



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

Financial Reporting

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PART A OVERVIEW

1. Introduction

- 1.1. The Malaysian Financial Reporting Standards (MFRS) which serve as a basis for financial reporting in Malaysia have been fully converged with the International Financial Reporting Standards (IFRS) from 1 January 2012. Ongoing improvements in these standards have contributed to a greater alignment between financial reporting and prudential frameworks. Notwithstanding these positive developments, the increasingly more principle-based financial reporting standards and the substantial degree of judgment required under the financial reporting standards can continue to result in divergent outcomes between the objectives of financial reporting, and prudential regulation which is primarily concerned with promoting financial stability.
- 1.2. Recognising this potential dichotomy, a financial institution is required under the Financial Services Act 2013 (FSA) and the Islamic Financial Services Act 2013 (IFSA) to prepare its financial statements in accordance with the MFRS, subject to any standards as may be specified by the Bank to reflect specific modifications or exceptions to the MFRS. The Bank envisages that such modifications or exceptions will only become necessary in circumstances where alternative prudential measures would not be adequate to promote the financial resilience of the financial institution or address threats to financial stability. Where such modifications or exceptions are specified by the Bank, this must be accompanied by a disclosure of that fact by the financial institution.

Policy objective

- 1.3. This policy document clarifies and sets minimum expectations for the application of the MFRS to a financial institution. It also aims to ensure adequate disclosures by a financial institution in the financial statements to improve comparability for users of financial statements and better facilitate the

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assessment of a financial institution's financial position and performance.

Scope of policy

- 1.4. This policy document sets out:
- i. the specific requirements on the application of the MFRS;
 - ii. information to be disclosed in the financial statements;
 - iii. application requirements for approval of a dividend payment; and
 - iv. requirements on submission and publication of the financial statements.

2. Applicability

- 2.1. This policy document is applicable to a financial institution.
- 2.2. Notwithstanding paragraph 2.1, the requirements under Part D of this policy document are not applicable to a professional reinsurer.

3. Legal provision

- 3.1. The requirements in this policy document are specified pursuant to section 47(1), section 51, section 56(2)(d), section 64, section 65, section 66, section 115, section 143(2) and section 266 of the FSA.

4. Effective date

- 4.1. This policy document comes into effect:
- i. on 1 January 2015 for a licensed person; and
 - ii. for financial years beginning on and after 1 January 2015 for a financial holding company, except for the requirements as set out in paragraphs 10.4(iv), 10.5(iii), 11.4(i)(e) and 11.4(ii)(b) which will come into effect in the first financial year after the *Capital Adequacy Framework* is effective for a financial holding company.

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- 4.2. A financial institution shall notify the Bank of its intention to early apply MFRS 9 *Financial Instruments* (MFRS 9) for financial years beginning before 1 January 2018, at least six months before the early application. The notification must be supplemented with the following:
- i. a written assessment by the auditor of the financial institution's readiness to implement the impairment requirements of MFRS 9, particularly in respect of the systems capacity, data availability and computation method; and
 - ii. an explanation of the changes in the impairment allowance and a reconciliation from the ending impairment allowances determined in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* (MFRS 139) to the opening impairment allowances determined in accordance with MFRS 9.
- 4.3. A financial institution shall notify the Bank (one-time notification) of its intention to apply the fair value option under MFRS 139 and the scope of the fair value application to financial instruments as approved by the board, at least one month before the option is first applied. The notification must be supplemented with relevant extracts of board minutes detailing the list of financial instruments approved by the board to apply the fair value option and the intended date of the application of the fair value option.

5. Level of application

- 5.1. A financial institution is required to comply with the requirements in this policy document in the preparation and publication of a financial institution's separate financial statements and consolidated financial statements.

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6. Interpretation

6.1. The terms and expressions used in this policy document shall have the same meanings assigned to them in the FSA unless otherwise defined in this policy document.

6.2. For the purpose of this policy document:

“**S**” denotes a standard, requirement or specification that must be complied with. Failure to comply may result in one or more enforcement actions;

“**G**” denotes guidance which may consist of such information, advice or recommendation intended to promote common understanding and sound industry practices which are encouraged to be adopted;

“**banking institution**” means a licensed person which is a licensed bank or licensed investment bank;

“**financial institution**” means a licensed person and a financial holding company approved by the Bank¹;

“**foreign policies**” means policies issued by a foreign professional reinsurer in or from Malaysia but are not Malaysian policies;

“**foreign professional reinsurer**” means a licensed professional reinsurer incorporated outside Malaysia;

“**separate financial statements**” and “**consolidated financial statements**” shall have the same meaning as set out in MFRS 127 *Separate Financial Statements* and MFRS 10 *Consolidated Financial Statements*.

¹ Pursuant to section 112 of the FSA.

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7. Policy document superseded

7.1. The policy document on *Financial Reporting* issued on 28 June 2013 is superseded.

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PART B REGULATORY REQUIREMENTS

8. Compliance with the MFRS

- S** 8.1. Pursuant to section 65 of the FSA, a financial institution shall ensure that it prepares its financial statements in accordance with the MFRS subject to the requirements specified in paragraphs 9.1 to 9.5, and shall disclose a statement to that effect in the financial statements.
- S** 8.2. The board of directors is responsible for ensuring that the financial statements are drawn up so as to give a true and fair view of the state of affairs and of the results of the business of the financial institution. This is consistent with the fiduciary and statutory duties placed on the board of directors as persons responsible for managing the affairs of the financial institution. Hence, the board shall be satisfied that a sound financial reporting structure is in place to ensure the integrity and credibility of the financial statements.
- S** 8.3. For financial instruments that are measured at fair value, a financial institution shall ensure that sound risk management and control processes² around their measurement³ are in place.

9. Specific requirements on the application of the MFRS

- S** 9.1. The financial statements and financial reports referred to under Part C and Part D of this policy document shall be presented in ringgit (RM).
- S** 9.2. For the purpose of disclosures of non-compliance with externally imposed capital requirements, the relevant capital adequacy requirements shall be

² In line with the expectations set forth in the *Supervisory Guidance for Assessing Banks' Financial Instrument Fair Value Practices*, Basel Committee on Banking Supervision, April 2009 and *Supervisory Guidance on the Use of the Fair Value Option for Financial Instruments by Banks*, Basel Committee on Banking Supervision, June 2006.

³ Refer to MFRS 13 *Fair Value Measurement*.

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those set out under paragraph 8.1 of the *Capital Adequacy Framework (Capital Components)*, paragraph 8.1 of the *Capital Adequacy Framework for Islamic Banks (Capital Components)*, paragraph 24.1 of Part F of the *Risk-Based Capital Framework for Insurers (Version 3.0)* and paragraph 18.1 of Part D of the *Risk-Based Capital Framework for Takaful Operators*.

- S** 9.3. A licensed person that is a member institution of Perbadanan Insurans Deposit Malaysia (PIDM) shall also comply with the disclosure requirements specified by PIDM.
- S** 9.4. A financial institution shall not account for the investments in associates and joint ventures using the equity method described in MFRS 128 *Investments in Associates and Joint Ventures* in the preparation of its separate financial statements.
- S** 9.5. A financial institution in the preparation of its consolidated financial statements or a licensed insurer in the preparation of its separate financial statements, as the case may be, shall:
- i. in respect of its life/family takaful business, present life insurance/family takaful contract liabilities with discretionary participating features (including actuarial liabilities, unallocated surplus and fair value/revaluation reserves, if any, of its life/family takaful fund) as a liability in its statement of financial position;
 - ii. in respect of its life/family takaful business, present investment-linked contracts as insurance/takaful contracts, consistent with the requirements of the *Guidelines on Investment-Linked Insurance/Takaful Business*;
 - iii. in respect of its life/family takaful business, account for acquisition costs⁴ as and when these are incurred and such costs shall not be deferred;
 - iv. be deemed to have complied with the requirements of a *liability adequacy test* under MFRS 4 *Insurance Contracts* (MFRS 4) if its valuation methods

⁴ Acquisition costs are commissions and agency related expenses incurred in securing premiums on life insurance/family takaful policies.

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used are in accordance with Appendix VI or Appendix VII of the *Risk-Based Capital Framework for Insurers (Version 3.0)*, *Guidelines on Valuation Basis for Liabilities of General Takaful Business* and *Guidelines on Valuation Basis for Liabilities of Family Takaful Business*, as applicable; and

- v. in respect of its insurance/takaful business and for the purpose of complying with paragraph 58 of MFRS 139 and paragraph 20(a) of MFRS 4, deem *objective evidence of impairment* to exist where the principal or interest/profit or both for loans/financing/receivables⁵ that are individually assessed for impairment, are past due for more than 90 days or 3 months. Impairment allowances for loans/financing/receivables that meet this condition shall be determined in accordance with MFRS 139 or MFRS 4. In the case of treaty reinsurance/retakaful business, the date the statement is provided to the reinsurer/retakaful operator shall be deemed as the 'date due' for the purpose of complying with this paragraph. This however, does not preclude a licensed insurer/takaful operator from assessing its accounts earlier for impairment if the accounts exhibit weaknesses⁶ that heighten the risks associated with these accounts.

10. Minimum disclosure requirements

- G** 10.1. The requirements under the following paragraphs refer specifically to disclosures which form part of the *financial statements* and do not deal with other disclosures provided by a financial institution as part of the Annual Report (e.g. Director's Report, Statement on Corporate Governance).
- S** 10.2. A financial institution shall make disclosures in the financial statements in accordance with the requirements of the MFRS, and include information specified under paragraphs 10.4 and 10.5 of this policy document.

⁵ Includes amount due from reinsurers and outstanding premiums.

⁶ A financial institution shall also consider the loss events listed under paragraph 59 of MFRS 139.

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- S** 10.3. A financial institution shall comply with the following key principles on disclosure of information:
- i. information should be timely and up-to-date, to avoid undue delays in disclosure which may affect the relevance of the information being disclosed;
 - ii. the scope and content of information disclosed and the level of disaggregation and detail should be sufficient to provide comprehensive, meaningful⁷ and relevant information to the users;
 - iii. adequate disclosures should be provided on areas of uncertainty, in particular information on key estimates and if sensitivity analysis is used, a discussion on the assumptions and the probabilities of the occurrence of various scenarios; and
 - iv. disclosures should allow comparisons over time and among institutions⁸.
- S** 10.4. The explanatory notes to be disclosed in the *annual* financial statements of a financial institution shall include the following information, as applicable:

Banking business-related information⁹

- i. deposits from customers with a breakdown by:
 - a. types of deposits¹⁰ (e.g. demand, savings, term);
 - b. types of customers (e.g. government, business enterprises); and
 - c. maturity structures of term deposits¹¹ (e.g. < 6 months, 6-12 months, 1-3 years);

⁷ For example, given the heterogeneity of users of financial reporting, background information on the wider economic environment which a financial institution operates in is often necessary to provide sufficient information to understand the context for specific disclosures. Information must also be useful to support decision-making by users.

⁸ For example, users shall be informed of the accounting policies employed in the preparation of the financial statements including any changes in those policies and the effects of such changes. This should enable users to identify differences between the accounting policies for like transactions and other events used by the same entity from period to period and by different entities. Compliance with MFRS, including the disclosure of the accounting policies used by the entity, helps to achieve this comparability.

⁹ Includes Shariah compliant transactions undertaken by a banking institution licensed under section 15 of the FSA to carry on Islamic banking business and/or the Islamic banking subsidiary of a financial institution.

¹⁰ For a banking institution licensed under section 15 of the FSA to carry on Islamic banking business, to also show separately at the Islamic banking business level, the breakdown by main Shariah contracts (e.g. Wadiah, Qard, Mudarabah).

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- ii. loans/financing and advances with a breakdown by:
 - a. measurement basis (e.g. amortised cost, fair value)
 - for fair value through profit or loss, show separately those designated as fair value upon initial recognition, and those classified as held-for-trading;
 - b. types of loans/financing¹² (e.g. overdrafts, term loans/financing, revolving credit, hire-purchase, housing loans/financing);
 - c. geographical distribution;
 - d. interest rate/profit rate sensitivity (e.g. fixed rate, variable rate);
 - e. economic sector or purpose; and
 - f. residual contractual maturity (e.g. up to 1 year, 1-5 years, > 5 years);

- iii. loans/financing and advances classified as impaired¹³ (irrespective of whether allowances are made) with separate disclosures of:
 - a. a movement schedule showing separately the amount classified during the year as impaired, amount reclassified as non-impaired, amount recovered and amount written off; and
 - b. a breakdown of impaired loans/financing and advances by geographical area and by economic sector or purpose;

- iv. capital^{14,15} with the breakdown by:
 - a. capital structure¹⁶; and
 - b. capital adequacy showing separately Common Equity Tier 1 Capital

¹¹ Including negotiable instruments of deposits.

¹² For a banking institution licensed under section 15 of the FSA to carry on Islamic banking business, to also show separately at the Islamic banking business level, the breakdown by main Shariah contracts (e.g. Bai', Ijarah, Istisna', Musharakah, Qard).

¹³ A financial institution shall refer to the policy document on the *Classification and Impairment Provisions for Loans/Financing*.

¹⁴ For a banking institution licensed under section 15 of the FSA to carry on Islamic banking business, to also show separately the capital information at the Islamic banking business level.

¹⁵ In the case of a financial holding company, to disclose the capital adequacy positions on a consolidated basis.

¹⁶ The breakdown shall be consistent with that specified under paragraphs 10.1, 11.1 and 12.1 of the *Capital Adequacy Framework (Capital Components)*.

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Ratio, Tier 1 Capital Ratio and Total Capital Ratio, and express as percentages to three decimal places;

- v. liquidity risk information¹⁷ incorporating an analysis of assets and liabilities in the relevant maturity tenures based on remaining contractual maturities. A financial institution may also provide the analysis of assets and liabilities in the relevant maturity tenures based on their behavioural profile; and
- vi. operations of Islamic banking with separate disclosures¹⁸ of a statement of financial position, a statement of comprehensive income and a statement of changes in equity.

Insurance/takaful business-related information^{19,20}

- vii. analysis of the statement of financial position and statement of comprehensive income showing separately the life business, family takaful business, general business and general takaful business;
- viii. insurance/takaful contract liabilities;
- ix. reinsurance/retakaful assets;
- x. insurance/takaful receivables;
- xi. insurance/takaful payable;
- xii. total capital available showing separately Tier 1 Capital and Tier 2 Capital^{21,22};
- xiii. gross and net earned premium; and

¹⁷ A financial institution may refer to Principle 13 of the *Principles for Sound Liquidity Risk Management and Supervision*, Basel Committee on Banking Supervision, September 2008, for guidance on relevant quantitative and qualitative disclosures.

¹⁸ This disclosure is only applicable to a banking institution licensed under section 15 of the FSA to carry on Islamic banking business.

¹⁹ Includes Shariah compliant transactions undertaken by the takaful operator subsidiary of a financial institution.

²⁰ A financial institution may refer to the *Model Insurance Financial Statements* issued by the Malaysian Institute of Certified Public Accountants and make appropriate adjustments to the model financial statements, as necessary.

²¹ The breakdown shall be consistent with that specified under paragraph 7 of the *Risk-Based Capital Framework for Insurers (Version 3.0)*.

²² This disclosure is only applicable to a licensed insurer in the preparation of its separate financial statements.

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xiv. gross and net benefits and claims.

General information

- xv. a movement schedule of impairment allowances segregated between individual impairment and collective impairment and showing separately the amount charged and the amount utilised to write-off impaired loans/financing and advances during the year;
- xvi. interest/profit income and expenses with a breakdown by categories of financial assets or liabilities. Interest/profit income recognised for impaired loans/financing and advances²³ shall be disclosed separately;
- xvii. non-interest/profit income and other operating expenses with a breakdown of major items of income/profit or expense;
- xviii. CEO and directors' remuneration with a breakdown of types of remuneration (e.g. salary, fees, bonus, benefits-in-kind, retirement benefits), disclosed separately for the CEO and each individual director, distinguishing between executive and non-executive directors;
- xix. reserves with a breakdown by type and purpose of reserves maintained. A movement schedule shall also be disclosed; and
- xx. commitments and contingencies with a breakdown by types and amount distinguishing between contingent liabilities and commitments.

²³ Accrued in accordance with paragraph AG93 of MFRS 139.

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- S** 10.5. The explanatory notes to be disclosed in the *interim* financial report of a financial institution shall include the following information, as applicable:

Banking business-related information

- i. a movement schedule of impairment allowances;
- ii. loans/financing and advances classified as impaired; and
- iii. capital.

Insurance/takaful business-related information

- iv. analysis of the statement of financial position and statement of comprehensive income showing separately the life business, family takaful business, general business and general takaful business;
- v. insurance/takaful contract liabilities;
- vi. reinsurance/retakaful assets; and
- vii. total capital available²⁴.

The breakdown for the above explanatory notes shall be consistent with that specified for annual financial statements (refer to paragraph 10.4). In addition, a financial institution shall disclose items that are material to the understanding of the interim financial report in accordance with MFRS 134 *Interim Financial Reporting*.

²⁴ This disclosure is only applicable to a licensed insurer in the preparation of its separate interim financial report.

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PART C REGULATORY PROCESS AND SUBMISSION REQUIREMENTS

11. Declaration and payment of dividends

11.1. Pursuant to section 51(1) of the FSA, a financial institution is required to obtain the Bank's written approval prior to declaring or paying any dividend on its shares. For the avoidance of doubt, shares refer to both ordinary shares and preference shares.

S 11.2. Unless otherwise informed by the Bank in writing, approval is given to a financial institution to declare or pay any dividend on its preference shares where the dividend is non-discretionary²⁵ and non-cumulative²⁶. For the avoidance of doubt, where the Bank has, prior to the effective date of this policy document, imposed a requirement on a financial institution to obtain the Bank's written approval prior to declaring or paying any dividend on its preference shares, such approval requirement shall continue to apply and the requirements set out in paragraph 11.4 shall be observed by the financial institution.

S 11.3. Where an application has been made under paragraph 11.1, a financial institution shall not:

- i. publish in print and/or electronic form²⁷;
- ii. lay the annual financial statements at its general meeting; and
- iii. in the case of a listed financial institution, submit to the stock exchange, the interim financial report or annual financial statements, as the case may be, unless the proposed dividend has been approved by the Bank under section 51(1) of the FSA.

²⁵ The proposed dividend payment is not at the full discretion of the financial institution.

²⁶ Any waived dividend must not be made up by the financial institution at a later date.

²⁷ For example, newspapers, press releases and website.

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- S** 11.4. An application for approval made under paragraph 11.1 by a financial institution must be supplemented with the following:
- i. where an interim dividend is proposed,
 - a. its interim financial report, with a review by the auditor of the profit after tax for the period²⁸. The explanatory notes to the interim financial report shall be consistent with that specified for annual financial statements (refer to paragraph 10.4);
 - b. the interim financial reports of its principal subsidiaries^{29, 30}, as applicable;
 - c. the limited review report by its auditor;
 - d. a written confirmation by the officer primarily responsible for the financial management of the financial institution that its interim financial reports have been prepared in accordance with the MFRS subject to requirements specified by the Bank in paragraph 9 of this policy document;
 - e. in the case of a banking institution and a financial holding company engaged predominantly in banking activities, the calculation of Common Equity Tier 1 Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio showing the positions separately before and after the proposed payment of dividends³¹; and
 - f. in the case of a licensed insurer, the calculation of the Capital Adequacy Ratio showing the positions separately before and after the proposed payment of dividends.
 - ii. where a final dividend is proposed,
 - a. the information specified in paragraph 12.1;
 - b. in the case of a banking institution and a financial holding company engaged predominantly in banking activities, the calculation of

²⁸ In accordance with the standards on review engagements issued by the Malaysian Institute of Accountants.

²⁹ Subsidiaries which are major contributors to the group's revenue, assets or profit/loss.

³⁰ For the avoidance of doubt, the interim financial reports of the principal subsidiaries need not be subject to review by the auditor.

³¹ In the case of a financial holding company, to disclose the capital adequacy positions on a consolidated basis.

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Common Equity Tier 1 Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio showing the positions separately before and after the proposed payment of dividends³²;

- c. in the case of a licensed insurer, the calculation of the Capital Adequacy Ratio showing the positions separately before and after the proposed payment of dividends; and
- d. in the case of a licensed insurer, its audited statistical returns³³ and risk-based capital forms reported under the Insurance Companies Statistical System.

12. Annual financial statements

- S** 12.1. Within three months after the close of each financial year and before the laying of the financial statements at the general meeting, a financial institution shall submit to Jabatan Penyeliaan Konglomerat Kewangan, Jabatan Penyeliaan Perbankan or Jabatan Penyeliaan Insurans dan Takaful of Bank Negara Malaysia, as the case may be, the following:
- i. its annual audited financial statements³⁴;
 - ii. the audited financial statements of its principal subsidiaries, where relevant;
 - iii. its Auditor's Report³⁵, including a report on the key accounting and auditing matters tabled to the board audit committee;
 - iv. the analysis of performance by key business segments;
 - v. in the case of the consolidated financial statements of a banking institution and a financial holding company engaged predominantly in banking activities, a report on its operations in the financial year, including an analysis (both quantitative and narrative) of the overall assessment of the group's financial performance. The analysis of performance, for the

³² In the case of a financial holding company, to disclose the capital adequacy positions on a consolidated basis.

³³ This refers to the Revenue Account, Income Statement and Balance Sheet.

³⁴ Both the separate financial statements and consolidated financial statements.

³⁵ This refers to the detailed report prepared by the auditor on the audit of a financial institution's annual financial statements.

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current and preceding year, of each subsidiary within the group which are major contributors to the group's profit shall at a minimum, include the following:

- a. total assets (in RM and % of group);
 - b. profit/(loss) before tax (in RM and % of group);
 - c. profit/(loss) after tax (in RM and % of group);
 - d. dividends (if any);
 - e. ratio of profit/(loss) before tax to average shareholders' funds; and
 - f. ratio of profit/(loss) before tax to average total assets;
- vi. a written confirmation by the officer primarily responsible for the financial management of the financial institution that its annual financial statements have been prepared in accordance with the MFRS subject to requirements specified by the Bank in paragraph 9 of this policy document; and
 - vii. the tentative date of the publication of its annual financial statements on the website, where applicable.

S 12.2. For the purpose of paragraph 12.1(ii), where the audited financial statements are in a language other than the national language or English, the copy submitted shall be translated into English.

S 12.3. For the avoidance of doubt, in the case of a foreign professional reinsurer, the information to be submitted under paragraph 12.1 shall relate to its Malaysian policies and foreign policies of its office in Malaysia.

S 12.4. Where the audited financial statements of a foreign professional reinsurer are not made available on the website, a foreign professional reinsurer shall submit to the Bank a copy of its audited financial statements within 30 calendar days after the laying of the financial statements at its general meeting in the country in which it is incorporated or established. Where the audited financial statements are in a language other than the national language or English, the copy submitted shall be translated into English.

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13. Interim financial report

- S** 13.1. A banking institution and a financial holding company engaged predominantly in banking activities shall submit to Jabatan Penyeliaan Konglomerat Kewangan or Jabatan Penyeliaan Perbankan of Bank Negara Malaysia, as the case may be, not later than 4 weeks after the end of each interim period, the following:
- i. its interim financial report³⁶;
 - ii. the interim financial reports of its principal subsidiaries³⁷, where relevant;
 - iii. the analysis of performance by key business segments;
 - iv. in the case of the consolidated financial report, an analysis (both quantitative and narrative) of the overall assessment of the group's financial performance. The analysis of performance, for the current interim period and cumulatively for the current financial year-to-date and comparable interim period (current and year-to-date) of the preceding year, of each subsidiary within the group which are major contributors to the group's profit shall at a minimum, include the following:
 - a. total assets (in RM and % of group);
 - b. profit/(loss) before tax (in RM and % of group);
 - c. profit/(loss) after tax (in RM and % of group);
 - d. dividends (if any);
 - e. ratio of profit/(loss) before tax to average shareholders' funds; and
 - f. ratio of profit/(loss) before tax to average total assets; and
 - v. a written confirmation by the officer primarily responsible for the financial management of the banking institution and the financial holding company that the interim financial report has been prepared in accordance with the MFRS subject to requirements specified by the Bank in paragraph 9 of this policy document.

³⁶ Both the separate financial statements and consolidated financial statements.

³⁷ Where the interim financial statements are in a language other than the national language or English, the copy submitted shall be translated into English.

PART D PUBLICATION REQUIREMENTS

14. Annual financial statements

- S** 14.1. A licensed person shall:
- i. publish, in an abridged format, the audited annual financial statements in at least two local daily newspapers, one of which shall be in the national language and the other in English; and
 - ii. make available the full set of the audited annual financial statements on its website³⁸,
no earlier than five working days after the date of submission of the information specified in paragraph 12.1 to the Bank but not later than 14 calendar days after its annual general meeting.
- S** 14.2. A financial holding company shall make available the full set of the audited annual financial statements on its website no earlier than five working days after the date of submission of the information specified in paragraph 12.1 to the Bank but not later than 14 calendar days after its annual general meeting.
- S** 14.3. For the purpose of paragraph 14.1(i), the abridged format of the financial statements to be published in the newspapers shall, at a minimum, consist of the following:
- i. a statement of financial position;
 - ii. a statement of comprehensive income;
 - iii. a statement of changes in equity;
 - iv. a statement of cash flows; and
 - v. the Auditors' Report.
- S** 14.4. For the purpose of paragraph 14.1(i), the two approved local daily newspapers are:
- i. Berita Harian or Utusan Malaysia; and

³⁸ Or the corporate website of a licensed person or a financial holding company.

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ii. The New Straits Times or The Star.

S 14.5. A licensed person shall make available a copy of the audited annual financial statements at every branch of the licensed person in Malaysia.

S 14.6. For the purpose of paragraph 14.1(i), a licensed person shall include a prominent note in the published abridged format of its financial statements stating that:

- i. the full set of the financial statements is available on the licensed person's website, together with the address of the website; and
- ii. a copy of the audited annual financial statements is available at every branch of the licensed person in Malaysia.

15. Interim financial report

S 15.1. Where an application has not been made under paragraph 11.1,

- i. a banking institution and a financial holding company engaged predominantly in banking activities shall make available on its website the interim financial report prepared on a quarterly and half-yearly basis, as the case may be, no earlier than five working days after the date of submission of the information specified in paragraph 13.1 to the Bank but not later than eight weeks after the close of the interim period;

- ii. a licensed insurer and a financial holding company engaged predominantly in insurance activities shall make available on its website the interim financial report prepared on a half-yearly basis no later than eight weeks after the close of the interim period.

S 15.2. Where an application has been made under paragraph 11.1 and approval from the Bank has been obtained under section 51(1) of the FSA, a financial institution shall make available on its website, the interim financial report prepared on a quarterly and half-yearly basis, as the case may be, no later than eight weeks after the close of the interim period. In the case where the

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application has yet to be approved by the Bank by the end of the eighth week after the close of the interim period, a financial institution shall disclose on its website the interim financial report no later than five working days after the approval from the Bank has been obtained.

- S** 15.3. Where the audited annual financial statements for the preceding financial year have yet to be published by the end of the eighth week after the close of the interim period, a financial institution shall disclose on its website the first quarter interim financial report on the same day or not later than three working days after the publication of the audited annual financial statements.