previous period corresponding quarter ended 31 December 2022. The increase in overhead expenses was mainly due to higher personnel expenses of RM208.1 million, higher administration and general expenses of RM204.9 million and higher establishment costs of RM91.7 million. The increases were, however, mitigated by lower marketing expenses of RM25.4 million.

The Group's net allowances for impairment losses on loans, advances, financing and other debts increased by RM162.0 million or 53.6% to RM464.2 million as compared to the previous period corresponding quarter ended 31 December 2022.

The Group's recorded net allowances impairment losses on financial investments for the quarter ended 31 December 2023 of RM2.2 million against net writeback of RM170.9 million for the quarter ended 31 December 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 31 December 2023 compared to the previous period corresponding quarter ended 31 December 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 increased by RM260.4 million or 19.0% to RM1,632.3 million for the quarter ended 31 December 2023 from RM1,371.9 million for the previous period corresponding quarter ended 31 December 2022. The increase was mainly due to higher net interest income and income from IBS operations of RM189.6 million, lower net allowances for impairment losses on loans, advances, financing and other debts of RM128.4 million, higher other operating income of RM116.0 million, net writeback of impairment losses on financial investments and other financial assets of RM4.5 million from net allowances of RM58.1 million and share of profits in associates and joint ventures RM1.1 million from share of losses in associates and joint ventures of RM25.0 million. The increases were, however, offset by higher overhead expenses of RM262.3 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets's profit before taxation and zakat decreased by RM145.9 million to RM1,282.3 million for the quarter ended 31 December 2023 from RM1,428.2 million for the previous period corresponding quarter ended 31 December 2022. The decrease was mainly due to net allowances for impairment losses on loans, advances, financing and other debts of RM243.5 million from net writeback of RM45.6 million, lower net writeback of impairment losses on financial investments and other financial assets of RM163.8 million and higher overhead expenses of RM47.2 million. The decreases were, however, mitigated by higher other operating income of RM220.3 million, higher net interest income and income from IBS operations of RM105.2 million and lower share of profits in associates and joint ventures of RM28.8 million.

b) Group Investment Banking

Group Investment Banking's profit before taxation and zakat increased by RM22.2 million to RM49.3 million for the quarter ended 31 December 2023 from RM27.1 million for the previous period corresponding quarter ended 31 December 2022. The increase was mainly due to higher other operating income of RM59.7 million, net interest income and income from IBS operations of RM43.9 million, higher share of profits in associates and joint ventures of RM0.2 million. The increases were, however, offset by higher overhead expenses by RM69.0 million, net allowances for impairment losses on loans, advances, financing and other debts of RM6.0 million from net writeback of RM0.5 million and net allowances for impairment losses on financial investments and other financial assets of RM6.0 million from net writeback of RM0.2 million.

c) Group Asset Management

Group Asset Management recorded loss before taxation and zakat of RM1.7 million for the quarter ended 31 December 2023 from profit before taxation and zakat of RM49.9 million for the previous period corresponding quarter ended 31 December 2022. The loss was mainly due to higher overhead expenses of RM53.0 million, however, offset by higher other operating income of RM1.3 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat decreased by RM34.8 million to RM337.7 million for the quarter ended 31 December 2023 from RM372.5 million for the previous period corresponding quarter ended 31 December 2022. The decrease was mainly due to lower other operating income of RM317.7 million, higher overhead expenses of RM47.9 million and net allowances of impairment losses on financial investments and other financial assets of RM9.3 million from net writeback of RM10.0 million. The decreases were, however, mitigated by higher insurance/takaful service result of RM234.2 million, higher net insurance/takaful investment/finance result of RM79.0 million, higher net interest income of RM31.3 million and net writeback of impairment losses on loans, advances, financing and other debts of RM2.0 million from net allowances of RM3.4 million.

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B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax and zakat attributable to equity holders for the quarter ended 31 December 2023 increased by RM29.7 million to RM2,387.8 million against the preceding quarter ended 30 September 2023 of RM2,358.1 million.

The Group's net interest income and income from Islamic Banking Scheme operations for the quarter ended 31 December 2023 increased by RM191.7 million to RM5,241.2 million against the preceding quarter ended 30 September 2023 of RM5,049.5 million.

The Group's insurance/takaful service result for the quarter ended 31 December 2023 increased by RM229.6 million to RM283.8 million as compared to the preceding quarter ended 30 September 2023.

Other operating income of the Group for the quarter ended 31 December 2023 increased by RM44.2 million to RM1,903.6 million as compared to RM1,859.4 million in the preceding quarter ended 30 September 2023. The increase was mainly due to unrealised mark-to-market gain on revaluation of derivatives of RM1,696.1 million for the quarter ended 31 December 2023 as compared to unrealised mark-to-market loss of RM1,975.9 million in the preceding quarter ended 30 September 2023, unrealised mark-to-market gain on financial assets designated upon initial recognition at FVTPL of RM201.0 million for the quarter ended 31 December 2023 as compared to unrealised mark-to-market loss of RM85.8 million for the quarter ended 30 September 2023 and higher unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM179.5 million. The increases were, however, offset by unrealised mark-to-market loss on revaluation of financial liabilities at FVTPL of RM1,513.1 million for the quarter ended 31 December 2023 as compared to unrealised mark-to-market gain of RM1,872.0 million in the preceding quarter ended 30 September 2023, realised loss on derivatives of RM338.1 million for the quarter ended 31 December 2023 as compared to realised gain of RM108.5 million in the preceding quarter ended 30 September 2023 and lower foreign exchange gain of RM286.7 million.

The Group posted an increase of RM321.8 million in overhead expenses to RM3,619.0 million for the quarter ended 31 December 2023 as compared to RM3,297.2 million in the preceding quarter ended 30 September 2023. The increase in overhead expenses was mainly due to higher personnel expenses of RM231.2 million, higher administration and general expenses of RM40.1 million, higher marketing expenses of RM34.1 million and higher establishment costs of RM16.5 million.

The Group's net allowances for impairment losses on loans, advances, financing and other debts for the quarter ended 31 December 2023 decreased by RM24.0 million or 5.4% to RM464.2 million as compared to the preceding quarter ended 30 September 2023.

The Group's recorded net allowances for impairment losses on financial investments for the quarter ended 31 December 2023 of RM2.2 million as compared to net writeback of impairment losses of RM104.1 million in the preceding quarter ended 30 September 2023.

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B3. Prospects

Global GDP growth is expected to moderate to 2.8% in 2024 (2023: 3.3%) reflecting a softer outlook for major economies such as the US (2024: 1.0%; 2023: 2.5%) and China (2024: 4.4%; 2023: 5.2%). However, ASEAN growth is set to be firmer at 4.5% in 2024 (2023: 4.0%) supported by resilient domestic demand and sustained tourism, as well as the recovery in technology-related manufacturing products and exports following the improved global electronics demand since late 2023.

Malaysia's economy is estimated to grow at a faster pace of 4.4% in 2024 (2023: 3.7%) driven by a rebound in export of goods and services amid sustained consumer spending and investment growth. Bank Negara Malaysia is expected to maintain the Overnight Policy Rate at 3.00% in 2024 given the upside risk to inflation from potential subsidy rationalisation and an anticipated rate hike in sales and service tax.

Singapore's GDP growth is forecasted to be stronger and more balanced at 2.2% in 2024 (2023: 1.1%) as the manufacturing sector recovers while spending in the services sector normalises. Better growth outlook is anticipated in exports, manufacturing, trade-related and services sectors. Core and headline inflation is anticipated to average at about 2.8% and 3% respectively in 2024, due to the Goods & Services Tax hikes, carbon taxes and wage cost pressures. However, headline inflation will be capped by lower private transport prices while accommodation inflation should ease.

Indonesia's GDP growth is projected to remain at 5.1% in 2024 (2023: 5.0%) supported by a modest election boost, policy support and a resilient labour market. There could be lingering uncertainty related to business investments as firms wait for more clarity on post-election policies. Exports will remain subdued on easing commodity prices. Core inflation may ease to 3% in 2024. Bank Indonesia is expected to reduce its policy rate in the second half of 2024 depending on market conditions.

Given the improved regional economic outlook, Maybank Group is poised to capitalise on identified business growth in key areas of Group Community Financial Services, Group Global Banking and Group Insurance & Takaful in the home markets. The focus will cut across fund based and fee based income, leveraging the Group's regional presence and sizeable customer base. The Group will advance the application of value based banking principles through its solutions and services as a strategic differentiator to drive economic value and in line with its mission of Humanising Financial Services. In continuing to manage risks appropriately, robust asset quality, sound liquidity and strong capital will remain top priorities.

Roll out of digital solutions will be accelerated in line with holistic, regional digital business model to address end-to-end customer lifestyle and business needs to deepen relationships with existing customers and acquire new customers, applying the Agile ways of working aligned to M25+. Investments will be made to ensure enablers and capabilities are able to cope with the business and operational needs.

Barring any unforeseen circumstances, the Group targets to achieve a Headline Key Performance Indicator (KPI) of return on equity of 11% for FY2024.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the fourth quarter and 12 months financial year ended 31 December 2023.

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B5. Taxation and Zakat

The analysis of the tax expense for the fourth quarter and 12 months financial year ended 31 December 2023 are as follows:

Group	Unaudited		Audited	
	Fourth Quarter Ended	Fourth Quarter Ended	Cumulative 12 Months Ended	Cumulative 12 Months Ended
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Malaysian income tax	585,541	947,207	2,618,543	3,607,230
Foreign income tax	130,648	180,973	643,282	746,598
Less: Double taxation relief	(28,344)	(76,717)	(252,414)	(345,050)
	687,845	1,051,463	3,009,411	4,008,778
(Over)/under provision in respect of prior period/year:				
Malaysian income tax	(7,926)	-	(4,786)	(28,958)
Foreign income tax	4,999	19,188	17,638	(1,667)
	684,918	1,070,651	3,022,263	3,978,153
Deferred tax				
- Relating to origination and reversal of temporary differences	(230,486)	156,664	(183,814)	(135,306)
Tax expense for the financial period/year	454,432	1,227,315	2,838,449	3,842,847
Zakat	16,910	6,837	78,290	53,287
	471,342	1,234,152	2,916,739	3,896,134

The Group's effective tax rate for the financial year ended 31 December 2023 was lower than the statutory tax rate due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

Bank	Unaudited		Audited	
	Fourth Quarter Ended	Fourth Quarter Ended	Cumulative 12 Months Ended	Cumulative 12 Months Ended
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	363,593	412,319	1,509,128	1,739,533
Foreign income tax	25,443	73,280	253,917	345,050
Less: Double taxation relief	(28,344)	(76,717)	(252,414)	(345,050)
	360,692	408,882	1,510,631	1,739,533
Under/(over) provision in respect of prior period/year:				
Malaysian income tax	-	-	23,150	(20,864)
	360,692	408,882	1,533,781	1,718,669
Deferred tax				
- Relating to origination and reversal of temporary differences	(46,604)	70,146	(46,245)	(50,223)
Tax expense for the financial period/year	314,088	479,028	1,487,536	1,668,446
Zakat	1,274	-	1,543	-
	315,362	479,028	1,489,079	1,668,446

The Bank's effective tax rate for the financial year ended 31 December 2023 was lower than the statutory tax rate due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

Domestic income tax for the Group and the Bank are calculated at the Malaysian statutory tax rate of 24% of the estimated chargeable profit for the financial year. In 2022, due to Prosperity Tax (or also known as Cukai Makmur), chargeable income above the RM100.0 million were taxed at a rate of 33% and the income below and equal RM100.0 million were taxed at the statutory tax rate of 24% for Year of Assessment 2022 ("YA 2022"). Taxation for foreign entities in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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B6. Status of Corporate Proposals Announced but Not Completed

There are no corporate proposals announced but not completed during the financial year ended 31 December 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 Notes A14, A15, A16, A17 and A40g.

B9. Derivative Financial Instruments

Please refer to Note A36.

B10. Changes in Material Litigation

There is no material litigation during the financial year ended 31 December 2023.

B11. Dividend

(i) Second interim dividend

The Board of Directors has declared a single-tier second interim cash dividend in respect of the current financial year ended 31 December 2023 of 31.0 sen per ordinary share, amounting to dividend payable of RM3,740,755,180 (based on 12,066,952,192 ordinary shares issued as at 28 February 2024).

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

The book closure date will be announced by the Bank at a later date.

(ii) Total dividend

Total dividend for the financial year ended 31 December 2023 are as follows:

- a) A single-tier first interim cash dividend of 29.0 sen per ordinary share declared on 30 August 2023 and paid on 27 September 2023 as disclosed in Note A9(b); and
- b) A single-tier second interim cash dividend of 31.0 sen per ordinary share declared on 28 February 2024.

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B12. Earnings Per Share ("EPS")

Basic EPS

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

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2023	2022	2023	2022
		Restated		Restated
Net profit for the financial period/year attributable to equity holders of the Bank (RM'000)	2,387,757	2,205,247	9,349,780	7,960,526
Weighted average number of ordinary shares in issue ('000)	12,060,237	12,054,127	12,056,164	11,968,687
Basic earnings per share	19.80 sen	18.29 sen	77.55 sen	66.51 sen

Diluted EPS

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

By Order of the Board

Wan Marzimin Wan Muhammad
LS0009924
Company Secretary
28 February 2024