

**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 2019**

<u>Group</u>	Note	Unaudited		Audited	
		31 December 2019 RM'000	31 December 2018 RM'000	Cumulative 12 Months Ended 31 December 2019 RM'000	Cumulative 12 Months Ended 31 December 2018 RM'000
Interest income	A21	5,915,900	6,080,112	24,108,254	23,193,671
Interest expense	A22	(2,832,008)	(2,971,842)	(12,013,249)	(11,120,765)
Net interest income		3,083,892	3,108,270	12,095,005	12,072,906
Income from Islamic Banking Scheme operations	A41a	1,585,456	1,499,861	5,979,577	5,611,704
Net earned insurance premiums	A23	1,761,159	1,502,153	6,760,618	5,933,563
Other operating income	A25	1,470,823	1,192,638	7,276,998	4,951,022
Total operating income		7,901,330	7,302,922	32,112,198	28,569,195
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A26	(1,408,386)	(970,334)	(7,371,318)	(4,907,529)
Net operating income		6,492,944	6,332,588	24,740,880	23,661,666
Overhead expenses	A27	(2,969,112)	(3,100,113)	(11,561,939)	(11,245,692)
Operating profit before impairment losses		3,523,832	3,232,475	13,178,941	12,415,974
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(333,868)	(81,347)	(2,287,490)	(1,591,256)
Writeback of/(allowances for) impairment losses on financial investments, net	A29	36,833	(84,550)	20,400	(47,685)
(Allowances for)/writeback of impairment losses on other financial assets, net	A30	(1,893)	3,559	(56,344)	26,028
Operating profit		3,224,904	3,070,137	10,855,507	10,803,061
Share of profits in associates and joint ventures		38,700	25,458	158,373	98,285
<b>Profit before taxation and zakat</b>		<b>3,263,604</b>	<b>3,095,595</b>	<b>11,013,880</b>	<b>10,901,346</b>
Taxation and zakat	B5	(695,740)	(644,795)	(2,538,231)	(2,545,410)
<b>Profit for the financial period/year</b>		<b>2,567,864</b>	<b>2,450,800</b>	<b>8,475,649</b>	<b>8,355,936</b>
<b>Attributable to:</b>					
Equity holders of the Bank		2,449,130	2,326,355	8,198,074	8,113,260
Non-controlling interests		118,734	124,445	277,575	242,676
		2,567,864	2,450,800	8,475,649	8,355,936
<b>Earnings per share attributable to equity holders of the Bank</b>	B12				
Basic/diluted		21.79 sen	21.05 sen	73.45 sen	74.20 sen

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**CONDENSED FINANCIAL STATEMENTS**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019**

<u>Group</u>	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>Profit for the financial period/year</b>	<b>2,567,864</b>	2,450,800	<b>8,475,649</b>	8,355,936
<b>Other comprehensive income/(loss):</b>				
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Defined benefit plan actuarial gain	2,009	57,204	4,905	61,859
Income tax effect	190	(1,091)	337	(1,426)
Net gain/(loss) from change in fair value on equity instruments at fair value through other comprehensive income	5,461	(8,935)	20,918	43,449
	<b>7,660</b>	47,178	<b>26,160</b>	103,882
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Net (loss)/gain on debt instruments at fair value through other comprehensive income	(234,489)	354,173	2,546,409	(21,050)
- Net (loss)/gain from change in fair value	(537,037)	332,617	2,829,231	(23,702)
- Changes in expected credit losses	167,367	89,438	390,646	10,864
- Income tax effect	135,181	(67,882)	(673,468)	(8,212)
Net gain/(loss) on foreign exchange translation	70,585	377,228	537,081	(267,630)
Net (loss)/gain on cash flow hedge	(65)	(714)	(433)	879
Net gain on net investment hedge	3,624	76	1,556	7,017
Net loss on fair value hedge	(7,556)	-	(345)	-
Net gain/(loss) on capital reserve	908	(112)	908	-
Share of change in associates' reserve	(38,054)	(250,537)	(239,822)	(512,919)
	<b>(205,047)</b>	480,114	<b>2,845,354</b>	(793,703)
Other comprehensive (loss)/income for the financial period/year, net of tax	<b>(197,387)</b>	527,292	<b>2,871,514</b>	(689,821)
<b>Total comprehensive income for the financial period/year</b>	<b>2,370,477</b>	2,978,092	<b>11,347,163</b>	7,666,115
<b>Other comprehensive (loss)/income for the financial period/year, attributable to:</b>				
Equity holders of the Bank	(193,486)	508,190	2,818,869	(693,094)
Non-controlling interests	(3,901)	19,102	52,645	3,273
	<b>(197,387)</b>	527,292	<b>2,871,514</b>	(689,821)
<b>Total comprehensive income for the financial period/year, attributable to:</b>				
Equity holders of the Bank	2,255,644	2,834,545	11,016,943	7,420,166
Non-controlling interests	114,833	143,547	330,220	245,949
	<b>2,370,477</b>	2,978,092	<b>11,347,163</b>	7,666,115

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**INCOME STATEMENTS**  
**FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019**

<u>Bank</u>	Note	Unaudited		Audited	
		31 December 2019 RM'000	31 December 2018 RM'000	Cumulative 12 Months Ended 31 December 2019 RM'000	Cumulative 12 Months Ended 31 December 2018 RM'000
Interest income	A21	3,938,898	4,358,405	16,099,189	17,467,504
Interest expense	A22	(1,940,859)	(2,224,486)	(8,320,064)	(8,663,559)
Net interest income		1,998,039	2,133,919	7,779,125	8,803,945
Dividends from subsidiaries and associates	A24	544,907	786,264	3,648,227	2,393,819
Other operating income	A25	955,207	1,043,387	3,875,737	4,098,618
		1,500,114	1,829,651	7,523,964	6,492,437
Net operating income		3,498,153	3,963,570	15,303,089	15,296,382
Overhead expenses	A27	(1,483,218)	(1,543,999)	(5,020,585)	(5,805,711)
Operating profit before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	A28	(459,469)	14,279	(1,875,343)	(729,811)
Writeback of/(allowances for) impairment losses on financial investments, net	A29	17,631	(63,877)	11,997	(18,474)
Writeback of/(allowances for) impairment losses on other financial assets, net	A30	16,356	(1,002)	(3,775)	6,040
<b>Profit before taxation and zakat</b>		<b>1,589,453</b>	<b>2,368,971</b>	<b>8,415,383</b>	<b>8,748,426</b>
Taxation and zakat	B5	(262,507)	(329,693)	(1,136,083)	(1,440,615)
<b>Profit for the financial period/year</b>		<b>1,326,946</b>	<b>2,039,278</b>	<b>7,279,300</b>	<b>7,307,811</b>

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**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019**

<u>Bank</u>	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>Profit for the financial period/year</b>	<b>1,326,946</b>	2,039,278	<b>7,279,300</b>	7,307,811
<b>Other comprehensive (loss)/income:</b>				
<b><i>Items that will not be reclassified subsequently to profit or loss:</i></b>				
Net (loss)/gain from change in fair value on equity instruments at fair value through other comprehensive income	<b>(4,402)</b>	(8,546)	<b>(8,304)</b>	34,198
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>				
Net (loss)/gain on debt instruments at fair value through other comprehensive income	<b>(199,092)</b>	284,672	<b>1,999,837</b>	(58,961)
- Net (loss)/gain from change in fair value	<b>(498,293)</b>	286,152	<b>2,099,552</b>	(17,943)
- Changes in expected credit losses	<b>185,434</b>	66,872	<b>410,334</b>	(35,150)
- Income tax effect	<b>113,767</b>	(68,352)	<b>(510,049)</b>	(5,868)
Net (loss)/gain on foreign exchange translation	<b>(46,557)</b>	33,083	<b>(20,246)</b>	100,387
Net loss on fair value hedge	<b>(7,556)</b>	-	<b>(345)</b>	-
	<b>(253,205)</b>	317,755	<b>1,979,246</b>	41,426
Other comprehensive (loss)/income for the financial period/year, net of tax	<b>(257,607)</b>	309,209	<b>1,970,942</b>	75,624
<b>Total comprehensive income for the financial period/year</b>	<b>1,069,339</b>	2,348,487	<b>9,250,242</b>	7,383,435

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**CONDENSED FINANCIAL STATEMENTS**  
**AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	Note	Group		Bank	
		31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>ASSETS</b>					
Cash and short-term funds		46,469,074	55,025,127	19,040,534	26,945,152
Deposits and placements with financial institutions		14,093,218	12,502,877	28,287,338	23,410,133
Financial assets purchased under resale agreements		13,639,082	4,030,245	11,297,036	3,763,284
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	14,323,303	14,763,788	-	-
Financial investments at fair value through profit or loss	A10(ii)	20,370,865	15,205,150	12,912,823	8,914,167
Financial investments at fair value through other comprehensive income	A10(iii)	123,351,533	120,913,888	80,798,700	89,582,837
Financial investments at amortised cost	A10(iv)	34,784,476	27,069,261	32,574,918	22,857,070
Loans, advances and financing to financial institutions	A11(i)	1,128,618	1,576,199	19,400,239	17,052,024
Loans, advances and financing to customers	A11(ii)	512,291,092	505,507,620	207,188,981	213,314,768
Derivative assets	A37	10,335,629	6,963,521	10,002,003	6,799,063
Reinsurance/retakaful assets and other insurance receivables	A12	4,232,089	3,800,047	-	-
Other assets	A13	9,479,084	9,873,340	4,943,190	5,267,285
Investment properties		921,471	895,769	-	-
Statutory deposits with central banks		15,052,752	16,264,849	4,100,932	5,041,560
Investment in subsidiaries		-	-	31,559,247	31,446,456
Interest in associates and joint ventures		2,490,548	2,300,299	440,730	472,016
Property, plant and equipment		2,335,798	2,495,825	1,014,286	1,041,432
Right-of-use assets		1,548,208	-	438,254	-
Intangible assets		6,836,463	6,718,327	361,135	360,865
Deferred tax assets		729,712	1,085,549	-	345,186
<b>TOTAL ASSETS</b>		<b>834,413,015</b>	<b>806,991,681</b>	<b>464,360,346</b>	<b>456,613,298</b>
<b>LIABILITIES</b>					
Customers' funding:					
- Deposits from customers	A14	544,530,912	532,732,623	242,757,617	255,160,315
- Investment accounts of customers <sup>1</sup>	A41g	20,737,670	23,565,061	-	-
Deposits and placements from financial institutions	A15	43,557,209	43,850,577	51,354,535	52,940,747
Obligations on financial assets sold under repurchase agreements		13,978,744	13,797,993	28,293,032	21,266,302
Derivative liabilities	A37	11,182,307	7,975,784	10,588,278	7,439,049
Financial liabilities at fair value through profit or loss	A16	6,530,753	8,892,691	6,530,753	8,507,004
Bills and acceptances payable		1,291,814	1,508,658	479,662	612,967
Insurance/takaful contract liabilities and other insurance payables	A18	30,885,630	26,853,102	-	-
Other liabilities	A19	21,569,527	21,788,671	7,952,408	7,341,061
Recourse obligation on loans and financing sold to Cagamas		1,526,225	1,547,272	1,526,225	1,547,272
Provision for taxation and zakat		187,061	395,792	-	79,815
Deferred tax liabilities		878,276	497,966	185,495	-
Borrowings	A17(i)	41,339,415	31,600,197	32,645,025	23,441,160
Subordinated obligations	A17(ii)	9,321,125	10,717,005	9,156,816	9,157,310
Capital securities	A17(iii)	2,827,123	3,531,029	2,827,123	3,531,029
<b>TOTAL LIABILITIES</b>		<b>750,343,791</b>	<b>729,254,421</b>	<b>394,296,969</b>	<b>391,024,031</b>

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

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**CONDENSED FINANCIAL STATEMENTS**  
**AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	Note	Group		Bank	
		31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>					
Share capital		48,280,355	46,747,442	48,280,355	46,747,442
Retained profits		27,162,899	25,985,583	15,223,022	14,401,762
Reserves		6,127,684	2,597,102	6,560,000	4,440,063
		<b>81,570,938</b>	75,330,127	<b>70,063,377</b>	65,589,267
<b>Non-controlling interests</b>		<b>2,498,286</b>	2,407,133	-	-
		<b>84,069,224</b>	77,737,260	<b>70,063,377</b>	65,589,267
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		<b>834,413,015</b>	806,991,681	<b>464,360,346</b>	456,613,298
<b>COMMITMENTS AND CONTINGENCIES</b>	A35	<b>1,208,622,674</b>	872,955,128	<b>1,125,439,598</b>	780,160,779
<b>CAPITAL ADEQUACY</b>					
	A36				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		15.729%	15.029%	15.314%	13.757%
Tier 1 Capital Ratio		16.486%	15.983%	16.120%	14.871%
Total Capital Ratio		19.387%	19.024%	19.387%	18.266%
Net assets per share attributable to equity holders of the Bank					
		<b>RM7.26</b>	RM6.82	<b>RM6.23</b>	RM5.94

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**CONDENSED FINANCIAL STATEMENTS**  
**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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

<u>Group</u>	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Other <sup>1</sup> Reserves RM'000	Retained <sup>2</sup> Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
				Through Other Comprehensive Income Reserve RM'000							
<b>At 1 January 2019</b>	<b>46,747,442</b>	<b>239,009</b>	<b>2,127,290</b>	<b>457,045</b>	<b>113,510</b>	<b>-</b>	<b>(339,752)</b>	<b>25,985,583</b>	<b>75,330,127</b>	<b>2,407,133</b>	<b>77,737,260</b>
Profit for the financial year	-	-	-	-	-	-	-	8,198,074	8,198,074	277,575	8,475,649
Other comprehensive income	-	-	-	2,526,450	286,316	-	6,103	-	2,818,869	52,645	2,871,514
Defined benefit plan actuarial gain	-	-	-	-	-	-	4,638	-	4,638	604	5,242
Share of associates' reserve	-	-	-	636	(240,458)	-	-	-	(239,822)	-	(239,822)
Net gain on foreign exchange translation	-	-	-	-	526,774	-	-	-	526,774	10,307	537,081
Net gain on financial investments at fair value through other comprehensive income	-	-	-	2,525,814	-	-	-	-	2,525,814	41,513	2,567,327
Net gain on net investment hedge	-	-	-	-	-	-	1,556	-	1,556	-	1,556
Net loss on cash flow hedge	-	-	-	-	-	-	(433)	-	(433)	-	(433)
Net loss on fair value hedge	-	-	-	-	-	-	(345)	-	(345)	-	(345)
Net gain on capital reserve	-	-	-	-	-	-	687	-	687	221	908
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,526,450</b>	<b>286,316</b>	<b>-</b>	<b>6,103</b>	<b>8,198,074</b>	<b>11,016,943</b>	<b>330,220</b>	<b>11,347,163</b>
<b>Carried forward</b>	<b>46,747,442</b>	<b>239,009</b>	<b>2,127,290</b>	<b>2,983,495</b>	<b>399,826</b>	<b>-</b>	<b>(333,649)</b>	<b>34,183,657</b>	<b>86,347,070</b>	<b>2,737,353</b>	<b>89,084,423</b>

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CONDENSED FINANCIAL STATEMENTS  
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

Group (cont'd.)	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	1 Other Reserves RM'000	2 Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Brought forward</b>	46,747,442	239,009	2,127,290	2,983,495	399,826	-	(333,649)	34,183,657	86,347,070	2,737,353	89,084,423
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(10,344)	-	-	-	10,344	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	37,195	-	-	37,195	-	37,195
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	(128,395)	(128,395)
Transfer to statutory reserve	-	40,346	-	-	-	-	-	(40,346)	-	-	-
Transfer to regulatory reserve	-	-	644,516	-	-	-	-	(644,516)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a))	1,532,913	-	-	-	-	-	-	-	1,532,913	-	1,532,913
Dividends paid (Note A9(a), (b) & (c))	-	-	-	-	-	-	-	(6,346,240)	(6,346,240)	(110,672)	(6,456,912)
<b>Total transactions with shareholders/ other equity movements</b>	<b>1,532,913</b>	<b>40,346</b>	<b>644,516</b>	<b>(10,344)</b>	<b>-</b>	<b>37,195</b>	<b>-</b>	<b>(7,020,758)</b>	<b>(4,776,132)</b>	<b>(239,067)</b>	<b>(5,015,199)</b>
<b>At 31 December 2019</b>	<b>48,280,355</b>	<b>279,355</b>	<b>2,771,806</b>	<b>2,973,151</b>	<b>399,826</b>	<b>37,195</b>	<b>(333,649)</b>	<b>27,162,899</b>	<b>81,570,938</b>	<b>2,498,286</b>	<b>84,069,224</b>

<sup>1</sup> The further breakdown and movement of other reserves are disclosed in Note A20.

<sup>2</sup> The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM536.2 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

<===== 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	ESS Reserve RM'000	Other Reserves <sup>1</sup> RM'000	Retained Profits <sup>2</sup> RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>At 1 January 2018</b>												
- as previously stated	44,250,380	(183,438)	203,058	2,747,285	29,616	858,752	219,387	(405,169)	25,268,743	72,988,614	2,194,991	75,183,605
- effect of adopting MFRS 9	-	-	-	(760,278)	459,319	-	-	-	(1,097,608)	(1,398,567)	11,202	(1,387,365)
At 1 January 2018, as restated	44,250,380	(183,438)	203,058	1,987,007	488,935	858,752	219,387	(405,169)	24,171,135	71,590,047	2,206,193	73,796,240
Profit for the financial year	-	-	-	-	-	-	-	-	8,113,260	8,113,260	242,676	8,355,936
Other comprehensive (loss)/income	-	-	-	-	(13,553)	(745,242)	-	65,701	-	(693,094)	3,273	(689,821)
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	57,805	-	57,805	2,628	60,433
Share of associates' reserve	-	-	-	-	(35,659)	(477,260)	-	-	-	(512,919)	-	(512,919)
Net (loss)/gain on foreign exchange translation	-	-	-	-	-	(267,982)	-	-	-	(267,982)	352	(267,630)
Net gain on financial investments at fair value through other comprehensive income	-	-	-	-	22,106	-	-	-	-	22,106	293	22,399
Net gain on net investment hedge	-	-	-	-	-	-	-	7,017	-	7,017	-	7,017
Net gain on cash flow hedge	-	-	-	-	-	-	-	879	-	879	-	879
<b>Total comprehensive (loss)/income for the financial year</b>	-	-	-	-	(13,553)	(745,242)	-	65,701	8,113,260	7,420,166	245,949	7,666,115
<b>Carried forward</b>	44,250,380	(183,438)	203,058	1,987,007	475,382	113,510	219,387	(339,468)	32,284,395	79,010,213	2,452,142	81,462,355

**MALAYAN BANKING BERHAD**  
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**AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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

Group (cont'd.)	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves <sup>1</sup> RM'000	Retained Profits <sup>2</sup> RM'000	Total Shareholders' Equity RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
<b>Brought forward</b>	44,250,380	(183,438)	203,058	1,987,007	475,382	113,510	219,387	(339,468)	32,284,395	79,010,213	2,452,142	81,462,355
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	(18,337)	-	-	-	18,337	-	-	-
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	1,457	-	-	1,457	-	1,457
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	(5,362)	(5,362)	45,736	40,374
Effect of rights issue of a subsidiary	-	-	-	-	-	-	-	-	-	-	3,514	3,514
Transfer to statutory reserve	-	-	35,951	-	-	-	-	-	(35,951)	-	-	-
Transfer to regulatory reserve	-	-	-	140,283	-	-	-	-	(140,283)	-	-	-
Transfer from revaluation reserve	-	-	-	-	-	-	-	(284)	284	-	-	-
Utilisation of shares under ESOS Trust Fund Pool	-	106,763	-	-	-	-	-	-	3,012	109,775	-	109,775
Disposal of shares under Employees' Share Option Option Scheme ("ESOS") Trust Fund Pool	-	75,967	-	-	-	-	-	-	8,732	84,699	-	84,699
ESS forfeited upon expiration of ESS	-	-	-	-	-	-	(100,279)	-	100,279	-	-	-
Issue of shares pursuant to ESS	1,532,436	-	-	-	-	-	(87,684)	-	-	1,444,752	-	1,444,752
Issue of shares pursuant to Restricted Share Unit ("RSU")	45,941	-	-	-	-	-	(32,275)	-	(13,666)	-	-	-
Shares vested under RSU and Supplemental Restricted Share Unit ("SRSU")	-	708	-	-	-	-	(606)	-	(102)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	918,685	-	-	-	-	-	-	-	-	918,685	-	918,685
Dividends paid	-	-	-	-	-	-	-	-	(6,234,092)	(6,234,092)	(94,259)	(6,328,351)
<b>Total transactions with shareholders/ other equity movements</b>	<b>2,497,062</b>	<b>183,438</b>	<b>35,951</b>	<b>140,283</b>	<b>(18,337)</b>	<b>-</b>	<b>(219,387)</b>	<b>(284)</b>	<b>(6,298,812)</b>	<b>(3,680,086)</b>	<b>(45,009)</b>	<b>(3,725,095)</b>
<b>At 31 December 2018</b>	<b>46,747,442</b>	<b>-</b>	<b>239,009</b>	<b>2,127,290</b>	<b>457,045</b>	<b>113,510</b>	<b>-</b>	<b>(339,752)</b>	<b>25,985,583</b>	<b>75,330,127</b>	<b>2,407,133</b>	<b>77,737,260</b>

<sup>1</sup> The further breakdown and movement of other reserves are disclosed in Note A20.

<sup>2</sup> The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM637.1 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

(These audited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

MALAYAN BANKING BERHAD  
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CONDENSED FINANCIAL STATEMENTS  
AUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Fair Value Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
<b>Bank</b>									
<b>At 1 January 2019</b>	46,747,442	53,032	1,778,997	279,332	2,328,702	-	-	14,401,762	65,589,267
Profit for the financial year	-	-	-	-	-	-	-	7,279,300	7,279,300
Other comprehensive income/(loss)	-	-	-	1,991,533	(20,246)	-	(345)	-	1,970,942
Net loss on foreign exchange translation	-	-	-	-	(20,246)	-	-	-	(20,246)
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,991,533	-	-	-	-	1,991,533
Net loss on fair value hedge	-	-	-	-	-	-	(345)	-	(345)
<b>Total comprehensive income/(loss) for the financial year</b>	-	-	-	1,991,533	(20,246)	-	(345)	7,279,300	9,250,242
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(10,594)	-	-	-	10,594	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	37,195	-	-	37,195
Transfer to statutory reserve	-	6,470	-	-	-	-	-	(6,470)	-
Transfer to regulatory reserve	-	-	115,924	-	-	-	-	(115,924)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a))	1,532,913	-	-	-	-	-	-	-	1,532,913
Dividends paid (Note A9(a) & (b))	-	-	-	-	-	-	-	(6,346,240)	(6,346,240)
<b>Total transactions with shareholders/ other equity movements</b>	1,532,913	6,470	115,924	(10,594)	-	37,195	-	(6,458,040)	(4,776,132)
<b>At 31 December 2019</b>	48,280,355	59,502	1,894,921	2,260,271	2,308,456	37,195	(345)	15,223,022	70,063,377

(These audited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

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**CONDENSED FINANCIAL STATEMENTS**  
**AUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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

<b>Bank</b>	<b>Share Capital RM'000</b>	<b>Shares Held-in-trust RM'000</b>	<b>Statutory Reserve RM'000</b>	<b>Regulatory Reserve RM'000</b>	<b>Fair Value Through Other Comprehensive Income Reserve RM'000</b>	<b>Exchange Fluctuation Reserve RM'000</b>	<b>ESS Reserve RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>Total Equity RM'000</b>
<b>At 1 January 2018</b>									
- as previously stated	44,250,380	(183,438)	46,255	2,233,563	(114,149)	2,228,315	219,387	13,572,235	62,252,548
- effect of adopting MFRS 9	-	-	-	(295,155)	420,838	-	-	(497,675)	(371,992)
At 1 January 2018, as restated	44,250,380	(183,438)	46,255	1,938,408	306,689	2,228,315	219,387	13,074,560	61,880,556
Profit for the financial year	-	-	-	-	-	-	-	7,307,811	7,307,811
Other comprehensive (loss)/income	-	-	-	-	(24,763)	100,387	-	-	75,624
Net gain on foreign exchange translation	-	-	-	-	-	100,387	-	-	100,387
Net loss on financial investments at fair value through other comprehensive income	-	-	-	-	(24,763)	-	-	-	(24,763)
<b>Total comprehensive (loss)/income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,763)</b>	<b>100,387</b>	<b>-</b>	<b>7,307,811</b>	<b>7,383,435</b>
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	-	(2,594)	-	-	2,594	-
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	1,457	-	1,457
Transfer to statutory reserve	-	-	6,777	-	-	-	-	(6,777)	-
Transfer from regulatory reserve	-	-	-	(159,411)	-	-	-	159,411	-
Utilisation of shares under ESOS Trust Fund Pool	-	106,763	-	-	-	-	-	3,012	109,775
Disposal of shares under ESOS Trust Fund Pool	-	75,967	-	-	-	-	-	8,732	84,699
ESS forfeited upon expiration of ESS	-	-	-	-	-	-	(100,279)	100,279	-
Issue of shares pursuant to ESS	1,532,436	-	-	-	-	-	(87,684)	-	1,444,752
Issue of shares pursuant to Restricted Share Unit ("RSU")	45,941	-	-	-	-	-	(32,275)	(13,666)	-
Shares vested under RSU and Supplemental Restricted Share Unit ("SRSU")	-	708	-	-	-	-	(606)	(102)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	918,685	-	-	-	-	-	-	-	918,685
Dividends paid	-	-	-	-	-	-	-	(6,234,092)	(6,234,092)
<b>Total transactions with shareholders/ other equity movements</b>	<b>2,497,062</b>	<b>183,438</b>	<b>6,777</b>	<b>(159,411)</b>	<b>(2,594)</b>	<b>-</b>	<b>(219,387)</b>	<b>(5,980,609)</b>	<b>(3,674,724)</b>
<b>At 31 December 2018</b>	<b>46,747,442</b>	<b>-</b>	<b>53,032</b>	<b>1,778,997</b>	<b>279,332</b>	<b>2,328,702</b>	<b>-</b>	<b>14,401,762</b>	<b>65,589,267</b>

(These audited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 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 2019**

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation and zakat	11,013,880	10,901,346	8,415,383	8,748,426
Adjustments for:				
Share of profits in associates and joint ventures	(158,373)	(98,285)	-	-
Depreciation of property, plant and equipment	297,231	400,991	116,073	160,150
Depreciation of right-of-use assets	389,273	-	108,371	-
Amortisation of intangible assets	252,423	236,071	49,533	76,737
Gain on disposal of property, plant and equipment	(6,213)	(70,596)	(2,203)	(61,117)
Gain on sale and leaseback transaction	(1,540)	-	(1,540)	-
Net loss on disposal/liquidation of subsidiary	158,531	2,781	113,470	-
Net (gain)/loss on disposal/change in structure of deemed controlled structured entities	(67,700)	15,409	(7,751)	27,902
Net (gain)/loss on dilution/liquidation of interest in associates	(1,163)	(896)	2,193	-
Net (gain)/loss on disposal of financial assets at fair value through profit or loss	(546,907)	403,651	(259,162)	(82,456)
Net (gain)/loss on disposal of financial investments at fair value through other comprehensive income	(1,212,410)	7,461	(1,056,482)	(11,018)
Net gain on redemption of financial investments at amortised cost	(48)	(1,777)	(48)	(1,777)
Unrealised (gain)/loss on revaluation of financial assets at fair value through profit or loss and derivatives	(1,529,390)	359,388	(230,641)	184,163
Unrealised loss/(gain) on revaluation of financial liabilities at fair value through profit or loss	528,906	(703,731)	529,607	(709,918)
Unrealised loss/(gain) on revaluation of loans, advances and financing at fair value through profit or loss	10,573	(9,943)	10,573	(9,943)
Allowances for impairment losses on loans, advances and financing, net	2,707,387	1,979,785	2,054,379	951,485
Allowances for impairment losses on other debts	10,223	106	12,636	391
(Writeback of)/allowances for impairment losses on financial investments, net	(20,400)	47,685	(11,997)	18,474
Allowances for/(writeback of) impairment losses on other financial assets, net	56,344	(26,028)	3,775	(6,040)
Dividend income	(98,515)	(113,514)	(3,654,820)	(2,399,611)
ESGP/ESS expenses	43,290	3,946	25,762	2,426
Other adjustments for non-operating and non-cash items	(146,442)	(332,349)	(364,518)	(356,844)
Operating profit before working capital changes	<b>11,678,960</b>	13,001,501	<b>5,852,593</b>	6,531,430
Change in deposits and placements with financial institutions with original maturity of more than three months	(351,951)	3,460,516	(15,691,548)	3,627,036
Change in cash and short-term funds with original maturity of more than three months	(2,479,267)	(541,545)	(34,181)	(531,456)
Change in financial investments portfolio	(8,565,596)	(23,225,633)	(974,502)	(6,169,931)
Change in loans, advances and financing	(7,626,220)	(26,701,312)	1,685,927	58,826,760
Change in statutory deposits with central banks	1,212,097	(867,888)	940,628	2,705,139
Change in deposits from customers	11,177,184	31,334,580	(12,188,146)	(74,354,300)
Change in investment accounts of customers	(2,827,391)	(990,384)	-	-
Change in deposits and placements from financial institutions	(293,368)	1,252,446	(1,586,212)	15,295,613
Change in financial liabilities at fair value through profit or loss	(1,620,239)	(760,377)	(1,235,253)	(247,182)
Change in reinsurance/retakaful assets and other insurance receivables	(463,419)	126,618	-	-
Change in insurance/takaful contract liabilities and other insurance payables	4,032,528	1,736,425	-	-
Change in other operating activities	(11,002,061)	15,543,013	217,495	10,288,247
Cash (used in)/generated from operations	(7,128,743)	13,367,960	(23,013,199)	15,971,356
Taxes and zakat paid	(2,839,415)	(2,763,057)	(1,210,565)	(1,408,184)
Net cash (used in)/generated from operating activities	<b>(9,968,158)</b>	10,604,903	<b>(24,223,764)</b>	14,563,172

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**AUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>Cash flows from investing activities</b>				
Dividends received from:				
- financial investments portfolio	98,515	113,514	6,593	5,792
- associates	-	-	689	398
- subsidiaries	-	-	3,647,538	2,393,421
Purchase of property, plant and equipment	(283,652)	(291,811)	(90,389)	(99,762)
Purchase of intangible assets	(339,100)	(382,044)	(66,366)	(120,476)
Purchase of investment properties	(2,797)	(110,811)	-	-
Purchase of additional ordinary shares in existing subsidiaries	-	-	(194,070)	(9,556,615)
Proceeds from disposal of property, plant and equipment	19,694	80,150	5,922	62,729
Proceeds from disposal of investment properties	-	520	-	-
Proceeds from disposal of deemed controlled structured entities	-	-	40,068	140,188
Purchase of shares in deemed controlled entities	-	-	(62,010)	(873)
Net effect arising from transaction with non-controlling interests	(60,695)	24,415	-	-
Net effect arising from change of structure of deemed controlled structured entities	-	-	21,820	-
Net effect arising from liquidation of interest in associates	6,899	-	6,899	-
Net effect arising from acquisition of associate	(194,070)	-	-	-
Net effect arising from increase in shares in existing subsidiary	-	-	(193,863)	-
Transfer of property, plant and equipment to a subsidiary	-	-	-	60,063
Transfer of intangible assets to a subsidiary	-	-	-	249,803
Net cash (used in)/generated from investing activities	<b>(755,206)</b>	<b>(566,067)</b>	<b>3,122,831</b>	<b>(6,865,332)</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares	1,532,913	2,363,437	1,532,913	2,363,437
Drawdown/(repayment) of borrowings, net	9,748,366	387,671	9,377,344	(799,087)
Issuance of subordinated obligations	3,700,000	-	3,700,000	-
Issuance of capital securities	2,800,000	-	2,800,000	-
Redemption of subordinated obligations	(5,095,222)	(1,317,412)	(3,700,000)	(250,000)
Redemption of capital securities	(3,500,000)	(2,744,404)	(3,500,000)	(2,744,404)
Drawdown of financial liabilities at fair value through profit or loss	1,432,900	620,775	1,432,900	620,775
Redemption of financial liabilities at fair value through profit or loss	(2,669,250)	-	(2,669,250)	-
Repayment of lease liabilities	(386,883)	(18,248)	(100,948)	-
Recourse obligations on loans and financing sold to Cagamas, net	(21,047)	3,771	(21,047)	3,771
Rights issuance exercised by non-controlling interests	-	3,514	-	-
Dividends paid	(6,346,240)	(6,234,092)	(6,346,240)	(6,234,092)
Dividends paid to non-controlling interests	(110,672)	(94,259)	-	-
Net cash generated from/(used in) financing activities	<b>1,084,865</b>	<b>(7,029,247)</b>	<b>2,505,672</b>	<b>(7,039,600)</b>
Net (decrease)/increase in cash and cash equivalents	<b>(9,638,499)</b>	<b>3,009,589</b>	<b>(18,595,261)</b>	<b>658,240</b>
Cash and cash equivalents at beginning of period	<b>57,084,530</b>	<b>53,933,844</b>	<b>40,682,109</b>	<b>39,306,384</b>
Effects of foreign exchange rate changes	<b>(139,286)</b>	<b>141,097</b>	<b>(151,981)</b>	<b>717,485</b>
Cash and cash equivalents at end of period	<b>47,306,745</b>	<b>57,084,530</b>	<b>21,934,867</b>	<b>40,682,109</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and short-term funds	46,485,233	55,051,519	19,053,083	26,967,032
Deposits and placements with financial institutions	14,131,121	12,511,402	28,310,635	23,418,198
	<b>60,616,354</b>	<b>67,562,921</b>	<b>47,363,718</b>	<b>50,385,230</b>
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	<b>(13,309,609)</b>	<b>(10,478,391)</b>	<b>(25,428,851)</b>	<b>(9,703,121)</b>
Cash and cash equivalents at end of period	<b>47,306,745</b>	<b>57,084,530</b>	<b>21,934,867</b>	<b>40,682,109</b>

**(These audited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 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 2018. 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 2018.

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

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2018 except for adoption of the following new Malaysian Financial Reporting Standards (“MFRSs”), amendments to MFRSs, annual improvements to MFRSs and IC Interpretations which are effective for annual periods beginning on or after 1 January 2019:

- MFRS 9 *Prepayment Features with Negative Compensation* (Amendments to MFRS 9)
- MFRS 16 *Leases*
- MFRS 128 *Long-term Interests in Associates and Joint Ventures* (Amendments to MFRS 128)
- Annual Improvements to MFRSs 2015-2017 Cycle
  - (i) MFRS 3 *Business Combinations*
  - (ii) MFRS 11 *Joint Arrangements*
  - (iii) MFRS 112 *Income Taxes*
  - (iv) MFRS 123 *Borrowing Costs*
- MFRS 119 *Plan Amendment, Curtailment or Settlement* (Amendments to MFRS 119)
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*

The adoption of the above new MFRSs, amendments to MFRSs, annual improvements to MFRSs and IC Interpretations do not have any significant financial impact to the Group's and the Bank's financial statements, except for as disclosed below:

**MFRS 16 Leases**

Before the adoption of MFRS 16, the Group and the Bank classified each of its leases such as lease for branch premises, data centres and IT and office equipments at the inception date as either a finance lease or an operating lease in accordance with MFRS 117 *Leases*. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group or the Bank; otherwise, it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at an amount equal to the lower of fair value of the asset and at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased assets were not capitalised and the lease payments were recognised as rental expense in the statements of comprehensive income on a straight-line basis over the lease term. Any prepaid and accrued rent were recognised under other assets: prepayments and other liabilities: accruals, respectively.

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

**MFRS 16 Leases (cont'd.)**

MFRS 16 is mandatorily applicable initially for annual periods beginning on or after 1 January 2019 and replaces MFRS 117, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Lease — Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group or the Bank is the lessor.

The Group and the Bank have analysed the impact of the first-time application of MFRS 16 including existing processes, systems and policies. The Group and the Bank have developed its approach for assessing the different types of leases including applying the recognition exemptions in the standard that allows the Group and the Bank not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets; and incorporating forward-looking assumptions in making certain decisions such as extension and termination options on lease contracts of which management have assessed on a case-by-case basis.

**Leases previously classified as operating leases - The Group and the Bank as lessee**

On 1 January 2019, the Group and the Bank have applied MFRS 16 using the modified retrospective approach, which requires the recognition of the cumulative effect of initially applying MFRS 16, to the retained earnings brought forward and not restate prior year/period comparatives information which remain as previously reported under MFRS 117 and related interpretations. The Group and the Bank have elected, on a lease-by-lease basis, to recognise the right-of-use assets at the amount equal to the lease liabilities, hence there was no impact to the retained earnings brought forward as at 1 January 2019.

The Group and the Bank elected the following transition practical expedients on a lease-by-lease basis for measurement purposes at first-time application of the standard:

- (1) A single discount rate was applied for those portfolio of leases with reasonably similar characteristics such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment;
- (2) Short-term lease contracts with a term not exceeding 12 months at the date of initial application are not recognised under MFRS 16;
- (3) Initial direct costs are excluded from the measurement of the right-of-use asset at the date of initial application; and
- (4) The Group and the Bank used hindsight such as in determining the lease term where the contract contained options to extend or terminate the lease.

The detailed financial impact of the adoption of MFRS 16 on the financial statements of the Group and of the Bank are disclosed in Note A42.

**Summary of new accounting policy**

**Right-of-Use Assets**

At inception of a contract, the Group and the Bank assess whether a contract is, or contains, a lease arrangement based on whether the contract that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and services transactions, the consideration is allocated to each of these lease and non-lease components on conclusion and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. The Group and the Bank combine lease and non-lease components, in cases where splitting the non-lease component is not possible.



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

**MFRS 16 Leases (cont'd.)**

**Summary of new accounting policy (cont'd.)**

**Right-of-Use Assets (cont'd.)**

The Group and the Bank recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessment.

**Lease Liabilities**

At the commencement date of the lease, the Group and the Bank recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentive receivables), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Bank and payments of penalties for terminating a lease, if the lease term reflects the Group and the Bank exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Bank use incremental borrowing rate at the commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

**Short-Term Leases and Leases of Low-Value Assets**

The Group and the Bank apply the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. The Group and the Bank also apply the lease of low-value assets recognition exemption to leases of assets that are considered of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense when incurred.

**Significant Judgement in Determining the Lease Term of Contracts with Renewal Options**

The Group and the Bank determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Bank have the option, under some of its leases to lease the assets for additional terms of three to five years. The Group and the Bank apply judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group and the Bank reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Group and the Bank included the renewal period as part of the lease term for leases of premises and IT equipments due to the significance of these assets to its operations.

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

**Revised Financial Reporting, Financial Reporting for Islamic Banking Institutions and Credit Risk Policy documents issued by Bank Negara Malaysia ("BNM")**

On 27 September 2019, BNM issued the revised Financial Reporting, Financial Reporting for Islamic Banking Institutions and Credit Risk Policy documents which came into effect on 1 October 2019 and shall be applied prospectively. The revised Policy documents are applicable to financial institutions in Malaysia which covers licensed banks, licensed Islamic banks, licensed investment banks, licensed investment banks approved to carry on Islamic Banking, licensed insurers and financial holding companies. The revised Policy documents superseded Policy documents issued by BNM previously, namely Credit Risk dated 22 January 2018, Financial Reporting and Financial Reporting for Islamic Banking Institutions, both dated 2 February 2018.

The revised Policy documents were updated to clarify the classification of a credit facility as credit-impaired, especially on the treatment of rescheduled and restructured credit facilities.

The application of the revised Policy documents do not have any significant impact to the financial statements of the Group and of the Bank.

**Standards, annual improvements to standards and IC Interpretations issued but not yet effective**

The following are standards, annual improvements to standards and IC Interpretations 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, annual improvements to standards and IC Interpretation, if applicable, when they become effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to MFRS 3 - Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 - Definition of Material	1 January 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139 - <i>Interest Rate Benchmark Reform</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

**Revised Conceptual Framework for Financial Reporting**

The IASB issued an update to the Conceptual Framework in April 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. The main changes in the Conceptual Framework are as follows:

- Reintroduces the concept of stewardship and the information needed to assess management's stewardship;
- Reintroduces the concept of prudence;
- Defines the concept of measurement uncertainty;
- Reinstates an explicit reference to the need to "faithfully represent the substance of the phenomena that it purports to represent"; and
- Made changes to the definitions of an Asset and a Liability.

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

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

**Revised Conceptual Framework for Financial Reporting (cont'd.)**

The revised conceptual framework is effective for annual periods beginning on or after 1 January 2020. The Group and the Bank are in the process of evaluate the potential impact of adopting this Framework on the required effective date.

**Amendments to MFRS 3 - Definition of a Business**

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed. The amendments are not expected to have any impact on the Group's and the Bank's financial statements.

**Amendments to MFRS 101 and MFRS 108 - Definition of Material**

Amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments also explain that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information.

The amendments must be applied prospectively. Earlier application is permitted and must be disclosed. The amendments are not expected to have any impact on the Group's and the Bank's financial statements.

**Amendments to MFRS 7, MFRS 9 and MFRS 139 - Interest Rate Benchmark Reform**

The amendments apply to all leasing relationship directly affected by interest rate benchmark reform. The amendments clarify that a hedging relationship is directly affected by interest rate benchmark reform only if the reform give rise to uncertainties on:

- the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or
- the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instruments.

Interest rate benchmark reform refers to the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate such as that resulting from the recommendations set out in the Financial Stability Board's July 2014 report "Reforming Major Interest Rate Benchmarks".

The Group and the Bank shall disclose:

- the significant interest rate benchmarks to which the Group and the Bank's hedging relationship are exposed;
- the extent of the risk exposure the Group and the Bank manage that are directly affected by the interest rate benchmark reform;
- how the Group and the Bank are managing the process to transition to alternative benchmark rates;
- a description of significant assumptions or judgements the entity made in applying these paragraphs (for example, assumptions or judgements about when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows); and
- the nominal amount of the hedging instruments in those hedging relationships.

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

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

**Amendments to MFRS 7, MFRS 9 and MFRS 139 - *Interest Rate Benchmark Reform* (cont'd.)**

The amendments are to be applied retrospectively in annual periods beginning on or after 1 January 2020, earlier application is permitted. The Group and the Bank have established a project team to evaluate the potential impact of adopting this standard on the required effective date.

**MFRS 17 *Insurance Contracts***

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

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

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

The standard is effective for annual periods beginning on or after 1 January 2021. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17. An entity shall apply MFRS 17 retrospectively for estimating the CSM on the transition date. However, if full retrospective approach application for estimating the CSM, as defined by MFRS 108 for a group of insurance contracts, is impracticable, an entity is required to choose one of the following two alternatives:

(i) Modified retrospective approach

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

(ii) Fair value approach

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

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

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

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

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

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

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

The amendments clarify that:

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

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

**A2. Significant Accounting Policies**

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2018 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The significant accounting policies adopted in preparing these audited condensed interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2018 except for the adoption of the new MFRSs, amendments to MFRSs, annual improvements to MFRSs and IC Interpretations which are effective for annual periods beginning on or after 1 January 2019 and new requirements of BNM's Policy documents as disclosed in Note A1.

**A3. Significant Accounting Estimates and Judgements**

The preparation of audited condensed 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 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 2018 except for the measurement of right-of-use assets and lease liabilities under MFRS 16 which involves increased complexity and judgement as disclosed in Note A1.

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**A4. Auditors' Report on Preceding Audited Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2018 was not qualified.

**A5. Seasonal or Cyclical Factors**

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the fourth quarter and 12 months financial year ended 31 December 2019.

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

During the fourth quarter and 12 months financial year ended 31 December 2019, 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 2019.

**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 2019:

(a) **Share capital**

The share capital of the Bank increased from RM46,747,441,623 as at 31 December 2018 to RM48,280,355,135 as at 31 December 2019 via issuance of 191,678,908 new ordinary shares amounting to RM1,532,913,512 arising from the Dividend Reinvestment Plan ("DRP") relating to electable portion of the final dividend of 17 sen in respect of the financial year ended 31 December 2018.

The issued ordinary shares of the Bank as at 31 December 2019 is 11,241,361,887 units (31 December 2018: 11,049,682,979 units).

(b) **Borrowings**

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

Currency	Description	Aggregate Nominal Value (in Million)
<b>Issuance of medium term notes</b>		
USD	Floating Rate Notes	1,101.0
USD	Callable Zero Coupon Notes*	350.0
USD	Fixed Rate Notes	75.0
HKD	Fixed Rate Notes	2,200.0
CNY	Fixed Rate Notes	330.0
JPY	Fixed Rate Notes (Samurai Bonds)	54,800.0
CNY	Fixed Rate Notes (Panda Bonds)	2,000.0
RM	Zero Coupon Notes	91.9
AUD	Floating Rate Notes	50.0
<b>Redemption of medium term notes</b>		
JPY	Fixed Rate Notes	50,000.0
USD	Floating Rate Notes	70.0
USD	Callable Zero Coupon Notes*	500.0
USD	Fixed Rate Notes	50.0
AUD	Floating Rate Notes	56.0
HKD	Fixed Rate Notes	1,014.0
CNY	Fixed Rate Notes	980.0
RM	Callable Fixed Rate Notes*	600.0
RM	Zero Coupon Notes	100.8

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

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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 2019 (cont'd.):

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

**Issuance of commercial papers by the Bank**

The aggregate nominal value of the commercial papers issued by the Bank and outstanding as at 31 December 2019 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
USD	Zero Coupon Notes	1,119.5
HKD	Fixed Rate Notes	200.0
RM	Zero Coupon Notes	1,612.0

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

Currency	Description	Aggregate Nominal Value (in million)
<b>Issuance of bonds</b>		
IDR	Fixed Rate Notes	4,315,500.0
<b>Redemption of bonds</b>		
IDR	Fixed Rate Notes	3,588,500.0
IDR	Sukuk Mudharabah	700,000.0

**Issuance of Islamic commercial papers by Maybank Islamic Berhad**

The aggregate nominal value of the Islamic commercial papers ("ICP") issued by Maybank Islamic Berhad and outstanding as at 31 December 2019 are as follows:

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

(c) **Subordinated Obligations**

**Issuance of Tier 2 Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Sukuk Programme by the Bank**

Issuance	Issue Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	31 January 2019	31 January 2029	RM2.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years
Issuance	31 January 2019	31 January 2031	RM1.7 billion	Tier 2 Subordinated Sukuk Murabahah (12 non-call 7)	12 years

**Redemption of Tier 2 Subordinated Notes pursuant to the RM20.0 billion Subordinated Note Programme by the Bank**

Redemption	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Redemption	29 January 2019	29 January 2024	RM1.6 billion	Tier 2 Subordinated Notes (10 non-call 5) <sup>1</sup>	10 years
Redemption	10 May 2019	10 May 2024	RM2.1 billion	Tier 2 Subordinated Notes (12 non-call 7) <sup>1</sup>	12 years

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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 2019 (cont'd.):

(c) **Subordinated Obligations (cont'd.)**

**Issuance of Tier 2 Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Subordinated Sukuk Murabahah Programme by Maybank Islamic Berhad**

Issuance	Issue Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	5 April 2019	5 April 2029	RM1.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years

**Redemption of Tier 2 Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Subordinated Sukuk Murabahah Programme by Maybank Islamic Berhad**

Redemption	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Redemption	5 April 2019	5 April 2024	RM1.5 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5) <sup>1</sup>	10 years

**Redemption of Subordinated Sukuk Musyarakah by Etiqa Family Takaful Berhad**

Redemption	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Redemption	30 May 2019	30 May 2024	RM300 million	Subordinated Sukuk Musyarakah <sup>1</sup>	10 years

<sup>1</sup> These subordinated notes/sukuk were fully redeemed on the respective first call dates.

**Redemption of Subordinated Notes by PT Bank Maybank Indonesia Tbk**

Redemption	Maturity Date	Nominal Value	Description	Tenor
Redemption	31 October 2019	IDR1,000.0 billion	Sheif Subordinated Bonds I Bank BII Year 2012 - Tranche II	7 years

(d) **Capital Securities**

**Redemption of Additional Tier 1 Capital Securities pursuant to the RM10.0 billion Additional Tier 1 Capital Securities Programme by the Bank**

Redemption	First Call Date	Maturity Date	Nominal Value	Description
Redemption	10 September 2019	Perpetual	RM3.5 billion	Additional Tier 1 Capital Securities (Perpetual non-call 5) <sup>1</sup>

<sup>1</sup> These capital securities were fully redeemed on the first call date.

**Issuance of Additional Tier 1 Sukuk Mudharabah pursuant to the RM10.0 billion Sukuk Programme by the Bank**

Issuance	Issue Date	Maturity Date	Nominal Value	Description
Issuance	25 September 2019	Perpetual	RM1.24 billion	AT1 Sukuk Mudharabah (Perpetual non-call 5)
Issuance	25 September 2019	Perpetual	RM1.56 billion	AT1 Sukuk Mudharabah (Perpetual non-call 7)



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

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the fourth quarter and 12 months financial year ended 31 December 2019 and have not been reflected in the financial statements for the fourth quarter and 12 months financial year ended 31 December 2019:

(a) **Borrowings**

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

Currency	Description	Aggregate Nominal Value (in million)
<b>Issuance of medium term notes</b>		
USD	Zero Coupon Notes	420.0
USD	Fixed Rate Notes	20.0
USD	Floating Rate Notes	50.0
CNY	Fixed Rate Notes	200.0
JPY	Fixed Rate Notes (Samurai Bonds)	60,900.0
<b>Redemption of medium term notes</b>		
USD	Floating Rate Notes	60.0
RM	Fixed Rate Notes	60.0

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

**A9. Dividends Paid**

Dividends paid during the 12 months financial year ended 31 December 2019 are as follows:

- (a) During the Annual General Meeting held on 11 April 2019, a final dividend in respect of the financial year ended 31 December 2018 of 32 sen single-tier dividend per ordinary share was approved by the shareholders.

The dividend consists of cash portion of 15 sen per ordinary share amounting to RM1,657,452,447 and an electable portion of 17 sen per ordinary share amounting to RM1,878,446,106 which elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The payment date for cash dividends and crediting of ordinary shares under the DRP was completed on 7 June 2019.

- (b) A single-tier interim cash dividend, in respect of the financial year ended 31 December 2019 of 25 sen per ordinary share, was declared by the Bank on 29 August 2019.

The single-tier interim cash dividend of 25 sen per ordinary share amounting to RM2,810,340,472 was paid on 2 October 2019.

- (c) Dividends paid by Maybank's subsidiaries to non-controlling interests amounted to RM110,672,000 during the 12 months financial year ended 31 December 2019.

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**A10. Financial Investments Portfolio**

	Note	Group		Bank	
		31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	14,323,303	14,763,788	-	-
Financial investments at fair value through profit or loss	(ii)	20,370,865	15,205,150	12,912,823	8,914,167
Financial investments at fair value through other comprehensive income	(iii)	123,351,533	120,913,888	80,798,700	89,582,837
Financial investments at amortised cost	(iv)	34,784,476	27,069,261	32,574,918	22,857,070
		<b>192,830,177</b>	<b>177,952,087</b>	<b>126,286,441</b>	<b>121,354,074</b>

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	161,713	167,484	-	-
Malaysian Government Investment Issues	312,635	402,086	-	-
	<b>474,348</b>	<b>569,570</b>	<b>-</b>	<b>-</b>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants and loan stocks	109,715	17,743	-	-
Unit trusts	3,932	24,932	-	-
<b>Outside Malaysia:</b>				
Shares, warrants and loan stocks	-	14,144	-	-
	<b>113,647</b>	<b>56,819</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Corporate Bonds and Sukuk	13,627,322	14,022,712	-	-
<b>Outside Malaysia:</b>				
Corporate Bonds and Sukuk	107,986	114,687	-	-
	<b>13,735,308</b>	<b>14,137,399</b>	<b>-</b>	<b>-</b>
<b>Total financial assets designated upon initial recognition at fair value through profit or loss</b>	<b>14,323,303</b>	<b>14,763,788</b>	<b>-</b>	<b>-</b>

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

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	771,484	172,592	750,077	152,263
Malaysian Government Investment Issues	614,546	939,650	216,467	176,720
Cagamas Bonds	-	254,290	-	254,290
Negotiable instruments of deposits	142,811	176,621	142,811	176,621
Foreign Government Securities	3,483,519	1,793,844	3,001,984	1,738,814
Malaysian Government Treasury Bills	-	291,106	-	291,106
Bank Negara Malaysia Bills and Notes	596,545	75,896	596,545	75,896
Foreign Government Treasury Bills	2,199,436	13,965	2,199,436	13,965
	<u>7,808,341</u>	<u>3,717,964</u>	<u>6,907,320</u>	<u>2,879,675</u>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants and loan stocks	4,187,256	3,709,009	78,146	87,898
Unit trusts	159,380	69,185	29,775	69,185
<b>Outside Malaysia:</b>				
Shares, warrants, mutual funds and loan stocks	565,518	554,123	233	13,286
Unit trusts	385,869	186,413	210,138	43,839
Corporate Bonds and Sukuk	1,136,926	565,798	-	-
Government Bonds	104,193	54,915	-	-
Government Treasury Bills	51,310	74,487	-	-
	<u>6,590,452</u>	<u>5,213,930</u>	<u>318,292</u>	<u>214,208</u>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Shares	816,618	770,229	622,176	600,549
Unit trusts	268	260,633	-	-
Corporate Bonds and Sukuk	564,653	1,413,472	97,197	1,778,334
Structured deposits	175,602	223,746	-	-
<b>Outside Malaysia:</b>				
Shares	1,006	667	-	-
Mutual funds	2,279	42,021	-	-
Corporate Bonds and Sukuk	1,689,631	2,869,421	2,245,823	2,971,641
Government Bonds	2,722,015	477,466	2,722,015	469,760
Structured deposits	-	215,601	-	-
	<u>5,972,072</u>	<u>6,273,256</u>	<u>5,687,211</u>	<u>5,820,284</u>
<b>Total financial investments at fair value through profit or loss</b>	<u>20,370,865</u>	<u>15,205,150</u>	<u>12,912,823</u>	<u>8,914,167</u>

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

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	11,006,987	13,016,540	10,794,195	12,994,902
Malaysian Government Investment Issues	24,211,583	26,548,415	11,653,233	16,453,295
Negotiable instruments of deposits	1,682,836	101,710	484,703	699,011
Foreign Government Securities	7,872,991	9,025,462	3,830,465	7,046,826
Foreign Government Treasury Bills	16,891,126	15,413,937	3,942,737	5,089,308
Khazanah Bonds	1,761,446	2,475,788	1,761,446	2,322,544
Cagamas Bonds	723,459	889,251	723,459	889,251
Bankers' acceptances and Islamic accepted bills	139,392	-	139,392	-
	<b>64,289,820</b>	<b>67,471,103</b>	<b>33,329,630</b>	<b>45,495,137</b>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants and loan stocks	7,869	7,660	18,435	19,677
<b>Outside Malaysia:</b>				
Shares, warrants and loan stocks	1,298	2,748	-	-
Corporate Bonds and Sukuk	1,286,663	578,877	-	-
Government Bonds	349,126	329,892	-	-
	<b>1,644,956</b>	<b>919,177</b>	<b>18,435</b>	<b>19,677</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Shares and loan stocks	275,668	335,393	259,949	280,744
Government Bonds	109,143	564,361	65,769	520,595
Corporate Bonds and Sukuk	27,279,593	24,976,822	19,477,370	18,096,677
<b>Outside Malaysia:</b>				
Shares	3,735	3,501	-	-
Government Bonds	15,999,809	11,065,217	15,899,116	10,567,929
Corporate Bonds and Sukuk	13,748,809	15,578,314	11,748,431	14,602,078
	<b>57,416,757</b>	<b>52,523,608</b>	<b>47,450,635</b>	<b>44,068,023</b>
<b>Total financial investments at fair value through other comprehensive income</b>	<b>123,351,533</b>	<b>120,913,888</b>	<b>80,798,700</b>	<b>89,582,837</b>

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

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

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

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2019	28,066	1,579	183,330	212,975
Transferred to Stage 1	549	(549)	-	-
Net remeasurement of allowances	(2,319)	(77)	14,523	12,127
New financial assets originated or purchased	13,516	78	-	13,594
Financial assets derecognised	(13,248)	(702)	(57,344)	(71,294)
Changes in models/risk parameters	(2,439)	(330)	-	(2,769)
Amount written-off	-	-	(21,958)	(21,958)
Exchange differences	(1,055)	541	176	(338)
<b>As at 31 December 2019</b>	<b>23,070</b>	<b>540</b>	<b>118,727</b>	<b>142,337</b>

  

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2018				
- effect of adopting MFRS 9	37,885	20,938	314,057	372,880
At 1 January 2018, as restated	37,885	20,938	314,057	372,880
Transferred to Stage 1	1,305	(1,305)	-	-
Transferred to Stage 2	(92)	92	-	-
Transferred to Stage 3	(177)	-	177	-
Net remeasurement of allowances	(9,814)	(260)	81,601	71,527
New financial assets originated or purchased	14,436	895	-	15,331
Financial assets derecognised	(23,408)	(18,380)	(8,314)	(50,102)
Amount written-off	-	-	(203,457)	(203,457)
Exchange differences	7,931	(401)	(734)	6,796
<b>As at 31 December 2018</b>	<b>28,066</b>	<b>1,579</b>	<b>183,330</b>	<b>212,975</b>

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

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

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Bank</b>				
<b>As at 31 December 2019</b>				<b>RM'000</b>
At 1 January 2019	21,652	1,828	125,518	148,998
Transferred to Stage 1	505	(505)	-	-
Net remeasurement of allowances	(490)	-	4,094	3,604
New financial assets originated or purchased	7,979	-	-	7,979
Financial assets derecognised	(11,642)	(593)	(33,084)	(45,319)
Changes in models/risk parameters	(4,043)	(330)	-	(4,373)
Amount written-off	-	-	(14,650)	(14,650)
Exchange differences	(489)	-	(1)	(490)
As at 31 December 2019	13,472	400	81,877	95,749
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
<b>Bank</b>				
<b>As at 31 December 2018</b>				
At 1 January 2018				
- effect of adopting MFRS 9	29,297	20,607	300,335	350,239
At 1 January 2018, as restated	29,297	20,607	300,335	350,239
Transferred to Stage 1	1,305	(1,305)	-	-
Transferred to Stage 2	(78)	78	-	-
Transferred to Stage 3	(155)	-	155	-
Net remeasurement of allowances	(5,841)	(246)	38,575	32,488
New financial assets originated or purchased	11,131	860	-	11,991
Financial assets derecognised	(18,970)	(17,896)	(8,314)	(45,180)
Amount written-off	-	-	(203,457)	(203,457)
Exchange differences	4,963	(270)	(1,776)	2,917
As at 31 December 2018	21,652	1,828	125,518	148,998

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

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>Money market instruments:</b>				
Malaysian Government Securities	6,594,595	3,343,923	6,594,491	3,343,819
Malaysian Government Investment Issues	6,695,792	5,974,162	4,852,735	4,433,186
Foreign Government Securities	1,199,287	1,902,111	-	-
Khazanah Bonds	135,277	236,635	135,277	236,635
Cagamas Bonds	50,259	50,253	50,259	50,253
Foreign Certificates of Deposits	-	154,150	-	-
	<b>14,675,210</b>	<b>11,661,234</b>	<b>11,632,762</b>	<b>8,063,893</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Corporate Bonds and Sukuk	15,913,839	12,203,579	18,552,529	12,353,936
Others	-	2,044	-	2,044
<b>Outside Malaysia:</b>				
Corporate Bonds and Sukuk	2,745,710	2,952,669	2,478,746	2,505,578
Government Bonds	1,594,357	366,633	36,304	30,909
	<b>20,253,906</b>	<b>15,524,925</b>	<b>21,067,579</b>	<b>14,892,467</b>
Accumulated impairment losses	<b>(144,640)</b>	<b>(116,898)</b>	<b>(125,423)</b>	<b>(99,290)</b>
<b>Total financial investments at amortised cost</b>	<b>34,784,476</b>	<b>27,069,261</b>	<b>32,574,918</b>	<b>22,857,070</b>

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>As at 31 December 2019</b>				<b>RM'000</b>
At 1 January 2019	19,469	42,189	55,240	116,898
Transferred to Stage 1	13,475	(13,475)	-	-
Net remeasurement of allowances	(16,147)	27	36,378	20,258
New financial assets originated or purchased	20,691	-	-	20,691
Financial assets derecognised	(4,322)	(64)	-	(4,386)
Changes in models/risk parameters	(3,900)	(4,721)	-	(8,621)
Exchange differences	(205)	5	-	(200)
As at 31 December 2019	<b>29,061</b>	<b>23,961</b>	<b>91,618</b>	<b>144,640</b>

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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.):

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2018				
- as previously stated - MFRS 139				4,224
- effect of adopting MFRS 9				101,739
At 1 January 2018, as restated	20,113	82,074	3,776	105,963
Transferred to Stage 1	20,370	(20,370)	-	-
Transferred to Stage 2	(113)	113	-	-
Transferred to Stage 3	(294)	-	294	-
Net remeasurement of allowances	(24,143)	(18,812)	51,170	8,215
New financial assets originated or purchased	8,728	-	-	8,728
Financial assets derecognised	(5,198)	(816)	-	(6,014)
Exchange differences	6	-	-	6
As at 31 December 2018	19,469	42,189	55,240	116,898

  

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2019	11,316	32,734	55,240	99,290
Transferred to Stage 1	4,122	(4,122)	-	-
Net remeasurement of allowances	(3,986)	-	36,378	32,392
New financial assets originated or purchased	4,433	-	-	4,433
Financial assets derecognised	(2,480)	(64)	-	(2,544)
Changes in models/risk parameters	(3,448)	(4,721)	-	(8,169)
Exchange differences	21	-	-	21
As at 31 December 2019	9,978	23,827	91,618	125,423

  

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2018				
- as previously stated - MFRS 139				3,776
- effect of adopting MFRS 9				76,190
At 1 January 2018, as restated	7,780	68,410	3,776	79,966
Transferred to Stage 1	20,370	(20,370)	-	-
Transferred to Stage 2	(69)	69	-	-
Transferred to Stage 3	(294)	-	294	-
Net remeasurement of allowances	(17,527)	(14,559)	51,170	19,084
New financial assets originated or purchased	2,844	-	-	2,844
Financial assets derecognised	(1,937)	(816)	-	(2,753)
Exchange differences	149	-	-	149
As at 31 December 2018	11,316	32,734	55,240	99,290



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**A11. Loans, Advances and Financing**

	Note	Group		Bank	
		31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Loans, advances and financing to financial institutions	(i)	1,128,618	1,576,199	19,400,239	17,052,024
Loans, advances and financing to customers	(ii)	512,291,092	505,507,620	207,188,981	213,314,768
		<b>513,419,710</b>	<b>507,083,819</b>	<b>226,589,220</b>	<b>230,366,792</b>
<b>(i) Loans, advances and financing to financial institutions^:</b>					
Gross loans, advances and financing to financial institutions at amortised cost		1,140,538	1,586,487	19,665,356	17,329,554
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(11,920)	(10,288)	(18,657)	(24,693)
- Stage 2 - Lifetime ECL not credit impaired		-	-	(5,530)	(50,130)
- Stage 3 - Lifetime ECL credit impaired		-	-	(240,930)	(202,707)
Net loans, advances and financing to financial institutions		<b>1,128,618</b>	<b>1,576,199</b>	<b>19,400,239</b>	<b>17,052,024</b>
<b>(ii) Loans, advances and financing to customers:</b>					
(A) Loans, advances and financing to customers at fair value through profit or loss		401,703	396,950	401,703	396,950
(B) Loans, advances and financing to customers at fair value through other comprehensive income		11,821,285	8,968,438	11,380,901	8,680,217
(C) Loans, advances and financing to customers at amortised cost		601,389,303	603,897,146	202,771,305	211,710,171
		<b>613,612,291</b>	<b>613,262,534</b>	<b>214,553,909</b>	<b>220,787,338</b>
Unearned interest and income		(91,265,351)	(97,515,284)	(1,559,752)	(1,946,903)
Gross loans, advances and financing to customers		522,346,940	515,747,250	212,994,157	218,840,435
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(1,423,097)	(1,644,653)	(507,155)	(632,504)
- Stage 2 - Lifetime ECL not credit impaired		(1,865,171)	(2,518,274)	(869,858)	(1,174,896)
- Stage 3 - Lifetime ECL credit impaired		(6,767,580)	(6,076,703)	(4,428,163)	(3,718,267)
Net loans, advances and financing to customers		<b>512,291,092</b>	<b>505,507,620</b>	<b>207,188,981</b>	<b>213,314,768</b>
Net loans, advances and financing	(i) & (ii)	<b>513,419,710</b>	<b>507,083,819</b>	<b>226,589,220</b>	<b>230,366,792</b>

^ Included in the Bank's loans/financing to financial institutions is financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, under Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM19,307.9 million net of expected credit losses (31 December 2018: RM17,223.2 million). The RPSIA is a contract based on the Mudharabah principle between two parties to finance a financing where the Bank acts as the investor who solely provides capital to MIB whereas the business venture is managed solely by MIB as an entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Bank.

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>(iii) Loans, advances and financing to financial institutions and customers</b>				
Loans/financing to financial institutions	1,140,538	1,586,487	19,665,356	17,329,554
Overdrafts/cashline	21,524,681	21,299,471	8,068,447	8,106,770
Term loans:				
- Housing loans/financing	165,058,688	159,088,775	39,773,201	36,356,772
- Syndicated loans/financing	52,154,119	46,222,426	41,710,800	41,244,555
- Hire purchase receivables	77,170,795	75,934,569	14,770,104	16,408,151
- Lease receivables	445,288	242,882	-	-
- Other loans/financing	206,219,952	214,424,843	63,244,663	68,553,882
Credit card receivables	9,703,036	9,343,455	6,338,893	6,146,551
Bills receivables	3,312,082	3,789,648	2,470,458	3,110,604
Trust receipts	4,527,077	5,200,001	3,477,743	3,936,289
Claims on customers under acceptance credits	11,086,391	11,528,371	5,294,619	5,835,521
Revolving credits	52,824,052	56,468,421	26,897,897	28,623,423
Share margin financing	5,919,340	5,997,054	1,981,958	1,821,367
Staff loans	3,516,628	3,484,282	523,526	643,079
Loans to:				
- Directors of the Bank	6,299	3,007	1,399	302
- Directors of subsidiaries	5,650	4,439	170	72
Others	138,213	230,890	31	-
	<b>614,752,829</b>	614,849,021	<b>234,219,265</b>	238,116,892
Unearned interest and income	<b>(91,265,351)</b>	(97,515,284)	<b>(1,559,752)</b>	(1,946,903)
Gross loans, advances and financing	<b>523,487,478</b>	517,333,737	<b>232,659,513</b>	236,169,989
Allowances for loans, advances and financing:				
- Stage 1 - 12-month ECL	(1,435,017)	(1,654,941)	(525,812)	(657,197)
- Stage 2 - Lifetime ECL not credit impaired	(1,865,171)	(2,518,274)	(875,388)	(1,225,026)
- Stage 3 - Lifetime ECL credit impaired	(6,767,580)	(6,076,703)	(4,669,093)	(3,920,974)
Net loans, advances and financing	<b>513,419,710</b>	507,083,819	<b>226,589,220</b>	230,366,792
<b>(iv) Loans, advances and financing analysed by type of customer are as follows:</b>				
	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Domestic banking institutions	1,139,626	6,908	19,669,557	17,220,465
Domestic non-banking financial institutions	21,893,187	26,193,612	14,657,649	18,552,066
Domestic business enterprises:				
- Small and medium enterprises	54,841,634	99,533,072	24,496,469	58,697,124
- Others	133,017,413	93,524,665	73,796,567	44,183,640
Government and statutory bodies	14,381,320	13,656,700	128,131	139,377
Individuals	250,614,985	237,263,494	64,254,229	61,001,130
Other domestic entities	12,719,297	9,795,754	3,125,275	1,836,429
Foreign entities	34,880,016	37,359,532	32,531,636	34,539,758
Gross loans, advances and financing	<b>523,487,478</b>	517,333,737	<b>232,659,513</b>	236,169,989

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

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Malaysia	316,953,176	301,734,794	143,871,310	141,519,718
Singapore	125,228,021	130,263,205	56,076,155	59,760,535
Indonesia	37,688,031	39,792,918	-	-
Labuan Offshore	14,842,983	17,829,128	14,842,983	17,829,128
Hong Kong SAR	10,027,775	8,824,183	9,767,276	8,583,851
United States of America	1,291,202	888,894	1,290,625	888,310
People's Republic of China	4,055,036	4,050,027	4,055,036	4,050,027
Vietnam	1,218,454	1,075,504	908,484	839,577
United Kingdom	940,422	1,627,168	940,376	1,627,123
Brunei	583,433	624,809	583,433	624,809
Cambodia	2,826,629	2,436,379	-	-
Philippines	5,903,119	6,143,148	-	-
Thailand	1,605,362	1,592,702	-	-
Laos	82,097	149,387	82,097	149,387
Myanmar	241,738	297,524	241,738	297,524
Others	-	3,967	-	-
Gross loans, advances and financing	<b>523,487,478</b>	<b>517,333,737</b>	<b>232,659,513</b>	<b>236,169,989</b>

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Fixed rate:				
- Housing loans/financing	17,282,242	16,663,446	404,442	435,889
- Hire purchase receivables	67,528,995	65,297,909	13,146,631	14,531,517
- Other fixed rate loans/financing	62,192,300	64,927,250	43,602,330	42,800,462
Variable rate:				
- Base lending/financing rate/ base rate plus	207,219,598	198,416,862	77,368,532	82,756,689
- Cost plus	61,639,026	65,968,105	46,888,315	51,651,165
- Other variable rates	107,625,317	106,060,165	51,249,263	43,994,267
Gross loans, advances and financing	<b>523,487,478</b>	<b>517,333,737</b>	<b>232,659,513</b>	<b>236,169,989</b>

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Purchase of securities	35,999,387	35,527,786	7,572,559	8,286,409
Purchase of transport vehicles	68,239,626	66,604,915	11,861,216	13,483,796
Purchase of landed properties:				
- Residential	122,875,200	114,371,528	38,615,665	35,594,858
- Non-residential	40,553,322	39,220,906	18,604,350	18,948,128
Purchase of fixed assets (excluding landed properties)	4,163,699	4,818,811	3,524,042	4,308,283
Personal use	10,889,877	10,820,029	4,453,122	4,548,602
Credit card	9,745,404	9,534,058	6,339,202	6,287,421
Purchase of consumer durables	9,893	10,882	9,667	10,580
Constructions	17,381,155	16,078,361	10,356,794	10,481,392
Mergers and acquisitions	1,676,999	1,542,456	1,650,184	1,504,698
Working capital	168,019,588	170,484,232	95,481,470	93,428,944
Others	43,933,328	48,319,773	34,191,242	39,286,878
Gross loans, advances and financing	<b>523,487,478</b>	<b>517,333,737</b>	<b>232,659,513</b>	<b>236,169,989</b>

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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 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Within one year	128,277,526	135,610,572	69,137,959	76,164,888
One year to three years	62,079,218	59,706,901	46,877,075	43,006,884
Three years to five years	55,292,098	59,767,404	29,273,506	34,936,137
After five years	277,838,636	262,248,860	87,370,973	82,062,080
Gross loans, advances and financing	<b>523,487,478</b>	<b>517,333,737</b>	<b>232,659,513</b>	<b>236,169,989</b>

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
At 1 January				
- as previously stated	12,486,421	11,549,903	8,054,989	8,070,841
- effect of adopting MFRS 9	-	551,347	-	183,360
At 1 January, as restated	<b>12,486,421</b>	12,101,250	<b>8,054,989</b>	8,254,201
Impaired during the financial year	5,994,345	6,162,782	3,386,932	3,721,057
Reclassified as non-impaired	(1,113,466)	(797,493)	(616,982)	(434,523)
Amount recovered	(2,090,434)	(2,524,215)	(1,529,147)	(1,619,357)
Amount written-off	(1,917,090)	(2,553,154)	(848,945)	(1,671,973)
Transferred to subsidiaries, net	-	-	-	(526,697)
Exchange differences	498,160	97,251	378,348	332,281
Gross impaired loans at 31 December	<b>13,857,936</b>	12,486,421	<b>8,825,195</b>	8,054,989
Less: Stage 3 - Lifetime ECL credit impaired	<b>(7,184,821)</b>	(6,229,987)	<b>(5,086,334)</b>	(4,074,258)
Net impaired loans at 31 December	<b>6,673,115</b>	6,256,434	<b>3,738,861</b>	3,980,731

Calculation of ratio of net impaired loans:

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Gross impaired loans at 31 December (excluding financing funded by Investment Account*)	13,733,600	12,423,002	8,825,195	8,054,989
Less: Stage 3 - Lifetime ECL credit impaired	<b>(7,184,821)</b>	(6,229,987)	<b>(5,086,334)</b>	(4,074,258)
Net impaired loans	<b>6,548,779</b>	6,193,015	<b>3,738,861</b>	3,980,731
Gross loans, advances and financing	523,487,478	517,333,737	232,659,513	236,169,989
Less: Funded by Investment Account*	<b>(20,737,670)</b>	(23,565,061)	-	-
Less: Allowances for impaired loans, advances and financing at fair value through other comprehensive income and at amortised cost	<b>(10,714,146)</b>	(10,435,012)	<b>(6,713,770)</b>	(5,983,091)
Net loans, advances and financing	<b>492,035,662</b>	483,333,664	<b>225,945,743</b>	230,186,898
Ratio of net impaired loans	<b>1.33%</b>	1.28%	<b>1.65%</b>	1.73%

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

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

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Purchase of securities	171,743	171,949	112,956	125,050
Purchase of transport vehicles	435,278	423,797	95,373	90,792
Purchase of landed properties:				
- Residential	998,683	963,061	328,128	320,823
- Non-residential	555,679	1,059,724	235,716	874,210
Purchase of fixed assets (excluding landed properties)	1,766,064	1,292,213	1,708,703	1,275,586
Personal use	235,194	208,488	148,998	135,469
Credit card	73,700	77,281	33,377	35,826
Purchase of consumer durables	6,444	6,068	6,441	6,060
Constructions	1,789,711	1,720,827	1,486,400	1,301,329
Working capital	5,968,016	4,660,840	3,046,550	2,246,575
Others	1,857,424	1,902,173	1,622,553	1,643,269
Gross impaired loans, advances and financing	<b>13,857,936</b>	<b>12,486,421</b>	<b>8,825,195</b>	<b>8,054,989</b>

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Malaysia	6,242,161	5,756,439	3,713,462	3,652,980
Singapore	4,802,502	4,425,988	4,246,554	3,842,394
Indonesia	1,678,934	1,472,115	-	-
Labuan Offshore	201,848	306,498	201,848	306,498
Hong Kong SAR	69,016	7,296	60,782	6,384
United States of America	217,606	583	217,030	-
People's Republic of China	257,080	56,929	257,080	56,929
Vietnam	57,195	58,073	56,016	57,336
Brunei	70,067	69,737	70,067	69,737
Cambodia	59,753	97,093	-	-
Philippines	163,996	135,879	-	-
Thailand	35,422	33,093	-	-
Laos	2,356	62,731	2,356	62,731
Others	-	3,967	-	-
Gross impaired loans, advances and financing	<b>13,857,936</b>	<b>12,486,421</b>	<b>8,825,195</b>	<b>8,054,989</b>

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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

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2019	27,160	4,650	153,284	185,094
Net remeasurement of allowances	(4,375)	194,243	263,339	453,207
New financial assets originated or purchased	17,637	3,130	-	20,767
Financial assets derecognised	(10,068)	(849)	-	(10,917)
Changes in models/risk parameters	(1,230)	(1,422)	-	(2,652)
Exchange differences	60	201	618	879
At 31 December 2019	<b>29,184</b>	<b>199,953</b>	<b>417,241</b>	<b>646,378</b>

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2018				
- effect of adopting MFRS 9	12,822	1,503	-	14,325
At 1 January 2018, as restated	12,822	1,503	-	14,325
Transferred to Stage 1	1,503	(1,503)	-	-
Transferred to Stage 2	(179)	179	-	-
Transferred to Stage 3	(3,416)	-	3,416	-
Net remeasurement of allowances	(3,845)	586	147,611	144,352
New financial assets originated or purchased	20,864	3,885	-	24,749
Financial assets derecognised	(1,056)	-	-	(1,056)
Changes in models/risk parameters	(2,475)	-	-	(2,475)
Exchange differences	2,942	-	2,257	5,199
At 31 December 2018	<b>27,160</b>	<b>4,650</b>	<b>153,284</b>	<b>185,094</b>

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2019	25,761	849	153,284	179,894
Net remeasurement of allowances	(4,375)	194,243	263,339	453,207
New financial assets originated or purchased	17,637	3,130	-	20,767
Financial assets derecognised	(10,068)	(849)	-	(10,917)
Changes in models/risk parameters	(353)	-	-	(353)
Exchange differences	60	201	618	879
At 31 December 2019	<b>28,662</b>	<b>197,574</b>	<b>417,241</b>	<b>643,477</b>

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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	
<b>Bank</b>				
<b>As at 31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2018				
- effect of adopting MFRS 9	12,300	1,503	-	13,803
At 1 January 2018, as restated	12,300	1,503	-	13,803
Transferred to Stage 1	1,503	(1,503)	-	-
Transferred to Stage 2	(179)	179	-	-
Transferred to Stage 3	(3,416)	-	3,416	-
Net remeasurement of allowances	(1,191)	586	147,611	147,006
New financial assets originated or purchased	19,510	84	-	19,594
Financial assets derecognised	(534)	-	-	(534)
Changes in models/risk parameters	(2,475)	-	-	(2,475)
Exchange differences	243	-	2,257	2,500
At 31 December 2018	25,761	849	153,284	179,894

At amortised cost

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<b>Group</b>				
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2019	1,654,941	2,518,274	6,076,703	10,249,918
Transferred to Stage 1	640,451	(568,533)	(71,918)	-
Transferred to Stage 2	(190,386)	522,673	(332,287)	-
Transferred to Stage 3	(13,606)	(196,682)	210,288	-
Net remeasurement of allowances	(619,476)	(113,180)	4,015,889	3,283,233
New financial assets originated or purchased	623,306	395,129	-	1,018,435
Financial assets derecognised	(460,591)	(452,640)	(976,661)	(1,889,892)
Changes in models/risk parameters	(319,628)	(334,471)	1,683	(652,416)
Amount related to RPSIA	-	-	(2,129)	(2,129)
Amount written-off	-	-	(1,917,089)	(1,917,089)
Exchange differences	120,006	94,601	(236,899)	(22,292)
At 31 December 2019	1,435,017	1,865,171	6,767,580	10,067,768

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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.)**

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2018				
- as previously stated - MFRS 139				8,260,724
- effect of adopting MFRS 9				2,829,359
At 1 January 2018, as restated	1,543,575	2,938,959	6,607,549	11,090,083
Transferred to Stage 1	945,849	(707,258)	(238,591)	-
Transferred to Stage 2	(90,441)	293,774	(203,333)	-
Transferred to Stage 3	(33,896)	(183,954)	217,850	-
Net remeasurement of allowances	(812,424)	328,459	3,375,978	2,892,013
New financial assets originated or purchased	763,810	491,892	-	1,255,702
Financial assets derecognised	(431,843)	(425,141)	(1,434,518)	(2,291,502)
Changes in models/risk parameters	(124,517)	(67,123)	(724)	(192,364)
Amount related to RPSIA	-	-	50,553	50,553
Amount written-off	-	-	(2,553,152)	(2,553,152)
Exchange differences	(105,172)	(151,334)	255,091	(1,415)
At 31 December 2018	1,654,941	2,518,274	6,076,703	10,249,918

  

<b>Bank</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2019	657,197	1,225,026	3,920,974	5,803,197
Transferred to Stage 1	325,172	(273,884)	(51,288)	-
Transferred to Stage 2	(140,785)	296,831	(156,046)	-
Transferred to Stage 3	(4,258)	(98,622)	102,880	-
Net remeasurement of allowances	(192,899)	(108,484)	2,426,750	2,125,367
New financial assets originated or purchased	284,253	191,883	-	476,136
Financial assets derecognised	(271,910)	(169,186)	(702,745)	(1,143,841)
Changes in models/risk parameters	(128,617)	(185,213)	-	(313,830)
Amount written-off	-	-	(848,945)	(848,945)
Exchange differences	(2,341)	(2,963)	(22,487)	(27,791)
At 31 December 2019	525,812	875,388	4,669,093	6,070,293



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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 RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Bank</b>				
<b>As at 31 December 2018</b>				
At 1 January 2018				
- as previously stated - MFRS 139				5,837,290
- effect of adopting MFRS 9				1,392,447
At 1 January 2018, as restated	733,695	1,741,729	4,754,313	7,229,737
Transferred to Stage 1	492,559	(411,492)	(81,067)	-
Transferred to Stage 2	(36,211)	185,718	(149,507)	-
Transferred to Stage 3	(27,407)	(78,165)	105,572	-
Net remeasurement of allowances	(398,402)	102,185	2,091,616	1,795,399
New financial assets originated or purchased	273,210	161,544	-	434,754
Financial assets derecognised	(257,135)	(265,438)	(919,985)	(1,442,558)
Changes in models/risk parameters	(43,673)	(78,064)	-	(121,737)
Transferred to subsidiaries, net	(80,972)	(135,982)	(245,789)	(462,743)
Amount written-off	-	-	(1,671,973)	(1,671,973)
Exchange differences	1,533	2,991	37,794	42,318
At 31 December 2018	657,197	1,225,026	3,920,974	5,803,197

**A12. Reinsurance/Retakaful Assets and Other Insurance Receivables**

	Note	Group	
		31 December 2019 RM'000	31 December 2018 RM'000
Reinsurance/retakaful assets	(i)	3,550,665	3,285,269
Other insurance receivables	(ii)	681,424	514,778
		4,232,089	3,800,047

		Group	
		31 December 2019 RM'000	31 December 2018 RM'000
<b>(i) Reinsurance/retakaful assets</b>			
Reinsurers' share of:		3,187,733	2,983,564
Life insurance contract liabilities		74,534	49,111
General insurance contract liabilities		3,113,199	2,934,453
Retakaful operators' share of:		374,767	305,975
Family takaful certificate liabilities		135,692	73,802
General takaful certificate liabilities		239,075	232,173
Allowances for impairment losses	(iii)	(11,835)	(4,270)
		3,550,665	3,285,269

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

	Group	
	31 December 2019 RM'000	31 December 2018 RM'000
<b>(ii) Other insurance receivables</b>		
Due premium including agents/brokers and co-insurers balances	421,774	262,391
Due from reinsurers and cedants/retakaful operators	<u>290,566</u>	<u>268,559</u>
	712,340	530,950
Allowances for impairment losses	(iii) <u>(30,916)</u>	<u>(16,172)</u>
	<u><b>681,424</b></u>	<u><b>514,778</b></u>

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Group As at 31 December 2019</b>				<b>RM'000</b>
At 1 January 2019	20,442	-	-	20,442
Net remeasurement of allowances	31,377	-	-	31,377
Exchange differences	<u>(9,068)</u>	-	-	<u>(9,068)</u>
At 31 December 2019	<u><b>42,751</b></u>	<u>-</u>	<u>-</u>	<u><b>42,751</b></u>

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Group As at 31 December 2018</b>				<b>RM'000</b>
At 1 January 2018				16,748
- as previously stated				13,093
- effect of adopting MFRS 9				<u>29,841</u>
At 1 January 2018, as restated	29,841	-	-	29,841
Net remeasurement of allowances	(5,985)	-	-	(5,985)
Exchange differences	<u>(3,414)</u>	-	-	<u>(3,414)</u>
At 31 December 2018	<u><b>20,442</b></u>	<u>-</u>	<u>-</u>	<u><b>20,442</b></u>

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**A13. Other Assets**

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Other debtors, net of allowances for impairment losses	5,614,028	6,426,560	4,641,193	5,041,129
Amount due from brokers and clients	2,010,123	1,679,116	-	-
Prepayments and deposits	1,401,622	1,343,267	259,144	196,746
Tax recoverable	161,322	136,131	13,441	-
Foreclosed properties	291,989	288,266	29,412	29,410
	<b>9,479,084</b>	<b>9,873,340</b>	<b>4,943,190</b>	<b>5,267,285</b>

**A14. Deposits from Customers**

**(i) By type of deposit**

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	328,019,102	312,630,907	122,285,418	123,641,231
- More than one year	8,242,826	6,262,601	2,159,609	1,049,608
	<b>336,261,928</b>	<b>318,893,508</b>	<b>124,445,027</b>	<b>124,690,839</b>
Money market deposits	20,769,412	26,939,821	20,769,412	26,939,821
Savings deposits	78,030,371	72,552,819	28,119,100	27,308,716
Demand deposits	109,469,201	114,346,475	69,424,078	76,220,939
	<b>544,530,912</b>	<b>532,732,623</b>	<b>242,757,617</b>	<b>255,160,315</b>

**(ii) By type of customer**

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Business enterprises	230,436,071	243,864,537	136,645,520	156,302,192
Individuals	221,452,568	208,707,696	76,658,858	75,316,213
Government and statutory bodies	44,022,847	35,291,078	13,425,698	8,806,390
Others	48,619,426	44,869,312	16,027,541	14,735,520
	<b>544,530,912</b>	<b>532,732,623</b>	<b>242,757,617</b>	<b>255,160,315</b>

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Within six months	265,335,800	257,314,133	102,260,693	103,502,412
Six months to one year	62,683,302	55,316,774	20,024,725	20,138,819
One year to three years	7,729,734	5,821,123	2,105,839	984,301
Three years to five years	513,092	441,478	53,770	65,307
	<b>336,261,928</b>	<b>318,893,508</b>	<b>124,445,027</b>	<b>124,690,839</b>

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Licensed banks	38,758,617	39,504,617	48,975,323	51,341,923
Licensed finance companies	142,861	64,257	142,861	64,257
Licensed investment banks	482,606	98,277	482,606	98,277
Other financial institutions	4,173,125	4,183,426	1,753,745	1,436,290
	<b>43,557,209</b>	<b>43,850,577</b>	<b>51,354,535</b>	<b>52,940,747</b>

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
One year or less	41,112,765	41,092,831	50,593,909	52,405,495
More than one year	2,444,444	2,757,746	760,626	535,252
	<b>43,557,209</b>	<b>43,850,577</b>	<b>51,354,535</b>	<b>52,940,747</b>

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

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>Structured deposits</b>	<b>22,772</b>	1,640,430	<b>22,772</b>	1,254,743
<b>Borrowings</b>				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	6,447,653	6,598,010	6,447,653	6,598,010
- RM	60,328	654,251	60,328	654,251
	<b>6,507,981</b>	7,252,261	<b>6,507,981</b>	7,252,261
Total financial liabilities at fair value through profit or loss	<b>6,530,753</b>	8,892,691	<b>6,530,753</b>	8,507,004

The carrying amounts of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 31 December 2019 were RM6,726,131,000 (31 December 2018: RM9,616,975,000 and RM9,231,989,000 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 2019	31 December 2018	31 December 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
<b>(i) Borrowings</b>				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- SGD	237,799	684	-	-
- IDR	1,253,572	1,123,402	-	-
- VND	3,530	12,493	-	-
	<u>1,494,901</u>	<u>1,136,579</u>	<u>-</u>	<u>-</u>
- More than one year				
Denominated in:				
- SGD	-	236,572	-	-
- IDR	1,996,482	1,628,153	-	-
	<u>1,996,482</u>	<u>1,864,725</u>	<u>-</u>	<u>-</u>
(b) Medium Term Notes				
- More than one year				
Denominated in:				
- IDR	-	71,515	-	-
	<u>-</u>	<u>71,515</u>	<u>-</u>	<u>-</u>
Total secured borrowings	<u>3,491,383</u>	<u>3,072,819</u>	<u>-</u>	<u>-</u>
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	5,453,711	3,159,728	5,383,508	2,346,972
- SGD	1,427,935	1,390,760	-	-
- THB	1,324,965	1,249,281	-	-
- HKD	210,108	77,913	105,159	-
- IDR	867,424	994,104	-	-
- VND	50	-	-	-
- INR	-	11,801	-	-
- JPY	-	1,733	-	-
- RM	1,638,130	411,361	1,638,130	411,361
	<u>10,922,323</u>	<u>7,296,681</u>	<u>7,126,797</u>	<u>2,758,333</u>
- More than one year				
Denominated in:				
- USD	4,625,605	4,862,217	3,909,789	4,862,217
- IDR	690,235	547,870	-	-
- JPY	1,430	-	-	-
	<u>5,317,270</u>	<u>5,410,087</u>	<u>3,909,789</u>	<u>4,862,217</u>



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

	Group		Bank	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
<b>(iii) Capital Securities</b>				
Unsecured				
- More than one year				
Denominated in:				
- RM	2,827,123	3,531,029	2,827,123	3,531,029
	<u>2,827,123</u>	<u>3,531,029</u>	<u>2,827,123</u>	<u>3,531,029</u>

**A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables**

Group	Note	31 December 2019	31 December 2018
		RM'000	RM'000
Insurance/takaful contract liabilities	(i)	30,218,443	26,176,660
Other insurance payables	(ii)	667,187	676,442
		<u>30,885,630</u>	<u>26,853,102</u>

**(i) Insurance/takaful contract liabilities**

	Gross contract liabilities RM'000	Reinsurance/ retakaful assets RM'000	Net contract liabilities RM'000
<b>At 31 December 2019</b>			
Life insurance/family takaful	24,258,416	(210,226)	24,048,190
General insurance/general takaful	5,960,027	(3,340,439)	2,619,588
	<u>30,218,443</u>	<u>(3,550,665)</u>	<u>26,667,778</u>
<b>At 31 December 2018</b>			
Life insurance/family takaful	20,779,777	(122,913)	20,656,864
General insurance/general takaful	5,396,883	(3,162,356)	2,234,527
	<u>26,176,660</u>	<u>(3,285,269)</u>	<u>22,891,391</u>

**(ii) Other insurance payables**

	31 December 2019	31 December 2018
	RM'000	RM'000
Due to agents and intermediaries	174,645	136,397
Due to reinsurers and cedants	447,301	492,310
Due to retakaful operators	45,241	47,735
	<u>667,187</u>	<u>676,442</u>

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**A19. Other Liabilities**

	Note	Group		Bank	
		31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Amount due to brokers and clients		4,231,486	3,038,388	-	-
Deposits, other creditors and accruals		8,642,439	11,383,153	6,601,312	6,775,654
Defined benefit pension plans		521,985	474,018	-	-
Provisions for commitments and contingencies		27,880	32,003	27,880	27,416
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i)	678,232	287,436	618,048	229,103
Lease liabilities		1,461,498	272,311	410,156	-
Structured deposits		6,006,007	6,301,362	295,012	308,888
		<b>21,569,527</b>	<b>21,788,671</b>	<b>7,952,408</b>	<b>7,341,061</b>

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	84,477	52,676	150,283	287,436
Transferred to Stage 1	2,620	(2,620)	-	-
Transferred to Stage 2	(4,613)	6,014	(1,401)	-
Transferred to Stage 3	(13)	(61)	74	-
Net remeasurement of allowances	13,488	55,709	333,589	402,786
New financial assets originated or purchased	23,893	12,047	-	35,940
Financial assets derecognised	(28,218)	(17,679)	(3,224)	(49,121)
Changes in models/risk parameters	(277)	974	-	697
Exchange differences	729	1,072	(1,307)	494
At 31 December 2019	<b>92,086</b>	<b>108,132</b>	<b>478,014</b>	<b>678,232</b>

  

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	90,574	75,163	74,027	239,764
At 1 January 2018, as restated	90,574	75,163	74,027	239,764
Transferred to Stage 1	8,664	(8,383)	(281)	-
Transferred to Stage 2	(594)	24,579	(23,985)	-
Transferred to Stage 3	(117)	(33)	150	-
Net remeasurement of allowances	12,188	(21,314)	115,653	106,527
New financial assets originated or purchased	29,707	23,756	-	53,463
Financial assets derecognised	(53,040)	(40,669)	(18,453)	(112,162)
Changes in models/risk parameters	(1,489)	(779)	-	(2,268)
Exchange differences	(1,416)	356	3,172	2,112
At 31 December 2018	<b>84,477</b>	<b>52,676</b>	<b>150,283</b>	<b>287,436</b>



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**A19. Other Liabilities (cont'd.)**

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Bank</b>				
<b>As at 31 December 2019</b>				<b>RM'000</b>
At 1 January 2019	40,038	43,868	145,197	229,103
Transferred to Stage 1	2,228	(2,228)	-	-
Transferred to Stage 2	(4,284)	4,284	-	-
Transferred to Stage 3	(14)	(54)	68	-
Net remeasurement of allowances	12,282	57,728	327,100	397,110
New financial assets originated or purchased	18,303	8,622	-	26,925
Financial assets derecognised	(19,571)	(12,646)	(2,950)	(35,167)
Changes in models/risk parameters	(242)	519	-	277
Exchange differences	(416)	(94)	310	(200)
At 31 December 2019	<u>48,324</u>	<u>99,999</u>	<u>469,725</u>	<u>618,048</u>
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
<b>Bank</b>				
<b>As at 31 December 2018</b>				<b>RM'000</b>
At 1 January 2018				
- effect of adopting MFRS 9	53,498	66,506	67,083	187,087
At 1 January 2018, as restated	53,498	66,506	67,083	187,087
Transferred to Stage 1	7,798	(7,654)	(144)	-
Transferred to Stage 2	(517)	24,053	(23,536)	-
Transferred to Stage 3	(117)	(33)	150	-
Net remeasurement of allowances	(1,596)	(21,633)	116,695	93,466
New financial assets originated or purchased	23,059	19,868	-	42,927
Financial assets derecognised	(41,625)	(36,315)	(16,110)	(94,050)
Changes in models/risk parameters	24	-	-	24
Transfer to subsidiary	(1,522)	(654)	-	(2,176)
Exchange differences	1,036	(270)	1,059	1,825
At 31 December 2018	<u>40,038</u>	<u>43,868</u>	<u>145,197</u>	<u>229,103</u>

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**A20. Other Reserves**

The breakdown and movement of other reserves are as follows:

<u>Group</u>	<===== Non-Distributable =====>				
	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Hedge Reserve RM'000	Total Other Reserves RM'000
<b>At 1 January 2019</b>	13,557	(2,712)	16,503	(367,100)	(339,752)
Other comprehensive income	687	-	4,638	778	6,103
Defined benefit plan actuarial gain	-	-	4,638	-	4,638
Net gain on net investment hedge	-	-	-	1,556	1,556
Net loss on cash flow hedge	-	-	-	(433)	(433)
Net loss on fair value hedge	-	-	-	(345)	(345)
Net gain on capital reserve	687	-	-	-	687
<b>Total comprehensive income for the financial year</b>	<b>687</b>	<b>-</b>	<b>4,638</b>	<b>778</b>	<b>6,103</b>
<b>At 31 December 2019</b>	<b>14,244</b>	<b>(2,712)</b>	<b>21,141</b>	<b>(366,322)</b>	<b>(333,649)</b>

<u>Group</u>	<===== Non-Distributable =====>				
	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Hedge Reserve RM'000	Total Other Reserves RM'000
<b>At 1 January 2018</b>	13,557	(2,428)	(41,302)	(374,996)	(405,169)
Other comprehensive income	-	-	57,805	7,896	65,701
Defined benefit plan actuarial gain	-	-	57,805	-	57,805
Net gain on net investment hedge	-	-	-	7,017	7,017
Net gain on cash flow hedge	-	-	-	879	879
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>57,805</b>	<b>7,896</b>	<b>65,701</b>
Transfer to retained profits	-	(284)	-	-	(284)
<b>Total other equity movements</b>	<b>-</b>	<b>(284)</b>	<b>-</b>	<b>-</b>	<b>(284)</b>
<b>At 31 December 2018</b>	<b>13,557</b>	<b>(2,712)</b>	<b>16,503</b>	<b>(367,100)</b>	<b>(339,752)</b>

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**A21. Interest Income**

Group	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2019 RM'000	31 December 2018 RM'000	Cumulative 12 Months Ended 31 December 2019 RM'000	31 December 2018 RM'000
Loans, advances and financing	4,273,675	4,414,414	17,476,614	16,902,847
Money at call and deposits and placements with financial institutions	180,168	222,459	779,954	804,384
Financial assets purchased under resale agreements	53,419	19,218	176,386	169,991
Financial assets at FVTPL	278,810	277,583	1,098,729	1,081,791
Financial investments at fair value through other comprehensive income	838,837	883,913	3,451,771	3,208,682
Financial investments at amortised cost	265,198	210,678	974,453	762,608
	<b>5,890,107</b>	6,028,265	<b>23,957,907</b>	22,930,303
Accretion of discounts, net	25,793	51,847	150,347	263,368
	<b>5,915,900</b>	6,080,112	<b>24,108,254</b>	23,193,671

  

Bank	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2019 RM'000	31 December 2018 RM'000	Cumulative 12 Months Ended 31 December 2019 RM'000	31 December 2018 RM'000
Loans, advances and financing	2,596,928	2,953,568	10,618,598	12,231,807
Money at call and deposits and placements with financial institutions	218,483	278,369	1,064,615	907,081
Financial assets purchased under resale agreements	31,377	7,887	81,715	112,556
Financial assets at FVTPL	96,718	64,260	311,220	262,529
Financial investments at fair value through other comprehensive income	619,157	751,764	2,672,269	2,771,555
Financial investments at amortised cost	270,553	225,994	967,190	822,863
	<b>3,833,216</b>	4,281,842	<b>15,715,607</b>	17,108,391
Accretion of discounts, net	105,682	76,563	383,582	359,113
	<b>3,938,898</b>	4,358,405	<b>16,099,189</b>	17,467,504

Included in interest income for the 12 months financial year ended 31 December 2019 was interest on impaired assets amounting to approximately RM414,032,000 (31 December 2018: RM387,346,000) for the Group and RM290,158,000 (31 December 2018: RM273,634,000) for the Bank.

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**A22. Interest Expense**

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	246,458	301,454	1,121,914	1,180,629
Deposits from customers	1,906,847	1,970,799	8,083,741	7,255,369
Loans sold to Cagamas	16,321	16,321	64,750	64,750
Obligations on financial assets sold under repurchase agreements	42,265	74,711	204,758	176,634
Borrowings	356,105	291,338	1,347,241	1,060,928
Subordinated notes	125,866	132,432	536,374	547,594
Subordinated bonds	-	3,417	5,535	24,091
Capital securities	29,214	56,659	184,560	342,493
Structured deposits	35,195	35,495	146,992	127,817
Financial liabilities at fair value through profit or loss	73,737	89,216	317,384	340,460
	<b>2,832,008</b>	<b>2,971,842</b>	<b>12,013,249</b>	<b>11,120,765</b>

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	292,628	322,567	1,323,778	1,146,577
Deposits from customers	1,115,667	1,372,694	4,868,513	5,500,634
Loans sold to Cagamas	16,321	16,321	64,750	64,750
Obligations on financial assets sold under repurchase agreements	89,357	91,234	326,121	193,157
Borrowings	215,456	155,719	783,486	548,916
Subordinated notes	105,162	105,141	440,834	419,339
Capital securities	29,214	56,656	184,560	342,490
Structured deposits	3,317	14,938	10,638	107,236
Financial liabilities at fair value through profit or loss	73,737	89,216	317,384	340,460
	<b>1,940,859</b>	<b>2,224,486</b>	<b>8,320,064</b>	<b>8,663,559</b>

**A23. Net Earned Insurance Premiums**

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	2,058,407	1,777,172	7,872,317	7,067,209
Premiums ceded to reinsurers	(297,248)	(275,019)	(1,111,699)	(1,133,646)
	<b>1,761,159</b>	<b>1,502,153</b>	<b>6,760,618</b>	<b>5,933,563</b>

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**A24. Dividends from Subsidiaries and Associates**

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
<b>Bank</b>	RM'000	RM'000	RM'000	RM'000
Gross dividend income from:				
Subsidiaries	544,907	786,264	3,647,538	2,393,421
Associates	-	-	689	398
	<b>544,907</b>	<b>786,264</b>	<b>3,648,227</b>	<b>2,393,819</b>

**A25. Other Operating Income**

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
<b>Group</b>	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	371,544	337,955	1,391,600	1,332,486
Service charges and fees	384,568	308,279	1,386,797	1,375,602
Underwriting fees	4,099	5,717	57,085	38,984
Brokerage income	79,442	83,654	309,037	397,870
Fees on loans, advances and financing	70,112	46,442	225,703	212,601
	<b>909,765</b>	<b>782,047</b>	<b>3,370,222</b>	<b>3,357,543</b>
(b) Investment income:				
Net gain/(loss) on disposal of financial assets at FVTPL	108,778	(266,386)	538,249	(402,854)
Net gain/(loss) on disposal of financial investments at fair value through other comprehensive income	167,491	(83,046)	1,138,298	(13,331)
Net gain on redemption of financial investments at amortised cost	30	4	48	1,777
Net gain/(loss) on disposal/change in structure of deemed controlled structured entities	67,700	-	67,700	(15,409)
Net loss on disposal/liquidation of a subsidiary	(158,531)	(2,781)	(158,531)	(2,781)
Net (loss)/gain on liquidation/dilution of interest in associates	-	(372)	1,163	896
	<b>185,468</b>	<b>(352,581)</b>	<b>1,586,927</b>	<b>(431,702)</b>
(c) Gross dividend income from:				
Financial investments portfolio	21,491	17,340	98,515	113,514
(d) Unrealised (loss)/gain on revaluation of:				
Financial assets designated upon initial recognition at FVTPL	(131,564)	24,259	978,010	82,035
Financial investments at FVTPL	144,510	(51,980)	404,153	(319,501)
Financial liabilities at FVTPL	447,252	171,516	(529,607)	709,918
Derivatives	45,476	190,548	145,715	(148,607)
Loans, advances and financing at FVTPL	(192)	9,943	(10,573)	9,943
	<b>505,482</b>	<b>344,286</b>	<b>987,698</b>	<b>333,788</b>
(e) Other income:				
Foreign exchange gain, net	168,317	244,682	732,581	842,311
Realised (loss)/gain on derivatives	(196,743)	35,948	354,500	369,087
Realised loss on financial liabilities at FVTPL	(283,118)	-	(283,118)	-
Rental income	10,369	14,634	37,147	45,467
Gain on disposal of property, plant and equipment	2,687	379	6,213	70,596
Gain on sale and leaseback transaction	1,540	-	1,540	-
Gain/(loss) on disposal of foreclosed properties	17,719	(6,435)	18,001	(8,702)
Fair value adjustments on investments properties	22,886	31,677	22,781	32,025
Others	104,960	80,661	343,991	227,095
	<b>(151,383)</b>	<b>401,546</b>	<b>1,233,636</b>	<b>1,577,879</b>
Total other operating income	<b>1,470,823</b>	<b>1,192,638</b>	<b>7,276,998</b>	<b>4,951,022</b>

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**A25. Other Operating Income (cont'd.)**

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>Bank</b>				
(a) Fee income:				
Commission	246,273	261,468	950,740	1,160,457
Service charges and fees	251,900	198,213	902,687	1,020,233
Underwriting fees	3,401	2,463	21,720	15,825
Fees on loans, advances and financing	48,297	26,927	127,162	130,093
	<b>549,871</b>	489,071	<b>2,002,309</b>	2,326,608
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	53,423	16,553	259,162	82,456
Net gain/(loss) on disposal of financial investments at fair value through other comprehensive income	155,638	(61,076)	1,056,482	11,018
Net gain on redemption of financial investments at amortised cost	30	4	48	1,777
Net gain/(loss) on disposal/change in structure of deemed controlled structured entities	10,438	-	7,751	(27,902)
Net loss on disposal of a subsidiary	(113,470)	-	(113,470)	-
Net loss on liquidation/dilution of interest in associates	-	-	(2,193)	-
	<b>106,059</b>	(44,519)	<b>1,207,780</b>	67,349
(c) Gross dividend income from:				
Financial investments portfolio	1,166	2,230	6,593	5,792
(d) Unrealised gain/(loss) on revaluation of:				
Financial investments at FVTPL	70,480	27,751	52,261	25,664
Financial liabilities at FVTPL	447,252	171,516	(529,607)	709,918
Derivatives	927	176,284	178,380	(209,827)
Loans, advances and financing at FVTPL	(192)	9,943	(10,573)	9,943
	<b>518,467</b>	385,494	<b>(309,539)</b>	535,698
(e) Other income:				
Foreign exchange gain, net	110,431	191,162	650,042	837,330
Realised (loss)/gain on derivatives	(73,654)	2,691	499,224	210,205
Realised loss on financial liabilities at FVTPL	(283,118)	-	(283,118)	-
Rental income	7,572	13,120	29,780	36,913
Gain on disposal of property, plant and equipment	1,776	701	2,203	61,117
Gain on sale and leaseback transaction	1,540	-	1,540	-
Others	15,097	3,437	68,923	17,606
	<b>(220,356)</b>	211,111	<b>968,594</b>	1,163,171
Total other operating income	<b>955,207</b>	1,043,387	<b>3,875,737</b>	4,098,618

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

Group	Unaudited Fourth Quarter Ended		Audited Cumulative 12 Months Ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Gross benefits and claims paid	1,187,491	934,534	4,173,899	3,584,747
Claims ceded to reinsurers	(288,241)	(138,708)	(641,415)	(485,839)
Gross change to contract liabilities	510,871	10,040	3,727,700	1,502,083
Change in contract liabilities ceded to reinsurers	(79,350)	23,952	(335,004)	(27,980)
<b>Net insurance benefits and claims incurred</b>	<b>1,330,771</b>	<b>829,818</b>	<b>6,925,180</b>	<b>4,573,011</b>
Net fee and commission expenses	75,130	53,506	300,989	239,820
Change in expense liabilities	(2,939)	92,723	32,497	89,073
Taxation of life and takaful fund	5,424	(5,713)	112,652	5,625
<b>Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund</b>	<b>77,615</b>	<b>140,516</b>	<b>446,138</b>	<b>334,518</b>
Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	<b>1,408,386</b>	<b>970,334</b>	<b>7,371,318</b>	<b>4,907,529</b>

**A27. Overhead Expenses**

Group	Unaudited Fourth Quarter Ended		Audited Cumulative 12 Months Ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,163,129	1,346,676	5,008,059	4,938,739
Social security cost	11,149	7,854	44,627	40,489
Pension costs - defined contribution plan	135,094	170,219	596,328	595,443
ESGP/ESS expenses	15,731	212	43,290	3,946
Other staff related expenses	276,384	226,034	932,733	870,907
	<b>1,601,487</b>	<b>1,750,995</b>	<b>6,625,037</b>	<b>6,449,524</b>
(b) Establishment costs				
Depreciation of property, plant and equipment	77,604	99,890	297,231	400,991
Depreciation of right-of-use assets	96,364	-	389,273	-
Amortisation of intangible assets	66,041	57,085	252,423	236,071
Rental of leasehold land and premises	18,955	91,792	72,993	347,060
Repairs and maintenance of property, plant and equipment	39,603	46,095	174,570	166,277
Information technology expenses	205,525	215,693	604,387	647,084
Finance cost on lease liabilities	17,610	-	66,353	-
Others	13,197	12,964	48,502	47,689
	<b>534,899</b>	<b>523,519</b>	<b>1,905,732</b>	<b>1,845,172</b>
(c) Marketing expenses				
Advertisement and publicity	38,655	62,344	197,835	209,560
Others	108,782	80,830	398,878	333,238
	<b>147,437</b>	<b>143,174</b>	<b>596,713</b>	<b>542,798</b>

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**A27. Overhead Expenses (cont'd.)**

Group (cont'd.)	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
(d) Administration and general expenses				
Fees and brokerage	298,094	273,607	1,043,203	1,011,899
Administrative expenses	167,289	154,299	602,471	575,519
General expenses	210,866	245,722	769,669	805,026
Others	9,040	8,797	19,114	15,754
	<b>685,289</b>	<b>682,425</b>	<b>2,434,457</b>	<b>2,408,198</b>
Total overhead expenses	<b>2,969,112</b>	<b>3,100,113</b>	<b>11,561,939</b>	<b>11,245,692</b>
<b>Cost to income ratio ("CIR")<sup>1</sup></b>	<b>45.7%</b>	<b>48.9%</b>	<b>46.7%</b>	<b>47.5%</b>

<sup>1</sup> Cost to income ratio ("CIR") is computed using the total cost over the net operating income. Total cost of the Group is the total overhead expenses, excluding amortisation of intangible assets for Maybank Kim Eng Holdings Limited. Income refers to net operating income amount as disclosed on the face of income statements.

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	635,517	795,095	2,592,327	3,038,161
Social security cost	5,466	5,165	22,487	21,209
Pension costs - defined contribution plan	90,194	118,343	388,039	449,330
ESGP/ESS expenses	9,793	-	25,762	2,426
Other staff related expenses	225,936	127,024	549,059	500,853
	<b>966,906</b>	<b>1,045,627</b>	<b>3,577,674</b>	<b>4,011,979</b>
(b) Establishment costs				
Depreciation of property, plant and equipment	26,654	35,801	116,073	160,150
Depreciation of right-of-use assets	27,290	-	108,371	-
Amortisation of intangible assets	13,271	14,982	49,533	76,737
Rental of leasehold land and premises	9,325	31,015	15,342	137,926
Repairs and maintenance of property, plant and equipment	19,016	26,655	89,586	97,570
Information technology expenses	263,105	261,066	833,131	861,986
Finance cost on lease liabilities	3,936	-	16,186	-
Others	802	1,581	3,127	8,861
	<b>363,399</b>	<b>371,100</b>	<b>1,231,349</b>	<b>1,343,230</b>
(c) Marketing expenses				
Advertisement and publicity	22,767	33,173	83,784	111,950
Others	60,147	55,710	232,006	223,306
	<b>82,914</b>	<b>88,883</b>	<b>315,790</b>	<b>335,256</b>
(d) Administration and general expenses				
Fees and brokerage	212,719	184,168	661,545	684,400
Administrative expenses	51,297	60,639	199,861	248,355
General expenses	89,494	93,534	272,403	354,079
Others	5,514	4,841	11,428	10,756
	<b>359,024</b>	<b>343,182</b>	<b>1,145,237</b>	<b>1,297,590</b>
(e) Overhead expenses allocated to subsidiaries	<b>(289,025)</b>	<b>(304,793)</b>	<b>(1,249,465)</b>	<b>(1,182,344)</b>
Total overhead expenses	<b>1,483,218</b>	<b>1,543,999</b>	<b>5,020,585</b>	<b>5,805,711</b>
<b>Cost to income ratio ("CIR")<sup>2</sup></b>	<b>42.4%</b>	<b>39.0%</b>	<b>32.8%</b>	<b>38.0%</b>

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



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**A28. 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 2019	31 December 2018	31 December 2019	31 December 2018
	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	(218,379)	(135,487)	(765,539)	(604,120)
- Stage 2 - Lifetime ECL not credit impaired, net	(234,919)	178,377	(259,009)	293,552
- Stage 3 - Lifetime ECL credit impaired, net	876,868	181,730	3,634,615	2,185,547
Bad debts and financing written-off	25,569	22,340	97,320	104,806
Bad debts and financing recovered	(107,254)	(159,711)	(430,120)	(388,635)
(Writeback of)/allowances for impairment losses on other debts	(8,017)	(5,902)	10,223	106
	<u>333,868</u>	<u>81,347</u>	<u>2,287,490</u>	<u>1,591,256</u>

Bank	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	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	(119,800)	(197,864)	(295,560)	(430,828)
- Stage 2 - Lifetime ECL not credit impaired, net	3,401	(31,011)	(20,253)	(117,183)
- Stage 3 - Lifetime ECL credit impaired, net	616,881	270,022	2,311,494	1,419,827
Bad debts and financing written-off	17,339	12,572	58,698	79,669
Bad debts and financing recovered	(56,795)	(67,129)	(191,672)	(222,065)
(Writeback of)/allowances for impairment losses on other debts	(1,557)	(869)	12,636	391
	<u>459,469</u>	<u>(14,279)</u>	<u>1,875,343</u>	<u>729,811</u>

**A29. (Writeback of)/allowances for Impairment Losses on Financial Investments, net**

Group	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(5,208)	1,287	(4,490)	(18,786)
- Stage 2 - Lifetime ECL not credit impaired, net	(104)	(4,065)	(1,031)	(17,745)
- Stage 3 - Lifetime ECL credit impaired, net	(17,514)	50,999	(42,821)	73,287
Net	<u>(22,826)</u>	<u>48,221</u>	<u>(48,342)</u>	<u>36,756</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(5,340)	(5,991)	(3,678)	(20,613)
- Stage 2 - Lifetime ECL not credit impaired, net	(7,523)	(8,907)	(4,758)	(19,628)
- Stage 3 - Lifetime ECL credit impaired, net	(1,144)	51,227	36,378	51,170
Net	<u>(14,007)</u>	<u>36,329</u>	<u>27,942</u>	<u>10,929</u>
	<u>(36,833)</u>	<u>84,550</u>	<u>(20,400)</u>	<u>47,685</u>

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**A29. (Writeback of)/allowances for Impairment Losses on Financial Investments, net (cont'd.)**

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(5,216)	716	(8,196)	(13,680)
- Stage 2 - Lifetime ECL not credit impaired, net	(145)	(4,005)	(923)	(17,282)
- Stage 3 - Lifetime ECL credit impaired, net	(57)	30,423	(28,990)	30,261
Net	<u>(5,418)</u>	<u>27,134</u>	<u>(38,109)</u>	<u>(701)</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(3,500)	(9,073)	(5,481)	(16,620)
- Stage 2 - Lifetime ECL not credit impaired, net	(7,569)	(5,411)	(4,785)	(15,375)
- Stage 3 - Lifetime ECL credit impaired, net	(1,144)	51,227	36,378	51,170
Net	<u>(12,213)</u>	<u>36,743</u>	<u>26,112</u>	<u>19,175</u>
	<u>(17,631)</u>	<u>63,877</u>	<u>(11,997)</u>	<u>18,474</u>

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

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	(5,303)	6,871	(13,318)	(10,652)
- Stage 2 - Lifetime ECL not credit impaired	-	2	-	-
Net	<u>(5,303)</u>	<u>6,873</u>	<u>(13,318)</u>	<u>(10,652)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	(18,085)	(4,969)	32,955	3,312
Net	<u>(18,085)</u>	<u>(4,969)</u>	<u>32,955</u>	<u>3,312</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	2,259	2,883	1,990	2,045
Net	<u>2,259</u>	<u>2,883</u>	<u>1,990</u>	<u>2,045</u>
Reinsurance/retakaful assets and other insurance receivables				
- Stage 1 - 12-month ECL, net	17,029	1,544	31,377	(5,985)
Net	<u>17,029</u>	<u>1,544</u>	<u>31,377</u>	<u>(5,985)</u>
Other assets				
- Stage 1 - 12-month ECL, net	592	(2,106)	1,087	(671)
- Stage 2 - Lifetime ECL not credit impaired	(40)	(38)	(71)	(38)
- Stage 3 - Lifetime ECL credit impaired	5,441	(7,673)	2,324	(7,673)
Net	<u>5,993</u>	<u>(9,817)</u>	<u>3,340</u>	<u>(8,382)</u>
Statutory deposit with central banks				
- Stage 1 - 12-month ECL, net	-	(73)	-	(6,366)
Net	<u>-</u>	<u>(73)</u>	<u>-</u>	<u>(6,366)</u>
	<u>1,893</u>	<u>(3,559)</u>	<u>56,344</u>	<u>(26,028)</u>

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

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	(6,505)	8,328	(12,228)	(6,474)
- Stage 2 - Lifetime ECL not credit impaired	-	2	-	-
Net	<u>(6,505)</u>	<u>8,330</u>	<u>(12,228)</u>	<u>(6,474)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	(12,206)	(4,623)	18,590	3,139
Net	<u>(12,206)</u>	<u>(4,623)</u>	<u>18,590</u>	<u>3,139</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	27	1,424	(1,072)	1,424
Net	<u>27</u>	<u>1,424</u>	<u>(1,072)</u>	<u>1,424</u>
Other assets				
- Stage 3 - Lifetime ECL credit impaired	2,328	(4,129)	(1,515)	(4,129)
Net	<u>2,328</u>	<u>(4,129)</u>	<u>(1,515)</u>	<u>(4,129)</u>
	<u>(16,356)</u>	<u>1,002</u>	<u>3,775</u>	<u>(6,040)</u>

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**A31. Segment Information**

**By business segments**

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

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

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

(i) Consumer Banking

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

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

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

(iii) Business Banking

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

(b) Group Global Banking ("GB")

(i) Group Corporate Banking and Global Markets

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

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

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

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**A31. Segment Information (cont'd.)**

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

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

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

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

(iii) Group Asset Management

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

(c) Group Insurance and Takaful

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

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**A31. Segment Information (cont'd.)**

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

	<===== Business Segments =====>							
	<===== Group Global Banking =====>						Head Office and Others RM'000	Total RM'000
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Group		
Twelve Months Ended 31 December 2019								
Net interest income and income from IBS operations:								
- External	10,750,473	5,595,305	330,329	9,134	1,259,748	129,593	18,074,582	
- Inter-segment	-	-	150	1,929	27,082	(29,161)	-	
	<u>10,750,473</u>	<u>5,595,305</u>	<u>330,479</u>	<u>11,063</u>	<u>1,286,830</u>	<u>100,432</u>	<u>18,074,582</u>	
Net interest income and income from IBS operations	10,750,473	5,595,305	330,479	11,063	1,286,830	100,432	18,074,582	
Net earned insurance premiums	-	-	-	-	6,760,618	-	6,760,618	
Other operating income	3,067,805	2,832,411	813,936	162,764	1,559,305	(1,159,223)	7,276,998	
Total operating income	<u>13,818,278</u>	<u>8,427,716</u>	<u>1,144,415</u>	<u>173,827</u>	<u>9,606,753</u>	<u>(1,058,791)</u>	<u>32,112,198</u>	
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(7,683,572)	312,254	(7,371,318)	
Net operating income	<u>13,818,278</u>	<u>8,427,716</u>	<u>1,144,415</u>	<u>173,827</u>	<u>1,923,181</u>	<u>(746,537)</u>	<u>24,740,880</u>	
Overhead expenses	(7,543,434)	(1,890,760)	(1,061,688)	(122,266)	(943,791)	-	(11,561,939)	
Operating profit/(loss) before impairment losses	<u>6,274,844</u>	<u>6,536,956</u>	<u>82,727</u>	<u>51,561</u>	<u>979,390</u>	<u>(746,537)</u>	<u>13,178,941</u>	
Writeback of/(allowances for) impairment losses on loans, advances, financing and other debts, net	215,562	(2,491,757)	(7,940)	2	(3,357)	-	(2,287,490)	
Writeback of impairment losses on financial investments, net	716	2,365	17,318	-	1	-	20,400	
(Allowances for)/writeback of impairment losses on other financial assets, net	(818)	(8,661)	(4,418)	4	(31,681)	(10,770)	(56,344)	
Operating profit/(loss)	<u>6,490,304</u>	<u>4,038,903</u>	<u>87,687</u>	<u>51,567</u>	<u>944,353</u>	<u>(757,307)</u>	<u>10,855,507</u>	
Share of profits in associates and joint ventures	-	156,900	1,473	-	-	-	158,373	
<b>Profit/(loss) before taxation and zakat</b>	<u>6,490,304</u>	<u>4,195,803</u>	<u>89,160</u>	<u>51,567</u>	<u>944,353</u>	<u>(757,307)</u>	<u>11,013,880</u>	
Taxation and zakat							(2,538,231)	
<b>Profit after taxation and zakat</b>							<u>8,475,649</u>	
Non-controlling interests							(277,575)	
<b>Profit for the financial year attributable to equity holders of the Bank</b>							<u>8,198,074</u>	

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**A31. Segment Information (cont'd.)**

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

	<===== Business Segments =====>						Head Office and Others RM'000	Total RM'000
	<===== Group Global Banking =====>							
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000			
<b>Twelve Months Ended 31 December 2019 (cont'd.)</b>								
<b>Included in other operating income are:</b>								
Fee income:								
Commission	1,310,166	151,849	42,329	28,871	-	(141,615)	1,391,600	
Service charges and fees	910,460	341,000	214,564	86,911	(4,749)	(161,389)	1,386,797	
Underwriting fees	-	21,720	35,365	-	-	-	57,085	
Brokerage income	-	-	309,037	-	-	-	309,037	
Fees on loans, advances and financing	82,537	143,594	1,758	-	-	(2,186)	225,703	
Fee income from IBS operations	276,457	130,694	46,441	-	-	(52,301)	401,291	
<b>Included in overhead expenses are:</b>								
Depreciation of property, plant and equipment	(183,994)	(48,145)	(46,797)	(823)	(17,472)	-	(297,231)	
Depreciation of right-of-use assets	(251,541)	(64,247)	(53,642)	(2,237)	(17,606)	-	(389,273)	
Amortisation of intangible assets	(164,814)	(48,376)	(15,822)	(387)	(23,024)	-	(252,423)	

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**A31. Segment Information (cont'd.)**

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

	<===== Business Segments =====>						Total RM'000
	<===== Group Global Banking =====>						
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Group Head Office and Others RM'000	
<b>Twelve Months Ended 31 December 2018</b>							
Net interest income and income from IBS operations:							
- External	10,623,365	5,541,925	375,348	10,037	1,133,270	665	17,684,610
- Inter-segment	-	-	(11,568)	2,183	29,737	(20,352)	-
	<u>10,623,365</u>	<u>5,541,925</u>	<u>363,780</u>	<u>12,220</u>	<u>1,163,007</u>	<u>(19,687)</u>	<u>17,684,610</u>
Net interest income and income from IBS operations	10,623,365	5,541,925	363,780	12,220	1,163,007	(19,687)	17,684,610
Net earned insurance premiums	-	-	-	-	5,933,563	-	5,933,563
Other operating income	2,918,580	2,474,031	860,636	83,590	(321,176)	(1,064,639)	4,951,022
Total operating income	<u>13,541,945</u>	<u>8,015,956</u>	<u>1,224,416</u>	<u>95,810</u>	<u>6,775,394</u>	<u>(1,084,326)</u>	<u>28,569,195</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(5,165,661)	258,132	(4,907,529)
Net operating income	<u>13,541,945</u>	<u>8,015,956</u>	<u>1,224,416</u>	<u>95,810</u>	<u>1,609,733</u>	<u>(826,194)</u>	<u>23,661,666</u>
Overhead expenses	(7,211,815)	(2,052,632)	(1,017,122)	(140,582)	(823,541)	-	(11,245,692)
Operating profit/(loss) before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	6,330,130	5,963,324	207,294	(44,772)	786,192	(826,194)	12,415,974
(Allowances for)/writeback of impairment losses on financial investments, net	(761,385)	(844,803)	11,105	(660)	4,487	-	(1,591,256)
Writeback of impairment losses on other financial assets, net	(186)	(8,261)	2,263	(41,064)	(437)	-	(47,685)
Operating profit/(loss)	<u>628</u>	<u>16,015</u>	<u>3,629</u>	<u>23</u>	<u>5,733</u>	<u>-</u>	<u>26,028</u>
Share of profits in associates and joint ventures	5,569,187	5,126,275	224,291	(86,473)	795,975	(826,194)	10,803,061
<b>Profit/(loss) before taxation and zakat</b>	<u>-</u>	<u>97,568</u>	<u>717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,285</u>
Taxation and zakat	5,569,187	5,223,843	225,008	(86,473)	795,975	(826,194)	(2,545,410)
<b>Profit after taxation and zakat</b>							<u>8,355,936</u>
Non-controlling interests							(242,676)
<b>Profit for the financial year attributable to equity holders of the Bank</b>							<u>8,113,260</u>



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**A31. Segment Information (cont'd.)**

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

	<===== Business Segments =====>							Total RM'000
	<===== Group Global Banking =====>							
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000		
<b>Twelve Months Ended</b>								
<b>31 December 2018 (cont'd.)</b>								
<b>Included in other operating income are:</b>								
Fee income:								
Commission	1,167,727	161,351	72,172	4,435	-	(73,199)		1,332,486
Service charges and fees	869,402	464,796	169,704	96,961	987	(226,248)		1,375,602
Underwriting fees	117	15,825	23,159	-	-	(117)		38,984
Brokerage income	-	-	397,870	-	-	-		397,870
Fees on loans, advances and financing	100,674	110,581	148	-	311	887		212,601
Fee income from IBS operations	258,740	119,630	50,011	-	-	(48,704)		379,677
<b>Included in overhead expenses are:</b>								
Depreciation of property, plant and equipment	(246,480)	(70,547)	(52,545)	(9,918)	(21,501)	-		(400,991)
Amortisation of intangible assets	(136,089)	(47,481)	(24,653)	(8,495)	(19,353)	-		(236,071)

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**A32. Carrying Amount of Revalued Assets**

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the financial year ended 31 December 2018.

**A33. Subsequent Events**

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

**A34. Changes in the Composition of the Group**

On 15 May 2019, the Bank and PT Prosperindo had entered into a share sale and purchase agreement ("SPA") with PT NTI Global Indonesia ("PT NTI") and PT Berkah Anugerah Abadi ("PT Berkah"), for the disposal of PT Bank Maybank Syariah Indonesia for a total cash consideration of IDR580,000,000,000 (equivalent to approximately RM171.2 million).

The disposal involved the sale of 661,548 shares representing 70% of the issued and paid up share capital held by the Bank to PT NTI and 274,070 shares representing 29% of the issued and paid up share capital held by the Bank to PT Berkah and 9,451 shares representing 1% of the issued and paid up share capital held by PT Prosperindo to PT Berkah.

The disposal was subject to the approval of Otoritas Jasa Keuangan ("OJK") which has been obtained on 12 December 2019. The Bank has reflected the financial impact during the fourth quarter and 12 months financial year ended 31 December 2019.

The disposal was completed with the transfer of shares to PT NTI and PT Berkah on 31 January 2020.

There were no significant changes to the composition of the Group during the fourth quarter and 12 months financial year ended 31 December 2019 other than as disclosed above.

**A35. Commitments and Contingencies**

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

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

Group	As at 31 December 2019			As at 31 December 2018		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b><u>Contingent liabilities</u></b>						
Direct credit substitutes	11,651,981	10,549,467	6,180,568	11,317,594	10,576,726	6,071,968
Certain transaction-related contingent items	17,933,219	8,010,772	4,956,866	17,430,332	8,393,068	5,303,752
Short-term self-liquidating trade-related contingencies	2,963,469	614,984	378,984	5,086,749	888,197	525,082
Obligations under underwriting agreements	-	-	-	350,106	-	-
	<b>32,548,669</b>	<b>19,175,223</b>	<b>11,516,418</b>	<b>34,184,781</b>	<b>19,857,991</b>	<b>11,900,802</b>
<b><u>Commitments</u></b>						
Irrevocable commitments to extend credit:						
- Maturity within one year	120,543,741	12,568,585	5,201,397	118,062,536	20,228,370	9,690,283
- Maturity exceeding one year	43,154,904	43,431,330	19,424,913	32,001,526	26,577,486	11,034,057
	<b>163,698,645</b>	<b>55,999,915</b>	<b>24,626,310</b>	<b>150,064,062</b>	<b>46,805,856</b>	<b>20,724,340</b>
Miscellaneous commitments and contingencies	8,965,841	836,389	88,766	11,702,032	3,495,252	395,741
Total credit-related commitments and contingencies	<b>205,213,155</b>	<b>76,011,527</b>	<b>36,231,494</b>	<b>195,950,875</b>	<b>70,159,099</b>	<b>33,020,883</b>

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**A35. Commitments and Contingencies (cont'd.)**

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

Group (cont'd.)	As at 31 December 2019			As at 31 December 2018		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b>Derivative financial instruments</b>						
Foreign exchange related contracts:						
- Less than one year	538,237,679	5,300,386	897,466	287,282,306	2,409,408	690,829
- One year to less than five years	31,495,367	1,856,999	930,782	32,474,807	493,586	295,405
- Five years and above	5,314,451	749,621	314,812	2,895,022	357,517	363,386
	<b>575,047,497</b>	<b>7,907,006</b>	<b>2,143,060</b>	<b>322,652,135</b>	<b>3,260,511</b>	<b>1,349,620</b>
Interest rate related contracts:						
- Less than one year	78,438,765	263,545	76,054	80,323,763	1,209,318	638,948
- One year to less than five years	256,963,893	1,737,197	1,026,458	192,871,756	5,591,544	3,777,488
- Five years and above	87,560,165	1,861,518	1,238,571	71,574,767	992,323	1,253,145
	<b>422,962,823</b>	<b>3,862,260</b>	<b>2,341,083</b>	<b>344,770,286</b>	<b>7,793,185</b>	<b>5,669,581</b>
Equity and commodity related contracts:						
- Less than one year	4,075,338	257,581	150,897	7,127,130	218,094	136,698
- One year to less than five years	1,260,171	101,036	72,194	2,377,639	672,088	327,610
- Five years and above	-	-	-	27,063	-	-
	<b>5,335,509</b>	<b>358,617</b>	<b>223,091</b>	<b>9,531,832</b>	<b>890,182</b>	<b>464,308</b>
Credit related contracts:						
- Less than one year	63,690	-	-	50,000	-	-
Total treasury-related commitments and contingencies	<b>1,003,409,519</b>	<b>12,127,883</b>	<b>4,707,234</b>	<b>677,004,253</b>	<b>11,943,878</b>	<b>7,483,509</b>
Total commitments and contingencies	<b>1,208,622,674</b>	<b>88,139,410</b>	<b>40,938,728</b>	<b>872,955,128</b>	<b>82,102,977</b>	<b>40,504,392</b>
Bank	As at 31 December 2019			As at 31 December 2018		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b>Contingent liabilities</b>						
Direct credit substitutes	8,851,551	7,795,307	4,096,596	8,923,891	8,308,592	4,103,156
Certain transaction-related contingent items	14,052,638	6,099,774	3,644,076	13,406,870	6,456,096	3,815,720
Short-term self-liquidating trade-related contingencies	2,224,986	415,279	231,897	4,382,002	660,908	355,990
	<b>25,129,175</b>	<b>14,310,360</b>	<b>7,972,569</b>	<b>26,712,763</b>	<b>15,425,596</b>	<b>8,274,866</b>
<b>Commitments</b>						
Irrevocable commitments to extend credit:						
- Maturity within one year	74,635,545	5,851,189	2,420,816	76,917,938	8,653,953	4,522,825
- Maturity exceeding one year	30,025,147	26,990,403	13,104,508	16,466,024	19,622,244	8,697,626
	<b>104,660,692</b>	<b>32,841,592</b>	<b>15,525,324</b>	<b>93,383,962</b>	<b>28,276,197</b>	<b>13,220,451</b>
Miscellaneous commitments and contingencies	4,580,758	1,206,450	158,688	7,281,538	3,207,675	355,374
Total credit-related commitments and contingencies	<b>134,370,625</b>	<b>48,358,402</b>	<b>23,656,581</b>	<b>127,378,263</b>	<b>46,909,468</b>	<b>21,850,691</b>

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**A35. Commitments and Contingencies (cont'd.)**

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

	As at 31 December 2019			As at 31 December 2018		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b>Bank (cont'd.)</b>						
<b><u>Derivative financial instruments</u></b>						
Foreign exchange related contracts:						
- Less than one year	530,308,700	5,198,743	798,031	279,483,984	2,364,015	562,348
- One year to less than five years	30,708,880	1,920,409	948,238	31,402,000	433,705	264,475
- Five years and above	4,403,125	584,069	223,548	2,895,022	331,951	348,215
	<b>565,420,705</b>	<b>7,703,221</b>	<b>1,969,817</b>	<b>313,781,006</b>	<b>3,129,671</b>	<b>1,175,038</b>
Interest rate related contracts:						
- Less than one year	77,500,667	37,384	9,174	78,303,166	833,030	550,428
- One year to less than five years	257,295,512	1,284,684	593,440	181,037,946	4,044,624	2,745,023
- Five years and above	87,620,165	1,859,086	1,236,139	71,694,423	835,447	1,091,735
	<b>422,416,344</b>	<b>3,181,154</b>	<b>1,838,753</b>	<b>331,035,535</b>	<b>5,713,101</b>	<b>4,387,186</b>
Equity and commodity related contracts:						
- Less than one year	1,908,063	178,382	111,125	5,538,336	110,116	102,339
- One year to less than five years	1,260,171	101,036	72,194	2,377,639	672,088	327,610
	<b>3,168,234</b>	<b>279,418</b>	<b>183,319</b>	<b>7,915,975</b>	<b>782,204</b>	<b>429,949</b>
Credit related contracts:						
- Less than one year	63,690	-	-	50,000	-	-
Total treasury-related commitments and contingencies	<b>991,068,973</b>	<b>11,163,793</b>	<b>3,991,889</b>	<b>652,782,516</b>	<b>9,624,976</b>	<b>5,992,173</b>
Total commitments and contingencies	<b>1,125,439,598</b>	<b>59,522,195</b>	<b>27,648,470</b>	<b>780,160,779</b>	<b>56,534,444</b>	<b>27,842,864</b>

\* The credit equivalent amount and the risk-weighted amount are derived at 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 2019, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM10,335.6 million (31 December 2018: RM6,963.5 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

**Liquidity Risk**

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

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**A35. Commitments and Contingencies (cont'd.)**

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

**A36. Capital Adequacy**

**(a) Capital Adequacy Framework**

- (i) Bank Negara Malaysia ("BNM") had on 2 February 2018 issued the Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Conventional banks and Islamic banks respectively. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

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

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

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

The sum of the above is further adjusted to take into account any profit-sharing investment accounts ("PSIA") recognised as risk absorbent for capital adequacy purposes, in the manner stipulated under the Guidelines on Recognition and Measurement of PSIA as Risk Absorbent as updated by BNM on 26 July 2011.

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 2 February 2018 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

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

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

- (i) For Maybank Islamic Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 2 February 2018 and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ended 31 December 2019 (2018: 4.5%, 6.0% and 8.0% of total RWA).

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**A36. Capital Adequacy (cont'd.)**

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

(ii) For Maybank Investment Bank Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework (Capital Components) issued on 2 February 2018 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ended 31 December 2019 (2018: 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 is 9% up to less than 10% (2018: 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 13 November 2018) 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 2019 (2018: 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 2019, the Board has proposed the payment of a single-tier final cash dividend of 39 sen per ordinary share. The proposed single-tier final cash dividend will be subject to shareholders' approval.

In arriving the capital adequacy ratios for the financial year ended 31 December 2019, the proposed single-tier final 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 2019	31 December 2018	31 December 2019	31 December 2018
CET1 Capital Ratio	15.729%	15.029%	15.314%	13.757%
Tier 1 Capital Ratio	16.486%	15.983%	16.120%	14.871%
Total Capital Ratio	<b>19.387%</b>	19.024%	<b>19.387%</b>	18.266%

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**A36. Capital Adequacy (cont'd.)**

**(d) Components of capital:**

	Group		Bank	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
<b>CET1 Capital</b>				
Paid-up share capital	48,280,355	46,747,442	48,280,355	46,747,442
Retained profits <sup>1</sup>	20,606,011	19,905,842	15,231,992	14,410,042
Other reserves <sup>1</sup>	5,189,258	2,154,645	5,820,765	4,111,140
Qualifying non-controlling interests	134,080	133,264	-	-
CET1 Capital before regulatory adjustments	<b>74,209,704</b>	68,941,193	<b>69,333,112</b>	65,268,624
Less: Regulatory adjustments applied on CET1 Capital:				
Deferred tax assets	(678,978)	(1,026,818)	-	(345,186)
Goodwill	(5,709,503)	(5,547,431)	(81,015)	(81,015)
Other intangibles	(952,424)	(1,011,272)	(280,120)	(279,850)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(1,186,797)	(43,006)	(884,294)	(32,049)
Regulatory reserve	(2,771,806)	(2,127,290)	(1,894,921)	(1,778,997)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities <sup>2</sup>	(3,075,159)	(2,884,910)	(31,970,637)	(31,857,847)
<b>Total CET1 Capital</b>	<b>59,835,037</b>	56,300,466	<b>34,222,125</b>	30,893,680
<b>Additional Tier 1 Capital</b>				
Capital securities	2,800,000	3,500,000	2,800,000	3,500,000
Qualifying CET1 and Additional Tier 1 capital instruments held by third parties	79,175	71,182	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(1,000,000)	(1,000,000)
<b>Total Tier 1 Capital</b>	<b>62,714,212</b>	59,871,648	<b>36,022,125</b>	33,393,680
<b>Tier 2 Capital</b>				
Subordinated obligations	9,045,420	9,066,767	9,045,420	9,066,767
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	41,287	405,381	-	-
General provisions <sup>3</sup>	399,044	348,148	97,242	51,305
Surplus of total eligible provision over total expected loss	1,550,042	1,572,006	959,033	988,691
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(2,801,145)	(2,482,391)
<b>Total Tier 2 Capital</b>	<b>11,035,793</b>	11,392,302	<b>7,300,550</b>	7,624,372
<b>Total Capital</b>	<b>73,750,005</b>	71,263,950	<b>43,322,675</b>	41,018,052

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

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

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

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

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**A36. Capital Adequacy (cont'd.)**

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

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

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

	<b>Maybank Islamic Berhad</b>	<b>Maybank Investment Bank Berhad</b>	<b>PT Bank Maybank Indonesia Tbk</b>	<b>Maybank Singapore Limited</b>
<b><u>At 31 December 2019</u></b>				
CET1 Capital Ratio	14.101%	24.507%	-	18.195%
Tier 1 Capital Ratio	15.508%	24.507%	-	18.195%
Total Capital Ratio	<u>18.845%</u>	<u>25.807%</u>	<u>21.376%</u>	<u>18.497%</u>
<b><u>At 31 December 2018</u></b>				
CET1 Capital Ratio	16.368%	24.574%	-	16.898%
Tier 1 Capital Ratio	17.984%	24.574%	-	16.898%
Total Capital Ratio	<u>22.545%</u>	<u>26.198%</u>	<u>19.041%</u>	<u>17.159%</u>



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**A36. Capital Adequacy (cont'd.)**

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

**At 31 December 2019**

	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	51,929,068	19,004,852	3,069,539	1,207,422	30,637,949	17,079,171
Internal Ratings-Based Approach exposure after scaling factor	258,340,386	159,838,753	69,483,314	-	-	21,058,209
Credit valuation adjustment	-	-	-	-	-	72,446
<b>Total RWA for credit risk</b>	<b>310,269,454</b>	<b>178,843,605</b>	<b>72,552,853</b>	<b>1,207,422</b>	<b>30,637,949</b>	<b>38,209,826</b>
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(10,472,880)	-	-	-
Total RWA for market risk	27,288,688	21,513,467	963,780	402,336	720,844	14,583
Total RWA for operational risk	42,853,735	23,106,901	8,029,045	743,034	5,612,761	3,835,988
<b>Total RWA</b>	<b>380,411,877</b>	<b>223,463,973</b>	<b>71,072,798</b>	<b>2,352,792</b>	<b>36,971,554</b>	<b>42,060,397</b>

**At 31 December 2018**

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000	Maybank Singapore Limited RM'000
Standardised Approach exposure	53,335,879	22,273,148	5,647,539	1,288,808	33,427,795	17,910,238
Internal Ratings-Based Approach exposure after scaling factor	262,000,921	164,781,857	60,816,283	-	-	21,449,331
Credit valuation adjustment	-	-	-	-	-	238,260
<b>Total RWA for credit risk</b>	<b>315,336,800</b>	<b>187,055,005</b>	<b>66,463,822</b>	<b>1,288,808</b>	<b>33,427,795</b>	<b>39,597,829</b>
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(13,113,007)	-	-	-
Total RWA for market risk	17,476,305	13,726,342	1,152,312	125,253	494,675	4,976
Total RWA for operational risk	41,792,895	23,777,893	7,381,566	748,111	5,254,843	3,565,646
<b>Total RWA</b>	<b>374,606,000</b>	<b>224,559,240</b>	<b>61,884,693</b>	<b>2,162,172</b>	<b>39,177,313</b>	<b>43,168,451</b>

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

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**A37. Derivative Financial Instruments**

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

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

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
<u>At 31 December 2019</u>		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	40,509,373	224,854	(454,372)	31,547,237	174,105	(352,547)
- One year to three years	1,174,117	38,192	(8,663)	1,150,063	38,192	(8,629)
- More than three years	2,996,670	26,232	(8,574)	2,097,628	26,232	(8,574)
	<u>44,680,160</u>	<u>289,278</u>	<u>(471,609)</u>	<u>34,794,928</u>	<u>238,529</u>	<u>(369,750)</u>
Currency swaps:						
- Less than one year	476,000,259	1,920,529	(2,508,702)	477,344,903	1,893,595	(2,490,262)
- One year to three years	74,050	634	(16,794)	198,581	634	(16,794)
	<u>476,074,309</u>	<u>1,921,163</u>	<u>(2,525,496)</u>	<u>477,543,484</u>	<u>1,894,229</u>	<u>(2,507,056)</u>
Currency spots:						
- Less than one year	3,074,983	6,789	(4,723)	3,262,450	5,903	(3,591)
Currency options:						
- Less than one year	7,486,564	32,281	(29,322)	7,572,136	30,006	(25,331)
- One year to three years	51,994	98	(1,534)	51,994	98	(1,534)
- More than three years	737,491	36,139	(92,408)	1,269,140	36,139	(65,636)
	<u>8,276,049</u>	<u>68,518</u>	<u>(123,264)</u>	<u>8,893,270</u>	<u>66,243</u>	<u>(92,501)</u>
Cross currency interest rate swaps:						
- Less than one year	7,604,961	153,304	(134,220)	7,020,435	136,052	(129,243)
- One year to three years	14,573,402	305,702	(329,482)	13,443,872	280,202	(313,939)
- More than three years	11,846,838	324,709	(305,569)	11,545,471	312,890	(304,125)
	<u>34,025,201</u>	<u>783,715</u>	<u>(769,271)</u>	<u>32,009,778</u>	<u>729,144</u>	<u>(747,307)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	59,663,847	153,176	(83,901)	59,700,573	148,680	(79,536)
- One year to three years	149,222,782	934,892	(1,459,208)	149,583,978	905,694	(1,432,256)
- More than three years	174,665,541	4,238,207	(3,576,715)	174,818,915	4,164,128	(3,538,435)
	<u>383,552,170</u>	<u>5,326,275</u>	<u>(5,119,824)</u>	<u>384,103,466</u>	<u>5,218,502</u>	<u>(5,050,227)</u>
Interest rate futures:						
- Less than one year	17,475,211	1,172,233	(1,168,999)	16,737,500	1,171,806	(1,168,999)
- One year to three years	2,169,952	117	(13)	2,047,000	-	(13)
	<u>19,645,163</u>	<u>1,172,350</u>	<u>(1,169,012)</u>	<u>18,784,500</u>	<u>1,171,806</u>	<u>(1,169,012)</u>
Interest rate options:						
- Less than one year	1,062,594	47	(36)	1,062,594	47	(36)
- One year to three years	3,224,692	32,159	(18,402)	4,652,313	16,243	(2,358)
- More than three years	14,238,061	1,127,772	(1,333,780)	12,810,441	1,110,432	(1,316,301)
	<u>18,525,347</u>	<u>1,159,978</u>	<u>(1,352,218)</u>	<u>18,525,348</u>	<u>1,126,722</u>	<u>(1,318,695)</u>

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**A37. Derivative Financial Instruments (cont'd.)**

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
<u>At 31 December 2019 (cont'd.)</u>	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
<b>Trading derivatives (cont'd.)</b>						
<u>Equity related contracts</u>						
Equity options:						
- Less than one year	1,350,976	36,251	(233,065)	-	-	-
Equity swaps:						
- Less than one year	901,055	37,547	(92,031)	84,756	8,663	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	1,218,245	36,920	(36,920)	1,218,245	36,920	(36,920)
- One year to three years	57,225	1,261	(1,261)	57,225	1,261	(1,261)
	<u>1,275,470</u>	<u>38,181</u>	<u>(38,181)</u>	<u>1,275,470</u>	<u>38,181</u>	<u>(38,181)</u>
Commodity swaps:						
- Less than one year	605,062	43,348	(42,257)	605,062	43,348	(42,257)
- One year to three years	1,202,946	40,258	(38,351)	1,202,946	40,258	(38,351)
	<u>1,808,008</u>	<u>83,606</u>	<u>(80,608)</u>	<u>1,808,008</u>	<u>83,606</u>	<u>(80,608)</u>
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	63,690	32	(901)	63,690	32	(901)
<b>Hedging derivatives</b>						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	3,561,539	159,019	(8,117)	3,561,539	159,019	(8,117)
- One year to three years	3,468,512	28,801	(48,776)	3,468,512	28,801	(48,776)
- More than three years	1,886,744	48,033	(6,974)	1,886,744	48,033	(6,974)
	<u>8,916,795</u>	<u>235,853</u>	<u>(63,867)</u>	<u>8,916,795</u>	<u>235,853</u>	<u>(63,867)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	237,113	-	(152)	-	-	-
- One year to three years	614,100	2,764	(1,374)	614,100	2,764	(1,374)
- More than three years	388,930	36,618	-	388,930	36,618	-
	<u>1,240,143</u>	<u>39,382</u>	<u>(1,526)</u>	<u>1,003,030</u>	<u>39,382</u>	<u>(1,374)</u>
Netting effects under MFRS 132 Amendments						
	-	(863,289)	863,289	-	(854,792)	854,792
<b>Total</b>	<u><b>1,003,409,519</b></u>	<u><b>10,335,629</b></u>	<u><b>(11,182,307)</b></u>	<u><b>991,068,973</b></u>	<u><b>10,002,003</b></u>	<u><b>(10,588,278)</b></u>

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**A37. Derivative Financial Instruments (cont'd.)**

<u>At 31 December 2018</u>	Principal Amount RM'000	Group <----- Fair Value ----->		Principal Amount RM'000	Bank <----- Fair Value ----->	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<b>Trading derivatives</b>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	31,194,544	340,334	(224,885)	22,636,448	205,364	(195,765)
- One year to three years	2,419,856	45,870	(18,400)	1,970,597	45,856	(18,356)
- More than three years	97,073	528	(5,593)	294,686	528	(17,956)
	<u>33,711,473</u>	<u>386,732</u>	<u>(248,878)</u>	<u>24,901,731</u>	<u>251,748</u>	<u>(232,077)</u>
Currency swaps:						
- Less than one year	240,620,998	1,526,191	(1,796,461)	239,968,781	1,626,372	(1,837,297)
- One year to three years	326,248	-	(16,607)	473,554	14	(16,651)
	<u>240,947,246</u>	<u>1,526,191</u>	<u>(1,813,068)</u>	<u>240,442,335</u>	<u>1,626,386</u>	<u>(1,853,948)</u>
Currency spots:						
- Less than one year	2,374,825	3,429	(3,976)	3,158,817	3,423	(3,860)
Currency options:						
- Less than one year	3,033,745	9,491	(22,956)	2,882,626	7,966	(20,363)
- One year to three years	730,832	21,942	(14,104)	731,273	20,732	(9,280)
- More than three years	1,276,970	169,270	(224,131)	1,282,935	85,454	(114,836)
	<u>5,041,547</u>	<u>200,703</u>	<u>(261,191)</u>	<u>4,896,834</u>	<u>114,152</u>	<u>(144,479)</u>
Cross currency interest rate swaps:						
- Less than one year	8,934,360	381,262	(412,543)	9,713,478	489,087	(496,897)
- One year to three years	13,236,175	333,367	(295,928)	12,575,553	325,751	(270,406)
- More than three years	12,017,581	443,496	(437,216)	11,703,330	437,900	(410,959)
	<u>34,188,116</u>	<u>1,158,125</u>	<u>(1,145,687)</u>	<u>33,992,361</u>	<u>1,252,738</u>	<u>(1,178,262)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	73,235,461	63,566	(91,014)	73,056,163	59,536	(84,512)
- One year to three years	81,782,048	332,846	(659,335)	80,165,902	309,787	(638,721)
- More than three years	159,933,739	2,314,314	(2,265,464)	156,468,330	2,280,842	(2,245,824)
	<u>314,951,248</u>	<u>2,710,726</u>	<u>(3,015,813)</u>	<u>309,690,395</u>	<u>2,650,165</u>	<u>(2,969,057)</u>
Interest rate futures:						
- Less than one year	5,638,880	294,289	(296,322)	4,556,489	293,949	(296,123)
- One year to three years	660,095	199	(481)	289,695	199	-
	<u>6,298,975</u>	<u>294,488</u>	<u>(296,803)</u>	<u>4,846,184</u>	<u>294,148</u>	<u>(296,123)</u>
Interest rate options:						
- Less than one year	932,109	32	(119)	483,589	-	(87)
- One year to three years	6,308,531	3,664	(2,204)	3,775,048	4,673	(1,790)
- More than three years	14,718,530	419,925	(591,386)	11,226,386	400,873	(572,180)
	<u>21,959,170</u>	<u>423,621</u>	<u>(593,709)</u>	<u>15,485,023</u>	<u>405,546</u>	<u>(574,057)</u>

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**A37. Derivative Financial Instruments (cont'd.)**

	Principal Amount RM'000	Group <---- Fair Value ---->		Principal Amount RM'000	Bank <---- Fair Value ---->	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<b>At 31 December 2018 (cont'd.)</b>						
<b>Trading derivatives (cont'd.)</b>						
<u>Equity related contracts</u>						
Index futures:						
- More than three years	27,063	1,865	-	-	-	-
	<u>27,063</u>	<u>1,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	225,554	21,246	(240,799)	-	-	-
	<u>225,554</u>	<u>21,246</u>	<u>(240,799)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity swaps:						
- Less than one year	1,484,325	63,626	(172,649)	121,085	26,312	(285)
	<u>1,484,325</u>	<u>63,626</u>	<u>(172,649)</u>	<u>121,085</u>	<u>26,312</u>	<u>(285)</u>
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	3,977,049	70,641	(70,641)	3,977,049	70,641	(70,641)
- One year to three years	1,058,800	43,926	(43,926)	1,058,800	43,926	(43,926)
	<u>5,035,849</u>	<u>114,567</u>	<u>(114,567)</u>	<u>5,035,849</u>	<u>114,567</u>	<u>(114,567)</u>
Commodity swaps:						
- Less than one year	1,440,202	132,434	(134,542)	1,440,202	132,434	(134,542)
- One year to three years	1,301,886	77,543	(76,070)	1,301,886	77,543	(76,070)
- More than three years	16,953	796	(729)	16,953	796	(729)
	<u>2,759,041</u>	<u>210,773</u>	<u>(211,341)</u>	<u>2,759,041</u>	<u>210,773</u>	<u>(211,341)</u>
<u>Credit-related contract</u>						
Credit default swaps						
- Less than one year	50,000	302	-	50,000	302	-
	<u>50,000</u>	<u>302</u>	<u>-</u>	<u>50,000</u>	<u>302</u>	<u>-</u>
<b>Hedging derivatives</b>						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	1,123,834	3,274	(117,548)	1,123,834	3,273	(117,546)
- One year to three years	3,233,806	145,501	(28,254)	3,233,806	145,501	(28,254)
- More than three years	2,031,288	24,501	(34,107)	2,031,288	24,501	(34,107)
	<u>6,388,928</u>	<u>173,276</u>	<u>(179,909)</u>	<u>6,388,928</u>	<u>173,275</u>	<u>(179,907)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	517,313	1,495	(1,117)	206,925	-	(1,117)
- One year to three years	236,572	520	-	-	-	-
- More than three years	807,008	10,519	(14,960)	807,008	10,519	(14,960)
	<u>1,560,893</u>	<u>12,534</u>	<u>(16,077)</u>	<u>1,013,933</u>	<u>10,519</u>	<u>(16,077)</u>
Netting effects under MFRS 132 Amendments						
	-	(338,683)	338,683	-	(334,991)	334,991
<b>Total</b>	<b>677,004,253</b>	<b>6,963,521</b>	<b>(7,975,784)</b>	<b>652,782,516</b>	<b>6,799,063</b>	<b>(7,439,049)</b>

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**A38. Fair Value Measurements of Financial Instruments**

**Fair value hierarchy**

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 following tables show the Group's and the Bank's financial and non-financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 December 2019 and 31 December 2018.

Group	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
<b>At 31 December 2019</b>				
Non-financial assets measured at fair value:				
<b>Investment properties</b>	-	-	921,471	921,471
Financial assets measured at fair value:				
<b>Financial assets designated upon initial recognition at fair value through profit or loss</b>	113,647	14,209,656	-	14,323,303
Money market instruments	-	474,348	-	474,348
Quoted securities	113,647	-	-	113,647
Unquoted securities	-	13,735,308	-	13,735,308
<b>Financial investments at fair value through profit or loss</b>	6,590,452	12,973,288	807,125	20,370,865
Money market instruments	-	7,808,341	-	7,808,341
Quoted securities	6,590,452	-	-	6,590,452
Unquoted securities	-	5,164,947	807,125	5,972,072
<b>Financial investments at fair value through other comprehensive income</b>	1,644,956	121,243,317	463,260	123,351,533
Money market instruments	-	64,289,820	-	64,289,820
Quoted securities	1,644,956	-	-	1,644,956
Unquoted securities	-	56,953,497	463,260	57,416,757
<b>Loans, advances and financing at fair value through profit or loss</b>	-	-	401,703	401,703
<b>Loans, advances and financing at fair value through other comprehensive income</b>	-	-	11,821,285	11,821,285

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

The following tables show the Group's and the Bank's financial and non-financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 December 2019 and 31 December 2018 (cont'd.).

Group (cont'd.) At 31 December 2019	<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.):				
<b>Derivative assets</b>	-	10,252,236	83,393	10,335,629
Foreign exchange related contracts	-	3,305,316	-	3,305,316
Interest rate related contracts	-	7,697,985	-	7,697,985
Equity and commodity related contracts	-	112,192	83,393	195,585
Credit related contracts	-	32	-	32
Netting effects under MFRS 132 Amendments	-	(863,289)	-	(863,289)
	<b>8,349,055</b>	<b>158,678,497</b>	<b>13,576,766</b>	<b>180,604,318</b>

Financial liabilities measured at fair value:

<b>Financial liabilities at fair value through profit or loss</b>	-	6,530,753	-	6,530,753
Structured deposits	-	22,772	-	22,772
Borrowings	-	6,507,981	-	6,507,981
<b>Derivative liabilities</b>	-	11,098,914	83,393	11,182,307
Foreign exchange related contracts	-	3,958,230	-	3,958,230
Interest rate related contracts	-	7,642,580	-	7,642,580
Equity and commodity related contracts	-	360,492	83,393	443,885
Credit related contracts	-	901	-	901
Netting effects under MFRS 132 Amendments	-	(863,289)	-	(863,289)
	-	<b>17,629,667</b>	<b>83,393</b>	<b>17,713,060</b>

Group At 31 December 2018	<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	
Non-financial assets measured at fair value:				
<b>Investment properties</b>	-	-	895,769	895,769
Financial assets measured at fair value:				
<b>Financial assets designated upon initial recognition at fair value through profit or loss</b>	56,819	14,706,969	-	14,763,788
Money market instruments	-	569,570	-	569,570
Quoted securities	56,819	-	-	56,819
Unquoted securities	-	14,137,399	-	14,137,399
<b>Financial investments at fair value through profit or loss</b>	5,213,930	9,211,273	779,947	15,205,150
Money market instruments	-	3,717,964	-	3,717,964
Quoted securities	5,213,930	-	-	5,213,930
Unquoted securities	-	5,493,309	779,947	6,273,256
<b>Financial investments at fair value through other comprehensive income</b>	919,177	119,481,356	513,355	120,913,888
Money market instruments	-	67,471,103	-	67,471,103
Quoted securities	919,177	-	-	919,177
Unquoted securities	-	52,010,253	513,355	52,523,608
<b>Loans, advances and financing at fair value through profit or loss</b>	-	-	396,950	396,950
<b>Loans, advances and financing at fair value through other comprehensive income</b>	-	-	8,968,438	8,968,438

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

The following tables show the Group's and the Bank's financial and non-financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 December 2019 and 31 December 2018 (cont'd.).

Group (cont'd.) At 31 December 2018	<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.):				
<b>Derivative assets</b>	-	6,759,574	203,947	6,963,521
Foreign exchange related contracts	-	3,448,456	-	3,448,456
Interest rate related contracts	-	3,441,369	-	3,441,369
Equity and commodity related contracts	-	208,130	203,947	412,077
Credit related contracts	-	302	-	302
Netting effects under MFRS 132 Amendments	-	(338,683)	-	(338,683)
	<u>6,189,926</u>	<u>150,159,172</u>	<u>10,862,637</u>	<u>167,211,735</u>

Financial liabilities measured at fair value:

<b>Financial liabilities at fair value through profit or loss</b>	-	8,892,691	-	8,892,691
Structured deposits	-	1,640,430	-	1,640,430
Borrowings	-	7,252,261	-	7,252,261
<b>Derivative liabilities</b>	-	7,771,837	203,947	7,975,784
Foreign exchange related contracts	-	3,652,709	-	3,652,709
Interest rate related contracts	-	3,922,402	-	3,922,402
Equity and commodity related contracts	-	535,409	203,947	739,356
Netting effects under MFRS 132 Amendments	-	(338,683)	-	(338,683)
	<u>-</u>	<u>16,664,528</u>	<u>203,947</u>	<u>16,868,475</u>

Bank At 31 December 2019	<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:				
<b>Financial investments at fair value through profit or loss</b>	318,292	11,972,355	622,176	12,912,823
Money market instruments	-	6,907,320	-	6,907,320
Quoted securities	318,292	-	-	318,292
Unquoted securities	-	5,065,035	622,176	5,687,211
<b>Financial investments at fair value through other comprehensive income</b>	18,435	80,350,611	429,654	80,798,700
Money market instruments	-	33,329,630	-	33,329,630
Quoted securities	18,435	-	-	18,435
Unquoted securities	-	47,020,981	429,654	47,450,635
<b>Loans, advances and financing at fair value through profit or loss</b>	-	-	401,703	401,703
<b>Loans, advances and financing at fair value through other comprehensive income</b>	-	-	11,380,901	11,380,901
<b>Derivative assets</b>	-	9,918,610	83,393	10,002,003
Foreign exchange related contracts	-	3,169,901	-	3,169,901
Interest rate related contracts	-	7,556,412	-	7,556,412
Equity and commodity related contracts	-	47,057	83,393	130,450
Credit related contracts	-	32	-	32
Netting effects under MFRS 132 Amendments	-	(854,792)	-	(854,792)
	<u>336,727</u>	<u>102,241,576</u>	<u>12,917,827</u>	<u>115,496,130</u>



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

The following tables show the Group's and the Bank's financial and non-financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 December 2019 and 31 December 2018 (cont'd.).

	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	

Financial liabilities measured at fair value:

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

Structured deposits	-	6,530,753	-	6,530,753
Borrowings	-	22,772	-	22,772
	-	6,507,981	-	6,507,981

**Derivative liabilities**

Foreign exchange related contracts	-	10,504,885	83,393	10,588,278
Interest rate related contracts	-	3,784,072	-	3,784,072
Equity and commodity related contracts	-	7,539,308	-	7,539,308
Credit related contracts	-	35,396	83,393	118,789
Netting effects under MFRS 132 Amendments	-	901	-	901
	-	(854,792)	-	(854,792)
	-	17,035,638	83,393	17,119,031

	<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**

Money market instruments	214,208	8,099,410	600,549	8,914,167
Quoted securities	-	2,879,675	-	2,879,675
Unquoted securities	214,208	-	-	214,208
	-	5,219,735	600,549	5,820,284

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

Money market instruments	19,677	89,104,103	459,057	89,582,837
Quoted securities	-	45,495,137	-	45,495,137
Unquoted securities	19,677	-	-	19,677
	-	43,608,966	459,057	44,068,023

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

	-	-	396,950	396,950
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**Loans, advances and financing at fair value through other comprehensive income**

	-	-	8,680,217	8,680,217
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**Derivative assets**

Foreign exchange related contracts	-	6,595,116	203,947	6,799,063
Interest rate related contracts	-	3,421,722	-	3,421,722
Equity and commodity related contracts	-	3,360,378	-	3,360,378
Credit related contracts	-	147,705	203,947	351,652
Netting effects under MFRS132 Amendments	-	302	-	302
	-	(334,991)	-	(334,991)
	233,885	103,798,629	10,340,720	114,373,234

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

The following tables show the Group's and the Bank's financial and non-financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 December 2019 and 31 December 2018 (cont'd.).

<b>Bank (cont'd.) At 31 December 2018</b>	<b>Quoted Market Price (Level 1) RM'000</b>	<b>Valuation technique using</b>		<b>Total RM'000</b>
		<b>Observable Inputs (Level 2) RM'000</b>	<b>Unobservable Inputs (Level 3) RM'000</b>	
Financial liabilities measured at fair value:				
<b>Financial liabilities at fair value through profit or loss</b>	-	8,507,004	-	8,507,004
Structured deposits	-	1,254,743	-	1,254,743
Borrowings	-	7,252,261	-	7,252,261
<b>Derivative liabilities</b>	-	7,235,102	203,947	7,439,049
Foreign exchange related contracts	-	3,592,533	-	3,592,533
Interest rate related contracts	-	3,855,314	-	3,855,314
Equity and commodity related contracts	-	122,246	203,947	326,193
Netting effects under MFRS132 Amendments	-	(334,991)	-	(334,991)
	-	15,742,106	203,947	15,946,053

**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. Income capitalisation approach considers the capitalisation of net income of the investment properties such as the gross rental less current maintenance expenses and outgoings. This process may consider the relationships including yield and discount rates.

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

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

<u>Group</u>	At 1 January 2019 RM'000	Other gains recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised losses recognised in other comprehensive income	Purchases/ Issuances/ Additions	Sales	Settlements	Exchange differences	Transfer into Level 3	Transfer out from Level 3	At 31 December 2019 RM'000
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Financial investments at fair value through profit or loss</b>											
Unquoted securities	779,947	-	26,910	-	-	-	-	-	268	-	807,125
<b>Financial investments at fair value through other comprehensive income</b>											
Unquoted securities	513,355	10,339	-	(29,403)	51,131	(80,020)	-	(2,142)	-	-	463,260
<b>Loans, advances and financing at fair value through profit or loss</b>											
	396,950	-	(10,573)	-	382,225	-	(365,280)	(1,619)	-	-	401,703
<b>Loans, advances and financing at fair value through other comprehensive income</b>											
	8,968,438	-	-	(152,421)	7,227,166	-	(4,211,911)	(9,987)	-	-	11,821,285
<b>Derivative assets</b>											
Equity and commodity related contracts	203,947	77,682	(83,260)	-	24,102	-	(139,078)	-	-	-	83,393
<b>Total Level 3 financial assets</b>	<b>10,862,637</b>	<b>88,021</b>	<b>(66,923)</b>	<b>(181,824)</b>	<b>7,684,624</b>	<b>(80,020)</b>	<b>(4,716,269)</b>	<b>(13,748)</b>	<b>268</b>	<b>-</b>	<b>13,576,766</b>
<b>Derivative liabilities</b>											
Equity and commodity related contracts	(203,947)	79,407	(82,551)	-	(22,903)	-	146,601	-	-	-	(83,393)
<b>Total Level 3 financial liabilities</b>	<b>(203,947)</b>	<b>79,407</b>	<b>(82,551)</b>	<b>-</b>	<b>(22,903)</b>	<b>-</b>	<b>146,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(83,393)</b>
<b>Total net Level 3 financial assets/(liabilities)</b>	<b>10,658,690</b>	<b>167,428</b>	<b>(149,474)</b>	<b>(181,824)</b>	<b>7,661,721</b>	<b>(80,020)</b>	<b>(4,569,668)</b>	<b>(13,748)</b>	<b>268</b>	<b>-</b>	<b>13,493,373</b>

\* Included within 'Other operating income', '(Writeback of)/allowances for Impairment Losses on Financial Investments' and 'Income from Islamic Banking Scheme operations'.

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

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

<u>Group</u>	At 1 January 2018 RM'000	Effect of adopting MFRS 9 RM'000	Restated as at 1 January 2018 RM'000	Other 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	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 December 2018 RM'000
<b>Financial investments at fair value through profit or loss</b>													
Unquoted securities	-	260,501	260,501	-	519,446	-	-	-	-	-	-	-	779,947
<b>Financial investments at fair value through other comprehensive income</b>													
Unquoted securities	508,225	(182,136)	326,089	-	-	197,846	533	-	(2,677)	(8,436)	-	-	513,355
<b>Loans, advances and financing at fair value through profit or loss</b>	-	-	-	-	9,943	-	386,867	-	-	140	-	-	396,950
<b>Loans, advances and financing at fair value through other comprehensive income</b>	-	3,816,059	3,816,059	-	-	46,364	6,203,564	-	(1,097,549)	-	-	-	8,968,438
<b>Derivative assets</b>													
Equity and commodity related contracts	479,534	-	479,534	238,048	(242,123)	-	120,274	-	(391,786)	-	-	-	203,947
<b>Total Level 3 financial assets</b>	<u>987,759</u>	<u>3,894,424</u>	<u>4,882,183</u>	<u>238,048</u>	<u>287,266</u>	<u>244,210</u>	<u>6,711,238</u>	<u>-</u>	<u>(1,492,012)</u>	<u>(8,296)</u>	<u>-</u>	<u>-</u>	<u>10,862,637</u>
<b>Derivative liabilities</b>													
Equity and commodity related contracts	(478,473)	-	(478,473)	243,703	(240,212)	-	(125,703)	-	396,738	-	-	-	(203,947)
<b>Total Level 3 financial liabilities</b>	<u>(478,473)</u>	<u>-</u>	<u>(478,473)</u>	<u>243,703</u>	<u>(240,212)</u>	<u>-</u>	<u>(125,703)</u>	<u>-</u>	<u>396,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(203,947)</u>
<b>Total net Level 3 financial assets/(liabilities)</b>	<u>509,286</u>	<u>3,894,424</u>	<u>4,403,710</u>	<u>481,751</u>	<u>47,054</u>	<u>244,210</u>	<u>6,585,535</u>	<u>-</u>	<u>(1,095,274)</u>	<u>(8,296)</u>	<u>-</u>	<u>-</u>	<u>10,658,690</u>

\* Included within 'Other operating income', 'Allowances for/(writeback of) Impairment Losses on Financial Investments' and 'Income from Islamic Banking Scheme operations'.

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

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

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

	At 1 January 2019 RM'000	Other gains recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised losses recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 December 2019 RM'000
<b>Bank</b>											
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Financial investments at fair value through profit or loss</b>											
Unquoted securities	600,549	-	21,627	-	-	-	-	-	-	-	622,176
<b>Financial investments at fair value through other comprehensive income</b>											
Unquoted securities	459,057	-	-	(29,403)	-	-	-	-	-	-	429,654
<b>Loans, advances and financing at fair value through profit or loss</b>											
	396,950	-	(10,573)	-	382,225	-	(365,280)	(1,619)	-	-	401,703
<b>Loans, advances and financing at fair value through other comprehensive income</b>											
	8,680,217	-	-	(156,333)	7,218,415	-	(4,351,411)	(9,987)	-	-	11,380,901
<b>Derivative assets</b>											
Equity and commodity related contracts	203,947	77,682	(83,260)	-	24,102	-	(139,078)	-	-	-	83,393
<b>Total Level 3 financial assets</b>	<b>10,340,720</b>	<b>77,682</b>	<b>(72,206)</b>	<b>(185,736)</b>	<b>7,624,742</b>	<b>-</b>	<b>(4,855,769)</b>	<b>(11,606)</b>	<b>-</b>	<b>-</b>	<b>12,917,827</b>
<b>Derivative liabilities</b>											
Equity and commodity related contracts	(203,947)	79,407	(82,551)	-	(22,903)	-	146,601	-	-	-	(83,393)
<b>Total Level 3 financial liabilities</b>	<b>(203,947)</b>	<b>79,407</b>	<b>(82,551)</b>	<b>-</b>	<b>(22,903)</b>	<b>-</b>	<b>146,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(83,393)</b>
<b>Total net Level 3 financial assets/(liabilities)</b>	<b>10,136,773</b>	<b>157,089</b>	<b>(154,757)</b>	<b>(185,736)</b>	<b>7,601,839</b>	<b>-</b>	<b>(4,709,168)</b>	<b>(11,606)</b>	<b>-</b>	<b>-</b>	<b>12,834,434</b>

\* Included within 'Other operating income' and 'Allowances for/(writeback of) Impairment Losses on Financial Investments'.

# Included within 'Other operating income'.

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

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

<b>Bank</b>	<b>At</b>	<b>Effect of</b>	<b>Restated</b>	<b>Other</b>	<b>Unrealised</b>	<b>Unrealised</b>	<b>Purchases/</b>	<b>Sales</b>	<b>Settlements</b>	<b>Exchange</b>	<b>Transfer</b>	<b>Transfer</b>	<b>At</b>
<b>As at 31 December 2018</b>	<b>1 January</b>	<b>adopting</b>	<b>as at</b>	<b>gains</b>	<b>gains/(losses)</b>	<b>gains</b>	<b>Issuances/</b>	<b>RM'000</b>	<b>RM'000</b>	<b>differences</b>	<b>into</b>	<b>out from</b>	<b>31 December</b>
	<b>2018</b>	<b>MFRS 9</b>	<b>1 January</b>	<b>recognised in</b>	<b>recognised in</b>	<b>recognised in</b>	<b>Additions</b>				<b>Level 3</b>	<b>Level 3</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>2018</b>	<b>income</b>	<b>income</b>	<b>other</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
				<b>statements*</b>	<b>statements#</b>	<b>comprehensive</b>							
				<b>RM'000</b>	<b>RM'000</b>	<b>income</b>							<b>2018</b>
						<b>RM'000</b>							<b>RM'000</b>
<b>Financial investments at fair value through profit or loss</b>													
Unquoted securities	-	91,562	91,562	-	508,987	-	-	-	-	-	-	-	600,549
<b>Financial investments at fair value through other comprehensive income</b>													
Unquoted securities	355,414	(91,562)	263,852	-	-	197,882	-	-	(2,677)	-	-	-	459,057
<b>Loans, advances and financing at fair value through profit or loss</b>													
	-	-	-	-	9,943	-	386,867	-	-	140	-	-	396,950
<b>Loans, advances and financing at fair value through other comprehensive income</b>													
	-	3,600,803	3,600,803	-	-	39,842	5,885,565	-	(845,993)	-	-	-	8,680,217
<b>Derivative assets</b>													
Equity and commodity related contracts	479,534	-	479,534	238,048	(242,123)	-	120,274	-	(391,786)	-	-	-	203,947
<b>Total Level 3 financial assets</b>	<b>834,948</b>	<b>3,600,803</b>	<b>4,435,751</b>	<b>238,048</b>	<b>276,807</b>	<b>237,724</b>	<b>6,392,706</b>	<b>-</b>	<b>(1,240,456)</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>10,340,720</b>

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

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

	At 1 January 2018 RM'000	Effect of adopting MFRS 9 RM'000	Restated as at 1 January 2018 RM'000	Other gains recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised gains recognised in other comprehensive income	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 December 2018 RM'000
<b>Bank</b>													
As at 31 December 2018													
<b>Derivative liabilities</b>													
Equity and commodity related contracts	(478,473)	-	(478,473)	243,703	(240,212)	-	(125,703)	-	396,738	-	-	-	(203,947)
<b>Total Level 3 financial liabilities</b>	<b>(478,473)</b>	<b>-</b>	<b>(478,473)</b>	<b>243,703</b>	<b>(240,212)</b>	<b>-</b>	<b>(125,703)</b>	<b>-</b>	<b>396,738</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(203,947)</b>
<b>Total net Level 3 financial assets/(liabilities)</b>	<b>356,475</b>	<b>3,600,803</b>	<b>3,957,278</b>	<b>481,751</b>	<b>36,595</b>	<b>237,724</b>	<b>6,267,003</b>	<b>-</b>	<b>(843,718)</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>10,136,773</b>

\* Included within 'Other operating income' and 'Allowances for/(writeback of) Impairment Losses on Financial Investments'.

# Included within 'Other operating income'.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of 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 2019.

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

During the 12 months financial year ended 31 December 2019, the Group transferred certain financial investments at fair value through profit or loss from Level 2 into Level 3 of the fair value hierarchy. The reason for the transfer is that inputs to the valuation models ceased to be observable. Prior to the transfer, the fair value of the financial instruments was determined using observable market transactions or binding broker quotes for the same or similar instruments. Since the transfer, these instruments have been valued using valuation models incorporating significant unobservable market inputs.

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**A39. Credit Exposure Arising from Credit Transactions with Connected Parties**

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

	Group		Bank	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Outstanding credit exposures with connected parties (RM'000)	<u>15,154,533</u>	<u>14,665,381</u>	<u>25,616,177</u>	<u>23,098,379</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>1.9%</u>	<u>1.8%</u>	<u>5.6%</u>	<u>5.0%</u>
Percentage of outstanding credit exposures to connected parties which is impaired* or in default	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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



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

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

**(a) Audited Income Statements for the Financial Year Ended 31 December 2019**

Group Twelve-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000	31 December 2019 RM'000	31 December 2018 RM'000
Interest income	495,439	445,460	482,604	451,880	79,175	67,680	246,293	222,083	1,303,511	1,187,103
Interest expense	-	-	-	-	-	-	(17,327)	(24,095)	(17,327)	(24,095)
Net interest income	495,439	445,460	482,604	451,880	79,175	67,680	228,966	197,988	1,286,184	1,163,008
Net earned insurance premiums	2,525,152	2,285,876	1,533,577	1,281,050	1,333,300	1,065,758	1,368,589	1,300,879	6,760,618	5,933,563
Other operating income/(loss)	809,173	(294,726)	490,413	(77,601)	11,728	(3,601)	235,461	40,675	1,546,775	(335,253)
Total operating income	3,829,764	2,436,610	2,506,594	1,655,329	1,424,203	1,129,837	1,833,016	1,539,542	9,593,577	6,761,318
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(3,604,670)	(2,231,262)	(2,476,140)	(1,627,697)	(1,421,328)	(1,131,125)	(181,434)	(175,577)	(7,683,572)	(5,165,661)
Net operating income/(loss)	225,094	205,348	30,454	27,632	2,875	(1,288)	1,651,582	1,363,965	1,910,005	1,595,657
Overhead expenses	(224,001)	(205,482)	(28,880)	(26,104)	(627)	(402)	(676,594)	(575,398)	(930,102)	(807,386)
Operating profit/(loss) before impairment losses	1,093	(134)	1,574	1,528	2,248	(1,690)	974,988	788,567	979,903	788,271
Writeback of/(allowances for) impairment losses on loans, advances, financing and other debts, net	174	445	143	(1,456)	1,701	1,428	(5,375)	4,069	(3,357)	4,486
(Allowances for)/writeback of impairment losses on financial investments, net	(291)	(160)	188	(72)	65	262	39	(467)	1	(437)
(Allowances for)/writeback of impairment on other financial assets, net	(976)	(151)	(1,905)	-	(4,014)	-	(24,786)	5,883	(31,681)	5,732
Operating profit	-	-	-	-	-	-	944,866	798,052	944,866	798,052
Share of profits in associates	-	-	-	-	-	-	-	-	-	-
<b>Profit before taxation and zakat</b>	-	-	-	-	-	-	944,866	798,052	944,866	798,052
Taxation and zakat	-	-	-	-	-	-	(250,278)	(102,232)	(250,278)	(102,232)
<b>Profit for the financial year</b>	-	-	-	-	-	-	694,588	695,820	694,588	695,820

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

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

**(b) Audited Statements of Financial Position as at 31 December 2019**

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>										
Cash and short-term funds	125,182	132,562	14,654	9,787	34,918	73,218	456,375	369,725	631,129	585,292
Deposits and placements with financial institutions	1,464,365	980,609	1,020,658	737,368	253,229	132,863	515,784	636,764	3,254,036	2,487,604
Financial assets designated upon initial recognition at fair value through profit or loss	6,407,316	7,024,642	6,404,318	5,958,107	25,704	56,736	1,317,121	1,680,455	14,154,459	14,719,940
Financial investments at fair value through profit or loss	3,703,634	2,945,393	480,219	584,615	21,542	30,175	362,903	378,405	4,568,298	3,938,588
Financial investments at fair value through other comprehensive income	1,917,511	1,163,070	3,796,314	3,257,876	1,723,489	1,494,223	4,086,067	2,352,084	11,523,381	8,267,253
Loans, advances and financing	242,940	234,673	-	-	-	-	49,193	57,517	292,133	292,190
Derivative assets	33,873	4,647	-	-	-	-	1,278	81	35,151	4,728
Reinsurance/retakaful assets and other insurance receivables	126,453	91,112	290,270	73,802	283,068	298,697	3,532,298	3,336,436	4,232,089	3,800,047
Other assets	36,297	125,759	20,702	168,989	3,897	6,423	340,400	303,407	401,296	604,578
Investment properties	778,810	762,240	-	-	-	-	137,580	128,432	916,390	890,672
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	87,256	86,256	-	-	-	-	65,125	54,709	152,381	140,965
Right-of-use assets	-	-	-	-	-	-	32,680	-	32,680	-
Intangible assets	50,291	43,949	-	-	-	-	47,973	51,863	98,264	95,812
Deferred tax assets	2,963	5,960	4,429	3,471	6,247	8,841	21,654	23,393	35,293	41,665
<b>TOTAL ASSETS</b>	<b>14,976,891</b>	<b>13,600,872</b>	<b>12,031,564</b>	<b>10,794,015</b>	<b>2,352,094</b>	<b>2,101,176</b>	<b>10,966,583</b>	<b>9,373,423</b>	<b>40,327,132</b>	<b>35,869,486</b>
<b>LIABILITIES</b>										
Derivative liabilities	-	14,168	-	-	-	-	-	33	-	14,201
Insurance/takaful contract liabilities and other insurance payables	12,688,980	10,407,488	11,583,400	10,313,387	2,004,782	1,789,053	4,608,468	4,343,174	30,885,630	26,853,102
Other liabilities #	2,281,910	3,157,901	396,244	480,726	332,653	310,265	(897,763)	(2,038,275)	2,113,044	1,910,617
Provision for taxation and zakat	(59,341)	(199)	(1,035)	(1,803)	-	-	98,652	284,373	38,276	282,371
Deferred tax liabilities	65,342	21,514	52,955	1,705	14,659	1,858	319,090	316,496	452,046	341,573
Subordinated obligations	-	-	-	-	-	-	-	301,189	-	301,189
<b>TOTAL LIABILITIES</b>	<b>14,976,891</b>	<b>13,600,872</b>	<b>12,031,564</b>	<b>10,794,015</b>	<b>2,352,094</b>	<b>2,101,176</b>	<b>4,128,447</b>	<b>3,206,990</b>	<b>33,488,996</b>	<b>29,703,053</b>
<b>EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE SUBSIDIARIES</b>										
Share capital	-	-	-	-	-	-	660,865	660,865	660,865	660,865
Other reserves	-	-	-	-	-	-	6,177,271	5,505,568	6,177,271	5,505,568
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>14,976,891</b>	<b>13,600,872</b>	<b>12,031,564</b>	<b>10,794,015</b>	<b>2,352,094</b>	<b>2,101,176</b>	<b>10,966,583</b>	<b>9,373,423</b>	<b>40,327,132</b>	<b>35,869,486</b>

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

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**A41. The Operations of Islamic Banking Scheme**

**A41a. Income Statements for the Fourth Quarter and Financial Year Ended 31 December 2019**

<b>Group</b>	<b>Unaudited</b>		<b>Audited</b>	
	<b>Fourth Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds	2,474,302	2,254,312	9,538,085	8,831,808
Income derived from investment of investment account funds	248,938	278,621	1,051,729	1,099,068
Income derived from investment of Islamic Banking Funds	140,941	166,417	500,831	511,559
Writeback of/(allowances for) impairment losses on financing and advances, net	254,654	32,469	303,353	(370,417)
Writeback of/(allowances for) impairment losses on financial investments, net	1,105	746	(3,933)	7,569
(Allowances for)/writeback of impairment losses on other financial assets, net	(2)	1	4	200
<b>Total distributable income</b>	<b>3,119,938</b>	<b>2,732,566</b>	<b>11,390,069</b>	<b>10,079,787</b>
Profit distributed to depositors	(1,387,383)	(1,277,692)	(5,557,993)	(5,031,029)
Profit distributed to investment account holders	(126,758)	(140,205)	(566,816)	(597,724)
<b>Total net income</b>	<b>1,605,797</b>	<b>1,314,669</b>	<b>5,265,260</b>	<b>4,451,034</b>
Finance cost	(121,361)	(83,377)	(416,622)	(343,485)
Overhead expenses	(355,390)	(421,080)	(1,512,462)	(1,500,245)
<b>Profit before taxation and zakat</b>	<b>1,129,046</b>	<b>810,212</b>	<b>3,336,176</b>	<b>2,607,304</b>
Taxation	(279,370)	(188,847)	(753,540)	(653,915)
Zakat	(25,127)	(11,188)	(31,455)	(24,314)
<b>Profit for the financial period/year</b>	<b>824,549</b>	<b>610,177</b>	<b>2,551,181</b>	<b>1,929,075</b>

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

<b>Group</b>	<b>Unaudited</b>		<b>Audited</b>	
	<b>Fourth Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds	2,474,302	2,254,312	9,538,085	8,831,808
Income derived from investment of investment account funds	248,938	278,621	1,051,729	1,099,068
Income derived from investment of Islamic Banking Funds	140,941	166,417	500,831	511,559
Total income before allowances for impairment losses on financial assets and overhead expenses	2,864,181	2,699,350	11,090,645	10,442,435
Profit distributed to depositors	(1,387,383)	(1,277,692)	(5,557,993)	(5,031,029)
Profit distributed to investment account holders	(126,758)	(140,205)	(566,816)	(597,724)
	1,350,040	1,281,453	4,965,836	4,813,682
Finance cost	(121,361)	(83,377)	(416,622)	(343,485)
Net of intercompany income and expenses	356,777	301,785	1,430,363	1,141,507
Income from Islamic Banking Scheme operations reported in the Income Statement of the Group	1,585,456	1,499,861	5,979,577	5,611,704

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

**A41b. Audited Statements of Comprehensive Income for the Fourth Quarter and Financial Year Ended 31 December 2019**

<u>Group</u>	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2019 RM'000	31 December 2018 RM'000	Cumulative 12 Months Ended 31 December 2019 RM'000	31 December 2018 RM'000
<b>Profit for the financial period/year</b>	<b>824,549</b>	610,177	<b>2,551,181</b>	1,929,075
<b>Other comprehensive income/(loss):</b>				
<b><i>Items that will not be reclassified subsequently to profit or loss:</i></b>				
Defined benefit plan actuarial (loss)/gain	(576)	15	(1,170)	505
Income tax effect	189	(3)	337	(126)
	<b>(387)</b>	12	<b>(833)</b>	379
<b><i>Items that may be reclassified subsequently to profit or loss:</i></b>				
Net (loss)/gain on foreign exchange translation	(68)	6,569	8,732	20,035
Net (loss)/gain on financial investments at fair value through other comprehensive income	(62,970)	(1,507)	344,185	25,103
- Net (loss)/gain from change in fair value	(81,883)	(3,489)	454,139	27,873
- Changes in expected credit losses	(737)	1,145	(960)	3,920
- Income tax effect	19,650	837	(108,994)	(6,690)
	<b>(63,038)</b>	5,062	<b>352,917</b>	45,138
Other comprehensive (loss)/income for the financial period/year, net of tax	<b>(63,425)</b>	5,074	<b>352,084</b>	45,517
<b>Total comprehensive income for the financial period/year</b>	<b>761,124</b>	615,251	<b>2,903,265</b>	1,974,592

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

**A41c. Audited Statement of Financial Position as at 31 December 2019**

<u>Group</u>	Note	31 December 2019 RM'000	31 December 2018 RM'000
<b>ASSETS</b>			
Cash and short-term funds		21,732,551	21,944,445
Deposits and placements with financial institutions		-	251,328
Financial investments at fair value through profit or loss		383,194	995,072
Financial investments at fair value through other comprehensive income		15,292,520	12,447,389
Financial investments at amortised cost		9,671,676	6,608,811
Financing and advances	A41e	189,762,974	174,288,168
Derivative assets		200,414	403,993
Other assets		4,574,547	4,835,851
Statutory deposit with central banks		4,242,037	4,205,000
Property, plant and equipment		1,458	-
Right-of-use assets		12,966	-
Deferred tax assets		-	30,143
<b>Total Assets</b>		<b>245,874,337</b>	<b>226,010,200</b>
<b>LIABILITIES</b>			
Customers' funding:			
- Deposits from customers	A41f	161,039,137	147,781,751
- Investment accounts of customers <sup>1</sup>	A41g	20,737,670	23,565,061
Deposits and placements from financial institutions		38,827,556	32,174,135
Financial liabilities at fair value through profit or loss	A41h	-	385,687
Bills and acceptances payable		137,893	11,050
Derivatives liabilities		221,674	391,949
Other liabilities		591,055	2,555,728
Deferred tax liabilities		83,002	-
Provision for taxation and zakat		37,370	35,826
Term funding	A41i	9,891,993	4,738,180
Subordinated sukuk	A41j	2,028,311	2,534,301
Capital securities	A41k	1,002,170	1,002,441
<b>Total Liabilities</b>		<b>234,597,831</b>	<b>215,176,109</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>			
Islamic Banking Funds		7,202,398	7,473,540
Retained profits		2,887,335	3,050,868
Other reserves		1,186,773	309,683
		<b>11,276,506</b>	<b>10,834,091</b>
<b>Total liabilities and Islamic Banking Capital Funds</b>		<b>245,874,337</b>	<b>226,010,200</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
		<b>63,976,328</b>	<b>59,033,318</b>

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

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

**A41d. Audited Statements of Changes in Islamic Banking Capital Funds for the Financial Year Ended 31 December 2019**

<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 RM'000 <sup>1</sup>	Defined Benefit Reserve RM'000	Distributable Retained Profits RM'000	
<b>At 1 January 2019</b>	7,473,540	313,516	(5,865)	(473)	1,697	808	3,050,868	10,834,091
Profit for the financial year	-	-	-	-	-	-	2,551,181	2,551,181
Other comprehensive income/(loss)	-	-	344,185	8,732	-	(833)	-	352,084
Net gain on foreign exchange translation	-	-	-	8,732	-	-	-	8,732
Net gain on financial investments at fair value through other comprehensive income	-	-	344,185	-	-	-	-	344,185
Defined benefit plan actuarial loss	-	-	-	-	-	(833)	-	(833)
<b>Total comprehensive income/(loss) for the financial year</b>	-	-	344,185	8,732	-	(833)	2,551,181	2,903,265
Transfer from/(to) conventional banking operations	7,861	-	-	(8,000)	-	25	(3,646)	(3,760)
Disposal of a subsidiary	(279,003)	-	-	-	-	-	102,777	(176,226)
Transfer to regulatory reserve	-	532,981	-	-	-	-	(532,981)	-
Dividends paid	-	-	-	-	-	-	(2,280,864)	(2,280,864)
<b>At 31 December 2019</b>	<b>7,202,398</b>	<b>846,497</b>	<b>338,320</b>	<b>259</b>	<b>1,697</b>	<b>-</b>	<b>2,887,335</b>	<b>11,276,506</b>

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

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

**A41d. Audited Statements of Changes in Islamic Banking Capital Funds for the Financial Year Ended 31 December 2019 (cont'd.)**

<u>Group</u>	-----Non-distributable----- <sup>1</sup>							<b>Total RM'000</b>
	<b>Islamic Banking Funds RM'000</b>	<b>Regulatory Reserve RM'000</b>	<b>Fair Value Through Other Comprehensive Income Reserve RM'000</b>	<b>Exchange Fluctuation Reserve RM'000</b>	<b>Equity contribution from the holding company RM'000</b>	<b>Defined Benefit Reserve RM'000</b>	<b>Distributable Retained Profits RM'000</b>	
<b>At 1 January 2018</b>								
- as previously stated	5,769,752	508,700	(32,318)	(5,723)	1,697	448	3,499,853	9,742,409
- effect of adopting MFRS 9	-	(493,501)	1,350	-	-	-	(361,412)	(853,563)
At 1 January 2018, as restated	5,769,752	15,199	(30,968)	(5,723)	1,697	448	3,138,441	8,888,846
Profit for the financial year	-	-	-	-	-	-	1,929,075	1,929,075
Other comprehensive income	-	-	25,103	20,035	-	379	-	45,517
Net gain on foreign exchange translation	-	-	-	20,035	-	-	-	20,035
Net gain on financial investments at fair value through other comprehensive income	-	-	25,103	-	-	-	-	25,103
Defined benefit plan actuarial gain	-	-	-	-	-	379	-	379
<b>Total comprehensive income for the financial year</b>	-	-	25,103	20,035	-	379	1,929,075	1,974,592
Transfer to conventional banking operations	(11,827)	-	-	(14,785)	-	(19)	(2,716)	(29,347)
Transfer to regulatory reserve	-	298,317	-	-	-	-	(298,317)	-
Issue of ordinary shares	1,715,615	-	-	-	-	-	-	1,715,615
Dividends paid	-	-	-	-	-	-	(1,715,615)	(1,715,615)
<b>At 31 December 2018</b>	<b>7,473,540</b>	<b>313,516</b>	<b>(5,865)</b>	<b>(473)</b>	<b>1,697</b>	<b>808</b>	<b>3,050,868</b>	<b>10,834,091</b>

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

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

**A41e. Financing and Advances**

	<b>31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
<b><u>Group</u></b>		
Financing and advances to customers:		
(A) Financing and advances to customers at fair value through other comprehensive income	<b>440,383</b>	471,122
(B) Financing and advances to customers at amortised cost	<b>280,650,934</b>	271,246,935
	<b>281,091,317</b>	271,718,057
Unearned income	<b>(89,087,920)</b>	(94,879,202)
Gross financing and advances	<b>192,003,397</b>	176,838,855
Allowances for impaired financing and advances:		
- Stage 1 - 12-month ECL	<b>(371,029)</b>	(510,311)
- Stage 2 - Lifetime ECL not credit impaired	<b>(616,576)</b>	(984,565)
- Stage 3 - Lifetime ECL credit impaired	<b>(1,252,818)</b>	(1,055,811)
Net financing and advances	<b>189,762,974</b>	174,288,168



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

**A41e. Financing and Advances (cont'd.)**

<u>Group</u> As at 31 December 2019	Bai <sup>1</sup> RM'000	Murabahah RM'000	Musyarakah RM'000	Al-Ijarah Thumma Al-Bai ("AITAB") <sup>2</sup> RM'000	Ijarah <sup>3</sup> RM'000	Istisna' RM'000	Others RM'000	Total Financing and Advances RM'000
Cashline	-	6,780,832	-	-	-	-	-	6,780,832
Term financing								
- Housing financing	14,680,463	70,986,581	1,975,592	-	-	-	616	87,643,252
- Syndicated financing	-	7,000,329	-	-	-	-	-	7,000,329
- Hire purchase receivables	-	4,195,944	-	36,895,190	-	-	-	41,091,134
- Lease receivables	-	-	-	-	195,334	-	-	195,334
- Other term financing	13,743,113	99,727,445	692,965	-	-	115,407	17,846	114,296,776
Trust receipts	-	140,437	-	-	-	-	-	140,437
Claims on customers under acceptance credits	-	5,275,548	-	-	-	-	-	5,275,548
Staff financing	445,245	1,889,985	8,753	175,080	636	-	42,796	2,562,495
Credit card receivables	-	-	-	-	-	-	1,269,625	1,269,625
Revolving credit	-	14,808,884	-	-	-	-	-	14,808,884
Share margin financing	-	19,594	-	-	-	-	-	19,594
Financing to:								
- Directors of the Bank	-	6,160	-	299	-	-	138	6,597
- Directors of subsidiaries	-	480	-	-	-	-	-	480
	<b>28,868,821</b>	<b>210,832,219</b>	<b>2,677,310</b>	<b>37,070,569</b>	<b>195,970</b>	<b>115,407</b>	<b>1,331,021</b>	<b>281,091,317</b>
Unearned income								<b>(89,087,920)</b>
Gross financing and advances <sup>4</sup>								<b>192,003,397</b>
Allowances for financing and advances:								
- Stage 1 - 12-month ECL								(371,029)
- Stage 2 - Lifetime ECL not credit impaired								(616,576)
- Stage 3 - Lifetime ECL credit impaired								(1,252,818)
Net financing and advances								<b>189,762,974</b>

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

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

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

<sup>4</sup> Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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

**A41e. Financing and Advances (cont'd.)**

<b>Group</b>	<b>Bai'<sup>1</sup></b>	<b>Murabahah</b>	<b>Musyarakah</b>	<b>Al-Ijarah Thumma Al-Bai ("AITAB")<sup>2</sup></b>	<b>Ijarah<sup>3</sup></b>	<b>Istisna'</b>	<b>Others</b>	<b>Total Financing and Advances</b>
<b>As at 31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cashline	-	6,113,118	-	-	-	126	-	6,113,244
Term financing								
- Housing financing	15,968,002	65,870,117	2,140,367	-	-	-	627	83,979,113
- Syndicated financing	-	1,432,287	-	-	-	-	-	1,432,287
- Hire purchase receivables	-	224,525	-	37,895,766	-	-	-	38,120,291
- Lease receivables	-	-	-	-	9,450	-	-	9,450
- Other term financing	17,475,558	99,485,955	563,979	-	102,001	127,395	17,280	117,772,168
Bills receivables	-	163	-	-	-	-	799	962
Trust receipts	-	145,613	-	-	-	-	-	145,613
Claims on customers under acceptance credits	-	4,921,799	-	-	-	-	-	4,921,799
Staff financing	517,202	1,670,905	8,965	156,713	2,539	-	52,723	2,409,047
Credit card receivables	-	-	-	-	-	-	1,104,219	1,104,219
Revolving credit	-	15,681,860	-	-	-	-	-	15,681,860
Share margin financing	-	22,322	-	-	-	-	-	22,322
Financing to:								
- Directors of the Bank	-	2,503	-	465	-	-	8	2,976
- Directors of subsidiaries	-	2,030	-	676	-	-	-	2,706
	<u>33,960,762</u>	<u>195,573,197</u>	<u>2,713,311</u>	<u>38,053,620</u>	<u>113,990</u>	<u>127,521</u>	<u>1,175,656</u>	<u>271,718,057</u>
Unearned income								<u>(94,879,202)</u>
Gross financing and advances <sup>4</sup>								<u>176,838,855</u>
Allowances for financing and advances:								
- Stage 1 - 12-month ECL								(510,311)
- Stage 2 - Lifetime ECL not credit impaired								(984,565)
- Stage 3 - Lifetime ECL credit impaired								<u>(1,055,811)</u>
Net financing and advances								<u>174,288,168</u>

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

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

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

<sup>4</sup> Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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

**A41e. Financing and Advances (cont'd.)**

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

<u>Group</u>	<b>31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
At 1 January		
- as previously stated	2,094,107	1,755,299
- effect of adopting MFRS 9	-	121,438
At 1 January, as restated	<u>2,094,107</u>	<u>1,876,737</u>
Newly impaired	996,099	1,367,882
Reclassified as non-impaired	(118,390)	(228,568)
Amount recovered	(92,496)	(444,519)
Amount written-off	(359,705)	(442,632)
Transferred to holding company	-	(34,496)
Exchange differences	-	(297)
Gross impaired financing at 31 December	<u>2,519,615</u>	<u>2,094,107</u>
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,252,818)</u>	<u>(1,055,811)</u>
Net impaired financing at 31 December	<u>1,266,797</u>	<u>1,038,296</u>

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

Gross impaired financing at 31 December	2,395,279	2,030,688
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,252,818)</u>	<u>(1,055,811)</u>
Net impaired financing at 31 December	<u>1,142,461</u>	<u>974,877</u>
Gross financing and advances	153,974,212	137,331,642
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	<u>(2,243,324)</u>	<u>(2,555,886)</u>
Net financing and advances	<u>151,730,888</u>	<u>134,775,756</u>
Net impaired financing as a percentage of net financing and advances	<u>0.75%</u>	<u>0.72%</u>

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

**A41e. Financing and Advances (cont'd.)**

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

**At fair value through other comprehensive income**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Group</b>				
<b>As at 31 December 2019</b>				
At 1 January 2019	1,399	3,800	-	5,199
Changes in models/risk parameters	(876)	(1,422)	-	(2,298)
At 31 December 2019	<u>523</u>	<u>2,378</u>	<u>-</u>	<u>2,901</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Group</b>				
<b>As at 31 December 2018</b>				
At 1 January 2018				
- effect of adopting MFRS 9	522	-	-	522
At 1 January 2018, as restated	522	-	-	522
Net remeasurement of allowances	45	-	-	45
New financial assets originated or purchased	1,354	3,800	-	5,154
Financial assets derecognised	(522)	-	-	(522)
At 31 December 2018	<u>1,399</u>	<u>3,800</u>	<u>-</u>	<u>5,199</u>

**At amortised cost**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Group</b>				
<b>As at 31 December 2019</b>				
At 1 January 2019	510,311	984,565	1,055,811	2,550,687
Transferred to Stage 1	210,983	(201,830)	(9,153)	-
Transferred to Stage 2	(26,947)	94,232	(67,285)	-
Transferred to Stage 3	(1,866)	(86,803)	88,669	-
Net remeasurement of allowances	(210,195)	34,631	517,854	342,290
New financial assets originated or purchased	128,082	119,126	-	247,208
Financial assets derecognised	(59,155)	(168,531)	(205,786)	(433,472)
Changes in models/risk parameters	(197,209)	(163,389)	1,683	(358,915)
Amount related to Restricted Investment Accounts*	17,221	5,530	238,801	261,552
Amount written-off	-	-	(359,705)	(359,705)
Exchange differences	(196)	(955)	(8,071)	(9,222)
At 31 December 2019	<u>371,029</u>	<u>616,576</u>	<u>1,252,818</u>	<u>2,240,423</u>

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

**A41e. Financing and Advances (cont'd.)**

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

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

<b>Group</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2018</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2018				
- as previously stated - MFRS 139				1,487,135
- effect of adopting MFRS 9				1,076,449
At 1 January 2018, as restated	409,534	1,061,080	1,092,970	2,563,584
Transferred to Stage 1	410,336	(263,234)	(147,102)	-
Transferred to Stage 2	(32,812)	69,092	(36,280)	-
Transferred to Stage 3	(2,942)	(96,473)	99,415	-
Net remeasurement of allowances*	(329,067)	180,529	723,244	574,706
New financial assets originated or purchased	194,867	128,773	-	323,640
Financial assets derecognised	(70,166)	(88,990)	(270,168)	(429,324)
Changes in models/risk parameters	(69,473)	(6,644)	(1,683)	(77,800)
Transferred to holding company	-	-	(13,182)	(13,182)
Amount related to Restricted Investment Accounts	-	-	50,553	50,553
Amount written-off	-	-	(442,632)	(442,632)
Exchange differences	34	432	676	1,142
At 31 December 2018	<u>510,311</u>	<u>984,565</u>	<u>1,055,811</u>	<u>2,550,687</u>

\* As at 31 December 2019, the gross exposure of the financing funded by RPSIA was RM17,291.5 million (31 December 2018: RM15,942.2 million). The expected credit loss relating to these financing amounting to RM263.7 million (31 December 2018: RM274.5 million) are recognised in the Group's conventional banking operations.

The gross exposure of the financing funded by IA as at 31 December 2019 was RM20,737.7 million (31 December 2018: RM23,565.1 million).

**A41f. Deposits from Customers**

<b>Group</b>	<b>31 December 2019 RM'000</b>	<b>31 December 2018 RM'000</b>
<b>Savings deposit</b>		
Qard	<u>17,504,325</u>	<u>16,081,568</u>
<b>Demand deposit</b>		
Qard	<u>19,704,595</u>	<u>18,403,934</u>
<b>Term deposit</b>		
Murabahah	<u>123,236,922</u>	111,692,152
Qard	<u>593,295</u>	1,604,097
	<u>123,830,217</u>	<u>113,296,249</u>
Total deposits from customers	<u>161,039,137</u>	<u>147,781,751</u>

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

**A41g. Investment Accounts of Customers**

<u>Group</u>	31 December 2019 RM'000	31 December 2018 RM'000
<b>Mudharabah</b>		
Unrestricted Investment accounts	20,616,075	23,445,562
Restricted Investment accounts*	121,595	119,499
	<u>20,737,670</u>	<u>23,565,061</u>

\* Net of expected credit losses associated with the financing assets funded by the Restricted Investment Accounts.

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

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
<b>As at 31 December 2019</b>			
Business enterprises	10,538,830	121,595	10,660,425
Individuals	8,922,749	-	8,922,749
Government and statutory bodies	95,817	-	95,817
Others	1,058,679	-	1,058,679
	<u>20,616,075</u>	<u>121,595</u>	<u>20,737,670</u>
<b>As at 31 December 2018</b>			
Business enterprises	11,814,357	119,499	11,933,856
Individuals	10,475,578	-	10,475,578
Government and statutory bodies	128,414	-	128,414
Others	1,027,213	-	1,027,213
	<u>23,445,562</u>	<u>119,499</u>	<u>23,565,061</u>

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

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
<b>As at 31 December 2019</b>			
- without maturity	13,387,845	-	13,387,845
- with maturity			
Due within six months	5,577,342	121,595	5,698,937
Six months to one year	1,633,073	-	1,633,073
One year to three years	15,045	-	15,045
Three years to five years	2,770	-	2,770
	<u>7,228,230</u>	<u>121,595</u>	<u>7,349,825</u>
Total investment accounts of customers	<u>20,616,075</u>	<u>121,595</u>	<u>20,737,670</u>

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

**A41g. Investment Accounts of Customers (cont'd.)**

(ii) The maturity profile of investment accounts are as follows (cont'd.):

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
<b>As at 31 December 2018</b>			
- without maturity	13,067,406	-	13,067,406
- with maturity			
Within six months	8,233,509	119,499	8,353,008
Six months to one year	2,125,559	-	2,125,559
One year to three years	5,176	-	5,176
Three years to five years	13,912	-	13,912
	<u>10,378,156</u>	<u>119,499</u>	<u>10,497,655</u>
Total investment accounts of customers	<u>23,445,562</u>	<u>119,499</u>	<u>23,565,061</u>

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

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
<b>As at 31 December 2019</b>			
Retail financing	18,855,165	-	18,855,165
Non-retail financing	1,760,910	121,595	1,882,505
	<u>20,616,075</u>	<u>121,595</u>	<u>20,737,670</u>
<b>As at 31 December 2018</b>			
Retail financing	21,644,759	-	21,644,759
Non-retail financing	1,800,803	119,499	1,920,302
	<u>23,445,562</u>	<u>119,499</u>	<u>23,565,061</u>

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

<u>Group</u>	<u>Investment account holder ("IAH")</u>	
	Average profit sharing ratio (%)	Average rate of return (%)
<b>As at 31 December 2019</b>		
Unrestricted investment accounts	51.62	2.61
Restricted investment accounts	<u>99.95</u>	<u>4.19</u>
<b>As at 31 December 2018</b>		
Unrestricted investment accounts	55.00	2.82
Restricted investment accounts	<u>99.95</u>	<u>4.31</u>

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

**A41h. Financial Liabilities at Fair Value Through Profit or Loss**

<u>Group</u>	31 December 2019 RM'000	31 December 2018 RM'000
Structured deposits	-	385,687

The carrying amount of structured deposits designated at fair value through profit or loss of the Group as at 31 December 2018 was RM384,986,000. The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

**A41i. Term Funding**

<u>Group</u>	31 December 2019 RM'000	31 December 2018 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	7,888,771	2,734,958
(ii) Medium Term Notes		
- More than one year	2,003,222	2,003,222
Total term funding	9,891,993	4,738,180

**A41j. Subordinated Sukuk**

<u>Group</u>	31 December 2019 RM'000	31 December 2018 RM'000
RM1.5 billion Islamic subordinated Sukuk Murabahah due in 2024	-	1,516,593
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2026	1,017,708	1,017,708
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2029	1,010,603	-
	2,028,311	2,534,301

**A41k. Capital Securities**

<u>Group</u>	31 December 2019 RM'000	31 December 2018 RM'000
RM1.0 billion Additional Tier 1 Sukuk Wakalah	1,002,170	1,002,441



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**A42. Financial Effects arising from Adoption of MFRS 16 Leases**

- (i) The adoption of MFRS 16 resulted in the following financial effects to the statement of financial position of the Group and of the Bank:

**Extract of Statements of Financial Position**

	31 December 2018 RM'000	Reclassification RM'000	Modified retrospective approach RM'000	1 January 2019 RM'000
<b>Group</b>				
<b>ASSETS</b>				
Other assets <sup>1</sup>	9,873,340	-	(56,095)	9,817,245
Property, plant and equipment <sup>2</sup>	2,495,825	(275,363)	-	2,220,462
Right-of-use assets <sup>3</sup>	-	275,363	1,332,561	1,607,924
<b>LIABILITIES</b>				
Other liabilities <sup>4</sup>	21,788,671	-	1,276,466	23,065,137
<b>Bank</b>				
<b>ASSETS</b>				
Other assets <sup>1</sup>	5,267,285	-	(4,390)	5,262,895
Right-of-use assets <sup>3</sup>	-	-	460,839	460,839
<b>LIABILITIES</b>				
Other liabilities <sup>5</sup>	7,341,061	-	456,449	7,797,510

<sup>1</sup> Derecognition of prepayments related to previous operating leases.

<sup>2</sup> Previously recognised as finance leases under MFRS 117 *Leases*.

<sup>3</sup> Recognition of right-of-use assets.

<sup>4</sup> Recognition of additional lease liabilities, provision for restoration costs and derecognition of accrued rental expenses.

<sup>5</sup> Recognition of additional lease liabilities and provision for restoration costs.

- (ii) The following table analyses the impact of Capital Adequacy Ratios of the Group and of the Bank:

	31 December 2018	Impact of adopting MFRS 16	1 January 2019
<b>Group</b>			
CET1 Capital (RM'000)	56,300,466	-	56,300,466
Tier 1 Capital (RM'000)	59,871,648	-	59,871,648
Total Capital (RM'000)	71,263,950	-	71,263,950
Risk Weighted Assets (RM'000)	374,606,000	1,248,752	375,854,752
CET1 Capital Ratio	15.029%	(0.050%)	14.979%
Tier 1 Capital Ratio	15.983%	(0.054%)	15.929%
Total Capital Ratio	19.024%	(0.063%)	18.961%
<b>Bank</b>			
CET1 Capital (RM'000)	30,893,680	-	30,893,680
Tier 1 Capital (RM'000)	33,393,680	-	33,393,680
Total Capital (RM'000)	41,018,052	-	41,018,052
Risk Weighted Assets (RM'000)	224,559,240	456,449	225,015,689
CET1 Capital Ratio	13.757%	(0.027%)	13.730%
Tier 1 Capital Ratio	14.871%	(0.030%)	14.841%
Total Capital Ratio	18.266%	(0.037%)	18.229%

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

**B1. Performance Review**

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

The Group posted profit after tax and zakat attributable to equity holders of RM8,198.1 million for the financial year ended 31 December 2019, an increase of RM84.8 million or 1.0% compared to the previous corresponding financial year ended 31 December 2018.

The Group's net interest income and Islamic Banking income for the financial year ended 31 December 2019 increased by RM390.0 million or 2.2% to RM18,074.6 million compared to the previous corresponding financial year ended 31 December 2018.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM827.1 million or 13.9% to RM6,760.6 million for the financial year ended 31 December 2019 compared to the previous corresponding financial year ended 31 December 2018.

Other operating income of the Group for the financial year ended 31 December 2019 was RM7,277.0 million, an increase of RM2,326.0 million or 47.0% from RM4,951.0 million in the previous corresponding financial year ended 31 December 2018. The increase was mainly due to net gain in investment income of RM1,586.9 million for the financial year ended 31 December 2019 as compared to net loss in investment income of RM431.7 million in the previous corresponding financial year ended 31 December 2018 and higher unrealised mark-to-market gain on revaluation of financial assets/liabilities at FVTPL, derivatives and loan, advances and financing of RM653.9 million. The increases were, however, offset by realised loss on financial liabilities at FVTPL of RM283.2 million for the financial year ended 31 December 2019.

The Group's overhead expenses for the financial year ended 31 December 2019 recorded an increase of RM316.2 million or 2.8% to RM11,561.9 million compared to the previous corresponding financial year ended 31 December 2018. The increase in overhead expenses was mainly due to higher personnel expenses of RM175.5 million, higher establishment costs of RM60.5 million, higher marketing expenses of RM53.9 million and higher administration and general expenses of RM26.3 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM696.2 million or 43.8% to RM2,287.5 million for the financial year ended 31 December 2019.

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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 financial year ended 31 December 2019 compared to the previous corresponding financial year ended 31 December 2018 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 RM921.1 million or 16.5% to RM6,490.3 million for financial year ended 31 December 2019 from RM5,569.2 million for the previous corresponding financial year ended 31 December 2018. The increase was mainly due to net writeback of impairment losses on loans, advances, financing and other debts of RM215.6 million from net allowance of RM761.4 million, higher other operating income of RM149.2 million and higher net interest income and income from IBS operations of RM127.1 million. The increases were, however, offset by higher overhead expenses of RM331.6 million and net allowances for impairment losses on financial investments and other financial assets of RM0.1 million from net writeback of RM0.4 million.

**Group Global Banking**

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

Group Corporate Banking & Global Markets' profit before taxation and zakat decreased by RM1,028.0 million or 19.7% to RM4,195.8 million for the financial year ended 31 December 2019 from RM5,223.8 million for the previous corresponding financial year ended 31 December 2018. The decrease was mainly due to higher net allowances for impairment losses on loans, advances, financing and other debts of RM1,647.0 million and net allowances for impairment losses on financial investments and other financial assets of RM6.3 million from net writeback of RM7.8 million. The decreases were, however, mitigated by higher other operating income of RM358.4 million, lower overhead expenses of RM161.9 million, higher share of profits in associates and joint ventures of RM59.3 million and higher net interest income and income from IBS operations of RM53.4 million.

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

Group Investment Banking's profit before taxation and zakat decreased by RM135.8 million or 60.4% to RM89.2 million for the financial year ended 31 December 2019 from RM225.0 million for the previous corresponding financial year ended 31 December 2018. The decrease was mainly due to lower other operating income of RM46.7 million, higher overhead expenses of RM44.6 million, lower net interest income and income from IBS operations of RM33.3 million, net allowance for impairment losses on loans, advances, financing and other debts of RM7.9 million from net writeback of RM11.1 million. The decreases were, however, mitigated by higher net writeback of impairment losses on financial investments and other financial assets of RM7.0 million and higher share of profits in associates and joint ventures of RM0.8 million.

**c) Group Asset Management**

Group Asset Management recorded a profit before taxation and zakat of RM51.6 million for the financial year ended 31 December 2019 compared to a loss before taxation and zakat of RM86.5 million for the previous corresponding financial year ended 31 December 2018. The profit was mainly due to higher other operating income of RM79.2 million, higher net allowance for impairment losses on financial investments and other financial assets of RM41.0 million in the previous corresponding financial year ended 31 December 2018, lower overhead expenses of RM18.3 million and higher net writeback of impairment losses on loans, advances, financing and other debts of RM0.7 million. The increases were, however, offset by lower net interest income and income from IBS operations of RM1.2 million.

**Group Insurance and Takaful**

Group Insurance and Takaful's profit before taxation and zakat increased by RM148.4 million or 18.6% to RM944.4 million for the financial year ended 31 December 2019 from RM796.0 million for the previous corresponding financial year ended 31 December 2018. The increase was contributed mainly by higher other operating income of RM1,880.5 million, higher net earned insurance premiums of RM827.1 million and higher net interest income of RM123.8 million. The increases were, however offset by higher net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM2,517.9 million, higher overhead expenses of RM120.3 million, net allowance for impairment losses on financial investments and other financial assets of RM31.7 million from net writeback of RM5.3 million and net allowance for impairment losses on loans, advances, financing and other debts of RM3.4 million from net writeback of RM4.5 million.

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

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

The Group posted profit after tax attributable to equity holders of RM2,449.1 million for the quarter ended 31 December 2019, an increase of RM122.8 million or 5.3% compared to the previous period corresponding quarter ended 31 December 2018.

The Group's net interest income and Islamic Banking income for the quarter ended 31 December 2019 increased by RM61.2 million or 1.3% to RM4,669.3 million compared to the previous period corresponding quarter ended 31 December 2018.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries for the quarter ended 31 December 2019 increased by RM259.0 million or 17.2% to RM1,761.2 million compared to the previous period corresponding quarter ended 31 December 2018.

The Group's other operating income increased by RM278.2 million to RM1,470.8 million for the quarter ended 31 December 2019 compared to the previous period corresponding quarter ended 31 December 2018. The increase was mainly contributed by net gain in investment income of RM185.5 million for the quarter ended 31 December 2019 as compared to net loss in investment income of RM352.6 million for the previous period corresponding quarter ended 31 December 2018. The increase was, however, offset by realised loss on financial liabilities at FVTPL of RM283.2 million for the quarter ended 31 December 2019.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund for the quarter ended 31 December 2019 increased by RM438.1 million to RM1,408.4 million compared to the previous period corresponding quarter ended 31 December 2018. The increase was mainly attributable to higher net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM501.0 million.

The Group's overhead expenses for the quarter ended 31 December 2019 decreased by RM131.0 million or 4.2% to RM2,969.1 million compared to the previous period corresponding quarter ended 31 December 2018. The decrease was mainly contributed by the decrease in personnel expenses of RM149.5 million, offset by higher establishment cost of RM11.4 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM252.5 million to RM333.9 million for the quarter ended 31 December 2019 compared to the previous period corresponding quarter ended 31 December 2018.

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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 2019 compared to the previous period corresponding quarter ended 31 December 2018 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 RM612.0 million or 49.0% to RM1,868.9 million for the quarter ended 31 December 2019 from RM1,256.9 million for the previous period corresponding quarter ended 31 December 2018. The increase was mainly due to net writeback of impairment losses on loans, advances, financing and other debts of RM212.2 million from net allowance of RM224.6 million, higher other operating income of RM63.2 million, higher net interest income and income from IBS operations of RM56.8 million and lower overhead expenses of RM54.6 million.

**Group Global Banking**

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

Group Corporate Banking & Global Markets's profit before taxation and zakat decreased by RM682.1 million or 37.6% to RM1,130.0 million for the quarter ended 31 December 2019 from RM1,812.1 million for the previous period corresponding quarter ended 31 December 2018. The decrease was mainly due to net allowance for impairment losses on loans, advances, financing and other debts of RM553.8 million from net writeback of RM143.9 million, lower other operating income of RM129.3 million and lower net interest income and income from IBS operations of RM50.3 million. The decreases were, however, mitigated by lower overhead expenses of RM85.1 million, net writeback of impairment losses on financial investments and other financial assets of RM32.6 million from net allowance of RM64.7 million and higher share of profits in associates and joint ventures of RM12.9 million.

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

Group Investment Banking's recorded a profit before taxation and zakat of RM96.5 million for the quarter ended 31 December 2019 compared to a loss before taxation and zakat of RM2.3 million for the previous period corresponding quarter ended 31 December 2018. The profit was mainly due to higher other operating income of RM90.2 million, higher net writeback of impairment losses on financial investments and other financial assets of RM8.3 million, net writeback of impairment losses on loans, advances, financing and other debts of RM0.8 million from net allowance of RM2.7 million, lower overhead expenses of RM0.9 million and higher share of profits in associates and joint ventures of RM0.4 million. The profit was, however, offset by lower net interest income and income from IBS operations of RM4.5 million.

**c) Group Asset Management**

Group Asset Management's recorded a profit before taxation and zakat of RM10.1 million for the quarter ended 31 December 2019 compared to a loss before taxation and zakat of RM14.7 million for the previous period corresponding quarter ended 31 December 2018. The profit was mainly due to lower net allowance for impairment losses on financial investments and other financial assets of RM20.4 million, higher other operating income of RM7.4 million, lower net allowance for impairment losses on loans, advances, financing and other debts of RM0.7 million and lower overhead expenses of RM0.1 million. The profit was, however, offset by lower net interest income and income from IBS operations of RM3.8 million.

**Group Insurance and Takaful**

Group Insurance and Takaful's profit before taxation and zakat decreased by RM17.2 million or 5.0% to RM327.8 million for the quarter ended 31 December 2019 from RM345.0 million for the previous period corresponding quarter ended 31 December 2018. The decrease was mainly contributed by higher net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM448.4 million, higher net allowance for impairment losses on financial investments and other financial assets of RM14.8 million and higher overhead expenses of RM9.2 million. The decreases were, however, mitigated by, higher net earned insurance premiums of RM259.0 million, higher other operating income of RM176.6 million, higher net interest income and income from IBS operations of RM15.4 million and higher net writeback of impairment losses on loans, advances, financing and other debts of RM4.2 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 2019 increased by RM450.3 million to RM2,449.1 million against the preceding quarter ended 30 September 2019 of RM1,998.8 million.

The Group's net interest income for the quarter ended 31 December 2019 decreased by RM76.1 million to RM3,083.9 million against the preceding quarter of RM3,160.0 million. Income from Islamic Banking Scheme operations increased by RM90.9 million to RM1,585.5 million for the quarter ended 31 December 2019 compared to RM1,494.6 million in the preceding quarter ended 30 September 2019.

The Group's net earned insurance premiums for the quarter ended 31 December 2019 increased by RM12.1 million to RM1,761.2 million compared to RM1,749.1 million in the preceding quarter ended 30 September 2019.

Other operating income of the Group for the quarter ended 31 December 2019 decreased by RM677.8 million to RM1,470.8 million compared to RM2,148.6 million in the preceding quarter ended 30 September 2019. The decrease was mainly due to lower net investment income of RM620.2 million, higher realised loss on derivatives of RM344.4 million as compared to realised gain on derivatives in the preceding quarter ended 30 September 2019 and higher realised loss on financial liabilities at FVTPL of RM283.1 million. The decreases were, however, mitigated by higher unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM605.4 million.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund decreased by RM645.6 million to RM1,408.4 million for the quarter ended 31 December 2019 compared to RM2,054.0 million in the preceding quarter ended 30 September 2019. The decrease was mainly due to lower net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM570.0 million.

The Group posted an increase of RM5.5 million in overhead expenses to RM2,969.1 million for the quarter ended 31 December 2019 compared to RM2,963.6 million in the preceding quarter ended 30 September 2019. The increase was mainly due to higher establishment costs of RM54.1 million, higher administration and general expenses of RM40.0 million. The increase was, however, mitigated by lower personnel expenses of RM78.5 million and lower marketing expenses of RM10.0 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts decreased by RM624.1 million to RM333.9 million for the quarter ended 31 December 2019 compared to RM958.0 million in the preceding quarter ended 30 September 2019.

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**B3. Prospects**

Notwithstanding the US-China “Phase 1” trade deal that de-escalates US-China trade tension, there are downside risks to global economic growth (2019E: +3.0%), namely from the novel coronavirus (“COVID-19”) outbreak, the US Presidential Election in November 2020 and escalating tension in the Middle East. A slowing global Gross Domestic Product (“GDP”) growth is expected to be led by major advanced economies including the US (2020E: +1.9%; 2019: +2.4%) and Japan (2020E: +0.5%; 2019: +1.0%), as well as large emerging markets such as China (2020E: +5.3%; 2019: +6.1%).

Meanwhile, ASEAN-6 growth is anticipated to remain steady at 4.3% in 2020 (2019: +4.3%) driven by the effects of monetary and fiscal stimulus on domestic demand which should offset the external uncertainties and volatilities.

For Malaysia, growth is expected to be at 4.0% in 2020 (2019: 4.3%), reflecting the impact of the COVID-19 outbreak. Factors mitigating this impact are further monetary policy easing by Bank Negara Malaysia (“BNM”), higher Government development expenditure and procurement spending, faster work progress of major infrastructure projects, as well as additional measures to provide relief to industries and sectors hardest hit by the COVID-19 outbreak.

Singapore's GDP growth in 2020 is projected at 1.1% (2019: +0.7%), as it is expected to be affected by the COVID-19 outbreak and border control measures which will affect the hospitality, travel and retail sectors, as well as delay the recovery of manufacturing and exports. Growth will likely rebound once the outbreak is contained. In addition, Monetary Authority of Singapore (“MAS”) is expected to maintain its policy of slower SGD Nominal Effective Exchange Rate (“SGD NEER”) appreciation. Budget 2020 provides fiscal relief for businesses that are directly affected by COVID-19, as well as targeted assistance for the lower and middle-income households.

Stable growth momentum is expected for Indonesia in 2020 with real GDP forecasted at 5.0% (2019: 5.0%) from sustained private consumption and improvement in investment activities. The monetary policy will remain accommodative with potentially up to 50 bps cut in the benchmark interest rate. The second term of President Joko Widodo also raises the prospect of economic reforms to spur Foreign Direct Investment (“FDI”) and private investment, through more business-friendly labour laws and lower corporate taxes.

Amid moderating global growth and a weaker external environment, Maybank Group will remain selective in its balance sheet expansion in tandem with the Group's risk appetite. The Group will leverage on its diversified franchise to drive revenue growth and maintain discipline in the pricing of assets and liabilities. We will also look to enhance customers' experience through digital innovations and by up-skilling our workforce to improve productivity.

Meanwhile, Maybank Group will maintain its ongoing cost discipline given the low growth environment and proactively engage with customers on asset quality management given the softer economic landscape. Capital and liquidity will remain key priorities for Maybank Group.

Barring any unforeseen circumstances, Maybank Group expects its financial performance for 2020 to be satisfactory in line with the expected growth prospects of its key home markets. The Group has set its Headline Key Performance Indicator (“KPI”) for Return on Equity (“ROE”) of 10.0% to 11.0%.

**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 2019.

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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 2019 are as follows:

<b>Group</b>	<b>Unaudited</b>		<b>Audited</b>	
	<b>Fourth Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	726,337	651,643	2,223,370	2,582,593
Foreign income tax	122,057	140,329	378,256	410,350
	<b>848,394</b>	<b>791,972</b>	<b>2,601,626</b>	<b>2,992,943</b>
Under/(over) provision in respect of prior period/year:				
Malaysian income tax	177,468	(45,146)	143,175	(79,168)
Foreign income tax	(168,783)	(4,683)	(178,728)	(13,255)
	<b>857,079</b>	<b>742,143</b>	<b>2,566,073</b>	<b>2,900,520</b>
Deferred tax				
- Relating to origination and reversal of temporary differences	(184,725)	(117,125)	(67,263)	(396,032)
Tax expense for the financial period/year	672,354	625,018	2,498,810	2,504,488
Zakat	23,386	19,777	39,421	40,922
	<b>695,740</b>	<b>644,795</b>	<b>2,538,231</b>	<b>2,545,410</b>

The Group's effective tax rate for the financial period/year ended 31 December 2019 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.

<b>Bank</b>	<b>Unaudited</b>		<b>Audited</b>	
	<b>Fourth Quarter Ended</b>		<b>Cumulative 12 Months Ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	286,739	203,646	1,107,255	1,499,417
Foreign income tax	719	1,787	9,730	6,978
	<b>287,458</b>	<b>205,433</b>	<b>1,116,985</b>	<b>1,506,395</b>
Under/(over) provision in respect of prior period/year:				
Malaysian income tax	177,463	(26,481)	177,463	(26,481)
Foreign income tax	(171,632)	(369)	(177,138)	(8,408)
	<b>293,289</b>	<b>178,583</b>	<b>1,117,310</b>	<b>1,471,506</b>
Deferred tax				
- Relating to origination and reversal of temporary differences	(30,782)	151,110	18,773	(30,891)
Tax expense for the financial period/year	262,507	329,693	1,136,083	1,440,615

The Bank's effective tax rate for the financial period/year ended 31 December 2019 was lower than the statutory tax rate due to certain income not subject to tax.

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



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

There are no corporate proposals announced but not completed during the financial year ended 31 December 2019.

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

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

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

Please refer to Note A14, A15, A16, A17 and A41g.

**B9. Derivative Financial Instruments**

Please refer to Note A37.

**B10. Changes in Material Litigation**

There is no material litigation during the financial year ended 31 December 2019.

**B11. Dividend**

**(i) Proposed final dividend**

At the forthcoming Annual General Meeting, a single-tier final cash dividend in respect of the current financial year ended 31 December 2019 of 39 sen single-tier dividend per ordinary share, amounting to a net dividend payable of RM4,384,131,136 (based on 11,241,361,887 ordinary shares in issue as at 31 December 2019) will be proposed for the shareholders' approval.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the final 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 2019 are as follows:

- a) Single-tier interim cash dividend of 25 sen per ordinary share declared on 29 August 2019 and paid on 2 October 2019; and
- b) Proposed single-tier final cash dividend of 39 sen per ordinary share, subject to shareholders' approval.

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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.

	<b>Unaudited</b>		<b>Audited</b>	
	<b>Fourth Quarter Ended</b>	<b>31 December</b>	<b>Cumulative 12 Months Ended</b>	<b>31 December</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Net profit for the financial period/year attributable to equity holders of the Bank (RM'000)	<b>2,449,130</b>	2,326,355	<b>8,198,074</b>	8,113,260
Weighted average number of ordinary shares in issue ('000)	<b>11,241,362</b>	11,049,683	<b>11,161,496</b>	10,933,614
Basic earnings per share	<b>21.79 sen</b>	21.05 sen	<b>73.45 sen</b>	74.20 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  
27 February 2020