

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020**

<b>Group</b>	<b>Note</b>	<b>Second Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
		<b>30 June 2020 RM'000</b>	<b>30 June 2019 RM'000</b>	<b>30 June 2020 RM'000</b>	<b>30 June 2019 RM'000</b>
Interest income	A21	4,921,717	6,019,275	10,472,285	12,053,746
Interest expense	A22	(2,223,859)	(3,121,713)	(4,863,266)	(6,202,644)
Net interest income		<b>2,697,858</b>	2,897,562	<b>5,609,019</b>	5,851,102
Income from Islamic Banking Scheme operations	A41a	1,251,627	1,402,940	2,872,397	2,899,558
Net earned insurance premiums	A23	1,740,883	1,623,843	3,685,821	3,250,389
Other operating income	A25	2,427,426	1,979,797	3,760,531	3,657,661
Total operating income		<b>8,117,794</b>	7,904,142	<b>15,927,768</b>	15,658,710
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A26	(2,469,248)	(2,014,417)	(3,555,052)	(3,908,942)
Net operating income		<b>5,648,546</b>	5,889,725	<b>12,372,716</b>	11,749,768
Overhead expenses	A27	(2,706,339)	(2,821,684)	(5,648,346)	(5,629,258)
Operating profit before impairment losses		<b>2,942,207</b>	3,068,041	<b>6,724,370</b>	6,120,510
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(1,739,267)	(391,644)	(2,700,934)	(995,638)
Allowances for impairment losses on financial investments, net	A29	(9,151)	(23,912)	(43,917)	(48,521)
Writeback of/(allowances for) impairment losses on other financial assets, net	A30	7,687	(36,743)	(20,156)	(45,463)
Operating profit		<b>1,201,476</b>	2,615,742	<b>3,959,363</b>	5,030,888
Share of profits in associates and joint ventures		54,271	35,846	94,138	71,131
<b>Profit before taxation and zakat</b>		<b>1,255,747</b>	2,651,588	<b>4,053,501</b>	5,102,019
Taxation and zakat	B5	(229,111)	(663,507)	(984,973)	(1,239,121)
<b>Profit for the financial period</b>		<b>1,026,636</b>	1,988,081	<b>3,068,528</b>	3,862,898
<b>Attributable to:</b>					
Equity holders of the Bank		941,732	1,940,871	2,991,382	3,750,135
Non-controlling interests		84,904	47,210	77,146	112,763
		<b>1,026,636</b>	1,988,081	<b>3,068,528</b>	3,862,898
<b>Earnings per share attributable to equity holders of the Bank</b>					
Basic/diluted	B12	<b>8.38 sen</b>	17.46 sen	<b>26.61 sen</b>	33.84 sen

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020**

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Profit for the financial period</b>	<b>1,026,636</b>	1,988,081	<b>3,068,528</b>	3,862,898
<b>Other comprehensive (loss)/income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial (loss)/gain	(6,063)	4,263	(6,228)	3,911
Income tax effect	(755)	3	(755)	147
Net (loss)/gain from change in fair value on equity instruments at fair value through other comprehensive income	(17,697)	12,210	43,265	14,174
	<b>(24,515)</b>	16,476	<b>36,282</b>	18,232
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain on debt instruments at fair value through other comprehensive income	1,463,159	904,936	1,132,513	2,177,767
- Net gain from change in fair value	1,566,414	1,186,334	1,038,424	2,550,082
- Changes in expected credit losses	266,219	4,580	307,666	236,739
- Income tax effect	(369,474)	(285,978)	(213,577)	(609,054)
Net gain on foreign exchange translation	1,730,888	590,172	667,239	458,003
Net gain/(loss) on cash flow hedge	55	(411)	1	(151)
Net gain/(loss) on net investment hedge	948	(1,898)	(7,154)	(57)
Net gain on fair value hedge	5,173	6,386	20,634	6,386
Net loss on capital reserve	(742)	-	(962)	-
Share of change in associates' reserve	10,615	(204,466)	33,975	(282,976)
	<b>3,210,096</b>	1,294,719	<b>1,846,246</b>	2,358,972
Other comprehensive income for the financial period, net of tax	<b>3,185,581</b>	1,311,195	<b>1,882,528</b>	2,377,204
<b>Total comprehensive income for the financial period</b>	<b>4,212,217</b>	3,299,276	<b>4,951,056</b>	6,240,102
<b>Other comprehensive income for the financial period, attributable to:</b>				
Equity holders of the Bank	3,142,299	1,288,670	1,877,183	2,342,521
Non-controlling interests	43,282	22,525	5,345	34,683
	<b>3,185,581</b>	1,311,195	<b>1,882,528</b>	2,377,204
<b>Total comprehensive income for the financial period, attributable to:</b>				
Equity holders of the Bank	4,084,031	3,229,541	4,868,565	6,092,656
Non-controlling interests	128,186	69,735	82,491	147,446
	<b>4,212,217</b>	3,299,276	<b>4,951,056</b>	6,240,102

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020**

<b>Bank</b>	<b>Note</b>	<b>Second Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
		<b>30 June 2020 RM'000</b>	<b>30 June 2019 RM'000</b>	<b>30 June 2020 RM'000</b>	<b>30 June 2019 RM'000</b>
Interest income	A21	3,286,871	4,021,210	7,042,806	8,110,273
Interest expense	A22	(1,446,389)	(2,162,886)	(3,253,380)	(4,359,664)
Net interest income		1,840,482	1,858,324	3,789,426	3,750,609
Dividends from subsidiaries	A24	1,604,017	1,735,163	2,079,308	1,735,163
Other operating income	A25	775,798	966,274	2,531,615	1,719,702
		2,379,815	2,701,437	4,610,923	3,454,865
Net operating income		4,220,297	4,559,761	8,400,349	7,205,474
Overhead expenses	A27	(1,152,962)	(1,180,548)	(2,284,361)	(2,295,344)
Operating profit before impairment losses		3,067,335	3,379,213	6,115,988	4,910,130
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(955,172)	(180,385)	(1,734,824)	(727,204)
Writeback of/(allowances for) impairment losses on financial investments, net	A29	1,792	(15,393)	(23,991)	(48,209)
Allowances for impairment losses on other financial assets, net	A30	(981)	(29,712)	(10,844)	(17,367)
<b>Profit before taxation and zakat</b>		2,112,974	3,153,723	4,346,329	4,117,350
Taxation and zakat	B5	(88,849)	(330,738)	(542,090)	(566,448)
<b>Profit for the financial period</b>		2,024,125	2,822,985	3,804,239	3,550,902

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020**

<u>Bank</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Profit for the financial period</b>	<b>2,024,125</b>	<b>2,822,985</b>	<b>3,804,239</b>	<b>3,550,902</b>
<b>Other comprehensive (loss)/income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain from change in fair value on equity instruments at fair value through other comprehensive income	<b>(21,816)</b>	<b>(4,639)</b>	<b>46,770</b>	<b>(3,963)</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain on debt instruments at fair value through other comprehensive income	<b>1,118,875</b>	<b>721,408</b>	<b>825,454</b>	<b>1,793,158</b>
- Net gain from change in fair value	<b>1,114,000</b>	<b>946,188</b>	<b>678,093</b>	<b>2,040,030</b>
- Changes in expected credit losses	<b>266,988</b>	<b>1,905</b>	<b>303,900</b>	<b>242,758</b>
- Income tax effect	<b>(262,113)</b>	<b>(226,685)</b>	<b>(156,539)</b>	<b>(489,630)</b>
Net gain on foreign exchange translation	<b>43,820</b>	<b>104,300</b>	<b>194,434</b>	<b>35,948</b>
Net gain on fair value hedge	<b>5,173</b>	<b>6,386</b>	<b>20,634</b>	<b>6,386</b>
	<b>1,167,868</b>	<b>832,094</b>	<b>1,040,522</b>	<b>1,835,492</b>
Other comprehensive income for the financial period, net of tax	<b>1,146,052</b>	<b>827,455</b>	<b>1,087,292</b>	<b>1,831,529</b>
<b>Total comprehensive income for the financial period</b>	<b>3,170,177</b>	<b>3,650,440</b>	<b>4,891,531</b>	<b>5,382,431</b>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Note	Group		Bank	
		30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>ASSETS</b>					
Cash and short-term funds		45,935,180	46,469,074	21,844,178	19,040,534
Deposits and placements with financial institutions		16,421,945	14,093,218	15,804,151	28,287,338
Financial assets purchased under resale agreements		14,015,842	13,639,082	11,898,168	11,297,036
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	13,804,571	14,323,303	-	-
Financial investments at fair value through profit or loss	A10(ii)	21,701,939	20,370,865	14,637,344	12,912,823
Financial investments at fair value through other comprehensive income	A10(iii)	123,082,106	123,351,533	81,694,380	80,798,700
Financial investments at amortised cost	A10(iv)	45,473,469	34,784,476	38,920,732	32,574,918
Loans, advances and financing to financial institutions	A11(i)	966,758	1,128,618	30,826,493	19,400,239
Loans, advances and financing to customers	A11(ii)	508,466,489	512,291,092	201,633,803	207,188,981
Derivative assets	A37	23,621,237	10,335,629	23,283,731	10,002,003
Reinsurance/retakaful assets and other insurance receivables	A12	5,052,918	4,232,089	-	-
Other assets	A13	12,241,003	9,479,084	5,433,213	4,943,190
Investment properties		922,231	921,471	-	-
Statutory deposits with central banks		6,949,026	15,052,752	1,593,616	4,100,932
Investment in subsidiaries		-	-	31,078,114	31,559,247
Interest in associates and joint ventures		2,577,225	2,490,548	440,730	440,730
Property, plant and equipment		2,255,895	2,335,798	975,511	1,014,286
Right-of-use assets		1,522,055	1,548,208	454,576	438,254
Intangible assets		6,902,736	6,836,463	353,325	361,135
Deferred tax assets		821,339	729,712	-	-
<b>TOTAL ASSETS</b>		<b>852,733,964</b>	<b>834,413,015</b>	<b>480,872,065</b>	<b>464,360,346</b>
<b>LIABILITIES</b>					
Customers' funding:					
- Deposits from customers	A14	550,791,015	544,530,912	247,261,283	242,757,617
- Investment accounts of customers <sup>1</sup>	A41g	22,537,623	20,737,670	-	-
Deposits and placements from financial institutions	A15	36,121,318	43,557,209	41,682,986	51,354,535
Obligations on financial assets sold under repurchase agreements		12,001,801	13,978,744	31,299,086	28,293,032
Derivative liabilities	A37	22,512,502	11,182,307	22,011,538	10,588,278
Financial liabilities at fair value through profit or loss	A16	9,828,570	6,530,753	9,828,570	6,530,753
Bills and acceptances payable		1,421,847	1,291,814	458,019	479,662
Insurance/takaful contract liabilities and other insurance payables	A18	33,256,076	30,885,630	-	-
Other liabilities	A19	23,249,865	21,569,527	9,894,005	7,952,408
Recourse obligation on loans and financing sold to Cagamas		-	1,526,225	-	1,526,225
Provision for taxation and zakat		381,950	187,061	58,627	-
Deferred tax liabilities		1,405,584	878,276	448,968	185,495
Borrowings	A17(i)	42,406,898	41,339,415	35,250,991	32,645,025
Subordinated obligations	A17(ii)	9,419,265	9,321,125	9,252,006	9,156,816
Capital securities	A17(iii)	2,827,458	2,827,123	2,827,458	2,827,123
<b>TOTAL LIABILITIES</b>		<b>768,161,772</b>	<b>750,343,791</b>	<b>410,273,537</b>	<b>394,296,969</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**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020**

	Note	Group		Bank	
		30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK</b>					
Share capital		48,280,355	48,280,355	48,280,355	48,280,355
Retained profits		26,391,179	27,162,899	15,034,012	15,223,022
Reserves		7,411,589	6,127,684	7,284,161	6,560,000
		<b>82,083,123</b>	81,570,938	<b>70,598,528</b>	70,063,377
<b>Non-controlling interests</b>		<b>2,489,069</b>	2,498,286	-	-
		<b>84,572,192</b>	84,069,224	<b>70,598,528</b>	70,063,377
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>852,733,964</b>	834,413,015	<b>480,872,065</b>	464,360,346
<b>COMMITMENTS AND CONTINGENCIES</b>	A35	<b>1,365,819,266</b>	1,208,622,674	<b>1,280,432,753</b>	1,125,439,598
<b><u>CAPITAL ADEQUACY</u></b>	A36				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		15.431%	15.729%	15.442%	15.314%
Tier 1 Capital Ratio		16.175%	16.486%	16.235%	16.120%
Total Capital Ratio		19.042%	19.387%	18.811%	19.387%
Net assets per share attributable to equity holders of the Bank		<b>RM7.30</b>	RM7.26	<b>RM6.28</b>	RM6.23

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020**

<===== 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 2020</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>
Profit for the financial period	-	-	-	-	-	-	-	2,991,382	2,991,382	77,146	3,068,528
Other comprehensive income	-	-	-	1,247,128	624,511	-	5,544	-	1,877,183	5,345	1,882,528
Defined benefit plan actuarial (loss)/gain	-	-	-	-	-	-	(7,016)	-	(7,016)	33	(6,983)
Share of associates' reserve	-	-	-	73,775	(39,800)	-	-	-	33,975	-	33,975
Net gain on foreign exchange translation	-	-	-	-	664,311	-	-	-	664,311	2,928	667,239
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,173,353	-	-	-	-	1,173,353	2,425	1,175,778
Net loss on net investment hedge	-	-	-	-	-	-	(7,154)	-	(7,154)	-	(7,154)
Net gain on cash flow hedge	-	-	-	-	-	-	1	-	1	-	1
Net gain on fair value hedge	-	-	-	-	-	-	20,634	-	20,634	-	20,634
Net loss on capital reserve	-	-	-	-	-	-	(921)	-	(921)	(41)	(962)
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,247,128</b>	<b>624,511</b>	<b>-</b>	<b>5,544</b>	<b>2,991,382</b>	<b>4,868,565</b>	<b>82,491</b>	<b>4,951,056</b>
<b>Carried forward</b>	<b>48,280,355</b>	<b>279,355</b>	<b>2,771,806</b>	<b>4,220,279</b>	<b>1,024,337</b>	<b>37,195</b>	<b>(328,105)</b>	<b>30,154,281</b>	<b>86,439,503</b>	<b>2,580,777</b>	<b>89,020,280</b>

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**CONDENSED FINANCIAL STATEMENTS**  
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**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020**

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

<u>Group (cont'd.)</u>	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Other Reserves <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>	48,280,355	279,355	2,771,806	4,220,279	1,024,337	37,195	(328,105)	30,154,281	86,439,503	2,580,777	89,020,280
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(2,961)	-	-	-	2,961	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	27,751	-	-	27,751	-	27,751
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	(2,991)	(2,991)
Transfer to statutory reserve	-	37,007	-	-	-	-	-	(37,007)	-	-	-
Transfer from regulatory reserve	-	-	(655,075)	-	-	-	-	655,075	-	-	-
Dividends paid (Note A9(a) & (b))	-	-	-	-	-	-	-	(4,384,131)	(4,384,131)	(88,717)	(4,472,848)
<b>Total transactions with shareholders/ other equity movements</b>	-	37,007	(655,075)	(2,961)	-	27,751	-	(3,763,102)	(4,356,380)	(91,708)	(4,448,088)
<b>At 30 June 2020</b>	48,280,355	316,362	2,116,731	4,217,318	1,024,337	64,946	(328,105)	26,391,179	82,083,123	2,489,069	84,572,192

<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 RM550.4 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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**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020**

<===== 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 Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP 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 2019</b>	46,747,442	239,009	2,127,290	457,045	113,510	-	(339,752)	25,985,583	75,330,127	2,407,133	77,737,260
Profit for the financial period	-	-	-	-	-	-	-	3,750,135	3,750,135	112,763	3,862,898
Other comprehensive income/(loss)	-	-	-	2,159,789	173,357	-	9,375	-	2,342,521	34,683	2,377,204
Defined benefit plan actuarial loss	-	-	-	-	-	-	3,197	-	3,197	861	4,058
Share of associates' reserve	-	-	-	(5,171)	(277,805)	-	-	-	(282,976)	-	(282,976)
Net (loss)/gain on foreign exchange translation	-	-	-	-	451,162	-	-	-	451,162	6,841	458,003
Net gain on financial investments at fair value through other comprehensive income	-	-	-	2,164,960	-	-	-	-	2,164,960	26,981	2,191,941
Net loss on net investment hedge	-	-	-	-	-	-	(57)	-	(57)	-	(57)
Net loss on cash flow hedge	-	-	-	-	-	-	(151)	-	(151)	-	(151)
Net gain on fair value hedge	-	-	-	-	-	-	6,386	-	6,386	-	6,386
<b>Total comprehensive income for the financial period</b>	-	-	-	2,159,789	173,357	-	9,375	3,750,135	6,092,656	147,446	6,240,102
<b>Carried forward</b>	46,747,442	239,009	2,127,290	2,616,834	286,867	-	(330,377)	29,735,718	81,422,783	2,554,579	83,977,362

**MALAYAN BANKING BERHAD**  
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**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020**

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

<u>Group (cont'd.)</u>	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Other Reserves <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>	46,747,442	239,009	2,127,290	2,616,834	286,867	-	(330,377)	29,735,718	81,422,783	2,554,579	83,977,362
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(44)	-	-	-	44	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	15,324	-	-	15,324	-	15,324
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	30,959	30,959
Transfer to statutory reserve	-	33,705	-	-	-	-	-	(33,705)	-	-	-
Transfer to regulatory reserve	-	-	477,714	-	-	-	-	(477,714)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	1,533,431	-	-	-	-	-	-	-	1,533,431	-	1,533,431
Dividends paid	-	-	-	-	-	-	-	(3,535,899)	(3,535,899)	(101,805)	(3,637,704)
<b>Total transactions with shareholders/ other equity movements</b>	<b>1,533,431</b>	<b>33,705</b>	<b>477,714</b>	<b>(44)</b>	<b>-</b>	<b>15,324</b>	<b>-</b>	<b>(4,047,274)</b>	<b>(1,987,144)</b>	<b>(70,846)</b>	<b>(2,057,990)</b>
<b>At 30 June 2019</b>	<b>48,280,873</b>	<b>272,714</b>	<b>2,605,004</b>	<b>2,616,790</b>	<b>286,867</b>	<b>15,324</b>	<b>(330,377)</b>	<b>25,688,444</b>	<b>79,435,639</b>	<b>2,483,733</b>	<b>81,919,372</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 RM719.5 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 unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

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FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020

<===== 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 2020</b>	48,280,355	59,502	1,894,921	2,260,271	2,308,456	37,195	(345)	15,223,022	70,063,377
Profit for the financial period	-	-	-	-	-	-	-	3,804,239	3,804,239
Other comprehensive income	-	-	-	872,224	194,434	-	20,634	-	1,087,292
Net gain on foreign exchange translation	-	-	-	-	194,434	-	-	-	194,434
Net gain on financial investments at fair value through other comprehensive income	-	-	-	872,224	-	-	-	-	872,224
Net gain on fair value hedge	-	-	-	-	-	-	20,634	-	20,634
<b>Total comprehensive income for the financial period</b>	-	-	-	872,224	194,434	-	20,634	3,804,239	4,891,531
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	27,751	-	-	27,751
Transfer to statutory reserve	-	8,539	-	-	-	-	-	(8,539)	-
Transfer from regulatory reserve	-	-	(399,421)	-	-	-	-	399,421	-
Dividends paid (Note A9(a))	-	-	-	-	-	-	-	(4,384,131)	(4,384,131)
<b>Total transactions with shareholders/ other equity movements</b>	-	8,539	(399,421)	-	-	27,751	-	(3,993,249)	(4,356,380)
<b>At 30 June 2020</b>	48,280,355	68,041	1,495,500	3,132,495	2,502,890	64,946	20,289	15,034,012	70,598,528

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

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UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020

<===== 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 period	-	-	-	-	-	-	-	3,550,902	3,550,902
Other comprehensive income	-	-	-	1,789,195	35,948	-	6,386	-	1,831,529
Net gain on foreign exchange translation	-	-	-	-	35,948	-	-	-	35,948
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,789,195	-	-	-	-	1,789,195
Net gain on fair value hedge	-	-	-	-	-	-	6,386	-	6,386
<b>Total comprehensive income for the financial period</b>	-	-	-	1,789,195	35,948	-	6,386	3,550,902	5,382,431
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(44)	-	-	-	44	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	15,324	-	-	15,324
Transfer to statutory reserve	-	1,015	-	-	-	-	-	(1,015)	-
Transfer to regulatory reserve	-	-	203,310	-	-	-	-	(203,310)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	1,533,431	-	-	-	-	-	-	-	1,533,431
Dividends paid	-	-	-	-	-	-	-	(3,535,899)	(3,535,899)
<b>Total transactions with shareholders/ other equity movements</b>	1,533,431	1,015	203,310	(44)	-	15,324	-	(3,740,180)	(1,987,144)
<b>At 30 June 2019</b>	48,280,873	54,047	1,982,307	2,068,483	2,364,650	15,324	6,386	14,212,484	68,984,554

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020**

	Group		Bank	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation and zakat	4,053,501	5,102,019	4,346,329	4,117,350
Adjustments for:				
Share of profits in associates and joint ventures	(94,138)	(71,131)	-	-
Depreciation of property, plant and equipment	154,014	148,737	51,552	61,997
Depreciation of right-of-use assets	223,455	182,007	59,760	53,578
Amortisation of intangible assets	140,311	120,054	28,020	23,749
Gain on disposal of property, plant and equipment	(11,477)	(2,079)	(10,926)	(23)
Net loss on disposal of subsidiary	10,160	-	-	-
Net loss on disposal of deemed controlled structured entities	-	-	-	1,222
Net gain on dilution of interest in associates	-	(1,836)	-	(1,696)
Net loss/(gain) on disposal of financial assets at fair value through profit or loss	283,419	(202,766)	(102,390)	(121,096)
Net gain on disposal of financial investments at fair value through other comprehensive income	(1,547,468)	(418,853)	(1,174,692)	(359,977)
Unrealised gain on revaluation of financial assets at fair value through profit or loss and derivatives	(960,057)	(1,239,860)	(737,046)	(275,804)
Unrealised loss on revaluation of financial liabilities at fair value through profit or loss	290,176	818,033	290,176	818,734
Unrealised (gain)/loss on revaluation of loans, advances and financing at fair value through profit or loss	(952)	561	(952)	561
Allowances for impairment losses on loans, advances and financing, net	2,813,414	1,200,710	1,786,847	806,104
Allowances for impairment losses on other debts	1,960	6,352	154	12,444
Allowances for impairment losses on financial investments, net	43,917	48,976	23,991	48,209
Allowances for impairment losses on other financial assets, net	20,156	45,466	10,844	17,367
Dividend income	(55,122)	(48,743)	(2,082,500)	(1,739,155)
ESGP expenses	38,754	18,681	19,944	10,722
Other adjustments for non-operating and non-cash items	36,890	(73,720)	(153,235)	(541,441)
Operating profit before working capital changes	5,440,913	5,632,608	2,355,876	2,932,845
Change in deposits and placements with financial institutions with original maturity of more than three months	(1,823,013)	(5,031,021)	12,527,065	(4,708,928)
Change in cash and short-term funds with original maturity of more than three months	4,133,994	173,321	128,879	(251,132)
Change in financial investments portfolio	(8,887,554)	(12,649,236)	(6,954,060)	(10,247,667)
Change in loans, advances and financing	1,155,094	(7,059,510)	(4,518,665)	1,152,691
Change in statutory deposits with central banks	8,102,414	(958,006)	2,507,316	(449,577)
Change in deposits from customers	7,979,831	4,854,932	4,553,290	(8,200,077)
Change in investment accounts of customers	1,799,953	(1,912,284)	-	-
Change in deposits and placements from financial institutions	(7,435,891)	2,884,616	(9,671,549)	2,457,575
Change in financial liabilities at fair value through profit or loss	(5)	(1,476,152)	(5)	(1,091,166)
Change in reinsurance/retakaful assets and other insurance receivables	(828,140)	(465,449)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	2,370,446	2,620,951	-	-
Change in other operating activities	(4,670,751)	(8,310,842)	2,573,665	(4,034,596)
Cash generated from/(used in) operations	7,337,291	(21,696,072)	3,501,812	(22,440,032)
Taxes and zakat paid	(493,649)	(1,576,974)	(328,595)	(776,952)
Net cash generated from/(used in) operating activities	6,843,642	(23,273,046)	3,173,217	(23,216,984)

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**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2020**

	Group		Bank	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Cash flows from investing activities</b>				
Dividends received from:				
- financial investments portfolio	55,122	48,743	3,192	3,992
- subsidiaries	-	-	2,079,308	1,735,163
Purchase of property, plant and equipment	(63,632)	(82,618)	(11,059)	(27,708)
Purchase of intangible assets	(102,363)	(112,122)	(19,837)	(22,311)
Purchase of investment properties	(455)	(2,158)	-	-
Purchase of additional ordinary shares in existing subsidiaries	-	-	(732,788)	(194,029)
Proceeds from disposal of property, plant and equipment	484,641	3,780	11,841	24
Net effect arising from transaction with non-controlling interests	(2,991)	30,958	-	-
Net effect arising from acquisition of associate	-	(194,070)	-	-
Net effect arising from repayment of capital of a subsidiary	-	-	1,213,920	-
Net cash generated from/(used in) investing activities	<b>370,322</b>	<b>(307,487)</b>	<b>2,544,577</b>	<b>1,495,131</b>
<b>Cash flows from financing activities</b>				
Proceeds from issuance of shares	-	1,533,431	-	1,533,431
(Repayment)/drawdown of borrowings, net	(224,522)	4,714,915	287,077	5,151,286
Issuance of subordinated obligations	94,250	3,700,000	-	3,700,000
Redemption of subordinated obligations	-	(4,801,002)	-	(3,700,000)
Drawdown of financial liabilities at fair value through profit or loss	2,655,150	-	2,655,150	-
Redemption of financial liabilities at fair value through profit or loss	(60,328)	-	(60,328)	-
Repayment of lease liabilities	(63,936)	(190,506)	(17,672)	(50,816)
Recourse obligations on loans and financing sold to Cagamas, net	(1,526,225)	(16,104)	(1,526,225)	(16,104)
Dividends paid	(4,384,131)	(3,535,899)	(4,384,131)	(3,535,899)
Dividends paid to non-controlling interests	(88,717)	(101,805)	-	-
Net cash (used in)/generated from financing activities	<b>(3,598,459)</b>	<b>1,303,030</b>	<b>(3,046,129)</b>	<b>3,081,898</b>
Net increase/(decrease) in cash and cash equivalents	<b>3,615,505</b>	<b>(22,277,503)</b>	<b>2,671,665</b>	<b>(18,639,955)</b>
Cash and cash equivalents at beginning of period	<b>47,306,745</b>	<b>57,058,138</b>	<b>21,934,867</b>	<b>40,660,229</b>
Effects of foreign exchange rate changes	<b>494,237</b>	<b>99,077</b>	<b>306,236</b>	<b>58,046</b>
Cash and cash equivalents at end of period	<b>51,416,487</b>	<b>34,879,712</b>	<b>24,912,768</b>	<b>22,078,320</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and short-term funds	<b>45,949,002</b>	<b>40,398,104</b>	<b>21,852,984</b>	<b>19,806,041</b>
Deposits and placements with financial institutions	<b>16,466,113</b>	<b>9,867,149</b>	<b>15,832,689</b>	<b>16,965,488</b>
	<b>62,415,115</b>	<b>50,265,253</b>	<b>37,685,673</b>	<b>36,771,529</b>
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	<b>(10,998,628)</b>	<b>(15,385,541)</b>	<b>(12,772,905)</b>	<b>(14,693,209)</b>
Cash and cash equivalents at end of period	<b>51,416,487</b>	<b>34,879,712</b>	<b>24,912,768</b>	<b>22,078,320</b>

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

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

**A1. Basis of Preparation**

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

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

The unaudited condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2019. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the financial year ended 31 December 2019.

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

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2019 except for adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRSs”), which are effective for annual periods beginning on or after 1 January 2020:

- Revised Conceptual Framework for Financial Reporting
- Amendments to MFRS 3 - Definition of a Business
- Amendments to MFRS 101 and MFRS 108 - Definition of Material
- Amendments to MFRS 7, MFRS 9 and MFRS 139 - *Interest Rate Benchmark Reform*

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

**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

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

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

The Group and the Bank shall disclose (cont'd.):

- the nominal amount of the hedging instruments in those hedging relationships.

This amendments includes a number of relief, which apply to all hedging relationship that are directly affected by interest of benchmark reform. This amendments are to be applied retrospectively in annual periods beginning on or after 1 January 2020 only to hedging relationship and the amount of accumulated in the cash flow hedge reserve that existed at the beginning of the reporting period in which the Group and the Bank first applies the amendments. This amendments do not have any significant impact to the financial statements of the Group and of the Bank.

On April 2020, International Accounting Standards Board ("IASB") had issued the Exposure Draft Interest Rate Benchmark Reform Phase 2 that proposes the amendments to be applied for annual reporting period beginning on or after 1 January 2021. The Group and the Bank have established a project team to evaluate the potential impact of adopting this amendments on the required effective date.

**Domestic Systemically Important Banks ("D-SIB") Framework issued by Bank Negara Malaysia ("BNM")**

On 5 February 2020, BNM issued a Policy document on Domestic Systemically Important Banks ("D-SIB") Framework and identified Maybank as one of the banks categorised as a D-SIB. Maybank is categorised under Bucket 2 of the Higher Loss Absorbency ("HLA") requirements which will come into effect on 31 January 2021. This policy document supersedes the Domestic Systemically Important Banks Framework Survey issued on 10 October 2016.

**Revised Policy Documents on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued by BNM**

On 5 February 2020, BNM issued revised Policy documents on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) which came into effect immediately and shall be applied prospectively. The revised Policy documents apply to financial institutions in Malaysia which covers licensed banks, licensed Islamic banks, licensed investment banks, licensed banks carrying on Islamic banking business and financial holding companies. The revised Policy documents superseded Policy documents issued by BNM previously, namely Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) dated 2 February 2018.

The revised Policy documents were updated to include additional capital buffer requirements on the HLA requirements for financial institution that is designated as a D-SIB.

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

**Measures to Assist Individuals, SMEs and Corporates Affected by COVID-19 announced by BNM**

On 25 March 2020, BNM had announced that banking institutions will offer an automatic deferment of all loans/financing repayment for six months to all individual and small-medium enterprise ("SME"). Banks will also facilitate requests by corporations to defer or restructure their loans/financing repayments to support viable corporations to preserve jobs and resume economic activities when conditions improve.

The automatic moratorium applies to ringgit-denominated loans or financing that are not in arrears exceeding 90 days as of 1 April 2020. However, the moratorium does not apply to credit card balances. For outstanding credit card balances, customers will be offered the option to convert the outstanding balances into term-loan of not more than three years.

To further support lending/financing activities, banking institutions are allowed to draw down on the capital conservation buffer of 2.5%, to operate below the minimum liquidity coverage ratio of 100% and to reduce the regulatory reserves held against expected losses to 0%.

The implementation of the Net Stable Funding Ratio ("NSFR") will continue to be effective on 1 July 2020, but with a lower ratio of 80%. Banks is expected to restore their buffer to the minimum regulatory requirements and comply with a 100% NSFR ratio from 30 September 2021.

The moratorium should not automatically result in stage transfer under MFRS 9 in the absence of other factors relevant to the assessment. The financial impact of the moratorium is reflected at the interest/profit income of the Group and the Bank.



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**A2. Significant Accounting Policies**

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2019 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2019 except for the adoption of the amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2020 and new requirements of BNM's Policy documents as disclosed in Note A1.

**A3. Significant Accounting Estimates and Judgements**

The preparation of unaudited interim 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 unaudited interim 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 2019.

**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 2019 was not qualified.

**A5. Seasonal or Cyclical Factors**

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the financial half year ended 30 June 2020.

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

During the financial half year ended 30 June 2020, save as disclosed in Note A8, A17, A21, A41(a) and A41(h), there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

**A7. Changes in Estimates**

There were no material changes in estimates during the financial half year ended 30 June 2020.

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

(i) Save as disclosed below, there were no new shares issuance, cancellations, share buy-backs, resale of shares bought back by the Group and by the Bank during the financial half year ended 30 June 2020.

(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*	620.0
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
RM	Fixed Rate Notes	50.0
<b>Redemption of medium term notes</b>		
USD	Floating Rate Notes	130.0
USD	Fixed Rate Notes	25.0
HKD	Fixed Rate Notes	2,865.0
CNY	Fixed Rate Notes	410.0
CNY	Fixed Rate Notes (Panda Bonds)	1,000.0
RM	Fixed Rate Notes (Sukuk Murabahah)	60.0
RM	Zero Coupon Notes	17.0
JPY	Fixed Rate Notes (Samurai Bonds)	12,800.0

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

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

- (i) Save as disclosed below, there were no new shares issuance, cancellations, share buy-backs, resale of shares bought back by the Group and by the Bank during the financial half year ended 30 June 2020 (cont'd.).

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

**Issuance of commercial papers by the Bank**

The aggregate nominal value of the commercial papers issued by the Bank and outstanding as at 30 June 2020 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
RM	Zero Coupon Notes	1,451.1
USD	Zero Coupon Notes	946.4
AUD	Zero Coupon Notes	250.0
SGD	Fixed Rate Notes*	240.0

\* Extendible money market certificates

**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	260,300.0
<b>Redemption of bonds</b>		
IDR	Fixed Rate Notes	1,394,800.0

**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 30 June 2020 are as follows:

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

(b) **Subordinated Obligations**

**Issuance of Tier 2 Subordinated Notes by Maybank Singapore Limited**

Issuance	Issue Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	26 March 2020	26 March 2030	SGD500.0 million	Tier 2 Subordinated Notes (10 non-call 5)	10 years

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the financial half year ended 30 June 2020 and have not been reflected in the financial statements for the financial half year ended 30 June 2020:

(a) **Borrowings**

**Redemption of medium term notes by the Bank**

Currency	Description	Aggregate Nominal Value (in million)
<b>Issuance of medium term notes</b>		
CNY	Fixed Rate Notes	405.0
HKD	Fixed Rate Notes	800.0
USD	Floating Rate Notes	15.0
USD	Zero Coupon Notes*	300.0
<b>Redemption of medium term notes</b>		
USD	Floating Rate Notes	20.0
JPY	Fixed Rate Notes	20,000.0
USD	Zero Coupon Notes*	160.0
CNY	Fixed Rate Notes (Panda Bonds)	1,000.0
RM	Zero Coupon Notes	25.0

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

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

Currency	Description	Aggregate Nominal Value (in million)
<b>Redemption of bonds</b>		
IDR	Fixed Rate Notes	854,500.0

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**A9. Dividends Paid**

Dividends paid during the financial half year ended 30 June 2020 are as follows:

- (a) On 26 March 2020, the Board of Directors declared a single-tier second interim cash dividend in respect of the financial year ended 31 December 2019 of 39 sen per ordinary share.

The single-tier second interim cash dividend of 39 sen per ordinary share amounting to RM4,384,131,136 was paid on 6 May 2020.

- (b) Dividends paid by Maybank's subsidiaries to non-controlling interests amounted to RM88,717,000 during the financial half year ended 30 June 2020.

**A10. Financial Investments Portfolio**

	Note	Group		Bank	
		30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	13,804,571	14,323,303	-	-
Financial investments at fair value through profit or loss	(ii)	21,701,939	20,370,865	14,637,344	12,912,823
Financial investments at fair value through other comprehensive income	(iii)	123,082,106	123,351,533	81,694,380	80,798,700
Financial investments at amortised cost	(iv)	45,473,469	34,784,476	38,920,732	32,574,918
		<b>204,062,085</b>	<b>192,830,177</b>	<b>135,252,456</b>	<b>126,286,441</b>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	227,380	161,713	-	-
Malaysian Government Investment Issues	312,168	312,635	-	-
	<b>539,548</b>	<b>474,348</b>	-	-
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants and loan stocks	109,916	109,715	-	-
Unit trusts	3,932	3,932	-	-
	<b>113,848</b>	<b>113,647</b>	-	-
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Corporate Bonds and Sukuk	12,889,026	13,627,322	-	-
<b>Outside Malaysia:</b>				
Corporate Bonds and Sukuk	262,149	107,986	-	-
	<b>13,151,175</b>	<b>13,735,308</b>	-	-
<b>Total financial assets designated upon initial recognition at fair value through profit or loss</b>	<b>13,804,571</b>	<b>14,323,303</b>	-	-

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

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	3,113,021	771,484	2,961,755	750,077
Malaysian Government Investment Issues	708,580	614,546	665,602	216,467
Negotiable instruments of deposits	60,062	142,811	60,062	142,811
Foreign Government Securities	2,523,827	3,483,519	1,838,009	3,001,984
Malaysian Government Treasury Bills	782,183	-	782,183	-
Bank Negara Malaysia Bills and Notes	1,605,007	596,545	1,605,007	596,545
Foreign Government Treasury Bills	1,153,232	2,199,436	1,153,232	2,199,436
	<u>9,945,912</u>	<u>7,808,341</u>	<u>9,065,850</u>	<u>6,907,320</u>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants, mutual funds and loan stocks	3,669,176	4,187,256	67,558	78,146
Unit trusts	255,233	159,380	30,828	29,775
<b>Outside Malaysia:</b>				
Shares, warrants, mutual funds and loan stocks	306,279	565,518	118	233
Unit trusts	410,049	385,869	216,539	210,138
Corporate Bonds and Sukuk	1,097,949	1,136,926	-	-
Government Bonds	511,637	104,193	-	-
Government Treasury Bills	12,269	51,310	-	-
	<u>6,262,592</u>	<u>6,590,452</u>	<u>315,043</u>	<u>318,292</u>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Shares	816,622	816,618	622,176	622,176
Unit trusts	1,189	268	-	-
Corporate Bonds and Sukuk	632,616	564,653	118,110	97,197
Government Bonds	14,075	-	14,075	-
Structured deposits	76,843	175,602	-	-
<b>Outside Malaysia:</b>				
Shares	1,061	1,006	-	-
Mutual funds	10,497	2,279	-	-
Corporate Bonds and Sukuk	1,179,033	1,689,631	1,740,591	2,245,823
Government Bonds	2,761,499	2,722,015	2,761,499	2,722,015
	<u>5,493,435</u>	<u>5,972,072</u>	<u>5,256,451</u>	<u>5,687,211</u>
<b>Total financial investments at fair value through profit or loss</b>	<u>21,701,939</u>	<u>20,370,865</u>	<u>14,637,344</u>	<u>12,912,823</u>

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

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	13,141,558	11,006,987	13,008,346	10,794,195
Malaysian Government Investment Issues	23,118,740	24,211,583	9,775,753	11,653,233
Negotiable instruments of deposits	48,050	1,682,836	48,050	484,703
Foreign Government Securities	10,065,798	7,872,991	5,043,903	3,830,465
Foreign Government Treasury Bills	14,457,572	16,891,126	4,011,595	3,942,737
Khazanah Bonds	346,276	1,761,446	317,864	1,761,446
Cagamas Bonds	461,981	723,459	461,981	723,459
Bankers' acceptances and Islamic accepted bills	-	139,392	-	139,392
	<b>61,639,975</b>	<b>64,289,820</b>	<b>32,667,492</b>	<b>33,329,630</b>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants and loan stocks	5,055	7,869	15,985	18,435
<b>Outside Malaysia:</b>				
Shares, warrants and loan stocks	35	1,298	-	-
Corporate Bonds and Sukuk	1,700,223	1,286,663	-	-
Government Bonds	577,505	349,126	-	-
	<b>2,282,818</b>	<b>1,644,956</b>	<b>15,985</b>	<b>18,435</b>
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Shares and loan stocks	327,375	275,668	310,685	259,949
Government Bonds	287,780	109,143	242,460	65,769
Corporate Bonds and Sukuk	22,594,902	27,279,593	15,606,312	19,477,370
<b>Outside Malaysia:</b>				
Shares	3,975	3,735	-	-
Government Bonds	19,289,563	15,999,809	19,179,917	15,899,116
Corporate Bonds and Sukuk	16,655,718	13,748,809	13,671,529	11,748,431
	<b>59,159,313</b>	<b>57,416,757</b>	<b>49,010,903</b>	<b>47,450,635</b>
<b>Total financial investments at fair value through other comprehensive income</b>	<b>123,082,106</b>	<b>123,351,533</b>	<b>81,694,380</b>	<b>80,798,700</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 30 June 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2020	23,070	540	118,727	142,337
Transferred to Stage 2	(279)	279	-	-
Net remeasurement of allowances	2,128	858	(566)	2,420
New financial assets originated or purchased	13,223	-	-	13,223
Financial assets derecognised	(7,555)	(73)	(3,357)	(10,985)
Changes in models/risk parameters	112	(23)	-	89
Amount written-off	-	-	(6,942)	(6,942)
Exchange differences	470	-	769	1,239
<b>As at 30 June 2020</b>	<b>31,169</b>	<b>1,581</b>	<b>108,631</b>	<b>141,381</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 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>

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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.):

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>Bank</b>				
<b>As at 30 June 2020</b>				<b>RM'000</b>
At 1 January 2020	13,472	400	81,877	95,749
Net remeasurement of allowances	160	-	(355)	(195)
New financial assets originated or purchased	9,526	-	-	9,526
Financial assets derecognised	(4,088)	(73)	(3,345)	(7,506)
Changes in models/risk parameters	130	(23)	-	107
Amount written-off	-	-	(6,942)	(6,942)
Exchange differences	423	-	34	457
As at 30 June 2020	<u>19,623</u>	<u>304</u>	<u>71,269</u>	<u>91,196</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	<u>Total</u> RM'000
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	<u>13,472</u>	<u>400</u>	<u>81,877</u>	<u>95,749</u>

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

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>Money market instruments:</b>				
Malaysian Government Securities	8,454,479	6,594,595	8,454,376	6,594,491
Malaysian Government Investment Issues	11,466,729	6,695,792	6,870,178	4,852,735
Foreign Government Securities	1,219,099	1,199,287	-	-
Khazanah Bonds	1,057,037	135,277	138,325	135,277
Cagamas Bonds	50,259	50,259	50,259	50,259
	<b>22,247,603</b>	14,675,210	<b>15,513,138</b>	11,632,762
<b>Unquoted securities:</b>				
<b>In Malaysia:</b>				
Corporate Bonds and Sukuk	19,101,857	15,913,839	19,263,774	18,552,529
<b>Outside Malaysia:</b>				
Corporate Bonds and Sukuk	2,863,306	2,745,710	4,141,914	2,478,746
Government Bonds	1,444,659	1,594,357	149,437	36,304
	<b>23,409,822</b>	20,253,906	<b>23,555,125</b>	21,067,579
Accumulated impairment losses	<b>(183,956)</b>	(144,640)	<b>(147,531)</b>	(125,423)
<b>Total financial investments at amortised cost</b>	<b>45,473,469</b>	34,784,476	<b>38,920,732</b>	32,574,918

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>As at 30 June 2020</b>				<b>RM'000</b>
At 1 January 2020	29,061	23,961	91,618	144,640
Transferred to Stage 2	(4,706)	4,706	-	-
Net remeasurement of allowances	623	35,728	(3,069)	33,282
New financial assets originated or purchased	7,022	-	-	7,022
Financial assets derecognised	(2,809)	(23)	-	(2,832)
Changes in models/risk parameters	1,035	663	-	1,698
Exchange differences	84	62	-	146
As at 30 June 2020	<b>30,310</b>	<b>65,097</b>	<b>88,549</b>	<b>183,956</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.):

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	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	29,061	23,961	91,618	144,640

  

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 June 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	9,978	23,827	91,618	125,423
Transferred to Stage 2	(945)	945	-	-
Net remeasurement of allowances	221	20,904	(3,069)	18,056
New financial assets originated or purchased	5,362	-	-	5,362
Financial assets derecognised	(2,600)	(23)	-	(2,623)
Changes in models/risk parameters	601	663	-	1,264
Exchange differences	(4)	53	-	49
As at 30 June 2020	12,613	46,369	88,549	147,531

  

Bank	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	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

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**A11. Loans, Advances and Financing**

	Note	Group		Bank	
		30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Loans, advances and financing to financial institutions	(i)	966,758	1,128,618	30,826,493	19,400,239
Loans, advances and financing to customers	(ii)	508,466,489	512,291,092	201,633,803	207,188,981
		<b>509,433,247</b>	<b>513,419,710</b>	<b>232,460,296</b>	<b>226,589,220</b>
<b>(i) Loans, advances and financing to financial institutions<sup>^</sup>:</b>					
Gross loans, advances and financing to financial institutions at amortised cost		971,323	1,140,538	31,243,687	19,665,356
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(4,489)	(11,920)	(18,437)	(18,657)
- Stage 2 - Lifetime ECL not credit impaired		(76)	-	(15,593)	(5,530)
- Stage 3 - Lifetime ECL credit impaired		-	-	(383,164)	(240,930)
Net loans, advances and financing to financial institutions		<b>966,758</b>	<b>1,128,618</b>	<b>30,826,493</b>	<b>19,400,239</b>
<b>(ii) Loans, advances and financing to customers:</b>					
(A) Loans, advances and financing to customers at fair value through profit or loss		232,280	401,703	232,280	401,703
(B) Loans, advances and financing to customers at fair value through other comprehensive income		10,862,638	11,821,285	10,442,432	11,380,901
(C) Loans, advances and financing to customers at amortised cost		595,286,349	601,389,303	197,923,082	202,771,305
		<b>606,381,267</b>	<b>613,612,291</b>	<b>208,597,794</b>	<b>214,553,909</b>
Unearned interest and income		(87,159,212)	(91,265,351)	(1,290,969)	(1,559,752)
Gross loans, advances and financing to customers		519,222,055	522,346,940	207,306,825	212,994,157
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(1,639,616)	(1,423,097)	(635,842)	(507,155)
- Stage 2 - Lifetime ECL not credit impaired		(2,675,749)	(1,865,171)	(1,229,754)	(869,858)
- Stage 3 - Lifetime ECL credit impaired		(6,440,201)	(6,767,580)	(3,807,426)	(4,428,163)
Net loans, advances and financing to customers		<b>508,466,489</b>	<b>512,291,092</b>	<b>201,633,803</b>	<b>207,188,981</b>
Net loans, advances and financing	(i) & (ii)	<b>509,433,247</b>	<b>513,419,710</b>	<b>232,460,296</b>	<b>226,589,220</b>

<sup>^</sup> Included in the Bank's loans/financing to financial institutions is financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, are government financing scheme as part of the government support measures in response to COVID-19 pandemic for the purpose of SME lending amounting to RM951.9 million, and under Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM29,823.8 million net of expected credit losses (31 December 2019: RM19,307.9 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	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>(iii) Loans, advances and financing to financial institutions and customers</b>				
Loans/financing to financial institutions	971,323	1,140,538	31,243,687	19,665,356
Overdrafts/cashline	19,695,864	21,524,681	7,553,725	8,068,447
Term loans:				
- Housing loans/financing	168,324,623	165,058,688	41,260,302	39,773,201
- Syndicated loans/financing	49,368,364	52,154,119	39,761,180	41,710,800
- Hire purchase receivables	74,542,780	77,170,795	13,649,917	14,770,104
- Lease receivables	475,344	445,288	-	-
- Other loans/financing	207,662,318	206,219,952	62,555,099	63,244,663
Credit card receivables	8,264,917	9,703,036	5,391,015	6,338,893
Bills receivables	4,369,822	3,312,082	3,789,333	2,470,458
Trust receipts	4,969,834	4,527,077	4,074,978	3,477,743
Claims on customers under acceptance credits	7,467,356	11,086,391	2,902,953	5,294,619
Revolving credits	52,022,019	52,824,052	25,437,258	26,897,897
Share margin financing	5,067,402	5,919,340	1,664,682	1,981,958
Staff loans	3,603,237	3,516,628	556,049	523,526
Loans to:				
- Directors of the Bank	7,721	8,154	1,185	1,399
- Directors of subsidiaries	5,877	3,795	83	170
Others	533,789	138,213	35	31
	<b>607,352,590</b>	614,752,829	<b>239,841,481</b>	234,219,265
Unearned interest and income	<b>(87,159,212)</b>	(91,265,351)	<b>(1,290,969)</b>	(1,559,752)
Gross loans, advances and financing	<b>520,193,378</b>	523,487,478	<b>238,550,512</b>	232,659,513
Allowances for loans, advances and financing:				
- Stage 1 - 12-month ECL	(1,644,105)	(1,435,017)	(654,279)	(525,812)
- Stage 2 - Lifetime ECL not credit impaired	(2,675,825)	(1,865,171)	(1,245,347)	(875,388)
- Stage 3 - Lifetime ECL credit impaired	(6,440,201)	(6,767,580)	(4,190,590)	(4,669,093)
Net loans, advances and financing	<b>509,433,247</b>	513,419,710	<b>232,460,296</b>	226,589,220
<b>(iv) Loans, advances and financing analysed by type of customer are as follows:</b>				
	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Domestic banking institutions	975,992	1,139,626	31,253,778	19,669,557
Domestic non-banking financial institutions	21,301,314	21,893,187	14,387,359	14,657,649
Domestic business enterprises:				
- Small and medium enterprises	56,049,081	54,841,634	25,597,633	24,496,469
- Others	128,376,711	133,017,413	68,194,637	73,796,567
Government and statutory bodies	14,218,324	14,381,320	116,322	128,131
Individuals	251,154,880	250,614,985	63,357,188	64,254,229
Other domestic entities	13,164,089	12,719,297	3,302,602	3,125,275
Foreign entities	34,952,987	34,880,016	32,340,993	32,531,636
Gross loans, advances and financing	<b>520,193,378</b>	523,487,478	<b>238,550,512</b>	232,659,513

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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	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Malaysia	318,306,932	316,953,176	152,601,237	143,871,310
Singapore	120,907,981	125,228,021	52,266,032	56,076,155
Indonesia	36,141,240	37,688,031	-	-
Labuan Offshore	14,185,490	14,842,983	14,185,490	14,842,983
Hong Kong SAR	11,953,573	10,027,775	11,276,633	9,767,276
United States of America	1,573,861	1,291,202	1,573,258	1,290,625
People's Republic of China	4,073,137	4,055,036	4,073,137	4,055,036
Vietnam	1,048,143	1,218,454	792,906	908,484
United Kingdom	907,247	940,422	907,230	940,376
Brunei	556,651	583,433	556,651	583,433
Cambodia	3,088,028	2,826,629	-	-
Philippines	5,865,243	5,903,119	-	-
Thailand	1,267,914	1,605,362	-	-
Laos	74,998	82,097	74,998	82,097
Myanmar	242,940	241,738	242,940	241,738
Gross loans, advances and financing	<b>520,193,378</b>	<b>523,487,478</b>	<b>238,550,512</b>	<b>232,659,513</b>

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

	Group		Bank	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	20,126,234	17,282,242	430,438	404,442
- Hire purchase receivables	60,228,621	67,528,995	11,528,453	13,146,631
- Other fixed rate loans/financing	63,038,954	62,192,300	49,938,476	43,602,330
Variable rate:				
- Base lending/financing rate/ base rate plus	207,938,711	207,219,598	77,627,916	77,368,532
- Cost plus	56,432,473	61,639,026	43,292,164	46,888,315
- Other variable rates	112,428,385	107,625,317	55,733,065	51,249,263
Gross loans, advances and financing	<b>520,193,378</b>	<b>523,487,478</b>	<b>238,550,512</b>	<b>232,659,513</b>

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

	Group		Bank	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	35,103,737	35,999,387	6,858,387	7,572,559
Purchase of transport vehicles	67,838,001	68,239,626	11,277,214	11,861,216
Purchase of landed properties:				
- Residential	126,970,887	122,875,200	39,852,669	38,615,665
- Non-residential	40,097,578	40,553,322	17,484,432	18,604,350
Purchase of fixed assets (excluding landed properties)	4,001,043	4,163,699	3,331,084	3,524,042
Personal use	10,869,768	10,889,877	4,363,331	4,453,122
Credit card	8,295,633	9,745,404	5,391,866	6,339,202
Purchase of consumer durables	9,613	9,893	9,359	9,667
Constructions	16,881,810	17,381,155	9,669,804	10,356,794
Mergers and acquisitions	1,555,253	1,676,999	1,541,256	1,650,184
Working capital	165,827,779	168,019,588	105,385,270	95,481,470
Others	42,742,276	43,933,328	33,385,840	34,191,242
Gross loans, advances and financing	<b>520,193,378</b>	<b>523,487,478</b>	<b>238,550,512</b>	<b>232,659,513</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	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Within one year	124,630,939	128,277,526	73,769,354	69,137,959
One year to three years	59,418,867	62,079,218	44,073,328	46,877,075
Three years to five years	53,216,481	55,292,098	25,818,597	29,273,506
After five years	282,927,091	277,838,636	94,889,233	87,370,973
Gross loans, advances and financing	<b>520,193,378</b>	<b>523,487,478</b>	<b>238,550,512</b>	<b>232,659,513</b>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At 1 January	13,857,936	12,486,421	8,825,195	8,054,989
Impaired during the financial period/year	2,325,533	5,994,345	883,175	3,386,932
Reclassified as non-impaired	(769,460)	(1,113,466)	(289,994)	(616,982)
Amount recovered	(971,031)	(2,090,434)	(354,467)	(1,529,147)
Amount written-off	(1,979,092)	(1,917,090)	(1,647,722)	(848,945)
Exchange differences	480,750	498,160	410,847	378,348
Gross impaired loans at 30 June 2020/ 31 December 2019	<b>12,944,636</b>	<b>13,857,936</b>	<b>7,827,034</b>	<b>8,825,195</b>
Less: Stage 3 - Lifetime ECL credit impaired	<b>(6,511,067)</b>	<b>(7,184,821)</b>	<b>(4,261,456)</b>	<b>(5,086,334)</b>
Net impaired loans at 30 June 2020/ 31 December 2019	<b>6,433,569</b>	<b>6,673,115</b>	<b>3,565,578</b>	<b>3,738,861</b>

Calculation of ratio of net impaired loans:

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Gross impaired loans at 30 June 2020/ 31 December 2019 (excluding financing funded by Investment Account*)	12,803,776	13,733,600	7,827,034	8,825,195
Less: Stage 3 - Lifetime ECL credit impaired	<b>(6,511,067)</b>	<b>(7,184,821)</b>	<b>(4,261,456)</b>	<b>(5,086,334)</b>
Net impaired loans	<b>6,292,709</b>	<b>6,548,779</b>	<b>3,565,578</b>	<b>3,738,861</b>
Gross loans, advances and financing	520,193,378	523,487,478	238,550,512	232,659,513
Less: Funded by Investment Account*	<b>(22,537,623)</b>	<b>(20,737,670)</b>	-	-
Less: Allowances for impaired loans, advances and financing at fair value through other comprehensive income and at amortised cost	<b>(11,715,131)</b>	<b>(10,714,146)</b>	<b>(7,042,146)</b>	<b>(6,713,770)</b>
Net loans, advances and financing	<b>485,940,624</b>	<b>492,035,662</b>	<b>231,508,366</b>	<b>225,945,743</b>
Ratio of net impaired loans	<b>1.29%</b>	<b>1.33%</b>	<b>1.54%</b>	<b>1.65%</b>

\*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	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Purchase of securities	150,876	171,743	90,396	112,956
Purchase of transport vehicles	495,142	435,278	82,169	95,373
Purchase of landed properties:				
- Residential	1,150,157	998,683	333,310	328,128
- Non-residential	580,808	555,679	234,742	235,716
Purchase of fixed assets (excluding landed properties)	1,708,891	1,766,064	1,692,962	1,708,703
Personal use	243,212	235,194	144,184	148,998
Credit card	77,332	73,700	26,467	33,377
Purchase of consumer durables	6,544	6,444	6,542	6,441
Constructions	1,280,348	1,789,711	1,094,621	1,486,400
Working capital	6,204,077	5,968,016	3,357,054	3,046,550
Others	1,047,249	1,857,424	764,587	1,622,553
Gross impaired loans, advances and financing	<b>12,944,636</b>	<b>13,857,936</b>	<b>7,827,034</b>	<b>8,825,195</b>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Malaysia	5,404,932	6,242,161	3,452,168	3,713,462
Singapore	4,090,882	4,802,502	3,467,041	4,246,554
Indonesia	2,214,044	1,678,934	-	-
Labuan Offshore	75,819	201,848	75,819	201,848
Hong Kong SAR	142,482	69,016	133,825	60,782
United States of America	226,180	217,606	225,577	217,030
People's Republic of China	359,563	257,080	359,563	257,080
Vietnam	42,798	57,195	42,172	56,016
Brunei	70,184	70,067	70,184	70,067
Cambodia	65,685	59,753	-	-
Philippines	215,705	163,996	-	-
Thailand	35,677	35,422	-	-
Laos	685	2,356	685	2,356
Gross impaired loans, advances and financing	<b>12,944,636</b>	<b>13,857,936</b>	<b>7,827,034</b>	<b>8,825,195</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

	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</b>				
<b>As at 30 June 2020</b>				
At 1 January 2020	29,184	199,953	417,241	646,378
Net remeasurement of allowances	(3,781)	633,411	367,585	997,215
New financial assets originated or purchased	3,350	504	-	3,854
Financial assets derecognised	(2,195)	(111)	(243,679)	(245,985)
Changes in models/risk parameters	(1,531)	12,315	-	10,784
Amount written-off	-	-	(470,765)	(470,765)
Exchange differences	403	12,632	484	13,519
As at 30 June 2020	25,430	858,704	70,866	955,000
	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>Group</b>				
<b>As at 31 December 2019</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	29,184	199,953	417,241	646,378
	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 30 June 2020</b>				
At 1 January 2020	28,662	197,574	417,241	643,477
Net remeasurement of allowances	(3,742)	633,411	367,585	997,254
New financial assets originated or purchased	3,350	504	-	3,854
Financial assets derecognised	(2,195)	(111)	(243,679)	(245,985)
Changes in models/risk parameters	(1,528)	12,144	-	10,616
Amount written-off	-	-	(470,765)	(470,765)
Exchange differences	363	12,632	484	13,479
As at 30 June 2020	24,910	856,154	70,866	951,930

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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 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	28,662	197,574	417,241	643,477

At amortised cost

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
<b>Group</b>				
<b>As at 30 June 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2020	1,435,017	1,865,171	6,767,580	10,067,768
Transferred to Stage 1	311,032	(303,851)	(7,181)	-
Transferred to Stage 2	(87,869)	326,014	(238,145)	-
Transferred to Stage 3	(8,580)	(67,141)	75,721	-
Net remeasurement of allowances	(34,805)	905,338	1,470,247	2,340,780
New financial assets originated or purchased	343,064	199,532	-	542,596
Financial assets derecognised	(269,533)	(304,920)	(214,604)	(789,057)
Changes in models/risk parameters	(59,610)	45,243	50,894	36,527
Amount related to RPSIA	-	-	(48,424)	(48,424)
Amount written-off	-	-	(1,508,328)	(1,508,328)
Exchange differences	15,389	10,439	92,441	118,269
As at 30 June 2020	1,644,105	2,675,825	6,440,201	10,760,131



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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 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)
As at 31 December 2019	<b>1,435,017</b>	<b>1,865,171</b>	<b>6,767,580</b>	<b>10,067,768</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 30 June 2020</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2020	525,812	875,388	4,669,093	6,070,293
Transferred to Stage 1	130,073	(126,330)	(3,743)	-
Transferred to Stage 2	(51,906)	89,259	(37,353)	-
Transferred to Stage 3	(2,448)	(19,807)	22,255	-
Net remeasurement of allowances	50,485	524,705	844,108	1,419,298
New financial assets originated or purchased	175,202	83,674	-	258,876
Financial assets derecognised	(169,791)	(180,012)	(183,588)	(533,391)
Changes in models/risk parameters	(8,177)	(5,035)	-	(13,212)
Amount written-off	-	-	(1,176,957)	(1,176,957)
Exchange differences	5,029	3,505	56,775	65,309
As at 30 June 2020	<b>654,279</b>	<b>1,245,347</b>	<b>4,190,590</b>	<b>6,090,216</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 amortised cost (cont'd.)

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2019	RM'000	RM'000	RM'000	RM'000
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	<u>525,812</u>	<u>875,388</u>	<u>4,669,093</u>	<u>6,070,293</u>

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

	Note	Group	
		30 June 2020	31 December 2019
		RM'000	RM'000
Reinsurance/retakaful assets	(i)	3,984,211	3,550,665
Other insurance receivables	(ii)	1,068,707	681,424
		<u>5,052,918</u>	<u>4,232,089</u>

(i) Reinsurance/retakaful assets	Group	
	30 June 2020	31 December 2019
	RM'000	RM'000
Reinsurers' share of:	3,538,902	3,187,733
Life insurance contract liabilities	179,133	74,534
General insurance contract liabilities	3,359,769	3,113,199
Retakaful operators' share of:	465,010	374,767
Family takaful certificate liabilities	127,813	135,692
General takaful certificate liabilities	337,197	239,075
Allowances for impairment losses	(19,701)	(11,835)
	<u>3,984,211</u>	<u>3,550,665</u>

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

	Group	
	30 June 2020	31 December 2019
	RM'000	RM'000
<b>(ii) Other insurance receivables</b>		
Due premium including agents/brokers and co-insurers balances	900,665	421,774
Due from reinsurers and cedants/retakaful operators	198,485	290,566
	<u>1,099,150</u>	<u>712,340</u>
Allowances for impairment losses (iii)	(30,443)	(30,916)
	<u>1,068,707</u>	<u>681,424</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	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Group As at 30 June 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	42,751	-	-	42,751
Net remeasurement of allowances	6,767	-	-	6,767
Exchange differences	626	-	-	626
As at 30 June 2020	<u>50,144</u>	<u>-</u>	<u>-</u>	<u>50,144</u>

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

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**A13. Other Assets**

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Other debtors, net of allowances for impairment losses	7,310,759	5,614,028	5,255,822	4,641,193
Amount due from brokers and clients	3,058,340	2,010,123	-	-
Prepayments and deposits	1,410,236	1,401,622	147,971	259,144
Tax recoverable	146,480	161,322	-	13,441
Foreclosed properties	315,188	291,989	29,420	29,412
	<b>12,241,003</b>	<b>9,479,084</b>	<b>5,433,213</b>	<b>4,943,190</b>

**A14. Deposits from Customers**

**(i) By type of deposit**

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	310,532,849	328,019,102	126,043,253	122,285,418
- More than one year	10,254,927	8,242,826	682,175	2,159,609
	<b>320,787,776</b>	<b>336,261,928</b>	<b>126,725,428</b>	<b>124,445,027</b>
Money market deposits	15,802,393	20,769,412	15,802,393	20,769,412
Savings deposits	90,857,753	78,030,371	32,496,665	28,119,100
Demand deposits	123,343,093	109,469,201	72,236,797	69,424,078
	<b>550,791,015</b>	<b>544,530,912</b>	<b>247,261,283</b>	<b>242,757,617</b>

**(ii) By type of customer**

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Business enterprises	234,709,974	230,436,071	136,642,020	136,645,520
Individuals	231,816,004	221,452,568	82,201,998	76,658,858
Government and statutory bodies	42,447,998	44,022,847	12,206,187	13,425,698
Others	41,817,039	48,619,426	16,211,078	16,027,541
	<b>550,791,015</b>	<b>544,530,912</b>	<b>247,261,283</b>	<b>242,757,617</b>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Within six months	246,372,788	265,335,800	104,440,215	102,260,693
Six months to one year	64,160,061	62,683,302	21,603,038	20,024,725
One year to three years	9,697,668	7,729,734	623,402	2,105,839
Three years to five years	557,259	513,092	58,773	53,770
	<b>320,787,776</b>	<b>336,261,928</b>	<b>126,725,428</b>	<b>124,445,027</b>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Licensed banks	30,457,221	38,758,617	38,208,434	48,975,323
Licensed finance companies	575,588	142,861	575,588	142,861
Licensed investment banks	1,660,145	482,606	1,660,145	482,606
Other financial institutions	3,428,364	4,173,125	1,238,819	1,753,745
	<b>36,121,318</b>	<b>43,557,209</b>	<b>41,682,986</b>	<b>51,354,535</b>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
One year or less	33,946,836	41,112,765	40,951,846	50,593,909
More than one year	2,174,482	2,444,444	731,140	760,626
	<b>36,121,318</b>	<b>43,557,209</b>	<b>41,682,986</b>	<b>51,354,535</b>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>Structured deposits</b>	<b>22,766</b>	<b>22,772</b>	<b>22,766</b>	<b>22,772</b>
<b>Borrowings</b>				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	9,805,804	6,447,653	9,805,804	6,447,653
- RM	-	60,328	-	60,328
	<b>9,805,804</b>	<b>6,507,981</b>	<b>9,805,804</b>	<b>6,507,981</b>
Total financial liabilities at fair value through profit or loss	<b>9,828,570</b>	<b>6,530,753</b>	<b>9,828,570</b>	<b>6,530,753</b>

The carrying amounts of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 30 June 2020 were RM9,733,772,000 (31 December 2019: RM6,726,131,000). The fair value changes of the financial liabilities at FVTPL that are attributable to the changes in own credit risk are not significant.

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>(i) Borrowings</b>				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- SGD	-	237,799	-	-
- IDR	<b>643,760</b>	1,253,572	-	-
- VND	<b>7,370</b>	3,530	-	-
	<b>651,130</b>	1,494,901	-	-
- More than one year				
Denominated in:				
- IDR	<b>2,108,480</b>	1,996,482	-	-
	<b>2,108,480</b>	1,996,482	-	-
Total secured borrowings	<b>2,759,610</b>	3,491,383	-	-
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	<b>4,530,984</b>	5,453,711	<b>4,473,011</b>	5,383,508
- SGD	<b>1,450,707</b>	1,427,935	<b>736,520</b>	-
- THB	<b>1,037,570</b>	1,324,965	-	-
- HKD	<b>515,896</b>	210,108	-	105,159
- IDR	<b>613,873</b>	867,424	-	-
- VND	<b>33</b>	50	-	-
- PHP	<b>4,301</b>	-	-	-
- AUD	<b>733,860</b>	-	<b>733,860</b>	-
- RM	<b>526,652</b>	1,638,130	<b>526,652</b>	1,638,130
	<b>9,413,876</b>	10,922,323	<b>6,470,043</b>	7,126,797
- More than one year				
Denominated in:				
- USD	<b>5,052,508</b>	4,625,605	<b>4,304,260</b>	3,909,789
- IDR	<b>702,877</b>	690,235	-	-
- JPY	<b>1,339</b>	1,430	-	-
- RM (Note (a))	<b>2,586,443</b>	-	<b>2,586,443</b>	-
	<b>8,343,167</b>	5,317,270	<b>6,890,703</b>	3,909,789

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

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>(i) Borrowings (cont'd.)</b>				
Unsecured (cont'd.)				
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- USD	174,266	806,826	174,266	806,826
- HKD	205,879	1,565,984	205,879	1,565,984
- SGD	686	686	686	686
- JPY	790,248	1,232,594	790,248	1,232,594
- CNH	328,669	547,362	328,669	547,362
- CHF	39	39	39	39
- CNY	628,622	1,201,217	628,622	1,201,217
- RM	25,750	42,320	25,750	42,320
	<b>2,154,159</b>	<b>5,397,028</b>	<b>2,154,159</b>	<b>5,397,028</b>
- More than one year				
Denominated in:				
- USD	9,088,804	8,375,338	9,088,804	8,375,338
- HKD	2,545,058	2,543,543	2,545,058	2,543,543
- JPY	5,954,421	3,344,937	5,954,421	3,344,937
- AUD	395,280	390,326	395,280	390,326
- CNH	699,245	547,975	699,245	547,975
- CHF	447,871	422,386	447,871	422,386
- CNY	605,407	586,906	605,407	586,906
	<b>19,736,086</b>	<b>16,211,411</b>	<b>19,736,086</b>	<b>16,211,411</b>
Total unsecured borrowings	<b>39,647,288</b>	<b>37,848,032</b>	<b>35,250,991</b>	<b>32,645,025</b>
Total borrowings	<b>42,406,898</b>	<b>41,339,415</b>	<b>35,250,991</b>	<b>32,645,025</b>
	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>(ii) Subordinated Obligations</b>				
Unsecured				
- More than one year				
Denominated in:				
- RM	7,097,484	7,097,715	7,097,484	7,097,715
- USD	2,154,522	2,059,101	2,154,522	2,059,101
- IDR	167,259	164,309	-	-
	<b>9,419,265</b>	<b>9,321,125</b>	<b>9,252,006</b>	<b>9,156,816</b>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
	<b>(iii) Capital Securities</b>			
Unsecured				
- More than one year				
Denominated in:				
- RM	<u>2,827,458</u>	2,827,123	<u>2,827,458</u>	2,827,123
	<u>2,827,458</u>	2,827,123	<u>2,827,458</u>	2,827,123

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

Group	Note	30 June 2020 RM'000	31 December 2019 RM'000
Insurance/takaful contract liabilities	(i)	32,205,273	30,218,443
Other insurance payables	(ii)	<u>1,050,803</u>	667,187
		<u>33,256,076</u>	<u>30,885,630</u>

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

	Gross contract liabilities RM'000	Reinsurance/ retakaful assets RM'000	Net contract liabilities RM'000
<b>At 30 June 2020</b>			
Life insurance/family takaful	25,852,455	(306,946)	25,545,509
General insurance/general takaful	<u>6,352,818</u>	<u>(3,677,265)</u>	<u>2,675,553</u>
	<u>32,205,273</u>	<u>(3,984,211)</u>	<u>28,221,062</u>
<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>

**(ii) Other insurance payables**

	30 June 2020 RM'000	31 December 2019 RM'000
Due to agents and intermediaries	208,326	174,645
Due to reinsurers and cedants	738,021	447,301
Due to retakaful operators	<u>104,456</u>	45,241
	<u>1,050,803</u>	<u>667,187</u>



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**A19. Other Liabilities**

	Note	Group		Bank	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		RM'000	RM'000	RM'000	RM'000
Amount due to brokers and clients		5,743,256	4,231,486	-	-
Deposits, other creditors and accruals		10,932,704	8,642,439	8,721,338	6,601,312
Defined benefit pension plans		561,251	521,985	-	-
Provisions for commitments and contingencies		83,924	27,880	27,880	27,880
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i)	570,531	678,232	491,219	618,048
Lease liabilities		1,470,100	1,461,498	437,753	410,156
Structured deposits		3,888,099	6,006,007	215,815	295,012
		<b>23,249,865</b>	<b>21,569,527</b>	<b>9,894,005</b>	<b>7,952,408</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 30 June 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	92,086	108,132	478,014	678,232
Transferred to Stage 1	12,655	(12,562)	(93)	-
Transferred to Stage 2	(7,609)	7,914	(305)	-
Transferred to Stage 3	(62)	(521)	583	-
Net remeasurement of allowances	(4,244)	(40,650)	(52,177)	(97,071)
New financial assets originated or purchased	14,919	14,981	-	29,900
Financial assets derecognised	(17,599)	(8,807)	(19,172)	(45,578)
Changes in models/risk parameters	576	(1,593)	(72)	(1,089)
Exchange differences	1,471	1,470	3,196	6,137
As at 30 June 2020	<b>92,193</b>	<b>68,364</b>	<b>409,974</b>	<b>570,531</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 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>

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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 30 June 2020</b>				<b>RM'000</b>
At 1 January 2020	48,324	99,999	469,725	618,048
Transferred to Stage 1	1,985	(1,935)	(50)	-
Transferred to Stage 2	(626)	873	(247)	-
Transferred to Stage 3	(7)	(28)	35	-
Net remeasurement of allowances	(2,576)	(59,583)	(57,815)	(119,974)
New financial assets originated or purchased	8,993	12,533	-	21,526
Financial assets derecognised	(10,099)	(5,993)	(16,746)	(32,838)
Changes in models/risk parameters	264	-	-	264
Exchange differences	576	830	2,787	4,193
As at 30 June 2020	<b>46,834</b>	<b>46,696</b>	<b>397,689</b>	<b>491,219</b>
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
<b>Bank</b>				
<b>As at 31 December 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	<b>48,324</b>	<b>99,999</b>	<b>469,725</b>	<b>618,048</b>

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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 2020</b>	14,244	(2,712)	21,141	(366,322)	(333,649)
Other comprehensive (loss)/ income	(921)	-	(7,016)	13,481	5,544
Defined benefit plan actuarial loss	-	-	(7,016)	-	(7,016)
Net loss on net investment hedge	-	-	-	(7,154)	(7,154)
Net gain on cash flow hedge	-	-	-	1	1
Net gain on fair value hedge	-	-	-	20,634	20,634
Net loss on capital reserve	(921)	-	-	-	(921)
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(921)</b>	<b>-</b>	<b>(7,016)</b>	<b>13,481</b>	<b>5,544</b>
<b>At 30 June 2020</b>	<b>13,323</b>	<b>(2,712)</b>	<b>14,125</b>	<b>(352,841)</b>	<b>(328,105)</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 2019</b>	13,557	(2,712)	16,503	(367,100)	(339,752)
Other comprehensive income	-	-	3,197	6,178	9,375
Defined benefit plan actuarial gain	-	-	3,197	-	3,197
Net loss on net investment hedge	-	-	-	(57)	(57)
Net loss on cash flow hedge	-	-	-	(151)	(151)
Net gain on fair value hedge	-	-	-	6,386	6,386
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>-</b>	<b>3,197</b>	<b>6,178</b>	<b>9,375</b>
<b>At 30 June 2019</b>	<b>13,557</b>	<b>(2,712)</b>	<b>19,700</b>	<b>(360,922)</b>	<b>(330,377)</b>

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**A21. Interest Income**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Loans, advances and financing (Note (a))	3,500,224	4,353,073	7,480,331	8,746,048
Money at call and deposits and placements with financial institutions	116,006	195,934	275,033	393,144
Financial assets purchased under resale agreements	56,000	44,003	152,860	86,611
Financial assets at FVTPL	277,936	264,304	569,523	535,275
Financial investments at fair value through other comprehensive income	696,274	898,777	1,442,105	1,753,630
Financial investments at amortised cost	291,007	230,647	549,666	455,685
	<b>4,937,447</b>	<b>5,986,738</b>	<b>10,469,518</b>	<b>11,970,393</b>
Accretion of discounts, net	(15,730)	32,537	2,767	83,353
	<b>4,921,717</b>	<b>6,019,275</b>	<b>10,472,285</b>	<b>12,053,746</b>

  

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Loans, advances and financing (Note (a))	2,142,367	2,640,115	4,581,972	5,313,623
Money at call and deposits and placements with financial institutions	110,164	284,642	321,588	611,993
Financial assets purchased under resale agreements	20,724	20,753	68,234	42,101
Financial assets at FVTPL	104,790	51,678	213,997	115,261
Financial investments at fair value through other comprehensive income	544,621	723,619	1,124,706	1,414,120
Financial investments at amortised cost	300,850	224,955	570,571	447,927
	<b>3,223,516</b>	<b>3,945,762</b>	<b>6,881,068</b>	<b>7,945,025</b>
Accretion of discounts, net	63,355	75,448	161,738	165,248
	<b>3,286,871</b>	<b>4,021,210</b>	<b>7,042,806</b>	<b>8,110,273</b>

Included in interest income for the six-month financial period ended 30 June 2020 was interest on impaired assets amounting to approximately RM185,935,000 (30 June 2019: RM210,248,000) for the Group and RM137,668,000 (30 June 2019: RM150,663,000) for the Bank.

Note (a): Included the net effects under government support measures to assist borrowers and customer adversely impacted by COVID-19 in order to sustain their business operations amounting to RM73,272,000 for the Group and RM48,011,000 for the Bank.

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**A22. Interest Expense**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	163,780	294,304	401,996	599,453
Deposits from customers	1,479,095	2,105,020	3,235,612	4,156,143
Loans sold to Cagamas	4,612	16,143	20,755	32,109
Obligations on financial assets sold under repurchase agreements	63,726	45,486	133,535	133,462
Borrowings	280,777	336,728	610,466	641,232
Subordinated notes	137,149	138,319	260,657	279,577
Subordinated bonds	-	2,191	-	5,535
Capital securities	28,843	56,148	57,687	110,771
Structured deposits	17,435	39,911	44,163	75,624
Financial liabilities at fair value through profit or loss	48,442	87,463	98,395	168,738
	<b>2,223,859</b>	<b>3,121,713</b>	<b>4,863,266</b>	<b>6,202,644</b>

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	194,490	346,954	468,772	703,458
Deposits from customers	816,688	1,278,547	1,833,297	2,563,150
Loans sold to Cagamas	4,612	16,143	20,755	32,109
Obligations on financial assets sold under repurchase agreements	76,876	71,392	188,840	185,896
Borrowings	169,394	188,921	372,426	359,590
Subordinated notes	105,022	113,707	209,348	230,505
Capital securities	28,843	56,148	57,687	110,771
Structured deposits	2,022	3,611	3,860	5,447
Financial liabilities at fair value through profit or loss	48,442	87,463	98,395	168,738
	<b>1,446,389</b>	<b>2,162,886</b>	<b>3,253,380</b>	<b>4,359,664</b>

**A23. Net Earned Insurance Premiums**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	2,072,565	1,911,198	4,439,390	3,796,754
Premiums ceded to reinsurers	(331,682)	(287,355)	(753,569)	(546,365)
	<b>1,740,883</b>	<b>1,623,843</b>	<b>3,685,821</b>	<b>3,250,389</b>

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**A24. Dividends from Subsidiaries**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gross dividend income from: Subsidiaries	<b>1,604,017</b>	1,735,163	<b>2,079,308</b>	1,735,163
	<b>1,604,017</b>	1,735,163	<b>2,079,308</b>	1,735,163

**A25. Other Operating Income**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) Fee income:				
Commission	<b>204,720</b>	328,343	<b>551,783</b>	629,357
Service charges and fees	<b>307,490</b>	338,819	<b>619,067</b>	671,185
Underwriting fees	<b>5,300</b>	9,765	<b>9,798</b>	29,878
Brokerage income	<b>120,618</b>	65,646	<b>233,598</b>	146,731
Fees on loans, advances and financing	<b>55,146</b>	62,851	<b>99,037</b>	101,576
	<b>693,274</b>	805,424	<b>1,513,283</b>	1,578,727
(b) Investment income:				
Net gain/(loss) on disposal of financial assets at FVTPL	<b>30,903</b>	160,805	<b>(292,942)</b>	198,521
Net gain on disposal of financial investments at fair value through other comprehensive income	<b>429,067</b>	246,402	<b>1,496,348</b>	395,454
Net gain on dilution of interest in associates	-	-	-	1,836
Net loss on disposal of a subsidiary	<b>(10,160)</b>	-	<b>(10,160)</b>	-
	<b>449,810</b>	407,207	<b>1,193,246</b>	595,811
(c) Gross dividend income from: Financial investments portfolio	<b>29,591</b>	30,979	<b>55,122</b>	48,743
(d) Unrealised gain/(loss) on revaluation of: Financial assets designated upon initial recognition at FVTPL	<b>669,165</b>	345,091	<b>188,909</b>	784,068
Financial investments at FVTPL	<b>709,228</b>	129,386	<b>(161,562)</b>	257,162
Financial liabilities at FVTPL	<b>147,028</b>	(363,482)	<b>(290,176)</b>	(818,734)
Derivatives	<b>(565,259)</b>	35,879	<b>941,237</b>	196,898
Loans, advances and financing at FVTPL	<b>1,726</b>	1,315	<b>952</b>	(561)
	<b>961,888</b>	148,189	<b>679,360</b>	418,833
(e) Other income:				
Foreign exchange gain, net	<b>197,256</b>	221,028	<b>145,737</b>	432,441
Realised gain/(loss) on derivatives	<b>6,047</b>	265,810	<b>(93)</b>	403,614
Rental income	<b>3,641</b>	9,369	<b>13,783</b>	18,545
Gain/(loss) on disposal of property, plant and equipment	<b>51</b>	(405)	<b>11,477</b>	2,079
(Loss)/gain on disposal of foreclosed properties	<b>(5,355)</b>	(893)	<b>(5,211)</b>	1,250
Fair value adjustments on investments properties	<b>(37)</b>	(35)	<b>(73)</b>	(69)
Others	<b>91,260</b>	93,124	<b>153,900</b>	157,687
	<b>292,863</b>	587,998	<b>319,520</b>	1,015,547
Total other operating income	<b>2,427,426</b>	1,979,797	<b>3,760,531</b>	3,657,661

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Bank</b>				
(a) Fee income:				
Commission	148,931	223,544	372,118	437,951
Service charges and fees	191,189	224,167	391,354	439,763
Underwriting fees	3,420	2,483	6,789	4,851
Fees on loans, advances and financing	32,870	34,649	49,490	49,410
	<b>376,410</b>	<b>484,843</b>	<b>819,751</b>	<b>931,975</b>
(b) Investment income:				
Net (loss)/gain on disposal of financial assets at FVTPL	(9,568)	60,156	102,390	121,096
Net gain on disposal of financial investments at fair value through other comprehensive income	400,234	221,526	1,174,692	359,977
Net loss on disposal of deemed controlled structured entities	-	(1,222)	-	(1,222)
Net gain on dilution of interest in associates	-	-	-	1,696
	<b>390,666</b>	<b>280,460</b>	<b>1,277,082</b>	<b>481,547</b>
(c) Gross dividend income from:				
Financial investments portfolio	3,192	3,992	3,192	3,992
(c) Unrealised gain/(loss) on revaluation of:				
Financial investments at FVTPL	121,347	(1,265)	(64,640)	536
Financial liabilities at FVTPL	147,028	(363,482)	(290,176)	(818,734)
Derivatives	(382,988)	84,103	801,686	275,268
Loans, advances and financing at FVTPL	1,726	1,315	952	(561)
	<b>(112,887)</b>	<b>(279,329)</b>	<b>447,822</b>	<b>(543,491)</b>
(d) Other income:				
Foreign exchange gain, net	136,771	160,345	68,842	388,165
Realised (loss)/gain on derivatives	(40,520)	281,345	(139,133)	401,656
Rental income	5,985	7,211	13,715	14,474
(Loss)/gain on disposal of property, plant and equipment	(244)	(372)	10,926	23
Others	16,425	27,779	29,418	41,361
	<b>118,417</b>	<b>476,308</b>	<b>(16,232)</b>	<b>845,679</b>
Total other operating income	<b>775,798</b>	<b>966,274</b>	<b>2,531,615</b>	<b>1,719,702</b>

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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	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Gross benefits and claims paid	768,880	965,614	1,826,452	1,950,275
Claims ceded to reinsurers	(6,914)	(106,969)	(114,843)	(228,430)
Gross change to contract liabilities	1,754,445	1,242,939	1,964,892	2,163,173
Change in contract liabilities ceded to reinsurers	(188,635)	(225,504)	(324,007)	(191,285)
<b>Net insurance benefits and claims incurred</b>	<b>2,327,776</b>	<b>1,876,080</b>	<b>3,352,494</b>	<b>3,693,733</b>
Net fee and commission expenses	60,690	60,841	154,193	125,804
Change in expense liabilities	6,602	35,632	35,099	9,156
Taxation of life and takaful fund	74,180	41,864	13,266	80,249
<b>Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund</b>	<b>141,472</b>	<b>138,337</b>	<b>202,558</b>	<b>215,209</b>
<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>	<b>2,469,248</b>	<b>2,014,417</b>	<b>3,555,052</b>	<b>3,908,942</b>

**A27. Overhead Expenses**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,281,222	1,267,923	2,586,476	2,565,776
Social security cost	11,085	10,750	22,439	21,721
Pension costs - defined contribution plan	152,757	154,586	307,212	305,310
ESGP expenses	22,468	9,393	38,754	18,681
Other staff related expenses	176,469	213,967	416,083	432,068
	<b>1,644,001</b>	<b>1,656,619</b>	<b>3,370,964</b>	<b>3,343,556</b>
(b) Establishment costs				
Depreciation of property, plant and equipment	77,395	73,171	154,014	148,737
Depreciation of right-of-use assets	115,023	93,509	223,455	182,007
Amortisation of intangible assets	71,646	63,448	140,311	120,054
Rental of leasehold land and premises	9,970	16,411	27,240	37,075
Repairs and maintenance of property, plant and equipment	31,304	43,444	72,599	87,604
Information technology expenses	130,102	130,861	251,994	259,608
Finance cost on lease liabilities	15,700	15,686	32,235	31,683
Others	7,269	12,175	14,597	23,262
	<b>458,409</b>	<b>448,705</b>	<b>916,445</b>	<b>890,030</b>
(c) Marketing expenses				
Advertisement and publicity	21,304	54,809	57,471	113,360
Others	55,189	96,253	127,711	178,447
	<b>76,493</b>	<b>151,062</b>	<b>185,182</b>	<b>291,807</b>



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

Group (cont'd.)	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(d) Administration and general expenses				
Fees and brokerage	199,772	249,067	477,735	488,975
Administrative expenses	149,587	142,631	281,837	284,339
General expenses	184,434	169,618	419,190	323,956
Others	(6,357)	3,982	(3,007)	6,595
	<b>527,436</b>	<b>565,298</b>	<b>1,175,755</b>	<b>1,103,865</b>
Total overhead expenses	<b>2,706,339</b>	<b>2,821,684</b>	<b>5,648,346</b>	<b>5,629,258</b>
<b>Cost to income ratio ("CIR")<sup>1</sup></b>	<b>47.9%</b>	<b>47.9%</b>	<b>45.6%</b>	<b>47.9%</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	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	648,533	649,657	1,297,425	1,307,205
Social security cost	5,345	5,514	11,127	11,482
Pension costs - defined contribution plan	96,198	98,362	194,304	196,955
ESGP expenses	10,644	5,332	19,944	10,722
Other staff related expenses	86,276	106,611	198,556	210,227
	<b>846,996</b>	<b>865,476</b>	<b>1,721,356</b>	<b>1,736,591</b>
(b) Establishment costs				
Depreciation of property, plant and equipment	25,602	30,137	51,552	61,997
Depreciation of right-of-use assets	31,535	26,095	59,760	53,578
Amortisation of intangible assets	14,286	12,353	28,020	23,749
Rental of leasehold land and premises	2,084	1,339	4,109	4,200
Repairs and maintenance of property, plant and equipment	14,791	20,825	34,968	45,890
Information technology expenses	204,676	191,846	396,246	378,318
Finance cost on lease liabilities	4,297	3,771	8,433	7,606
Others	632	992	1,168	1,855
	<b>297,903</b>	<b>287,358</b>	<b>584,256</b>	<b>577,193</b>
(c) Marketing expenses				
Advertisement and publicity	5,712	13,689	18,346	43,617
Others	24,564	53,722	61,407	100,604
	<b>30,276</b>	<b>67,411</b>	<b>79,753</b>	<b>144,221</b>
(d) Administration and general expenses				
Fees and brokerage	135,058	149,715	302,554	288,237
Administrative expenses	47,695	45,433	94,977	96,978
General expenses	70,320	64,091	131,308	113,983
Others	257	3,714	1,208	4,082
	<b>253,330</b>	<b>262,953</b>	<b>530,047</b>	<b>503,280</b>
(e) Overhead expenses allocated to subsidiaries, net	(275,543)	(302,650)	(631,051)	(665,941)
Total overhead expenses	<b>1,152,962</b>	<b>1,180,548</b>	<b>2,284,361</b>	<b>2,295,344</b>
<b>Cost to income ratio ("CIR")<sup>2</sup></b>	<b>27.3%</b>	<b>25.9%</b>	<b>27.2%</b>	<b>31.9%</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 Impairment Losses on Loans, Advances, Financing and Other Debts, net**

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	101,541	175,718	(31,389)	(463,417)
- Stage 2 - Lifetime ECL not credit impaired, net	905,633	(50,032)	1,455,243	(82,492)
- Stage 3 - Lifetime ECL credit impaired, net	760,622	348,846	1,359,022	1,687,599
Bad debts and financing written-off	11,558	17,859	30,538	59,020
Bad debts and financing recovered	(41,361)	(104,859)	(114,440)	(211,424)
Allowances for impairment losses on other debts	1,274	4,112	1,960	6,352
	<b>1,739,267</b>	<b>391,644</b>	<b>2,700,934</b>	<b>995,638</b>

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(92,699)	174,481	40,186	(122,236)
- Stage 2 - Lifetime ECL not credit impaired, net	717,721	(85,910)	1,016,237	(62,694)
- Stage 3 - Lifetime ECL credit impaired, net	337,004	129,491	709,865	964,662
Bad debts and financing written-off	8,140	6,604	20,559	26,372
Bad debts and financing recovered	(15,578)	(43,657)	(52,177)	(91,344)
Allowances for/(writeback of) impairment losses on other debts	584	(624)	154	12,444
	<b>955,172</b>	<b>180,385</b>	<b>1,734,824</b>	<b>727,204</b>

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

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(20,541)	2,535	7,908	1,658
- Stage 2 - Lifetime ECL not credit impaired, net	130	(160)	762	(278)
- Stage 3 - Lifetime ECL credit impaired, net	(333)	11,033	(3,923)	3,229
Net	<b>(20,744)</b>	<b>13,408</b>	<b>4,747</b>	<b>4,609</b>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	3,101	1,338	5,871	1,423
- Stage 2 - Lifetime ECL not credit impaired, net	28,073	8,277	36,368	1,176
- Stage 3 - Lifetime ECL credit impaired, net	(1,279)	889	(3,069)	41,313
Net	<b>29,895</b>	<b>10,504</b>	<b>39,170</b>	<b>43,912</b>
	<b>9,151</b>	<b>23,912</b>	<b>43,917</b>	<b>48,521</b>

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<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	(18,283)	626	5,728	(996)
- Stage 2 - Lifetime ECL not credit impaired, net	(76)	63	(96)	(203)
- Stage 3 - Lifetime ECL credit impaired, net	(168)	3,973	(3,700)	3,383
<b>Net</b>	<b>(18,527)</b>	<b>4,662</b>	<b>1,932</b>	<b>2,184</b>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	838	1,558	3,584	1,487
- Stage 2 - Lifetime ECL not credit impaired, net	17,176	8,284	21,544	3,225
- Stage 3 - Lifetime ECL credit impaired, net	(1,279)	889	(3,069)	41,313
<b>Net</b>	<b>16,735</b>	<b>10,731</b>	<b>22,059</b>	<b>46,025</b>
	<b>(1,792)</b>	<b>15,393</b>	<b>23,991</b>	<b>48,209</b>

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<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	(5,657)	(16,270)	(1,612)	(9,620)
<b>Net</b>	<b>(5,657)</b>	<b>(16,270)</b>	<b>(1,612)</b>	<b>(9,620)</b>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	(9,572)	48,459	3,295	48,893
<b>Net</b>	<b>(9,572)</b>	<b>48,459</b>	<b>3,295</b>	<b>48,893</b>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	4,854	(1,604)	5,777	(1,037)
<b>Net</b>	<b>4,854</b>	<b>(1,604)</b>	<b>5,777</b>	<b>(1,037)</b>
Reinsurance/retakaful assets and other insurance receivables				
- Stage 1 - 12-month ECL, net	1,211	7,614	6,767	9,285
<b>Net</b>	<b>1,211</b>	<b>7,614</b>	<b>6,767</b>	<b>9,285</b>
Other assets				
- Stage 1 - 12-month ECL, net	(2,723)	(1,302)	390	(2,378)
- Stage 2 - Lifetime ECL not credit impaired	(29)	37	(12)	(45)
- Stage 3 - Lifetime ECL credit impaired	5,364	(191)	4,239	365
<b>Net</b>	<b>2,612</b>	<b>(1,456)</b>	<b>4,617</b>	<b>(2,058)</b>
Statutory deposit with central banks				
- Stage 1 - 12-month ECL, net	(1,135)	-	1,312	-
<b>Net</b>	<b>(1,135)</b>	<b>-</b>	<b>1,312</b>	<b>-</b>
	<b>(7,687)</b>	<b>36,743</b>	<b>20,156</b>	<b>45,463</b>

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Bank</b>				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	<b>(4,935)</b>	2,608	<b>(2,990)</b>	(8,215)
Net	<b>(4,935)</b>	2,608	<b>(2,990)</b>	(8,215)
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	<b>(2,603)</b>	29,546	<b>2,999</b>	29,577
Net	<b>(2,603)</b>	29,546	<b>2,999</b>	29,577
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	<b>4,344</b>	(1,572)	<b>4,503</b>	(1,205)
Net	<b>4,344</b>	(1,572)	<b>4,503</b>	(1,205)
Other assets				
- Stage 3 - Lifetime ECL credit impaired	<b>4,175</b>	(870)	<b>6,332</b>	(2,790)
Net	<b>4,175</b>	(870)	<b>6,332</b>	(2,790)
	<b>981</b>	29,712	<b>10,844</b>	17,367

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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		
<b>Six Months Ended 30 June 2020</b>								
Net interest income:								
- External	3,580,252	2,065,430	116,134	69	576,812	(729,678)	5,609,019	
- Inter-segment	-	-	(347)	1,215	54,697	(55,565)	-	
	<u>3,580,252</u>	<u>2,065,430</u>	<u>115,787</u>	<u>1,284</u>	<u>631,509</u>	<u>(785,243)</u>	<u>5,609,019</u>	
Net interest income	3,580,252	2,065,430	115,787	1,284	631,509	(785,243)	5,609,019	
Income from IBS operations	1,467,766	765,705	26,154	-	-	612,772	2,872,397	
Net earned insurance premiums	-	-	-	-	3,685,821	-	3,685,821	
Other operating income	1,278,158	1,710,690	476,513	50,505	230,649	14,016	3,760,531	
Total operating income	<u>6,326,176</u>	<u>4,541,825</u>	<u>618,454</u>	<u>51,789</u>	<u>4,547,979</u>	<u>(158,455)</u>	<u>15,927,768</u>	
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(3,687,924)	132,872	(3,555,052)	
Net operating income	<u>6,326,176</u>	<u>4,541,825</u>	<u>618,454</u>	<u>51,789</u>	<u>860,055</u>	<u>(25,583)</u>	<u>12,372,716</u>	
Overhead expenses	<u>(3,698,588)</u>	<u>(937,333)</u>	<u>(493,413)</u>	<u>(54,644)</u>	<u>(464,368)</u>	<u>-</u>	<u>(5,648,346)</u>	
Operating profit/(loss) before impairment losses	<u>2,627,588</u>	<u>3,604,492</u>	<u>125,041</u>	<u>(2,855)</u>	<u>395,687</u>	<u>(25,583)</u>	<u>6,724,370</u>	
Allowances for impairment losses on loans, advances, financing and other debts, net	<u>(925,760)</u>	<u>(1,766,130)</u>	<u>(4,941)</u>	<u>-</u>	<u>(4,103)</u>	<u>-</u>	<u>(2,700,934)</u>	
(Allowances for)/writeback of impairment losses on financial investments, net	<u>(21)</u>	<u>(43,977)</u>	<u>(152)</u>	<u>-</u>	<u>233</u>	<u>-</u>	<u>(43,917)</u>	
Writeback of/(allowances for) impairment losses on other financial assets, net	<u>33</u>	<u>(12,490)</u>	<u>(252)</u>	<u>(4)</u>	<u>(8,994)</u>	<u>1,551</u>	<u>(20,156)</u>	
Operating profit/(loss)	<u>1,701,840</u>	<u>1,781,895</u>	<u>119,696</u>	<u>(2,859)</u>	<u>382,823</u>	<u>(24,032)</u>	<u>3,959,363</u>	
Share of profits in associates and joint ventures	-	93,350	788	-	-	-	94,138	
<b>Profit/(loss) before taxation and zakat</b>	<u>1,701,840</u>	<u>1,875,245</u>	<u>120,484</u>	<u>(2,859)</u>	<u>382,823</u>	<u>(24,032)</u>	<u>4,053,501</u>	
Taxation and zakat							<u>(984,973)</u>	
<b>Profit after taxation and zakat</b>							<u>3,068,528</u>	
Non-controlling interests							<u>(77,146)</u>	
<b>Profit for the financial period attributable to equity holders of the Bank</b>							<u>2,991,382</u>	

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

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

	<===== Business Segments =====>						Head Office and Others RM'000	Total RM'000
	<===== Group Global Banking =====>							
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Group		
<b>Six Months Ended 30 June 2020 (cont'd.)</b>								
<b>Included in other operating income are:</b>								
Fee income:								
Commission	533,681	54,890	9,262	19,911	-	(65,961)	551,783	
Service charges and fees	386,090	146,486	76,454	34,672	1,031	(25,666)	619,067	
Underwriting fees	-	6,789	3,009	-	-	-	9,798	
Brokerage income	-	-	233,598	-	-	-	233,598	
Fees on loans, advances and financing	39,510	58,622	606	-	-	299	99,037	
Fee income from IBS operations	130,260	47,745	15,817	-	-	(19,426)	174,396	
<b>Included in overhead expenses are:</b>								
Depreciation of property, plant and equipment	(98,712)	(26,658)	(19,149)	(268)	(9,227)	-	(154,014)	
Depreciation of right-of-use assets	(145,549)	(37,846)	(27,453)	(1,276)	(11,331)	-	(223,455)	
Amortisation of intangible assets	(94,889)	(26,230)	(6,178)	(123)	(12,891)	-	(140,311)	



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

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

Six Months Ended 30 June 2019	<===== 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	
Net interest income:							
- External	3,660,761	2,088,496	124,907	1,017	615,479	(639,558)	5,851,102
- Inter-segment	-	-	2,121	1,321	19,169	(22,611)	-
	3,660,761	2,088,496	127,028	2,338	634,648	(662,169)	5,851,102
Net interest income	3,660,761	2,088,496	127,028	2,338	634,648	(662,169)	5,851,102
Income from IBS operations	1,542,695	649,946	38,978	-	-	667,939	2,899,558
Net earned insurance premiums	-	-	-	-	3,250,389	-	3,250,389
Other operating income	1,441,540	1,180,976	360,561	85,050	1,103,769	(514,235)	3,657,661
Total operating income	6,644,996	3,919,418	526,567	87,388	4,988,806	(508,465)	15,658,710
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(4,052,635)	143,693	(3,908,942)
Net operating income	6,644,996	3,919,418	526,567	87,388	936,171	(364,772)	11,749,768
Overhead expenses	(3,653,440)	(915,737)	(512,583)	(84,438)	(463,060)	-	(5,629,258)
Operating profit/(loss) before impairment losses	2,991,556	3,003,681	13,984	2,950	473,111	(364,772)	6,120,510
Writeback of/(allowances for) impairment losses on loans, advances, financing and other debts, net	145,835	(1,134,847)	(38)	2	(6,590)	-	(995,638)
Writeback of/(allowances for) impairment losses on financial investments, net	301	(47,682)	(117)	-	(1,023)	-	(48,521)
(Allowances for)/writeback of impairment losses on other financial assets, net	(325)	(20,515)	(777)	17	(9,243)	(14,620)	(45,463)
Operating profit/(loss)	3,137,367	1,800,637	13,052	2,969	456,255	(379,392)	5,030,888
Share of profits in associates and joint ventures	-	70,554	577	-	-	-	71,131
<b>Profit/(loss) before taxation and zakat</b>	3,137,367	1,871,191	13,629	2,969	456,255	(379,392)	5,102,019
Taxation and zakat							(1,239,121)
<b>Profit after taxation and zakat</b>							3,862,898
Non-controlling interests							(112,763)
<b>Profit for the financial period attributable to equity holders of the Bank</b>							3,750,135

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

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

	<===== Business Segments =====>						Head Office and Others RM'000	Total RM'000
	<===== Group Global Banking =====>							
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Group Insurance and Takaful RM'000		
<b>Six Months Ended 30 June 2019 (cont'd.)</b>								
<b>Included in other operating income are:</b>								
Fee income:								
Commission	589,894	74,513	19,069	8,111	-	(62,230)	629,357	
Service charges and fees	446,294	155,411	93,659	48,974	404	(73,557)	671,185	
Underwriting fees	-	4,851	25,027	-	-	-	29,878	
Brokerage income	-	-	146,731	-	-	-	146,731	
Fees on loans, advances and financing	41,223	58,164	1,718	-	262	209	101,576	
Fee income from IBS operations	130,967	68,631	27,063	-	-	(28,205)	198,456	
<b>Included in overhead expenses are:</b>								
Depreciation of property, plant and equipment	(93,042)	(24,099)	(23,846)	(436)	(7,314)	-	(148,737)	
Depreciation of right-of-use assets	(121,760)	(29,500)	(21,211)	(1,097)	(8,439)	-	(182,007)	
Amortisation of intangible assets	(76,721)	(22,960)	(9,098)	(216)	(11,059)	-	(120,054)	

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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 2019.

**A33. Subsequent Events**

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

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

There were no significant changes to the composition of the Group during the financial half year ended 30 June 2020.

**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 30 June 2020			As at 31 December 2019		
	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	10,737,344	9,882,089	6,213,306	11,651,981	10,549,467	6,180,568
Certain transaction-related contingent items	16,251,260	7,506,327	4,868,715	17,933,219	8,010,772	4,956,866
Short-term self-liquidating trade-related contingencies	2,931,147	563,215	345,085	2,963,469	614,984	378,984
	<b>29,919,751</b>	<b>17,951,631</b>	<b>11,427,106</b>	<b>32,548,669</b>	<b>19,175,223</b>	<b>11,516,418</b>
<b><u>Commitments</u></b>						
Irrevocable commitments to extend credit:						
- Maturity within one year	126,616,508	16,091,377	5,138,075	120,543,741	12,568,585	5,201,397
- Maturity exceeding one year	41,742,213	49,238,191	22,141,804	43,154,904	43,431,330	19,424,913
	<b>168,358,721</b>	<b>65,329,568</b>	<b>27,279,879</b>	<b>163,698,645</b>	<b>55,999,915</b>	<b>24,626,310</b>
Miscellaneous commitments and contingencies	7,402,507	800,992	129,094	8,965,841	836,389	88,766
Total credit-related commitments and contingencies	<b>205,680,979</b>	<b>84,082,191</b>	<b>38,836,079</b>	<b>205,213,155</b>	<b>76,011,527</b>	<b>36,231,494</b>
<b><u>Derivative financial instruments</u></b>						
Foreign exchange related contracts:						
- Less than one year	606,430,234	6,497,772	1,027,112	538,237,679	5,300,386	897,466
- One year to less than five years	33,254,409	2,471,212	1,288,369	31,495,367	1,856,999	930,782
- Five years and above	6,543,048	1,058,436	406,331	5,314,451	749,621	314,812
	<b>646,227,691</b>	<b>10,027,420</b>	<b>2,721,812</b>	<b>575,047,497</b>	<b>7,907,006</b>	<b>2,143,060</b>
Interest rate related contracts:						
- Less than one year	100,687,762	37,634	14,692	78,438,765	263,545	76,054
- One year to less than five years	296,715,173	1,611,117	965,174	256,963,893	1,737,197	1,026,458
- Five years and above	112,930,175	2,189,963	1,500,952	87,560,165	1,861,518	1,238,571
	<b>510,333,110</b>	<b>3,838,714</b>	<b>2,480,818</b>	<b>422,962,823</b>	<b>3,862,260</b>	<b>2,341,083</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 30 June 2020			As at 31 December 2019		
	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>Derivative financial instruments</u></b>						
<b><u>(cont'd.)</u></b>						
Equity and commodity related contracts:						
- Less than one year	3,281,876	293,393	214,565	4,075,338	257,581	150,897
- One year to less than five years	272,860	77,421	57,986	1,260,171	101,036	72,194
	<b>3,554,736</b>	<b>370,814</b>	<b>272,551</b>	<b>5,335,509</b>	<b>358,617</b>	<b>223,091</b>
Credit related contracts:						
- Less than one year	22,750	-	-	63,690	-	-
Total treasury-related commitments and contingencies	<b>1,160,138,287</b>	<b>14,236,948</b>	<b>5,475,181</b>	<b>1,003,409,519</b>	<b>12,127,883</b>	<b>4,707,234</b>
Total commitments and contingencies	<b>1,365,819,266</b>	<b>98,319,139</b>	<b>44,311,260</b>	<b>1,208,622,674</b>	<b>88,139,410</b>	<b>40,938,728</b>
<b>Bank</b>						
<b><u>Contingent liabilities</u></b>						
Direct credit substitutes	8,257,428	7,439,422	4,309,309	8,851,551	7,795,307	4,096,596
Certain transaction-related contingent items	13,417,376	6,094,204	3,923,168	14,052,638	6,099,774	3,644,076
Short-term self-liquidating trade-related contingencies	2,333,556	412,500	234,944	2,224,986	415,279	231,897
	<b>24,008,360</b>	<b>13,946,126</b>	<b>8,467,421</b>	<b>25,129,175</b>	<b>14,310,360</b>	<b>7,972,569</b>
<b><u>Commitments</u></b>						
Irrevocable commitments to extend credit:						
- Maturity within one year	76,990,511	8,285,273	2,147,026	74,635,545	5,851,189	2,420,816
- Maturity exceeding one year	27,644,426	30,990,789	15,227,142	30,025,147	26,990,403	13,104,508
	<b>104,634,937</b>	<b>39,276,062</b>	<b>17,374,168</b>	<b>104,660,692</b>	<b>32,841,592</b>	<b>15,525,324</b>
Miscellaneous commitments and contingencies	4,205,478	1,104,417	189,366	4,580,758	1,206,450	158,688
Total credit-related commitments and contingencies	<b>132,848,775</b>	<b>54,326,605</b>	<b>26,030,955</b>	<b>134,370,625</b>	<b>48,358,402</b>	<b>23,656,581</b>
<b><u>Derivative financial instruments</u></b>						
Foreign exchange related contracts:						
- Less than one year	599,028,862	6,159,693	872,491	530,308,700	5,198,743	798,031
- One year to less than five years	32,191,839	2,256,853	1,142,205	30,708,880	1,920,409	948,238
- Five years and above	5,468,126	883,535	314,871	4,403,125	584,069	223,548
	<b>636,688,827</b>	<b>9,300,081</b>	<b>2,329,567</b>	<b>565,420,705</b>	<b>7,703,221</b>	<b>1,969,817</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 30 June 2020			As at 31 December 2019		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b>Bank (cont'd.)</b>						
<b><u>Derivative financial instruments</u></b> <b><u>(cont'd.)</u></b>						
Interest rate related contracts:						
- Less than one year	99,574,809	141,831	47,194	77,500,667	37,384	9,174
- One year to less than five years	296,972,096	3,814,874	1,982,207	257,295,512	1,284,684	593,440
- Five years and above	112,930,173	2,195,858	1,503,232	87,620,165	1,859,086	1,236,139
	<b>509,477,078</b>	<b>6,152,563</b>	<b>3,532,633</b>	<b>422,416,344</b>	<b>3,181,154</b>	<b>1,838,753</b>
Equity and commodity related contracts:						
- Less than one year	1,122,463	234,434	185,729	1,908,063	178,382	111,125
- One year to less than five years	272,860	77,421	57,986	1,260,171	101,036	72,194
	<b>1,395,323</b>	<b>311,855</b>	<b>243,715</b>	<b>3,168,234</b>	<b>279,418</b>	<b>183,319</b>
Credit related contracts:						
- Less than one year	22,750	-	-	63,690	-	-
Total treasury-related commitments and contingencies	<b>1,147,583,978</b>	<b>15,764,499</b>	<b>6,105,915</b>	<b>991,068,973</b>	<b>11,163,793</b>	<b>3,991,889</b>
Total commitments and contingencies	<b>1,280,432,753</b>	<b>70,091,104</b>	<b>32,136,870</b>	<b>1,125,439,598</b>	<b>59,522,195</b>	<b>27,648,470</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 30 June 2020, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM23,621.2 million (31 December 2019: RM10,335.6 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 5 February 2020 issued the Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Conventional banks and Islamic banks respectively. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

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

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

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

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

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

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) issued on 5 February 2020 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

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

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

- (i) For Maybank Islamic Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 5 February 2020 and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ending 31 December 2020 (2019: 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 5 February 2020 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the financial year ending 31 December 2020 (2019: 4.5%, 6.0% and 8.0% of total RWA).

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

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

The minimum regulatory capital adequacy requirement for PT Bank Maybank Indonesia Tbk for the financial year ending 31 December 2020 is 9% up to less than 10% (2019: 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 31 March 2020) issued by the Monetary Authority of Singapore ("MAS"). The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 6.5%, 8.0% and 10.0% of total RWA for the financial year ending 31 December 2020 (2019: 6.5%, 8.0% and 10.0% of total RWA).

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

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

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

Pursuant to Note A9(a), in arriving the capital adequacy ratios for the financial half year ended 30 June 2020, the paid dividend have been deducted from the calculation of CET1 Capital.

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

	Group		Bank	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
CET1 Capital Ratio	15.431%	15.729%	15.442%	15.314%
Tier 1 Capital Ratio	16.175%	16.486%	16.235%	16.120%
Total Capital Ratio	<u>19.042%</u>	<u>19.387%</u>	<u>18.811%</u>	<u>19.387%</u>

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

**(d) Components of capital:**

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
<b>CET1 Capital</b>				
Paid-up share capital	48,280,355	48,280,355	48,280,355	48,280,355
Retained profits <sup>1</sup>	19,524,000	20,606,011	15,043,386	15,231,992
Other reserves <sup>1</sup>	6,150,809	5,189,258	6,241,033	5,820,765
Qualifying non-controlling interests	123,486	134,080	-	-
CET1 Capital before regulatory adjustments	<b>74,078,650</b>	74,209,704	<b>69,564,774</b>	69,333,112
Less: Regulatory adjustments applied on CET1 Capital:				
Deferred tax assets	(14,436,636)	(14,374,667)	(34,510,731)	(35,110,987)
Goodwill	(754,796)	(678,978)	-	-
Other intangibles	(5,816,611)	(5,709,503)	(81,015)	(81,015)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(908,924)	(952,424)	(272,310)	(280,120)
Regulatory reserve	(1,677,738)	(1,186,797)	(1,172,401)	(884,294)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities <sup>2</sup>	(2,116,731)	(2,771,806)	(1,495,500)	(1,894,921)
	(3,161,836)	(3,075,159)	(31,489,505)	(31,970,637)
<b>Total CET1 Capital</b>	<b>59,642,014</b>	59,835,037	<b>35,054,043</b>	34,222,125
<b>Additional Tier 1 Capital</b>				
Capital securities	2,800,000	2,800,000	2,800,000	2,800,000
Qualifying CET1 and Additional Tier 1 capital instruments held by third parties	77,876	79,175	-	-
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>62,519,890</b>	62,714,212	<b>36,854,043</b>	36,022,125
<b>Tier 2 Capital</b>				
Subordinated obligations	9,140,121	9,045,420	9,140,121	9,045,420
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	41,062	41,287	-	-
General provisions <sup>3</sup>	326,397	399,044	107,647	97,242
Surplus of total eligible provision over total expected loss	1,573,397	1,550,042	958,289	959,033
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(4,360,068)	(2,801,145)
<b>Total Tier 2 Capital</b>	<b>11,080,977</b>	11,035,793	<b>5,845,989</b>	7,300,550
<b>Total Capital</b>	<b>73,600,867</b>	73,750,005	<b>42,700,032</b>	43,322,675

<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 30 June 2020</u></b>				
CET1 Capital Ratio	13.761%	30.163%	-	14.753%
Tier 1 Capital Ratio	15.147%	30.163%	-	14.753%
Total Capital Ratio	<u>18.444%</u>	<u>31.548%</u>	<u>22.096%</u>	<u>18.714%</u>
<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>

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

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

**At 30 June 2020**

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000	Maybank Singapore Limited RM'000
Standardised Approach exposure	54,919,888	21,647,761	3,259,987	816,330	29,129,798	16,441,219
Internal Ratings-Based Approach exposure after scaling factor	262,232,824	159,714,773	71,445,857	-	-	21,794,594
Credit valuation adjustment	-	-	-	-	-	71,673
<b>Total RWA for credit risk</b>	<b>317,152,712</b>	<b>181,362,534</b>	<b>74,705,844</b>	<b>816,330</b>	<b>29,129,798</b>	<b>38,307,486</b>
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(11,454,065)	-	-	-
Total RWA for market risk	26,011,257	22,577,203	659,028	387,621	834,843	18,570
Total RWA for operational risk	43,346,489	23,060,137	8,195,886	739,279	5,960,208	3,704,505
<b>Total RWA</b>	<b>386,510,458</b>	<b>226,999,874</b>	<b>72,106,693</b>	<b>1,943,230</b>	<b>35,924,849</b>	<b>42,030,561</b>

**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>

\* 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 ---->	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
<b>At 30 June 2020</b>						
<b>Trading derivatives</b>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	48,496,551	418,050	(288,440)	37,795,684	430,920	(341,269)
- One year to three years	1,160,924	45,156	(9,771)	1,236,148	45,156	(9,771)
- More than three years	4,112,587	189,540	(994)	2,965,063	189,540	(994)
	<u>53,770,062</u>	<u>652,746</u>	<u>(299,205)</u>	<u>41,996,895</u>	<u>665,616</u>	<u>(352,034)</u>
Currency swaps:						
- Less than one year	529,980,075	2,525,839	(2,336,247)	533,532,080	2,476,160	(2,198,970)
- One year to three years	350,159	9	(663)	454,842	9	(12,032)
	<u>530,330,234</u>	<u>2,525,848</u>	<u>(2,336,910)</u>	<u>533,986,922</u>	<u>2,476,169</u>	<u>(2,211,002)</u>
Currency spots:						
- Less than one year	5,345,850	4,914	(4,327)	5,553,847	5,065	(4,384)
Currency options:						
- Less than one year	11,719,459	61,560	(55,979)	11,787,213	61,483	(51,903)
- One year to three years	992,467	79,064	(163,588)	1,763,319	79,064	(123,452)
- More than three years	21,412	-	(343)	21,412	-	(343)
	<u>12,733,338</u>	<u>140,624</u>	<u>(219,910)</u>	<u>13,571,944</u>	<u>140,547</u>	<u>(175,698)</u>
Cross currency interest rate swaps:						
- Less than one year	8,145,532	106,375	(302,437)	7,617,271	103,512	(294,590)
- One year to three years	15,020,743	452,690	(227,281)	13,477,578	407,510	(201,168)
- More than three years	12,416,322	396,608	(274,133)	12,018,760	389,973	(271,214)
	<u>35,582,597</u>	<u>955,673</u>	<u>(803,851)</u>	<u>33,113,609</u>	<u>900,995</u>	<u>(766,972)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	97,951,248	345,190	(693,754)	98,037,392	343,409	(693,048)
- One year to three years	182,575,496	2,833,496	(2,748,476)	182,870,123	2,822,275	(2,740,742)
- More than three years	209,011,835	13,491,100	(10,949,814)	209,102,604	13,435,633	(10,944,425)
	<u>489,538,579</u>	<u>16,669,786</u>	<u>(14,392,044)</u>	<u>490,010,119</u>	<u>16,601,317</u>	<u>(14,378,215)</u>
Interest rate futures:						
- Less than one year	2,736,514	1,685,225	(1,657,250)	1,537,417	1,685,225	(1,655,755)
- One year to three years	128,475	-	(156)	-	-	-
	<u>2,864,989</u>	<u>1,685,225</u>	<u>(1,657,406)</u>	<u>1,537,417</u>	<u>1,685,225</u>	<u>(1,655,755)</u>
Interest rate options:						
- One year to three years	4,775,100	32,951	(17,335)	4,775,100	32,951	(17,335)
- More than three years	12,105,230	1,861,732	(3,651,816)	12,105,230	1,861,732	(3,651,816)
	<u>16,880,330</u>	<u>1,894,683</u>	<u>(3,669,151)</u>	<u>16,880,330</u>	<u>1,894,683</u>	<u>(3,669,151)</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 30 June 2020 (cont'd.)</u>		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	1,464,582	162,154	(253,640)	-	-	-
Equity swaps:						
- Less than one year	765,421	29,558	(85,815)	70,590	6,004	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	126,506	16,395	(16,395)	126,506	16,395	(16,395)
Commodity swaps:						
- Less than one year	925,367	152,139	(151,456)	925,367	152,139	(151,456)
- One year to three years	272,860	44,221	(43,014)	272,860	44,221	(43,014)
	<u>1,198,227</u>	<u>196,360</u>	<u>(194,470)</u>	<u>1,198,227</u>	<u>196,360</u>	<u>(194,470)</u>
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	22,750	214	(154)	22,750	214	(154)
<b>Hedging derivatives</b>						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	2,742,767	20,699	(58,727)	2,742,767	20,699	(58,727)
- One year to three years	4,504,633	87,495	(53,245)	4,504,633	87,495	(53,245)
- More than three years	1,218,210	33,836	(13,873)	1,218,210	33,836	(13,873)
	<u>8,465,610</u>	<u>142,030</u>	<u>(125,845)</u>	<u>8,465,610</u>	<u>142,030</u>	<u>(125,845)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- One year to three years	642,375	14,701	(7,342)	642,375	14,701	(7,342)
- More than three years	406,837	84,289	-	406,837	84,289	-
	<u>1,049,212</u>	<u>98,990</u>	<u>(7,342)</u>	<u>1,049,212</u>	<u>98,990</u>	<u>(7,342)</u>
Netting effects under MFRS 132 Amendments	-	(1,553,963)	1,553,963	-	(1,545,879)	1,545,879
<b>Total</b>	<u><b>1,160,138,287</b></u>	<u><b>23,621,237</b></u>	<u><b>(22,512,502)</b></u>	<u><b>1,147,583,978</b></u>	<u><b>23,283,731</b></u>	<u><b>(22,011,538)</b></u>

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

<u>At 31 December 2019</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	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)
	44,680,160	289,278	(471,609)	34,794,928	238,529	(369,750)
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)
	476,074,309	1,921,163	(2,525,496)	477,543,484	1,894,229	(2,507,056)
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)
	8,276,049	68,518	(123,264)	8,893,270	66,243	(92,501)
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)
	34,025,201	783,715	(769,271)	32,009,778	729,144	(747,307)
<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)
	383,552,170	5,326,275	(5,119,824)	384,103,466	5,218,502	(5,050,227)
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)
	19,645,163	1,172,350	(1,169,012)	18,784,500	1,171,806	(1,169,012)
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)
	18,525,347	1,159,978	(1,352,218)	18,525,348	1,126,722	(1,318,695)

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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 2019 (cont'd.)</b>						
<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)
- More than three years	-	-	-	-	-	-
	<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 contract</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>1,003,409,519</u>	<u>10,335,629</u>	<u>(11,182,307)</u>	<u>991,068,973</u>	<u>10,002,003</u>	<u>(10,588,278)</u>

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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 30 June 2020 and 31 December 2019.

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 30 June 2020</b>				
Financial assets measured at fair value:				
<b>Financial assets designated upon initial recognition at fair value through profit or loss</b>	<b>113,848</b>	<b>13,690,723</b>	<b>-</b>	<b>13,804,571</b>
Money market instruments	-	539,548	-	539,548
Quoted securities	113,848	-	-	113,848
Unquoted securities	-	13,151,175	-	13,151,175
<b>Financial investments at fair value through profit or loss</b>	<b>6,262,592</b>	<b>14,632,200</b>	<b>807,147</b>	<b>21,701,939</b>
Money market instruments	-	9,945,912	-	9,945,912
Quoted securities	6,262,592	-	-	6,262,592
Unquoted securities	-	4,686,288	807,147	5,493,435
<b>Financial investments at fair value through other comprehensive income</b>	<b>2,282,818</b>	<b>120,454,643</b>	<b>344,645</b>	<b>123,082,106</b>
Money market instruments	-	61,639,975	-	61,639,975
Quoted securities	2,282,818	-	-	2,282,818
Unquoted securities	-	58,814,668	344,645	59,159,313
<b>Loans, advances and financing at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>232,280</b>	<b>232,280</b>
<b>Loans, advances and financing at fair value through other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>10,862,638</b>	<b>10,862,638</b>

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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 30 June 2020 and 31 December 2019 (cont'd.).

Group (cont'd.) At 30 June 2020	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value (cont'd.):				
<b>Derivative assets</b>	-	23,480,876	140,361	23,621,237
Foreign exchange related contracts	-	4,421,835	-	4,421,835
Interest rate related contracts	-	20,348,684	-	20,348,684
Equity and commodity related contracts	-	264,106	140,361	404,467
Credit related contracts	-	214	-	214
Netting effects under MFRS 132 Amendments	-	(1,553,963)	-	(1,553,963)
	<b>8,659,258</b>	<b>172,258,442</b>	<b>12,387,071</b>	<b>193,304,771</b>

Financial liabilities measured at fair value:

<b>Financial liabilities at fair value through profit or loss</b>	-	9,828,570	-	9,828,570
Structured deposits	-	22,766	-	22,766
Borrowings	-	9,805,804	-	9,805,804
<b>Derivative liabilities</b>	-	22,372,141	140,361	22,512,502
Foreign exchange related contracts	-	3,790,048	-	3,790,048
Interest rate related contracts	-	19,725,943	-	19,725,943
Equity and commodity related contracts	-	409,959	140,361	550,320
Credit related contracts	-	154	-	154
Netting effects under MFRS 132 Amendments	-	(1,553,963)	-	(1,553,963)
	-	<b>32,200,711</b>	<b>140,361</b>	<b>32,341,072</b>

Group 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 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 30 June 2020 and 31 December 2019 (cont'd.).

Group (cont'd.) At 31 December 2019	Valuation technique using			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
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)
	<u>8,349,055</u>	<u>158,678,497</u>	<u>13,576,766</u>	<u>180,604,318</u>

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)
	-	<u>17,629,667</u>	<u>83,393</u>	<u>17,713,060</u>

Bank At 30 June 2020	Valuation technique using			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
<b>Financial investments at fair value through profit or loss</b>	315,043	13,700,125	622,176	14,637,344
Money market instruments	-	9,065,850	-	9,065,850
Quoted securities	315,043	-	-	315,043
Unquoted securities	-	4,634,275	622,176	5,256,451
<b>Financial investments at fair value through other comprehensive income</b>	15,985	81,367,710	310,685	81,694,380
Money market instruments	-	32,667,492	-	32,667,492
Quoted securities	15,985	-	-	15,985
Unquoted securities	-	48,700,218	310,685	49,010,903
<b>Loans, advances and financing at fair value through profit or loss</b>	-	-	232,280	232,280
<b>Loans, advances and financing at fair value through other comprehensive income</b>	-	-	10,442,432	10,442,432
<b>Derivative assets</b>	-	23,143,370	140,361	23,283,731
Foreign exchange related contracts	-	4,330,422	-	4,330,422
Interest rate related contracts	-	20,280,215	-	20,280,215
Equity and commodity related contracts	-	78,398	140,361	218,759
Credit related contracts	-	214	-	214
Netting effects under MFRS 132 Amendments	-	(1,545,879)	-	(1,545,879)
	<u>331,028</u>	<u>118,211,205</u>	<u>11,747,934</u>	<u>130,290,167</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 30 June 2020 and 31 December 2019 (cont'd.).

Bank (cont'd.) At 30 June 2020	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial liabilities measured at fair value:				
<b>Financial liabilities at fair value through profit or loss</b>	-	9,828,570	-	9,828,570
Structured deposits	-	22,766	-	22,766
Borrowings	-	9,805,804	-	9,805,804
<b>Derivative liabilities</b>	-	21,871,177	140,361	22,011,538
Foreign exchange related contracts	-	3,635,935	-	3,635,935
Interest rate related contracts	-	19,710,463	-	19,710,463
Equity and commodity related contracts	-	70,504	140,361	210,865
Credit related contracts	-	154	-	154
Netting effects under MFRS 132 Amendments	-	(1,545,879)	-	(1,545,879)
	-	31,699,747	140,361	31,840,108

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 MFRS132 Amendments	-	(854,792)	-	(854,792)
	336,727	102,241,576	12,917,827	115,496,130

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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 30 June 2020 and 31 December 2019 (cont'd.).

<b>Bank (cont'd.) At 31 December 2019</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>	-	6,530,753	-	6,530,753
Structured deposits	-	22,772	-	22,772
Borrowings	-	6,507,981	-	6,507,981
<b>Derivative liabilities</b>	-	10,504,885	83,393	10,588,278
Foreign exchange related contracts	-	3,784,072	-	3,784,072
Interest rate related contracts	-	7,539,308	-	7,539,308
Equity and commodity related contracts	-	35,396	83,393	118,789
Credit related contracts	-	901	-	901
Netting effects under MFRS132 Amendments	-	(854,792)	-	(854,792)
	-	17,035,638	83,393	17,119,031

**Valuation techniques**

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

*Derivatives*

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

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

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

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

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

*Financial liabilities at fair value through profit or loss*

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

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**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> As at 30 June 2020	At 1 January 2020 RM'000	Other gains recognised in income statements*	Unrealised gains 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 30 June 2020 RM'000
<b>Financial investments at fair value through profit or loss</b>											
Unquoted securities	807,125	-	-	-	-	-	-	22	-	-	807,147
<b>Financial investments at fair value through other comprehensive income</b>											
Unquoted securities	463,260	-	-	48	-	(118,969)	-	306	-	-	344,645
<b>Loans, advances and financing at fair value through profit or loss</b>	401,703	-	961	-	125,873	-	(308,450)	12,193	-	-	232,280
<b>Loans, advances and financing at fair value through other comprehensive income</b>	11,821,285	-	-	61,063	982,497	-	(2,110,031)	107,824	-	-	10,862,638
<b>Derivative assets</b>											
Equity and commodity related contracts	83,393	225,925	136,665	-	16,495	-	(322,117)	-	-	-	140,361
<b>Total Level 3 financial assets</b>	<b>13,576,766</b>	<b>225,925</b>	<b>137,626</b>	<b>61,111</b>	<b>1,124,865</b>	<b>(118,969)</b>	<b>(2,740,598)</b>	<b>120,345</b>	<b>-</b>	<b>-</b>	<b>12,387,071</b>
<b>Derivative liabilities</b>											
Equity and commodity related contracts	(83,393)	226,115	136,665	-	(16,495)	-	(403,253)	-	-	-	(140,361)
<b>Total Level 3 financial liabilities</b>	<b>(83,393)</b>	<b>226,115</b>	<b>136,665</b>	<b>-</b>	<b>(16,495)</b>	<b>-</b>	<b>(403,253)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(140,361)</b>
<b>Total net Level 3 financial assets/(liabilities)</b>	<b>13,493,373</b>	<b>452,040</b>	<b>274,291</b>	<b>61,111</b>	<b>1,108,370</b>	<b>(118,969)</b>	<b>(3,143,851)</b>	<b>120,345</b>	<b>-</b>	<b>-</b>	<b>12,246,710</b>

\* Included within 'Other operating income', 'Allowances for impairment losses on financial investments' and 'Income from Islamic Banking Scheme operations'.

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

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

<u>Group</u> As at 31 December 2019	At 1 January 2019 RM'000	Other gains recognised in income statements* RM'000	Unrealised gains/(losses) recognised in income statements# RM'000	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>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>	<u>10,862,637</u>	<u>88,021</u>	<u>(66,923)</u>	<u>(181,824)</u>	<u>7,684,624</u>	<u>(80,020)</u>	<u>(4,716,269)</u>	<u>(13,748)</u>	<u>268</u>	<u>-</u>	<u>13,576,766</u>
<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>	<u>(203,947)</u>	<u>79,407</u>	<u>(82,551)</u>	<u>-</u>	<u>(22,903)</u>	<u>-</u>	<u>146,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,393)</u>
<b>Total net Level 3 financial assets/(liabilities)</b>	<u>10,658,690</u>	<u>167,428</u>	<u>(149,474)</u>	<u>(181,824)</u>	<u>7,661,721</u>	<u>(80,020)</u>	<u>(4,569,668)</u>	<u>(13,748)</u>	<u>268</u>	<u>-</u>	<u>13,493,373</u>

\* Included within 'Other operating income', 'Allowances for impairment losses on financial investments' and 'Income from Islamic Banking Scheme operations'.

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

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

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

	At 1 January 2020 RM'000	Other gains recognised in income statements* RM'000	Unrealised gains recognised in income statements# RM'000	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 30 June 2020 RM'000
<b>Bank</b>											
<b>As at 30 June 2020</b>											
<b>Financial investments at fair value through profit or loss</b>											
Unquoted securities	622,176	-	-	-	-	-	-	-	-	-	622,176
<b>Financial investments at fair value through other comprehensive income</b>											
Unquoted securities	429,654	-	-	-	-	(118,969)	-	-	-	-	310,685
<b>Loans, advances and financing at fair value through profit or loss</b>											
	401,703	-	961	-	125,873	-	(308,450)	12,193	-	-	232,280
<b>Loans, advances and financing at fair value through other comprehensive income</b>											
	11,380,901	-	-	59,540	982,497	-	(2,088,330)	107,824	-	-	10,442,432
<b>Derivative assets</b>											
Equity and commodity related contracts	83,393	225,925	136,665	-	16,495	-	(322,117)	-	-	-	140,361
<b>Total Level 3 financial assets</b>	<b>12,917,827</b>	<b>225,925</b>	<b>137,626</b>	<b>59,540</b>	<b>1,124,865</b>	<b>(118,969)</b>	<b>(2,718,897)</b>	<b>120,017</b>	<b>-</b>	<b>-</b>	<b>11,747,934</b>
<b>Derivative liabilities</b>											
Equity and commodity related contracts	(83,393)	226,115	136,665	-	(16,495)	-	(403,253)	-	-	-	(140,361)
<b>Total Level 3 financial liabilities</b>	<b>(83,393)</b>	<b>226,115</b>	<b>136,665</b>	<b>-</b>	<b>(16,495)</b>	<b>-</b>	<b>(403,253)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(140,361)</b>
<b>Total net Level 3 financial assets/(liabilities)</b>	<b>12,834,434</b>	<b>452,040</b>	<b>274,291</b>	<b>59,540</b>	<b>1,108,370</b>	<b>(118,969)</b>	<b>(3,122,150)</b>	<b>120,017</b>	<b>-</b>	<b>-</b>	<b>11,607,573</b>

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

# Included within 'Other operating income'.

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

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

<b>Bank</b>	<b>At</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 2019</b>	<b>1 January</b>	<b>gains</b>	<b>gains/(losses)</b>	<b>losses</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>2019</b>	<b>recognised in</b>	<b>recognised in</b>	<b>recognised in</b>	<b>Additions</b>			<b>RM'000</b>	<b>Level 3</b>	<b>Level 3</b>	<b>2019</b>
	<b>RM'000</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>statements*</b>	<b>statements#</b>	<b>comprehensive</b>							
		<b>RM'000</b>	<b>RM'000</b>	<b>income</b>							
				<b>RM'000</b>							
<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 'Writeback of/(allowances for) 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 financial half year ended 30 June 2020.

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

There were no transfers into or out of Level 3 for the Group and the Bank during the financial half year ended 30 June 2020.

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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	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Outstanding credit exposures with connected parties (RM'000)	<u>13,078,056</u>	<u>15,154,533</u>	<u>16,540,486</u>	<u>25,616,177</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>1.6%</u>	<u>1.9%</u>	<u>3.5%</u>	<u>5.6%</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. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business**

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 27 September 2019, the breakdown of Unaudited 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) Unaudited Income Statements for the Financial Half Year Ended 30 June 2020**

Group Six-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Interest income	244,049	249,482	226,523	239,409	37,308	37,927	124,507	113,764	632,387	640,582
Interest expense	-	-	-	-	-	-	(1,049)	(6,246)	(1,049)	(6,246)
Net interest income	244,049	249,482	226,523	239,409	37,308	37,927	123,458	107,518	631,338	634,336
Net earned insurance premiums	1,679,473	1,097,665	763,958	919,304	663,487	620,653	578,903	612,767	3,685,821	3,250,389
Other operating (loss)/income	(162,318)	586,148	250,927	359,254	34,104	6,604	99,510	144,514	222,223	1,096,520
Total operating income	1,761,204	1,933,295	1,241,408	1,517,967	734,899	665,184	801,871	864,799	4,539,382	4,981,245
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(1,650,124)	(1,815,232)	(1,219,727)	(1,502,821)	(733,699)	(663,716)	(84,374)	(70,866)	(3,687,924)	(4,052,635)
Net operating income	111,080	118,063	21,681	15,146	1,200	1,468	717,497	793,933	851,458	928,610
Overhead expenses	(109,702)	(116,739)	(16,687)	(14,719)	(92)	(154)	(335,778)	(328,063)	(462,259)	(459,675)
Operating profit before impairment losses	1,378	1,324	4,994	427	1,108	1,314	381,719	465,870	389,199	468,935
Allowances for impairment losses on loans, advances, financing and other debts, net	(209)	(974)	-	(341)	-	(1,160)	(3,894)	(4,114)	(4,103)	(6,589)
(Allowances for)/writeback of impairment losses on financial investments, net	(148)	(225)	-	(86)	-	(154)	381	(558)	233	(1,023)
Allowances for impairment on other financial assets, net	(1,021)	(125)	(4,994)	-	(1,108)	-	(1,871)	(9,119)	(8,994)	(9,244)
Operating profit	-	-	-	-	-	-	376,335	452,079	376,335	452,079
Share of profits in associates	-	-	-	-	-	-	-	-	-	-
<b>Profit before taxation and zakat</b>	-	-	-	-	-	-	376,335	452,079	376,335	452,079
Taxation and zakat	-	-	-	-	-	-	(136,013)	(147,171)	(136,013)	(147,171)
<b>Profit for the financial period</b>	-	-	-	-	-	-	240,322	304,908	240,322	304,908

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

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy document issued on 27 September 2019, the breakdown of Unaudited 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) Unaudited Statements of Financial Position as at 30 June 2020**

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	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	539,310	125,182	23,226	14,654	71,113	34,918	258,879	456,375	892,528	631,129
Deposits and placements with financial institutions	1,651,807	1,464,365	3,199,795	1,020,658	1,072,492	253,229	2,708,131	515,784	8,632,225	3,254,036
Financial assets designated upon initial recognition at fair value through profit or loss	6,657,921	6,407,316	5,801,648	6,404,318	20,228	25,704	1,146,693	1,317,121	13,626,490	14,154,459
Financial investments at fair value through profit or loss	3,237,338	3,703,634	499,262	480,219	27,182	21,542	249,154	362,903	4,012,936	4,568,298
Financial investments at fair value through other comprehensive income	2,427,627	1,917,511	2,549,984	3,796,314	1,013,898	1,723,489	3,352,163	4,086,067	9,343,672	11,523,381
Loans, advances and financing	254,605	242,940	-	-	-	-	56,919	49,193	311,524	292,133
Derivative assets	23,806	33,873	-	-	-	-	1,600	1,278	25,406	35,151
Reinsurance/retakaful assets and other insurance receivables	261,897	126,453	345,959	290,270	425,876	283,068	4,019,186	3,532,298	5,052,918	4,232,089
Other assets	58,782	36,297	25,095	20,702	3,924	3,897	443,059	340,400	530,860	401,296
Investment properties	779,265	778,810	-	-	-	-	137,628	137,580	916,893	916,390
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	86,399	87,256	-	-	-	-	61,247	65,125	147,646	152,381
Right-of-use assets	-	-	-	-	-	-	27,744	32,680	27,744	32,680
Intangible assets	52,555	50,291	-	-	-	-	45,012	47,973	97,567	98,264
Deferred tax assets	2,869	2,963	3,366	4,429	6,328	6,247	25,194	21,654	37,757	35,293
<b>TOTAL ASSETS</b>	<b>16,034,181</b>	<b>14,976,891</b>	<b>12,448,335</b>	<b>12,031,564</b>	<b>2,641,041</b>	<b>2,352,094</b>	<b>12,532,761</b>	<b>10,966,583</b>	<b>43,656,318</b>	<b>40,327,132</b>
<b>LIABILITIES</b>										
Derivative liabilities	35,011	-	-	-	-	-	3,212	-	38,223	-
Insurance/takaful contract liabilities and other insurance payables	14,019,462	12,688,980	11,854,842	11,583,400	2,232,411	2,004,782	5,149,361	4,608,468	33,256,076	30,885,630
Other liabilities #	1,997,361	2,281,910	542,812	396,244	395,957	332,653	3,171	(897,763)	2,939,301	2,113,044
Provision for taxation and zakat	(91,583)	(59,341)	(2,124)	(1,035)	-	-	199,542	98,652	105,835	38,276
Deferred tax liabilities	73,930	65,342	52,805	52,955	12,673	14,659	323,966	319,090	463,374	452,046
<b>TOTAL LIABILITIES</b>	<b>16,034,181</b>	<b>14,976,891</b>	<b>12,448,335</b>	<b>12,031,564</b>	<b>2,641,041</b>	<b>2,352,094</b>	<b>5,679,252</b>	<b>4,128,447</b>	<b>36,802,809</b>	<b>33,488,996</b>
<b>EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE SUBSIDIARIES</b>										
Share capital	-	-	-	-	-	-	660,865	660,865	660,865	660,865
Other reserves	-	-	-	-	-	-	6,192,644	6,177,271	6,192,644	6,177,271
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>16,034,181</b>	<b>14,976,891</b>	<b>12,448,335</b>	<b>12,031,564</b>	<b>2,641,041</b>	<b>2,352,094</b>	<b>12,532,761</b>	<b>10,966,583</b>	<b>43,656,318</b>	<b>40,327,132</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. Unaudited Income Statements for the Financial Half Year Ended 30 June 2020**

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds (Note (a))	1,907,811	2,301,961	4,370,154	4,645,035
Income derived from investment of investment account funds (Note (a))	265,922	268,053	516,261	546,810
Income derived from investment of Islamic Banking Funds (Note (a))	107,237	123,248	224,972	254,465
(Allowances for)/writeback of impairment losses on financing and advances, net	(358,616)	26,819	(553,451)	71,230
(Allowances for)/writeback of impairment losses on financial investments, net	(10,709)	(1,291)	(16,508)	460
Allowances for impairment losses on other financial assets, net	-	47	-	6
<b>Total distributable income</b>	<b>1,911,645</b>	<b>2,718,837</b>	<b>4,541,428</b>	<b>5,518,006</b>
Profit distributed to depositors	(1,237,391)	(1,414,855)	(2,617,262)	(2,795,096)
Profit distributed to investment account holders	(101,189)	(144,272)	(217,067)	(309,328)
<b>Total net income</b>	<b>573,065</b>	<b>1,159,710</b>	<b>1,707,099</b>	<b>2,413,582</b>
Finance cost	(122,231)	(87,792)	(248,478)	(185,673)
Overhead expenses	(353,573)	(383,586)	(849,582)	(794,698)
<b>Profit before taxation and zakat</b>	<b>97,261</b>	<b>688,332</b>	<b>609,039</b>	<b>1,433,211</b>
Taxation	(53,270)	(157,709)	(174,154)	(335,427)
Zakat	(3,792)	675	(12,236)	(5,621)
<b>Profit for the financial period</b>	<b>40,199</b>	<b>531,298</b>	<b>422,649</b>	<b>1,092,163</b>

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

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds (Note (a))	1,907,811	2,301,961	4,370,154	4,645,035
Income derived from investment of investment account funds (Note (a))	265,922	268,053	516,261	546,810
Income derived from investment of Islamic Banking Funds (Note (a))	107,237	123,248	224,972	254,465
Total income before allowances for impairment losses on financial assets and overhead expenses	2,280,970	2,693,262	5,111,387	5,446,310
Profit distributed to depositors	(1,237,391)	(1,414,855)	(2,617,262)	(2,795,096)
Profit distributed to investment account holders	(101,189)	(144,272)	(217,067)	(309,328)
	942,390	1,134,135	2,277,058	2,341,886
Finance cost	(122,231)	(87,792)	(248,478)	(185,673)
Net of intercompany income and expenses	431,468	356,597	843,817	743,345
Income from Islamic Banking Scheme operations reported in the Income Statement of the Group	1,251,627	1,402,940	2,872,397	2,899,558

Note (a): Included the net effects under government support measure to assist borrowers and customers adversely impacted by COVID-19 in order to sustain their business operations amounting to RM241,288,000.

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

**A41b. Unaudited Statements of Comprehensive Income for the Financial Half Year Ended 30 June 2020**

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<b>Profit for the financial period</b>	<b>40,199</b>	531,298	<b>422,649</b>	1,092,163
<b>Other comprehensive income:</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial loss	-	(12)	-	(589)
Income tax effect	-	3	-	147
	-	(9)	-	(442)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on foreign exchange translation	24	3,100	(122)	7,547
Net gain on financial investments at fair value through other comprehensive income	<b>195,178</b>	130,586	<b>177,947</b>	264,124
- Net gain from change in fair value	<b>258,243</b>	169,908	<b>232,810</b>	347,415
- Changes in expected credit losses	<b>(1,087)</b>	1,456	<b>1,011</b>	89
- Income tax effect	<b>(61,978)</b>	(40,778)	<b>(55,874)</b>	(83,380)
	<b>195,202</b>	133,686	<b>177,825</b>	271,671
Other comprehensive income for the financial period, net of tax	<b>195,202</b>	133,677	<b>177,825</b>	271,229
<b>Total comprehensive income for the financial period</b>	<b>235,401</b>	664,975	<b>600,474</b>	1,363,392

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

**A41c. Unaudited Statement of Financial Position as at 30 June 2020**

<u>Group</u>	Note	30 June 2020 RM'000	31 December 2019 RM'000
<b>ASSETS</b>			
Cash and short-term funds		14,964,497	21,732,551
Financial investments at fair value through profit or loss		-	383,194
Financial investments at fair value through other comprehensive income		17,210,760	15,292,520
Financial investments at amortised cost		15,841,396	9,671,676
Financing and advances	A41e	193,749,576	189,762,974
Derivative assets		350,999	200,414
Other assets		7,057,953	4,574,547
Statutory deposit with central banks		23,428	4,242,037
Property, plant and equipment		1,193	1,458
Right-of-use assets		11,429	12,966
<b>Total Assets</b>		<b>249,211,231</b>	<b>245,874,337</b>
<b>LIABILITIES</b>			
Customers' funding:			
- Deposits from customers	A41f	165,723,913	161,039,137
- Investment accounts of customers <sup>1</sup>	A41g	22,537,623	20,737,670
Deposits and placements from financial institutions		34,308,325	38,827,556
Bills and acceptances payable		91,725	137,893
Derivatives liabilities		358,360	221,674
Other liabilities		793,190	591,055
Deferred tax liabilities		326,011	83,002
Provision for taxation and zakat		18,018	37,370
Term funding	A41h	10,879,160	9,891,993
Subordinated sukuk	A41i	2,027,801	2,028,311
Capital securities	A41j	1,002,170	1,002,170
<b>Total Liabilities</b>		<b>238,066,296</b>	<b>234,597,831</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>			
Islamic Banking Funds		7,934,444	7,202,398
Retained profits		2,097,916	2,887,335
Other reserves		1,112,575	1,186,773
		<b>11,144,935</b>	<b>11,276,506</b>
<b>Total liabilities and Islamic Banking Capital Funds</b>		<b>249,211,231</b>	<b>245,874,337</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		<b>62,835,375</b>	<b>63,976,328</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. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2020**

<u>Group</u>	-----Non-distributable----- <sup>1</sup>							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	Defined Benefit Reserve RM'000	Distributable Retained Profits RM'000	
<b>At 1 January 2020</b>	7,202,398	846,497	338,320	259	1,697	-	2,887,335	11,276,506
Profit for the financial period	-	-	-	-	-	-	422,649	422,649
Other comprehensive gain/(loss)	-	-	177,947	(122)	-	-	-	177,825
Net loss on foreign exchange translation	-	-	-	(122)	-	-	-	(122)
Net gain on financial investments at fair value through other comprehensive income	-	-	177,947	-	-	-	-	177,947
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	177,947	(122)	-	-	422,649	600,474
Issue of ordinary shares	732,046	-	-	-	-	-	-	732,046
Transfer from regulatory reserve	-	(252,023)	-	-	-	-	252,023	-
Dividends paid	-	-	-	-	-	-	(1,464,091)	(1,464,091)
<b>At 30 June 2020</b>	<b>7,934,444</b>	<b>594,474</b>	<b>516,267</b>	<b>137</b>	<b>1,697</b>	<b>-</b>	<b>2,097,916</b>	<b>11,144,935</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. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2020 (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 2019</b>	7,473,540	313,516	(5,865)	(473)	1,697	808	3,050,868	10,834,091
Profit for the financial period	-	-	-	-	-	-	1,092,163	1,092,163
Other comprehensive income/(loss)	-	-	264,124	7,547	-	(442)	-	271,229
Net gain on foreign exchange translation	-	-	-	7,547	-	-	-	7,547
Net gain on financial investments at fair value through other comprehensive income	-	-	264,124	-	-	-	-	264,124
Defined benefit plan actuarial loss	-	-	-	-	-	(442)	-	(442)
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	264,124	7,547	-	(442)	1,092,163	1,363,392
Transfer from/(to) conventional banking operations	6,378	-	-	(6,985)	-	18	(3,343)	(3,932)
Transfer to regulatory reserve	-	281,237	-	-	-	-	(281,237)	-
Dividends paid	-	-	-	-	-	-	(1,233,632)	(1,233,632)
<b>At 30 June 2019</b>	<b>7,479,918</b>	<b>594,753</b>	<b>258,259</b>	<b>89</b>	<b>1,697</b>	<b>384</b>	<b>2,624,819</b>	<b>10,959,919</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>30 June 2020 RM'000</b>	<b>31 December 2019 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	420,206	440,383
(B) Financing and advances to customers at amortised cost	<u>281,461,370</u>	<u>280,650,934</u>
	<b>281,881,576</b>	<b>281,091,317</b>
Unearned income	<u>(85,349,937)</u>	<u>(89,087,920)</u>
Gross financing and advances	<b>196,531,639</b>	<b>192,003,397</b>
Allowances for impaired financing and advances:		
- Stage 1 - 12-month ECL	(546,923)	(371,029)
- Stage 2 - Lifetime ECL not credit impaired	(1,006,048)	(616,576)
- Stage 3 - Lifetime ECL credit impaired	<u>(1,229,092)</u>	<u>(1,252,818)</u>
Net financing and advances	<b><u>193,749,576</u></b>	<b><u>189,762,974</u></b>



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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>Musarakah</b>	<b>Al-Ijarah Thumma Al-Bai ("AITAB")<sup>2</sup></b>	<b>Ijarah<sup>3</sup></b>	<b>Others</b>	<b>Total Financing and Advances</b>
<b>As at 30 June 2020</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	-	6,257,956	-	-	-	-	6,257,956
Term financing							
- Housing financing	14,285,183	73,617,310	1,937,114	-	-	613	89,840,220
- Syndicated financing	-	6,219,372	-	-	-	-	6,219,372
- Hire purchase receivables	-	6,376,416	-	34,705,411	-	-	41,081,827
- Lease receivables	-	-	-	-	241,963	-	241,963
- Other term financing	11,904,828	103,296,628	650,105	-	-	8,931	115,860,492
Bills receivables	-	-	-	-	-	97	97
Trust receipts	-	96,997	-	-	-	-	96,997
Claims on customers under acceptance credits	-	3,922,511	-	-	-	-	3,922,511
Staff financing	418,822	1,967,025	8,525	173,998	-	31,298	2,599,668
Credit card receivables	-	-	-	-	-	1,151,231	1,151,231
Revolving credit	-	14,583,150	-	-	-	-	14,583,150
Share margin financing	-	16,950	-	-	-	-	16,950
Financing to:							
- Directors of the Bank	-	6,452	-	-	-	85	6,537
- Directors of subsidiaries	-	2,239	-	269	-	97	2,605
	<b>26,608,833</b>	<b>216,363,006</b>	<b>2,595,744</b>	<b>34,879,678</b>	<b>241,963</b>	<b>1,192,352</b>	<b>281,881,576</b>
Unearned income							<b>(85,349,937)</b>
Gross financing and advances <sup>4</sup>							<b>196,531,639</b>
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							<b>(546,923)</b>
- Stage 2 - Lifetime ECL not credit impaired							<b>(1,006,048)</b>
- Stage 3 - Lifetime ECL credit impaired							<b>(1,229,092)</b>
Net financing and advances							<b>193,749,576</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>Others</b>	<b>Total Financing and Advances</b>
<b>As at 31 December 2019</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	-	6,780,832	-	-	-	-	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	808,372	-	-	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	-	6,318	-	299	-	138	6,755
- Directors of subsidiaries	-	322	-	-	-	-	322
	<b>28,868,821</b>	<b>210,832,219</b>	<b>2,792,717</b>	<b>37,070,569</b>	<b>195,970</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.)**

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

<b>Group</b>	<b>30 June 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
At 1 January	2,519,615	2,094,107
Newly impaired	233,050	996,099
Reclassified as non-impaired	(380,415)	(118,390)
Amount recovered	(283,105)	(92,496)
Amount written-off	(145,537)	(359,705)
Gross impaired financing at 30 June 2020/31 December 2019	<u>1,943,608</u>	2,519,615
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,229,092)</u>	(1,252,818)
Net impaired financing at 30 June 2020/31 December 2019	<u>714,516</u>	<u>1,266,797</u>

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

Gross impaired financing at 30 June 2020/31 December 2019	1,802,748	2,395,279
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,229,092)</u>	(1,252,818)
Net impaired financing at 30 June 2020/31 December 2019	<u>573,656</u>	<u>1,142,461</u>
Gross financing and advances	145,946,072	153,974,212
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	<u>(2,785,133)</u>	(2,243,324)
Net financing and advances	<u>143,160,939</u>	<u>151,730,888</u>
Net impaired financing as a percentage of net financing and advances	<u>0.40%</u>	<u>0.75%</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 30 June 2020</b>				
At 1 January 2020	523	2,378	-	2,901
Changes in models/risk parameters	(2)	171	-	169
At 30 June 2020	<u>521</u>	<u>2,549</u>	<u>-</u>	<u>3,070</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 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>

**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 30 June 2020</b>				
At 1 January 2020	371,029	616,576	1,252,818	2,240,423
Transferred to Stage 1	126,733	(121,732)	(5,001)	-
Transferred to Stage 2	(19,558)	221,205	(201,647)	-
Transferred to Stage 3	(1,249)	(22,792)	24,041	-
Net remeasurement of allowances	64,277	252,925	274,186	591,388
New financial assets originated or purchased	94,445	54,137	-	148,582
Financial assets derecognised	(47,617)	(62,331)	(66,315)	(176,263)
Changes in models/risk parameters	(42,759)	57,765	-	15,006
Amount related to Restricted Investment Accounts*	383	9,993	87,476	97,852
Amount written-off	-	-	(145,537)	(145,537)
Exchange differences	1,239	302	9,071	10,612
At 30 June 2020	<u>546,923</u>	<u>1,006,048</u>	<u>1,229,092</u>	<u>2,782,063</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 2019</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</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>

\* As at 30 June 2020, the gross exposure of the financing funded by RPSIA was RM28,047.9 million (31 December 2019: RM17,291.5 million). The expected credit loss relating to these financing amounting to RM416.3 million (31 December 2019: RM263.7 million) which reflects as a reduction in both financing and advances and deposits and placements of banks and other financial institutions.

The gross exposure of the financing funded by IA as at 30 June 2020 was RM22,537.6 million (31 December 2019: RM20,737.7 million).

**A41f. Deposits from Customers**

<b>Group</b>	<b>30 June 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
<b>Savings deposit</b>		
Qard	<u>22,483,174</u>	17,504,325
<b>Demand deposit</b>		
Qard	<u>26,901,236</u>	19,704,595
<b>Term deposit</b>		
Murabahah	115,217,027	123,236,922
Qard	<u>1,122,476</u>	593,295
	<u>116,339,503</u>	123,830,217
Total deposits from customers	<u>165,723,913</u>	161,039,137

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

**A41g. Investment Accounts of Customers**

<u>Group</u>	30 June 2020 RM'000	31 December 2019 RM'000
<b>Mudharabah</b>		
Unrestricted Investment accounts	22,537,623	20,616,075
Restricted Investment accounts*	-	121,595
	<u>22,537,623</u>	<u>20,737,670</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 30 June 2020</b>			
Business enterprises	12,548,058	-	12,548,058
Individuals	8,795,111	-	8,795,111
Government and statutory bodies	103,955	-	103,955
Others	1,090,499	-	1,090,499
	<u>22,537,623</u>	<u>-</u>	<u>22,537,623</u>
<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>

(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 30 June 2020</b>			
- without maturity	16,467,537	-	16,467,537
- with maturity			
Due within six months	4,987,097	-	4,987,097
Six months to one year	1,062,855	-	1,062,855
One year to three years	15,902	-	15,902
Three years to five years	4,232	-	4,232
	<u>6,070,086</u>	<u>-</u>	<u>6,070,086</u>
Total investment accounts of customers	<u>22,537,623</u>	<u>-</u>	<u>22,537,623</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 2019</b>			
- without maturity	13,387,845	-	13,387,845
- with maturity			
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>

(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 30 June 2020</b>			
Retail financing	21,305,259	-	21,305,259
Non-retail financing	1,232,364	-	1,232,364
	<u>22,537,623</u>	<u>-</u>	<u>22,537,623</u>
<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>

(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 30 June 2020</b>		
Unrestricted investment accounts	41.53	1.98
Restricted investment accounts	<u>99.95</u>	<u>4.03</u>
<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>

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

**A41h. Term Funding**

<u>Group</u>	30 June 2020 RM'000	31 December 2019 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	7,924,302	7,888,771
(ii) Medium Term Notes		
- More than one year	2,002,992	2,003,222
(iii) Term funding		
- More than one year (note (a))	951,866	-
Total term funding	<u>10,879,160</u>	<u>9,891,993</u>

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

**A41i. Subordinated Sukuk**

<u>Group</u>	30 June 2020 RM'000	31 December 2019 RM'000
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2026	1,017,198	1,017,708
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2029	1,010,603	1,010,603
	<u>2,027,801</u>	<u>2,028,311</u>

**A41j. Capital Securities**

<u>Group</u>	30 June 2020 RM'000	31 December 2019 RM'000
RM1.0 billion Additional Tier 1 Sukuk Wakalah	<u>1,002,170</u>	<u>1,002,170</u>



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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 RM2,991.4 million for the six-month financial period ended 30 June 2020, a decrease of RM758.7 million or 20.2% as compared to the previous corresponding six-month financial period ended 30 June 2019.

The Group's net interest income and Islamic Banking income for the six-month financial period ended 30 June 2020 decreased by RM269.3 million or 3.1% to RM8,481.4 million as compared to the previous corresponding six-month financial period ended 30 June 2019.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM435.4 million or 13.4% to RM3,685.8 million as compared to the previous corresponding six-month financial period ended 30 June 2019.

Other operating income of the Group for the six-month financial period ended 30 June 2020 was RM3,760.5 million, an increase of RM102.8 million or 2.8% from RM3,657.7 million in the previous corresponding six-month financial period ended 30 June 2019. The increase was mainly due to higher net gain in investment income of RM597.4 million, higher unrealised mark-to-market gain on revaluation of derivatives of RM744.3 million and lower unrealised mark-to-market loss on revaluation of financial liabilities at FVTPL of RM528.6 million for the six-month financial period ended 30 June 2020. The increases were, however, offset by lower unrealised mark-to-market gain on revaluation of financial assets at FVTPL of RM595.2 million, unrealised mark-to-market loss of financial investments at FVTPL of RM161.6 million for the six-month financial period ended 30 June 2020 as compared to unrealised mark-to-market gain of financial investments at FVTPL of RM257.2 million for the previous corresponding six-month financial period ended 30 June 2019, realised loss on derivatives of RM0.1 million for the six-month financial period ended 30 June 2020 as compared to realised gain on derivatives of RM403.6 million for the previous corresponding six-month financial period ended 30 June 2019, lower gain on foreign exchange of RM286.7 million and lower fee income of RM65.4 million for the six-month financial period ended 30 June 2020.

The Group's overhead expenses for the six-month financial period ended 30 June 2020 recorded an increase of RM19.0 million or 0.3% to RM5,648.3 million compared to the previous corresponding six-month financial period ended 30 June 2019. The increase in overhead expenses was mainly due to higher administration and general expenses of RM71.9 million, higher personnel expenses of RM27.4 million and higher establishment costs of RM26.4 million. The increases were, however, mitigated by lower marketing expenses of RM106.6 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM1,705.3 million or 171.3% to RM2,700.9 million as compared to the previous corresponding six-month financial period ended 30 June 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 six-month financial period ended 30 June 2020 compared to the previous corresponding six-month financial period ended 30 June 2019 is further segmented based on the operating segments of the Group as follows:

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

Group CFS's profit before taxation and zakat decreased by RM1,435.6 million or 45.8% to RM1,701.8 million for six-month financial period ended 30 June 2020 from RM3,137.4 million for the previous corresponding six-month financial period ended 30 June 2019. The decrease was mainly due to net allowance for impairment losses on loans, advances, financing and other debts of RM925.8 million from net writeback of impairment losses on loans, advances, financing and other debts of RM145.8 million, lower other operating income of RM163.4 million, lower net interest income and income from IBS operations of RM155.4 million and higher overhead expenses of RM45.1 million.

**Group Global Banking**

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

Group Corporate Banking & Global Markets' profit before taxation and zakat increased by RM4.0 million or 0.2% to RM1,875.2 million for the six-month financial period ended 30 June 2020 from RM1,871.2 million for the previous corresponding six-month financial period ended 30 June 2019. The increase was mainly due higher other operating income of RM529.7 million, higher net interest income and income from IBS operations of RM92.7 million, higher share of profits in associates and joint ventures of RM22.8 million and lower net allowances for impairment losses on financial investments and other financial assets of RM11.7 million. The increases were, however, offset by higher net allowances for impairment losses on loans, advances, financing and other debts of RM631.3 million and higher overhead expenses of RM21.6 million.

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

Group Investment Banking's profit before taxation and zakat increased by RM106.9 million to RM120.5 million for the six-month financial period ended 30 June 2020 from RM13.6 million for the previous corresponding six-month financial period ended 30 June 2019. The increase was mainly due to higher other operating income of RM116.0 million, lower overhead expenses of RM19.2 million, lower net allowance for impairment losses on financial investments and other financial assets of RM0.5 million and higher share of profits in associates and joint ventures of RM0.2 million. The profit were, however, offset by lower net interest income and income from IBS operations of RM24.1 million and higher net allowance for impairment losses on loans, advances, financing and other debts of RM4.9 million.

**c) Group Asset Management**

Group Asset Management recorded a loss before taxation and zakat of RM2.9 million for the six-month financial period ended 30 June 2020 compared to a profit before taxation and zakat of RM3.0 million for the previous corresponding six-month financial period ended 30 June 2019. The loss was mainly due to lower other operating income of RM34.5 million and lower net interest income of RM1.1 million. The loss were, however, mitigated by lower overhead expenses of RM29.8 million.

**Group Insurance and Takaful**

Group Insurance and Takaful's profit before taxation and zakat decreased by RM73.5 million or 16.1% to RM382.8 million for the six-month financial period ended 30 June 2020 from RM456.3 million for the previous corresponding six-month financial period ended 30 June 2019. The decrease was contributed mainly by lower other operating income of RM873.1 million, lower net interest income of RM3.1 million and higher overhead expenses of RM1.3 million. The decreases were, however mitigated by higher net earned insurance premiums of RM435.4 million, lower net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM364.7 million, lower net allowance for impairment losses on loans, advances, financing and other debts of RM2.5 million and lower net allowance for impairment losses on financial investments and other financial assets of RM1.5 million.

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

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

The Group posted profit after tax and zakat attributable to equity holders of RM941.7 million for the quarter ended 30 June 2020, a decrease of RM999.2 million or 51.5% as compared to the previous period corresponding quarter ended 30 June 2019.

The Group's net interest income and Islamic Banking income for the quarter ended 30 June 2020 decreased by RM351.0 million or 8.2% to RM3,949.5 million as compared to the previous period corresponding quarter ended 30 June 2019.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM117.1 million or 7.2% to RM1,740.9 million as compared to the previous period corresponding quarter ended 30 June 2019.

The Group's other operating income increased by RM447.6 million to RM2,427.4 million for the quarter ended 30 June 2020 compared to the previous period corresponding quarter ended 30 June 2019. The increase was mainly due to higher unrealised mark-to-market gain on revaluation of financial investments at FVTPL of RM579.8 million, unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM147.0 million for the quarter ended 30 June 2020 as compared to unrealised mark-to-market loss on revaluation of financial liabilities at FVTPL of RM363.5 million for the previous period corresponding quarter ended 30 June 2019, higher unrealised mark-to-market gain on revaluation of financial assets at FVTPL of RM324.1 million and higher net gain in investment income of RM42.6 million. The increases were, however, offset by unrealised mark-to-market loss on revaluation of derivatives of RM565.3 million for the quarter ended 30 June 2020 as compared to unrealised mark-to-market gain on revaluation of derivatives of RM35.9 million for the previous period corresponding quarter ended 30 June 2019, lower realised gain on derivatives of RM259.8 million and lower fee income of RM112.2 million.

The Group's overhead expenses for the quarter ended 30 June 2020 recorded a decrease of RM115.4 million or 4.1% to RM2,706.3 million compared to the previous period corresponding quarter ended 30 June 2019. The decrease in overhead expenses was mainly due to lower marketing expenses of RM74.6 million, lower administration and general expenses of RM37.9 million and lower personnel expenses of RM12.6 million. The decreases were, however, offset by higher establishment costs of RM9.7 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM1,347.7 million or 344.1% to RM1,739.3 million as compared to the previous period corresponding quarter ended 30 June 2019.

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

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

The Group's profit before taxation and zakat for the quarter ended 30 June 2020 compared to the previous period corresponding quarter ended 30 June 2019 is further segmented based on the operating segments of the Group as follows:

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

Group CFS's profit before taxation and zakat decreased by RM1,102.6 million or 69.1% to RM493.4 million for the quarter ended 30 June 2020 from RM1,596.0 million for the previous period corresponding quarter ended 30 June 2019. The decrease was mainly due to net allowance for impairment losses on loans, advances, financing and other debts of RM621.1 million from net writeback of RM149.3 million, lower net interest income and income from IBS operations of RM202.7 million and lower other operating income of RM191.2 million. The decreases were, however, mitigated by lower overhead expenses of RM61.4 million.

**Group Global Banking**

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

Group Corporate Banking & Global Markets's profit before taxation and zakat decreased by RM332.1 million or 35.4% to RM606.8 million for the quarter ended 30 June 2020 from RM938.9 million for the previous period corresponding quarter ended 30 June 2019. The decrease was mainly due to higher allowance for impairment losses on loans, advances, financing and other debts of RM574.4 million. The decrease was, however, mitigated by higher other operating income of RM149.6 million, lower net allowance for impairment losses on financial investments and other financial assets of RM48.0 million, higher net interest income and income from IBS operations of RM22.9 million, higher share of profits in associates and joint ventures of RM18.4 million and lower overhead expenses of RM3.4 million.

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

Group Investment Banking's profit before taxation and zakat increased by RM79.2 million to RM94.5 million for the quarter ended 30 June 2020 from RM15.3 million for the previous period corresponding quarter ended 30 June 2019. The increase was mainly due to higher other operating income of RM70.6 million, lower overhead expenses of RM19.3 million, higher writeback of impairment losses on financial investments and other financial assets of RM2.4 million and lower net allowance for impairment losses on loans, advances, financing and other debts of RM1.6 million. The increases were, however, offset by lower net interest income and income from IBS operations of RM14.6 million.

**c) Group Asset Management**

Group Asset Management's profit before taxation and zakat decreased by RM3.8 million to RM2.8 million for the quarter ended 30 June 2020 from RM6.6 million for the previous period corresponding quarter ended 30 June 2019. The decrease was mainly due to lower other operating income of RM20.8 million. The decrease was, however mitigated by lower overhead expenses of RM15.8 million and higher net interest income of RM1.3 million.

**Group Insurance and Takaful**

Group Insurance and Takaful's profit before taxation and zakat increased by RM118.6 million or 56.4% to RM329.0 million for the quarter ended 30 June 2020 from RM210.4 million for the previous period corresponding quarter ended 30 June 2019. The increase was contributed mainly by higher other operating income of RM424.1 million, higher net earned insurance premiums of RM117.2 million, lower overhead expenses of RM15.4 million and lower net allowance for impairment losses on financial investments and other financial assets of RM5.7 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 RM432.9 million and net allowance for impairment losses on loans, advances, financing and other debts of RM4.0 million from net writeback of RM0.3 million and lower net interest income of RM6.3 million.

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

The Group's profit after tax and zakat attributable to equity holders for the quarter ended 30 June 2020 decreased by RM1,108.0 million to RM941.7 million against the preceding quarter ended 31 March 2020 of RM2,049.7 million.

The Group's net interest income for the quarter ended 30 June 2020 decreased by RM213.3 million to RM2,697.9 million against the preceding quarter of RM2,911.2 million. Income from Islamic Banking Scheme operations decreased by RM369.2 million to RM1,251.6 million for the quarter ended 30 June 2020 compared to RM1,620.8 million in the preceding quarter ended 31 March 2020.

The Group's net earned insurance premiums for the quarter ended 30 June 2020 decreased by RM204.0 million to RM1,740.9 million compared to RM1,944.9 million in the preceding quarter ended 31 March 2020.

Other operating income of the Group for the quarter ended 30 June 2020 increased by RM1,094.3 million to RM2,427.4 million compared to RM1,333.1 million in the preceding quarter ended 31 March 2020. The increase was mainly due to unrealised mark-to-market gain on revaluation of financial assets at FVTPL of RM669.2 million, financial investments at FVTPL of RM709.2 million and financial liabilities at FVTPL of RM147.0 million for the quarter ended 30 June 2020 as compared to unrealised mark-to-market loss on revaluation of financial assets at FVTPL of RM480.3 million, financial investments at FVTPL of RM870.8 million and financial liabilities at FVTPL of RM437.2 million in the preceding quarter ended 31 March 2020, foreign exchange gain of RM197.3 million and realised gain on derivatives of RM6.0 million for the quarter ended 30 June 2020 as compared to loss on foreign exchange of RM51.5 million and realised loss on derivatives of RM6.1 million in the preceding quarter ended 31 March 2020. The increases were, however, offset by unrealised mark-to-market loss on revaluation of derivatives of RM565.3 million for the quarter ended 30 June 2020 as compared to unrealised mark-to-market gain on revaluation of derivatives of RM1,506.5 million in the preceding quarter ended 31 March 2020, lower net investment income of RM293.6 million and lower fee income of RM126.7 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 increased by RM1,383.4 million to RM2,469.2 million for the quarter ended 30 June 2020 compared to RM1,085.8 million in the preceding quarter ended 31 March 2020. The increase was mainly due to higher net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM1,303.1 million.

The Group posted a decrease of RM235.7 million in overhead expenses to RM2,706.3 million for the quarter ended 30 June 2020 compared to RM2,942.0 million in the preceding quarter ended 31 March 2020. The decrease was mainly due to lower administration and general costs of RM120.9 million, lower personnel expenses of RM83.0 million and lower marketing expenses of RM32.2 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts increased by RM777.6 million to RM1,739.3 million for the quarter ended 30 June 2020 compared to RM961.7 million in the preceding quarter ended 31 March 2020.

**B3. Prospects**

Global GDP contracted to an estimated -10% YoY in 2Q 2020 compared with -2.1% YoY in 1Q 2020, as lockdowns to contain the COVID-19 pandemic were in full motion. With the rollback of lockdowns resulting in recovery from movement restrictions, reopening of businesses and industries, supply chain resumptions and pent up demand, global GDP is expected to improve post-1H 2020.

However, the global economic outlook remains contingent upon the effects of the pandemic. The baseline scenario of a recession in 2020 and recovery in 2021 is premised on the assumption that the pandemic will be contained this year. However, a prolonged pandemic that continues into next year can result in a deeper recession for 2020 and thus delaying, and muting the expected recovery in 2021.

Compounding the downside of longer lasting economic impact of the pandemic is the risk of surge in insolvencies and job losses, once the time-bound financial and fiscal relief measures such as loan moratoriums, wage subsidies and tax deferrals to protect workers and assist businesses expire. In addition to the pandemic-induced uncertainties, the global economic outlook is also clouded by the re-escalation in US-China tensions.

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**B3. Prospects (cont'd.)**

To mitigate the risk of policy cliffs, the governments in Malaysia and Singapore have extended their respective wage subsidy programmes and job support schemes. In addition, banks in Malaysia will continue to offer targeted repayment plans, which will be made available at the expiry of the automatic deferment of loan/financing repayments on 30 September 2020.

In Malaysia, 2Q 2020 GDP shrank by -17.1% YoY following contractions in the manufacturing, services, construction and mining sectors on the supply side, and declines in private consumption, investments and net exports on the demand side. Post second quarter of 2020, we expect the Government to maintain supportive policies to spur economic recovery.

Singapore also recorded its steepest GDP decline in history of -13.2% YoY in 2Q 2020 as circuit breaker measures and border controls disrupted services and construction. Recovery in 2H 2020 is expected to be dampened by the slow reopening of the economy, prolonged border controls and continued strict social distancing rules.

Indonesia's 2Q 2020 GDP declined by -5.3% YoY. The gradual reopening of the economy, together with the execution of the national economic recovery programme should translate into a relatively better performance in 2H 2020. However, the timing and strength of the recovery is still uncertain and will need continued policy support, thus leading to the suspension of the 3% budget deficit to GDP ceiling until 2022.

Amid the expected challenges of the external environment, Maybank Group will prioritise its capital and liquidity strength, maintain selective balance sheet expansion in tandem with the Group's risk appetite and remain focused on our ongoing cost discipline. Given the significant interest rate cuts in 2020 across our key markets, the Group's net interest margin will compress. However, the Group will seek to offset the impact by growing current and savings deposits which carry a lower cost.

We remain committed to supporting the domestic economies of our home markets and will work with affected borrowers to ensure viable solutions are provided to support employment and prevent business failures in the near term. We will also proactively engage with our customers to address potential asset quality weakness given the softer economic landscape.

The Group will leverage on its diversified franchise to drive revenue growth, enhance customers' experience through digital innovations and continue up-skilling our workforce to improve productivity.

Given the weakening outlook in the economic landscape arising from the COVID-19 pandemic and evolving developments in the marketplace, the Group has revised its Headline KPI of return on equity to circa 7.5% for FY2020 on the back of lower income due to softer loan growth, net interest margin compression and a Day-One modification loss. Also, the Group's loan loss provisioning is expected to remain elevated. The Group will moderate its expected lower income by stepping up its strategic cost management programme to limit the increase in overheads.

**B4. Profit Forecast or Profit Guarantee**

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the financial half year ended 30 June 2020.

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**B5. Taxation and Zakat**

The analysis of the tax expense for the financial half year ended 30 June 2020 are as follows:

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Malaysian income tax	(89,563)	606,317	542,611	949,547
Foreign income tax	62,599	69,604	159,095	147,494
	<u>(26,964)</u>	675,921	<u>701,706</u>	1,097,041
Over provision in respect of prior period:				
Foreign income tax	(24,596)	(4,646)	(25,338)	(9,979)
	<u>(51,560)</u>	671,275	<u>676,368</u>	1,087,062
Deferred tax				
- Relating to origination and reversal of temporary differences	270,010	(6,376)	281,594	141,677
Tax expense for the financial period	218,450	664,899	957,962	1,228,739
Zakat	10,661	(1,392)	27,011	10,382
	<u>229,111</u>	<u>663,507</u>	<u>984,973</u>	<u>1,239,121</u>

The Group's effective tax rate for the financial half year ended 30 June 2020 was higher than the statutory tax rate due to effects of certain non-deductible expenses.

<u>Bank</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Malaysian income tax	(7,261)	385,337	420,759	512,116
Foreign income tax	7,334	1,346	4,616	3,864
	<u>73</u>	386,683	<u>425,375</u>	515,980
Over provision in respect of prior period:				
Foreign income tax	(24,713)	(4,799)	(24,713)	(5,554)
	<u>(24,640)</u>	381,884	<u>400,662</u>	510,426
Deferred tax				
- Relating to origination and reversal of temporary differences	113,489	(51,146)	141,428	56,022
Tax expense for the financial period	<u>88,849</u>	<u>330,738</u>	<u>542,090</u>	<u>566,448</u>

The Bank's effective tax rate for the financial half year ended 30 June 2020 was lower than the statutory tax rate due to certain income not subject to tax.

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

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

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

There are no corporate proposals announced but not completed during the financial half year ended 30 June 2020.

**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 half year ended 30 June 2020.

**B11. Dividend**

No interim dividend has been recommended during the financial half year ended 30 June 2020.

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

**Basic EPS**

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	<b>941,732</b>	1,940,871	<b>2,991,382</b>	3,750,135
Weighted average number of ordinary shares in issue ('000)	<b>11,241,362</b>	11,113,576	<b>11,241,362</b>	11,081,629
Basic earnings per share	<b>8.38 sen</b>	17.46 sen	<b>26.61 sen</b>	33.84 sen

**Diluted EPS**

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

By Order of the Board

**Wan Marzimin Wan Muhammad**  
LS0009924  
Company Secretary  
27 August 2020