

MALAYAN BANKING BERHAD
(3813-K)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2008

<u>Group</u>	Note	3rd Quarter Ended		Cumulative 9 Months Ended	
		31 March 2008 RM'000	31 March 2007 RM'000 (Restated)	31 March 2008 RM'000	31 March 2007 RM'000 (Restated)
Continuing Operations					
Interest income	A15	2,754,681	2,690,628	8,659,835	7,950,759
Interest expense	A16	(1,405,136)	(1,397,652)	(4,584,062)	(4,116,783)
Net interest income		1,349,545	1,292,976	4,075,773	3,833,976
Income from Islamic Banking					
Scheme operations:					
Gross operating income		251,590	189,939	686,634	571,568
Profit equalisation reserves		16,225	(800)	4,887	90,392
	A27b	267,815	189,139	691,521	661,960
		1,617,360	1,482,115	4,767,294	4,495,936
Non-interest income	A17	634,455	680,793	1,881,013	1,995,225
Net income		2,251,815	2,162,908	6,648,307	6,491,161
Overhead expenses	A18	(1,065,425)	(935,806)	(3,128,459)	(2,809,901)
Operating Profit		1,186,390	1,227,102	3,519,848	3,681,260
Allowance for losses on loans, advances and financing	A19	(166,324)	(194,988)	(451,945)	(647,733)
		1,020,066	1,032,114	3,067,903	3,033,527
Share of profits in associated companies		(62)	(3,962)	(568)	(1,128)
Profit before taxation		1,020,004	1,028,152	3,067,335	3,032,399
Taxation & Zakat	B5	(252,551)	(257,693)	(821,740)	(847,522)
Profit for the period		767,453	770,459	2,245,595	2,184,877
Attributable to:					
Equity holders of the parent		758,606	764,611	2,224,989	2,125,566
Minority Interest		8,847	5,848	20,606	59,311
		767,453	770,459	2,245,595	2,184,877
Earnings per share attributable to equity holders of the parent					
Basic ¹	B12	15.52 sen	15.80 sen	45.67 sen	44.33 sen
Fully diluted ¹		15.49 sen	15.75 sen	45.62 sen	44.22 sen

¹ Adjusted for bonus issue of 1:4

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2008

<u>Bank</u>	Note	3rd Quarter Ended		Cumulative 9 Months Ended	
		31 March 2008 RM'000	31 March 2007 RM'000 (Restated)	31 March 2008 RM'000	31 March 2007 RM'000 (Restated)
Continuing Operations					
Interest income	A15	2,634,394	2,539,044	8,182,144	7,372,875
Interest expense	A16	(1,331,323)	(1,309,363)	(4,318,035)	(3,772,635)
Net interest income		1,303,071	1,229,681	3,864,109	3,600,240
Income from Islamic Banking					
Scheme operations:					
Gross operating income		-	187,444	428,212	561,082
Profit equalisation reserves		-	-	(10,225)	91,290
	A27b	-	187,444	417,987	652,372
		1,303,071	1,417,125	4,282,096	4,252,612
Non-interest income	A17	486,736	725,111	1,350,983	1,791,675
Net income		1,789,807	2,142,236	5,633,079	6,044,287
Overhead expenses	A18	(802,236)	(789,330)	(2,527,387)	(2,360,951)
Operating Profit		987,571	1,352,906	3,105,692	3,683,336
Allowance for losses on loans, advances and financing	A19	(115,896)	(204,751)	(499,028)	(670,338)
Profit before taxation		871,675	1,148,155	2,606,664	3,012,998
Taxation & Zakat	B5	(209,814)	(307,600)	(667,661)	(877,438)
Profit for the period		661,861	840,555	1,939,003	2,135,560

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2008

	Note	GROUP		BANK	
		31 March 2008 RM'000	30 June 2007 RM'000 (Restated)	31 March 2008 RM'000	30 June 2007 RM'000 (Restated)
ASSETS					
Cash and short-term funds		33,771,335	37,597,422	31,453,773	34,200,909
Deposits and placements with financial institutions		10,741,500	17,348,421	7,900,467	15,560,914
Securities purchased under resale agreements		31,257	258,772	31,257	258,772
Securities portfolio	A9	35,876,647	33,691,730	29,605,882	28,624,945
Loans, advances and financing	A10	151,596,866	140,864,736	127,433,383	136,223,498
Derivative assets		744,020	394,870	742,027	390,406
Other assets	A11	3,742,003	3,375,394	3,773,571	1,920,608
Investment properties		40,388	40,750	-	-
Statutory deposits with Central Banks		4,656,540	5,652,233	3,808,178	5,339,337
Investment in subsidiaries		-	-	4,357,819	2,763,929
Interests in associates		44,489	43,601	40,939	40,739
Property, plant and equipment		1,191,415	1,151,686	1,034,635	987,195
Intangible assets		196,485	193,072	181,714	184,462
Deferred tax assets		893,803	1,016,730	862,286	951,526
Life, general takaful and family takaful fund assets		15,349,348	15,037,859	-	-
TOTAL ASSETS		258,876,096	256,667,276	211,225,931	227,447,240
LIABILITIES					
Deposits from customers	A12	185,202,377	163,676,762	156,297,147	149,576,055
Deposits and placements of banks and other financial institutions	A13	21,453,146	29,534,690	22,679,699	32,683,020
Obligations on securities sold under repurchase agreements		114,314	9,957,065	75,402	10,489,855
Bills and acceptances payable		3,142,318	2,930,070	2,994,776	2,922,088
Derivative liabilities		1,090,070	656,705	1,025,049	644,860
Other liabilities	A14	5,179,590	5,089,567	3,631,267	3,896,973
Recourse obligation on loans sold to Cagamas		1,369,582	2,455,762	1,369,582	2,455,762
Provision for taxation and zakat		525,102	1,019,790	481,562	980,741
Deferred tax liabilities		64,664	96,810	-	-
Subordinated obligations	A13	4,953,167	6,344,048	4,953,167	6,344,048
Life, general takaful and family takaful fund liabilities		3,996,960	1,194,914	-	-
Life, general takaful and family takaful policy holders' funds		11,352,388	13,842,945	-	-
TOTAL LIABILITIES		238,443,678	236,799,128	193,507,651	209,993,402

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2008

	Note	GROUP		BANK	
		31 March 2008 RM'000	30 June 2007 RM'000 (Restated)	31 March 2008 RM'000	30 June 2007 RM'000 (Restated)
SHAREHOLDERS' EQUITY					
Share capital		4,881,018	3,889,225	4,881,018	3,889,225
Reserves		14,870,107	15,308,431	12,837,262	13,564,613
		19,751,125	19,197,656	17,718,280	17,453,838
Minority Interest		681,293	670,492	-	-
Total equity		20,432,418	19,868,148	17,718,280	17,453,838
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		258,876,096	256,667,276	211,225,931	227,447,240
COMMITMENTS AND CONTINGENCIES					
	A24	182,093,750	175,392,450	171,093,205	171,957,142
CAPITAL ADEQUACY					
	A26				
Based on credit and market risks:					
<u>Without deducting dividend payable *</u>					
Core capital ratio		9.87%	10.06%	10.60%	9.82%
Risk-weighted capital ratio		13.98%	15.14%	13.02%	14.11%
<u>After deducting dividend payable</u>					
Core capital ratio:		9.59%	9.43%	10.26%	9.13%
Risk-weighted capital ratio:		13.69%	14.51%	12.68%	13.42%
Net assets per share attributable to equity holders of the parent #		RM4.05	RM3.95	RM3.63	RM3.59

* In arriving at the capital base used in the ratio calculations of the Group and the Bank, the proposed dividends for respective financial years were not deducted.

Adjusted for bonus issue of 1:4.

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2008

<u>GROUP</u>	<===== Non Distributable =====>							Distributable Retained Profits RM'000	Total Shareholders' Equity RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	Other Reserves RM'000				
At 1 July 2007	3,889,225	2,935,570	3,921,988	15,250	405,588	(83,994)	61,228	8,052,801	19,197,656	670,492	19,868,148
Currency translation differences	-	-	628	-	-	(122,247)	-	-	(121,619)	-	(121,619)
Acquisition of an Interest by Minority Interest	-	-	-	-	-	-	-	-	-	12,575	12,575
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	-	(187,713)	-	-	-	(187,713)	-	(187,713)
Net accretion from decreased interest in subsidiaries	-	-	-	-	-	-	-	22,380	22,380	(22,380)	-
Net gain/(loss) not recognised in the income statement	-	-	628	-	(187,713)	(122,247)	-	22,380	(286,952)	(9,805)	(296,757)
Net profit for the period	-	-	-	-	-	-	-	2,224,989	2,224,989	20,606	2,245,595
Total recognised income/(expense) for the period	-	-	628	-	(187,713)	(122,247)	-	2,247,369	1,938,037	10,801	1,948,838
Share-based payment under ESOS	-	-	-	-	-	-	1,581	-	1,581	-	1,581
Transfer to/from statutory reserves	-	-	485,000	-	-	-	-	(485,000)	-	-	-
Issue of ordinary shares pursuant to ESOS	15,735	240,231	-	-	-	-	-	-	255,966	-	255,966
Dividend paid	-	-	-	-	-	-	-	(1,642,115)	(1,642,115)	-	(1,642,115)
Bonus Issue	976,058	(976,058)	-	-	-	-	-	-	-	-	-
At 31 March 2008	4,881,018	2,199,743	4,407,616	15,250	217,875	(206,241)	62,809	8,173,055	19,751,125	681,293	20,432,418

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2008

<===== Non Distributable =====>

GROUP	Share	Share	Statutory	Capital	Unrealised	Exchange	Other	Distributable	Total	Minority	Total
	Capital	Premium	Reserve	Reserve	Holding	Fluctuation		Retained	Shareholders'		
	RM'000	RM'000	RM'000	RM'000	Reserve/(Deficit)	Reserve	RM'000	Profits	Equity	RM'000	RM'000
At 1 July 2006											
As previously stated	3,796,947	2,137,807	3,973,917	15,250	(27,479)	58,136	-	6,811,248	16,765,826	708,475	17,474,301
Prior year adjustments											
- Effects of adopting FRS 2	-	-	-	-	-	-	3,038	(3,038)	-	-	-
- Effects of adopting BNM Circular on Handling Fees	-	-	-	-	-	-	-	77,211	77,211	-	77,211
- Effects of adopting FRS 128	-	-	-	-	-	-	-	25,765	25,765	(100,000)	(74,235)
At 1 July 2006 (restated)	3,796,947	2,137,807	3,973,917	15,250	(27,479)	58,136	3,038	6,911,186	16,868,802	608,475	17,477,277
- Effects of adopting FRS 140	-	-	-	-	-	-	-	10,244	10,244	-	10,244
	3,796,947	2,137,807	3,973,917	15,250	(27,479)	58,136	3,038	6,921,430	16,879,046	608,475	17,487,521
Currency translation differences	-	-	400	-	-	(175,085)	-	-	(174,685)	-	(174,685)
Net increase in fair value of securities	-	-	-	-	456,486	-	-	-	456,486	-	456,486
Net gain/(loss) not recognised in the income statement	-	-	400	-	456,486	(175,085)	-	-	281,801	-	281,801
Net Profit for the period	-	-	-	-	-	-	-	2,125,566	2,125,566	59,311	2,184,877
Total recognised income/(expense) for the period	-	-	400	-	456,486	(175,085)	-	2,125,566	2,407,367	59,311	2,466,678
Share-based payment under ESOS	-	-	-	-	-	-	56,309	-	56,309	-	56,309
Transfer to statutory reserves	-	-	(69,953)	-	-	-	-	69,953	-	-	-
Issue of ordinary shares pursuant to ESOS	83,481	720,620	-	-	-	-	-	-	804,101	-	804,101
Dividend Paid	-	-	-	-	-	-	-	(964,670)	(964,670)	(409)	(965,079)
At 31 March 2007	3,880,428	2,858,427	3,904,364	15,250	429,007	(116,949)	59,347	8,152,279	19,182,153	667,377	19,849,530

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2008

<=====Non Distributable=====>

	Non Distributable						Distributable	Total
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	Other Reserves RM'000	Retained Profits RM'000	Equity RM'000
At 1 July 2007	3,889,225	2,935,570	3,889,770	283,264	8,660	61,228	6,386,121	17,453,838
Currency translation differences	-	-	(231)	-	6,243	-	-	6,012
Unrealised net gain on revaluation of securities available for sale	-	-	-	(192,579)	-	-	-	(192,579)
Net gain/(loss) not recognised in the income statement	-	-	(231)	(192,579)	6,243	-	-	(186,567)
Net profit for the period	-	-	-	-	-	-	1,939,003	1,939,003
Total recognised income/(expense) for the period	-	-	(231)	(192,579)	6,243	-	1,939,003	1,752,436
Share-based payment under ESOS	-	-	-	-	-	1,581	-	1,581
Transfer to statutory reserve	-	-	485,000	-	-	-	(485,000)	-
Issue of ordinary shares pursuant to ESOS	15,735	136,805	-	-	-	-	-	152,540
Dividend paid	-	-	-	-	-	-	(1,642,115)	(1,642,115)
Bonus issue	976,058	(976,058)	-	-	-	-	-	-
At 31 March 2008	4,881,018	2,096,317	4,374,539	90,685	14,903	62,809	6,198,009	17,718,280

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2008

	<=====Non Distributable=====>						Distributable Retained Profits RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	Other Reserves RM'000		
BANK								
At 1 July 2006								
As previously stated	3,796,947	2,137,807	3,871,493	(21,206)	112,690	-	5,376,363	15,274,094
- Effects of adopting FRS2	-	-	-	-	-	1,984	(1,984)	-
- Effects of adopting BNM Circular on Handling Fees	-	-	-	-	-	-	77,211	77,211
At 1 July 2006 (restated)	3,796,947	2,137,807	3,871,493	(21,206)	112,690	1,984	5,451,590	15,351,305
Currency translation differences	-	-	273	-	(110,360)	-	-	(110,087)
Net decrease in fair value of securities	-	-	-	318,701	-	-	-	318,701
Net gain/(loss) not recognised in the income statement	-	-	273	318,701	(110,360)	-	-	208,614
Net profit for the period	-	-	-	-	-	-	2,135,560	2,135,560
Total recognised income/(expense) for the period	-	-	273	318,701	(110,360)	-	2,135,560	2,344,174
Share-based payment under ESOS	-	-	-	-	-	56,309	-	56,309
Transfer to Statutory Reserves	-	-	504	-	-	-	(504)	-
Issue of ordinary shares pursuant to ESOS	83,481	720,620	-	-	-	-	-	804,101
Dividend paid	-	-	-	-	-	-	(964,663)	(964,663)
At 31 March 2007	3,880,428	2,858,427	3,872,270	297,495	2,330	58,293	6,621,983	17,591,226

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2008

	GROUP		BANK	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
Profit before taxation	3,067,335	3,032,399	2,606,664	3,012,998
Adjustments for non-operating and non-cash items	2,940,970	1,330,690	2,964,101	787,199
Operating profit before working capital changes	6,008,305	4,363,089	5,570,765	3,800,197
Changes in working capital:-				
Net changes in operating assets	(7,044,008)	(17,878,643)	14,073,349	(15,182,276)
Net changes in operating liabilities	4,211,021	18,501,153	(13,899,924)	19,685,419
Tax expense and zakat paid	(1,156,041)	(790,840)	(1,005,499)	(765,011)
Net cash generated from operations	2,019,277	4,194,759	4,738,691	7,538,329
Net cash (used in)/generated from investing activities	(146,315)	(188,819)	(1,727,192)	458,804
Net cash (used in)/generated from financing activities	(3,772,785)	(1,009,605)	(3,888,785)	(1,009,598)
	(3,919,100)	(1,198,424)	(5,615,977)	(550,794)
Net change in cash and cash equivalents	(1,899,823)	2,996,335	(877,286)	6,987,535
Cash and cash equivalents at beginning of period *	35,671,158	31,339,929	32,331,059	26,922,629
Cash and cash equivalents at end of period	33,771,335	34,336,264	31,453,773	33,910,164
* Cash and cash equivalents at beginning of period				
Cash and short term funds as previously reported	37,597,422	32,035,395	34,200,909	27,542,452
Effects of foreign exchange rate changes	(1,926,264)	(695,466)	(1,869,850)	(619,823)
As restated	35,671,158	31,339,929	32,331,059	26,922,629

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Part A: Explanatory Notes Pursuant to Financial Reporting Standard 134 (“FRS 134”) and Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) Issued by Bank Negara Malaysia

A1. Basis of Preparation

The condensed interim financial statements of the Group and of the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: securities held-for-trading and available-for-sale, derivative financial instruments and investment properties.

The condensed interim financial statements were not audited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2007. These explanatory notes attached to the 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 the Bank since the year ended 30 June 2007.

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 year ended 30 June 2007 except for the adoption of the following Financial Reporting Standards (“FRS’s”) effective from the financial periods beginning 1 July 2007:

FRS 117	Leases
FRS 124	Related Party Transaction
FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosures of Government Assistance
FRS 126	Accounting and Reporting by Retirements Benefit Plans
FRS 129	Financial Reporting in Hyperinflationary Economies
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of FRS’s 124, 6, 107, 111, 112, 118, 119, 120, 126, 129, 134 and 137 does not result in significant changes in accounting policies of the Group and the Bank. The principal effects of the changes in accounting policies resulting from the adoption of FRS 117 is discussed in Note A1(a) below.

The allowance for doubtful debts and financing of the Group and the Bank are computed based on the requirements of BNM/GP3, which is consistent with the adoption made in the previous audited annual financial statements. Specific allowances are made for doubtful debts which have been individually reviewed and specifically identified as bad and doubtful. Additional allowances are made for long outstanding non-performing loans aged more than five years. In addition, a general allowance based on a certain percentage of total risk-weighted assets for credit risk, which takes into account all balance sheet items and their perceived credit risk levels, is maintained.

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A1. Basis of Preparation (Contd.)

(a) FRS 117: Leases. Leasehold land held for own use

Prior to 1 July 2007, lease of land held for own use was classified as property, plant and equipment and was stated at cost less amortisation and impairment loss. The adoption of the revised FRS 117: Leases with effect from 1 July 2007 resulted in a change in the accounting policy relating to the classification of leases of land. Under FRS 117, lease of land and buildings are classified as operating or finance leases in the same way as leases of other assets. As a result, leasehold land held for own use is now classified as operating lease. The up-front payments made represent prepaid land lease payment and is amortised on a straight-line basis over the remaining lease term.

The Group and the Bank have applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 July 2007, the unamortised carrying amount of leasehold land is classified as prepaid land lease payments. The reclassification of leasehold land as prepaid land lease payments has been accounted for retrospectively. Certain comparatives of the balance sheets of the Group and the Bank as at 30 June 2007 have been restated as set out in Note 28(b). There were no effects on the income statements of the Group and the Bank for the financial quarter ended 31 March 2008.

A2. Significant Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving higher degree of judgement and complexity, are as follows:

(i) Fair Value Estimation of Securities Held-for-trading (Note 9(i)), Securities Available-for-sale (Note 9(ii)) and Derivative Financial Instruments

The fair value of securities and derivatives that are not traded in an active market are determined using valuation techniques based on assumptions of market conditions existing at the balance sheet date, including reference to quoted market prices and independent dealer quotes for similar securities and discounted cash flows method.

(ii) Valuation of Investment Properties

The measurement of the fair value for investment properties is arrived at by reference to market evidence of transaction prices for similar properties and is performed by professional independent valuers.

(iii) Impairment of Goodwill

The Group tests annually whether the goodwill that has an indefinite life has suffered any impairment by measuring the recoverable amount of the goodwill based on the value-in-use method, which requires the use of estimates of cash flow projections, growth rates and discount rates. Changes to the assumptions used by management, particularly the discount rate and the terminal growth rate, may significantly affect the results of the impairment.

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A2. Significant Accounting Estimates and Judgments (contd.)

(iv) Impairment of Other Intangible Assets

The Group's and the Bank's intangible assets that can be separated and sold and have a finite useful life are amortised over their estimated useful life.

The determination of the estimated useful life of these intangible assets requires the Bank's management to analyse the circumstances, the industry and market practice and also to use judgment. At each balance sheet date, or more frequently when events or changes in circumstances dictate, intangible assets are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the assets with its recoverable amount.

(v) Liabilities of Insurance Business

The actuarial estimate of future contingent policy liabilities is computed in accordance with the standards and basis prescribed under the Insurance Act and Regulations, and uses a level net premium methodology with allowances for acquisition costs through the application of a zilmer or full preliminary term adjustments, whichever produces higher reserves.

For general claims, reserve is made upon notification of a new claim where the potential liability will be assessed based on information available. Where little or no information is available, a "blind" reserve will be used. The blind reserves are based on class of business and are reviewed annually in line with Bank Negara Malaysia guidelines. As and when more information becomes available regarding a claim, the reserve is amended accordingly.

(vi) Deferred Tax and Income Taxes

The Group and the Bank is subject to income taxes in many jurisdictions and significant judgment is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognized based on estimates of whether additional taxes will be payable. The estimation process includes seeking expert advice where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax and deferred tax provisions in the period in which the estimate is revised or the final liability is established.

(vii) Allowances for Bad and Doubtful Debts

The Group and Bank review the doubtful loans, advances and financing at each reporting date to assess whether allowances for impairment should be recorded in the financial statements. In particular, judgement is required in the identification of doubtful loans and the estimation of realisation amount from the doubtful loans when determining the level of allowance required.

The Group and Bank have adopted certain criteria in the identification of doubtful loans, which include classifying loans as non-performing when repayments are in arrears for more than three (3) months (one (1) month after maturity date for trade bills, bankers' acceptances and trust receipts). Specific allowances for doubtful loans are provided after taking into consideration of the values assigned to collateral. The values assigned to collateral are estimated based on market value and/or forced sales value, as appropriate and conforms to BNM guidelines. In addition to the specific allowances made, the Group and Bank also make general allowance against exposure not specifically identified based on a certain percentage of total risk-weighted assets for credit risk. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

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A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2007 was not qualified.

A4. Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the third financial quarter ended 31 March 2008.

A5. Unusual Items Due to Their Nature, Size or Incidence

During the quarter ended 31 March 2008, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank.

A6. Changes in Estimates

There were no material changes in estimates during the quarter ended 31 March 2008.

A7. Changes in Debt and Equity Securities

Save as disclosed below, there were no cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Bank.

The issued and paid-up share capital of the Bank was increased from RM3,889,224,521 as at 30 June 2007 to RM4,881,018,276 as at 31 March 2008, from the issuance of 991,793,755 new ordinary as follows:

- (i) Bonus issue of 976,057,505 new ordinary shares of RM1.00 each on the basis of one (1) new ordinary share of RM1.00 each for every four (4) existing ordinary shares held at the point of declaration of bonus; and
- (ii) Issuance of 15,590,100 new ordinary shares of RM1.00 each to eligible persons who have exercised their options under the Maybank Group Employee Share Option Scheme (ESOS), plus 146,150 bonus shares granted upon exercise of the options after bonus declaration, at the following option prices:

<u>Number of shares issued</u>	<u>Option price per share</u>	<u>No. of bonus shares issued:</u>
5,282,300	RM 9.23	55,350
1,394,800	RM 9.87	13,050
2,977,700	RM 9.92	29,375
5,935,300	RM10.19	48,375

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A8. Dividends Paid

The Bank paid the following dividends:

- a) A final dividend of 40.0 sen per share less 27% income tax for the financial year ended 30 June 2007, amounting to RM1,137,379,104 was paid on 15 November 2007.
- b) A first interim dividend of 17.5 sen per share less 26% tax for the financial year ending 30 June 2008, amounting to RM504,736,083 was paid on 16 January 2008.
- c) A second interim dividend of 15.0 sen per share less 26% tax for the financial year ending 30 June 2008, amounting to RM541,793,068 was paid on 7 April 2008.

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A9. Securities Portfolio

	Note	Group		Bank	
		31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Securities held-for-trading	(i)	1,949,675	2,032,634	1,371,561	1,447,227
Securities available-for-sale	(ii)	32,902,236	29,124,704	27,725,346	25,213,654
Securities held-to-maturity	(iii)	1,024,736	2,534,392	508,975	1,964,064
		35,876,647	33,691,730	29,605,882	28,624,945

A9. (i) Securities Held-for-trading

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
At Fair value				
Money Market Instruments:-				
Malaysian Government Securities	106,880	-	5,066	-
Malaysian Government Treasury Bills	19,705	52,997	19,705	52,997
Malaysian Government Investment Issues	49,945	-	49,945	-
Bank Negara Malaysia Bills and Notes	900	867,578	-	867,578
Bank Negara Malaysia Monetary Notes	853,340	-	853,340	-
Foreign Certificates of Deposits	1,384	-	-	-
Total Money Market Instruments	1,032,154	920,575	928,056	920,575
Quoted securities:				
Shares	22,797	-	22,797	-
	22,797	-	22,797	-
Unquoted securities:				
Private and Islamic Debt Securities in Malaysia	474,016	585,407	-	-
Foreign Private Debt Securities	420,708	526,652	420,708	526,652
	894,724	1,112,059	420,708	526,652
Total securities held-for-trading	1,949,675	2,032,634	1,371,561	1,447,227

A9. (ii) Securities Available-for-sale

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
At Fair value, or cost less impairment losses for certain unquoted equity instruments				
Money market instruments:-				
Malaysian Government Securities	3,711,021	3,034,542	3,322,007	2,377,960
Malaysian Treasury Bills	7,945	-	7,945	-
Cagamas Bonds	813,901	748,781	510,692	462,758
Foreign Government Securities	3,814,470	3,261,092	3,727,203	3,198,175
Malaysian Government Investment Issues	4,531,339	3,873,649	2,990,431	3,718,743
Bank Negara Malaysia Bills	626,988	35,580	626,988	35,580
Foreign Government Treasury Bills	1,226,165	652,052	1,112,734	529,286
Negotiable Instruments of Deposits	1,041,278	2,288,651	3,289,991	2,676,010
Bankers' Acceptances and Islamic Accepted Bills	2,053,474	3,198,835	1,266,127	3,198,835
Khazanah Bonds	947,971	929,845	366,999	734,194
Bank Negara Malaysia Sukuk Ijarah Bonds	-	40,072	-	40,072
Bank Negara Malaysia Monetary Notes	605,835	-	605,835	-
Foreign Certificates of Deposits	226,586	230,539	-	-
Total Money Market Instruments	19,606,973	18,293,638	17,826,952	16,971,613

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A9. Securities Portfolio (contd)

A9. (ii) Securities Available-for-sale (contd)

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Quoted Securities: -				
In Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	572,265	631,387	200,543	267,733
Outside Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	120,006	164,184	60,895	104,342
	692,271	795,571	261,438	372,075
Unquoted Securities:-				
Shares, trust units and loan stocks in Malaysia	708,375	807,028	500,476	545,617
Shares, trust units and loan stocks outside Malaysia	28,864	23,743	15,678	13,747
Private and Islamic Debt Securities in Malaysia	7,235,511	4,477,735	4,859,867	3,002,583
Malaysian Government Bonds	280,865	296,849	280,865	296,849
Foreign Government Bonds	75,482	79,367	-	-
Foreign Islamic and Private Debt Securities	4,058,565	3,837,974	3,764,740	3,584,803
Credit Linked Notes	215,330	426,367	215,330	426,367
Malaysia Global Sukuk	-	86,432	-	-
	12,602,992	10,035,495	9,636,956	7,869,966
				-
Total securities available-for-sale	32,902,236	29,124,704	27,725,346	25,213,654

A9. (iii) Securities Held-To-Maturity

At Amortised cost less impairment losses

Money market instruments:-

Malaysian Government Securities	103,677	1,025,981	103,118	1,025,422
Cagamas Bonds	13,407	224,057	1,670	212,299
Foreign Government Securities	224,363	207,572	-	-
Malaysian Government Investment Issues	80	80	-	-
Total Money Market Instruments	341,527	1,457,690	104,788	1,237,721

Unquoted Securities:-

Private and Islamic Debt Securities in Malaysia	355,296	547,977	76,274	197,627
Malaysian Government Bonds	41,667	45,139	41,667	45,139
Foreign Government Bonds	-	9	-	-
Foreign Islamic and Private Debt Securities	303,367	327,973	303,367	327,973
Credit Linked Note	-	172,725	-	172,725
Others	2,044	2,044	2,044	2,044
	702,374	1,095,867	423,352	745,508
Accumulated impairment losses	(19,165)	(19,165)	(19,165)	(19,165)
Total securities held-to-maturity	1,024,736	2,534,392	508,975	1,964,064

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A10. Loans, Advances and Financing

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Overdrafts	13,696,635	13,801,836	11,919,990	13,766,775
Term loans				
- Housing loans/financing	29,754,392	26,980,875	24,821,253	26,850,921
- Syndicated loan/financing	10,372,132	9,954,678	8,241,968	7,559,442
- Hire purchase receivables	29,792,276	26,121,500	21,738,992	26,121,500
- Lease receivables	4,559	7,954	4,559	7,954
- Other loans/financing	45,982,450	41,358,326	29,837,417	39,359,046
Credit card receivables	3,191,843	2,871,567	3,191,843	2,871,567
Bills receivable	1,934,116	1,543,665	1,888,577	1,511,273
Trust receipts	1,934,688	2,969,625	1,729,874	2,896,203
Claims on customers under acceptance credits	9,207,807	8,434,367	9,199,530	8,439,619
Loans/financing to banks and other financial institutions	9,138,748	10,289,507	9,138,748	10,289,507
Revolving credits	13,664,926	13,360,174	13,400,340	13,259,610
Staff loans	1,004,878	986,795	948,208	932,025
Housing loans to				
- Executive directors of the Bank	-	123	-	123
- Executive directors of subsidiaries	1,404	1,719	1,404	1,719
Others	162,053	180,919	-	-
	169,842,907	158,863,630	136,062,703	153,867,284
Unearned interest and income	(11,577,523)	(11,366,360)	(3,072,003)	(11,334,154)
Gross loans, advances and financing	158,265,384	147,497,270	132,990,700	142,533,130
Allowances for bad and doubtful debts and financing:				
- specific	(3,873,726)	(3,875,219)	(3,189,698)	(3,696,358)
- general	(2,794,792)	(2,757,315)	(2,367,619)	(2,613,274)
Net loans, advances and financing	151,596,866	140,864,736	127,433,383	136,223,498

(i) By type of customer

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Domestic operations:				
Domestic non-bank financial institutions				
- Stockbroking companies	182,224	163,268	182,044	163,088
- Others	10,152,921	9,758,406	8,620,811	9,748,355
Domestic business enterprise				
- Small and medium enterprise	25,770,094	23,457,406	21,562,740	23,464,107
- Others	20,449,603	21,390,132	17,434,440	21,272,776
Government and statutory bodies	287,059	222,050	176,215	222,050
Individuals	56,449,180	53,329,288	44,423,212	53,274,983
Other domestic entities	176,252	202,020	31,859	46,398
Foreign entities	452,201	381,348	393,225	361,569
Total domestic operations	113,919,534	108,903,918	92,824,546	108,553,326

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A10. Loans, Advances and Financing (contd)

(i) By type of customer (contd)

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Overseas operations:				
Singapore	33,221,967	28,042,055	33,221,967	28,042,055
Hong Kong SAR	2,582,625	2,174,984	2,582,625	2,174,984
United States of America	1,255,098	1,218,424	1,255,098	1,218,424
People's Republic of China	764,921	696,326	764,921	696,326
Vietnam	432,307	391,445	432,307	391,445
United Kingdom	1,268,742	866,331	1,268,742	866,332
Brunei	157,972	163,049	157,972	163,049
Cambodia	120,831	104,195	120,831	104,195
Bahrain	361,691	322,994	361,691	322,994
Labuan offshore	3,302,937	3,813,701	-	-
Philippines	750,666	682,381	-	-
Indonesia	77,468	87,813	-	-
Papua New Guinea	48,625	29,654	-	-
	44,345,850	38,593,352	40,166,154	33,979,804
Gross loans, advances and financing	158,265,384	147,497,270	132,990,700	142,533,130

(ii) By interest/profit rate sensitivity

Fixed rate				
- Housing loans/financing	10,575,051	11,047,846	6,284,008	10,860,914
- Hire purchase receivables	24,995,623	21,898,806	18,307,640	21,731,957
- Other fixed rate loans/financing	13,239,280	14,332,124	9,865,019	14,199,453
Variable rate				
- Base lending rate plus	58,007,703	53,682,867	54,821,525	53,614,209
- Cost plus	16,091,841	14,442,609	12,185,817	14,249,846
- Other variable rates	35,355,886	32,093,018	31,526,691	27,876,751
Gross loans, advances and financing	158,265,384	147,497,270	132,990,700	142,533,130

(ii) Total loans by economic purpose

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Domestic operations:				
Purchase of securities	10,068,941	9,336,069	9,818,990	9,114,564
Purchase of transport vehicles	15,502,368	13,864,267	8,556,268	13,855,560
- less Islamic loans sold to Cagamas	(656,502)	(787,228)	-	(787,228)
Purchase of landed properties				
- residential	24,415,706	24,621,251	18,812,590	24,577,064
- non-residential	6,419,591	6,305,032	5,809,070	6,304,373
- less Islamic housing loans sold to Cagamas	(374,198)	(408,915)	-	(408,915)
Purchase of fixed assets (exclude landed properties)	4,486	3,363	4,486	3,363
Personal use	3,301,605	3,138,004	2,960,035	3,138,044
Credit card	2,951,569	2,631,699	2,951,549	2,631,699
Purchase of consumer durables	23,384	50,335	16,528	50,301
Construction	5,489,777	5,547,948	4,479,930	5,546,112
Working capital	45,080,541	43,352,732	38,025,254	43,357,532
Others	1,692,266	1,249,361	1,389,846	1,170,857
Total domestic operations	113,919,534	108,903,918	92,824,546	108,553,326

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A10. Loans, Advances and Financing (contd)

(ii) Total loans by economic purpose (contd)

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Overseas operations:				
Singapore	33,221,967	28,042,055	33,221,967	28,042,055
Hong Kong SAR	2,582,625	2,174,984	2,582,625	2,174,984
United States of America	1,255,098	1,218,424	1,255,098	1,218,424
People's Republic of China	764,921	696,326	764,921	696,326
Vietnam	432,307	391,445	432,307	391,445
United Kingdom	1,268,742	866,331	1,268,742	866,332
Brunei	157,972	163,049	157,972	163,049
Cambodia	120,831	104,195	120,831	104,195
Bahrain	361,691	322,994	361,691	322,994
Labuan Offshore	3,302,937	3,813,701	-	-
Philippines	750,666	682,381	-	-
Indonesia	77,468	87,813	-	-
Papua New Guinea	48,625	29,654	-	-
	44,345,850	38,593,352	40,166,154	33,979,804
Gross loans, advances and financing	158,265,384	147,497,270	132,990,700	142,533,130

(iii) Non-performing loans by economic purpose

Domestic operations:				
Purchase of securities	312,183	339,314	213,737	272,047
Purchase of transport vehicles	127,797	137,861	93,189	137,394
Purchase of landed properties				
- residential	2,355,333	2,584,797	1,817,488	2,582,761
- non-residential	454,613	473,242	411,259	473,242
Purchase of fixed assets (exclude landed properties)	-	9,625	-	9,625
Personal use	236,769	258,919	200,594	258,919
Credit card	41,149	42,902	41,149	42,902
Purchase of consumer durables	1,298	1,299	1,292	1,299
Construction	504,875	678,537	255,094	678,537
Working capital	2,781,129	2,619,262	2,549,330	2,619,262
Others	403,188	477,892	348,611	458,908
Total domestic operations	7,218,334	7,623,650	5,931,743	7,534,896
Overseas operations:				
Singapore	280,281	408,636	280,281	408,636
Hong Kong SAR	15,766	33,927	15,766	33,927
Brunei	44,023	37,378	44,023	37,378
Vietnam	9,510	27,738	9,510	27,738
People's Republic of China	2,037	8,514	2,037	8,514
Cambodia	3,315	3,584	3,315	3,584
Labuan Offshore	37,646	52,653	-	-
Papua New Guinea	4,613	3,223	-	-
Philippines	32,337	58,911	-	-
Indonesia	202	-	-	-
	429,730	634,564	354,932	519,777
	7,648,064	8,258,214	6,286,675	8,054,673

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A10. Loans, Advances and Financing (contd)

(iv) Movement in non-performing loans, advances and financing ("NPL") are as follows:

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
At beginning of the period	8,258,214	9,211,938	8,054,673	8,757,597
Non-performing during the period	3,237,742	4,506,633	2,963,357	4,470,979
Reclassified as performing	(1,626,015)	(3,004,543)	(1,353,826)	(2,853,189)
Acquisition of businesses of KBB and AMEX	-	77,008	-	77,008
Transfer from subsidiaries	-	-	-	22,554
Recovered	(1,487,902)	(1,122,873)	(1,460,982)	(1,047,068)
Amount written off	(730,245)	(846,928)	(668,533)	(825,719)
Converted to Investment Securities	(45,693)	(63,799)	(45,693)	(63,798)
Converted to Properties	(5,700)	-	(5,700)	-
Amount transferred to Maybank Islamic Bhd	-	-	(1,245,328)	-
Sale of NPL	-	(512,313)	-	(512,313)
Exchange differences and expenses debited	47,663	13,091	48,707	28,622
At end of the period	7,648,064	8,258,214	6,286,675	8,054,673
Less: Specific allowance	(3,873,726)	(3,875,219)	(3,189,698)	(3,696,358)
Net non-performing loans, advances and financing	3,774,338	4,382,995	3,096,977	4,358,315
Net NPL as a% of gross loans, advances and financing (including Islamic loans sold to Cagamas) less specific allowance	2.43%	3.03%	2.39%	3.11%

(v) Movement in specific allowance for bad and doubtful debts (and financing) accounts are as follows:

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
<u>Specific Allowance</u>				
At beginning of the period	3,875,219	4,010,299	3,696,358	3,805,936
Allowance made during the period	1,334,183	1,733,021	1,234,260	1,687,783
Amount written back in respect of recoveries	(594,616)	(584,810)	(485,046)	(569,397)
Acquisition of businesses of KBB and AMEX	-	50,709	-	50,709
Amount written off	(730,245)	(1,233,023)	(668,533)	(1,211,814)
Transfer to general allowance	(5,076)	(32,724)	(2,617)	(9,812)
Transferred to impairment losses in value of securities	(8,606)	(8,488)	(8,606)	(8,488)
Transfer to restructured/rescheduled loans	(1,192)	(39,055)	(1,192)	(33,765)
Amount transferred to Maybank Islamic Bhd	-	-	(579,816)	-
Exchange differences	4,059	(20,710)	4,890	(14,794)
At end of the year	3,873,726	3,875,219	3,189,698	3,696,358

(vi) Movement in general allowance for bad and doubtful debts (and financing) accounts are as follows:

<u>General Allowance</u>				
At beginning of the year	2,757,315	2,415,073	2,613,274	2,258,397
Allowance made during the year	65,891	361,053	58,120	343,381
Amount written back	(28,523)	(41,802)	-	-
Amount transferred to Maybank Islamic Bhd	-	-	(307,891)	-
Acquisition of business of KBB	-	3,419	-	3,419
Transfer from subsidiaries	-	-	-	5,352
Transfer from specific allowance	5,076	32,724	2,617	9,812
Exchange differences	(4,967)	(13,152)	1,499	(7,087)
At end of the year	2,794,792	2,757,315	2,367,619	2,613,274
As % of gross loans, advances and financing (including Islamic loans sold to Cagamas) less specific allowance)	1.80%	1.90%	1.82%	1.87%

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A11. Other Assets

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Interest receivables	794,465	813,824	704,458	719,037
Prepayments and deposits	428,462	422,684	391,096	379,040
Other debtors	2,277,795	1,897,702	2,615,484	765,715
Tax Recoverable	125,109	123,155	-	-
Properties -Foreclosed & Acquired in satisfaction of Loan	116,172	118,029	62,533	56,816
	3,742,003	3,375,394	3,773,571	1,920,608

A12. Deposits from Customers

Fixed deposits and negotiable instruments of deposits				
- One year or less	99,799,498	101,012,633	82,871,164	87,798,019
- More than one year	3,640,624	3,450,037	1,846,948	3,160,018
Money Market deposits	14,378,695	-	14,378,695	-
Savings deposits	28,390,509	27,842,616	24,172,200	27,398,458
Demand deposits	38,111,454	30,890,786	32,458,643	30,738,870
Structured deposits *	881,597	480,690	569,497	480,690
	185,202,377	163,676,762	156,297,147	149,576,055

* Structured deposits represent foreign currency time deposits with embedded foreign exchange option and commodity-linked time deposits

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Business enterprises	63,868,923	63,413,067	50,517,698	52,266,805
Individuals	87,777,912	82,080,948	81,784,931	81,441,707
Government and statutory bodies	7,356,871	8,030,787	5,030,390	7,780,128
Others	26,198,671	10,151,960	18,964,128	8,087,415
	185,202,377	163,676,762	156,297,147	149,576,055

A13. Deposits and Placement of Banks and Other Financial Institutions and Debt Securities

Licensed banks	16,483,559	23,815,084	18,032,516	26,963,414
Licensed finance companies	157,459	222,632	157,459	222,632
Licensed merchant banks	211,114	986,631	211,114	986,631
Other financial institutions	4,601,014	4,510,343	4,278,610	4,510,343
	21,453,146	29,534,690	22,679,699	32,683,020

Maturity structure of deposits and placements of banks and other financial institutions				
- One year or less	18,958,864	24,651,295	20,372,966	27,804,605
- More than one year	2,494,282	4,883,395	2,306,733	4,878,415
	21,453,146	29,534,690	22,679,699	32,683,020

Subordinated obligations				
Unsecured				
- less than one year	-	-	-	-
- more than one year	¹ 4,953,167	¹ 6,344,048	¹ 4,953,167	¹ 6,344,048

¹ Includes Subordinated Notes of USD300 million. (30 June 2007: USD680 million)

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A14. Other Liabilities

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Interest/Profit payable	1,116,067	1,166,598	1,055,187	1,122,645
Provision for outstanding claims	427,707	429,786	-	-
Unearned premium reserves	265,438	275,816	-	-
Profit Equalisation Reserves	59,085	64,205	-	61,768
Provisions and accruals	1,127,143	976,262	654,189	863,474
Due to brokers and clients	292,844	389,751	-	-
Deposits and other creditors	1,891,306	1,787,149	1,921,891	1,849,086
	5,179,590	5,089,567	3,631,267	3,896,973

A15. Interest Income

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
Group				
Loans, advances and financing				
- Interest income other than recoveries from NPL	1,781,819	1,694,753	5,388,120	5,092,984
- Recoveries from NPL	65,703	75,431	229,947	269,063
Money at call and deposit placements with financial institutions	422,484	482,684	1,531,530	1,354,098
Securities purchased under resale agreements	210	2,444	6,028	14,952
Securities held-for-trading	138,400	112,115	498,991	265,429
Securities available-for-sale	330,217	302,734	956,359	880,249
Securities held-to-maturity	18,042	38,018	79,829	163,731
	2,756,875	2,708,179	8,690,804	8,040,506
Amortisation of premium less accretion of discounts	8,381	(8,042)	8,227	(44,250)
Net interest/income clawed back/suspended	(10,575)	(9,509)	(39,196)	(45,497)
	2,754,681	2,690,628	8,659,835	7,950,759

Bank

Loans, advances and financing				
- Interest income other than recoveries from NPL	1,717,454	1,625,387	5,160,350	4,876,152
- Recoveries from NPL	64,951	70,012	224,543	261,590
Money at call and deposit placements with financial institutions	434,471	481,575	1,488,273	1,238,858
Securities purchased under resale agreements	16	1,894	3,073	13,709
Securities held-for-trading	132,934	103,961	478,854	250,591
Securities available-for-sale	283,405	248,497	815,622	703,251
Securities held-to-maturity	12,988	34,206	62,698	122,244
	2,646,219	2,565,532	8,233,413	7,466,395
Amortisation of premium less accretion of discounts	(1,250)	(13,713)	(12,073)	(48,023)
Net interest/income clawed back/suspended	(10,575)	(12,775)	(39,196)	(45,497)
	2,634,394	2,539,044	8,182,144	7,372,875

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A16. Interest Expense

<u>Group</u>	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
Deposits and placements of banks and other financial institutions	703,492	226,953	1,402,176	894,292
Deposits from customers	623,256	1,113,082	2,963,910	3,037,080
Loans sold to Cagamas	16,784	31,520	59,143	102,795
Floating rate certificates of deposits	3,750	6,059	16,510	19,074
Subordinated notes	12,963	20,504	52,760	63,265
Subordinated bonds	44,908	-	89,516	-
Others	(17)	(466)	47	277
	1,405,136	1,397,652	4,584,062	4,116,783
Bank				
Deposits and placements of banks and other financial institutions	741,202	285,832	1,507,403	871,073
Deposits from customers	511,735	965,914	2,592,655	2,716,151
Loans sold to Cagamas	16,784	31,520	59,143	102,795
Floating rate certificates of deposits	3,750	6,059	16,510	19,074
Subordinated notes	12,963	20,504	52,760	63,265
Subordinated bonds	44,908	-	89,516	-
Others	(19)	(466)	48	277
	1,331,323	1,309,363	4,318,035	3,772,635

A17. Non-interest Income

<u>Group</u>				
(a) Fee income:				
Commission	170,781	169,428	529,233	487,685
Service charges and fees	169,897	165,127	519,081	452,013
Guarantee fees	28,498	25,975	86,270	70,444
Underwriting fees	4,595	7,516	7,669	8,952
Brokerage income	22,858	31,856	66,594	58,285
Other fee income	14,331	6,616	50,500	25,616
	410,960	406,518	1,259,347	1,102,995
(b) Gain/loss arising from sale of securities:				
Net gain from securities held-for-trading	(3,787)	(5,974)	(26,768)	8,693
Net gain from securities available-for-sale	68,582	72,490	122,243	197,834
Net loss from redemption of securities held-to-maturity	(102)	(93)	(57)	(269)
Net gain from sale of subsidiary company	-	-	-	456
Net loss from sale of associated company	-	-	(300)	-
	64,693	66,423	95,118	206,714
(c) Gross dividend from:				
Securities portfolio	7,296	9,591	24,752	22,093
(d) Unrealised (loss)/gain on revaluation of securities held-for-trading and derivatives	(181,767)	(10,334)	(359,361)	(108,309)
Write back of /(Provision for) impairment losses in securities, net	16,538	1,299	5,992	17,959
	(165,229)	(9,035)	(353,369)	(90,350)
(e) Other income:				
Foreign exchange profit	161,984	79,453	376,976	246,398
Net premiums written	111,695	121,490	356,408	368,658
Rental Income	4,154	3,346	12,486	12,277
Gains on disposal of property, plant and equipment	5,113	356	10,197	870
Gain on disposal of foreclosed properties	1,326	486	4,027	889
Gain on liquidation of subsidiary	-	-	7,178	-
Others	32,463	2,165	87,893	124,681
	316,735	207,296	855,165	753,773
Total non-interest income	634,455	680,793	1,881,013	1,995,225

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A17. Non-interest Income (contd)

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
Bank				
(a) Fee income:				
Commission	169,397	168,425	523,869	481,811
Service charges and fees	149,540	143,093	451,594	405,027
Guarantee fees	28,473	25,719	86,119	69,889
Underwriting fees	494	1,443	1,147	1,794
Other fee income	12,510	4,190	41,647	15,357
	360,414	342,870	1,104,376	973,878
(b) Gain/(loss) arising from sale of securities:				
Net (loss)/gain from securities held-for trading	(3,190)	(10,494)	(18,590)	(6,992)
Net gain from securities available-for-sale	63,185	50,914	88,963	146,427
Net loss from redemption of securities held-to-maturity	(89)	(81)	(273)	(238)
Net gain from sale of subsidiary company	5,487	24,017	5,487	82,376
Net loss from sale of associated company	-	-	(1,800)	-
	65,393	64,356	73,787	221,573
(c) Gross dividend income from:				
Securities portfolio	4,439	6,061	8,055	8,922
Subsidiary companies	8,265	227,922	10,065	375,721
	12,704	233,983	18,120	384,643
(d) Unrealised (loss)/gain on revaluation of securities held-for-trading and derivatives	(139,059)	(16,723)	(304,819)	(114,871)
Write back of /(Provision for) impairment losses in securities, net	14,749	8,112	45,729	22,689
Impairment of interest in associates	-	(1,702)	-	(15,358)
	(124,310)	(10,313)	(259,090)	(107,540)
(e) Other income:				
Foreign exchange profit	153,519	77,919	356,857	234,849
Rental Income	4,110	3,225	11,776	11,622
Gain on disposal of property and equipment (net)	4,749	223	7,226	152
Others	10,157	12,848	37,931	72,498
	172,535	94,215	413,790	319,121
Total non-interest income	486,736	725,111	1,350,983	1,791,675

A18. Overhead Expenses

Group				
Personnel costs	475,975	420,832	1,389,710	1,308,799
- Salaries, allowances and bonuses	366,572	325,039	1,074,171	973,613
- Pension costs	54,513	47,046	159,610	142,904
- Others	54,890	48,747	155,929	192,282
Establishment costs	195,985	182,100	552,111	492,899
- Depreciation	33,014	36,264	99,224	107,257
- Rental of leasehold land and premises	19,220	14,646	54,697	47,635
- Repairs and maintenance of property and equipment	19,108	19,097	56,632	52,946
- Information technology expenses	103,509	79,032	287,254	228,452
- Others	21,134	33,061	54,304	56,609
Marketing expenses	103,389	90,545	315,514	249,969
- Advertisement and publicity	83,041	67,027	252,340	193,839
- Others	20,348	23,518	63,174	56,130
Administration and general expenses	290,076	242,329	871,124	758,234
- Fees and brokerage	101,786	89,713	320,776	249,061
- Administrative expenses	64,587	48,213	189,140	159,803
- General expenses	57,047	32,330	144,249	128,069
- Claims incurred	60,423	62,696	192,626	193,583
- Others	6,233	9,377	24,333	27,718
	1,065,425	935,806	3,128,459	2,809,901

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A18. Overhead Expenses (contd)

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
<u>Bank</u>				
Personnel costs	330,731	378,863	1,146,383	1,174,766
- Salaries, allowances and bonuses	327,987	294,560	963,507	879,713
- Pension costs	50,412	43,206	146,100	130,623
- Others	(47,668)	41,097	36,776	164,430
Establishment costs	173,435	168,123	494,557	449,796
- Depreciation	29,635	33,002	86,126	97,526
- Rental of leasehold land and premises	16,259	14,834	48,188	44,250
- Repairs and maintenance of property and equipment	17,168	16,706	50,060	45,880
- Information technology expenses	97,278	74,571	269,899	215,929
- Others	13,095	29,010	40,284	46,211
Marketing expenses	82,572	76,817	254,636	208,557
- Advertisement and publicity	63,410	54,418	195,253	155,185
- Others	19,162	22,399	59,383	53,372
Administration and general expenses	215,498	165,527	631,811	527,832
- Fees and brokerage	100,691	86,156	307,806	234,407
- Administrative expenses	53,725	44,960	161,915	145,524
- General expenses	52,532	29,030	137,576	125,981
- Others	8,550	5,381	24,514	21,920
	802,236	789,330	2,527,387	2,360,951

A19. Allowance for Losses on Loans, Advances and Financing

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
<u>Group</u>				
Allowance for bad and doubtful debts and financing:				
- general allowance made (net)	3,860	52,502	37,368	185,318
- specific allowance	422,486	336,342	1,334,183	1,270,329
- specific allowance written back	(134,180)	(96,862)	(594,616)	(457,249)
Bad debts and financing written off	1,498	1,362	42,905	4,683
Bad debts and financing recovered	(127,879)	(90,013)	(362,135)	(347,248)
Provision/(write back) for other debts	539	(8,343)	(5,760)	(8,100)
	166,324	194,988	451,945	647,733

Bank

Allowance for bad and doubtful debts and financing:				
- general allowance made/(written back)	11,677	51,468	58,120	193,053
- specific allowance	335,278	332,006	1,234,260	1,236,319
- specific allowance written back	(108,155)	(92,321)	(485,046)	(451,614)
Bad debts and financing written off	1,190	1,312	42,520	4,582
Bad debts and financing recovered	(124,094)	(87,714)	(350,826)	(312,002)
	115,896	204,751	499,028	670,338

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A20. SEGMENT INFORMATION ON REVENUES, RESULTS, ASSETS AND LIABILITIES

BUSINESS SEGMENT

	Banking and Finance		Investment Banking		Insurance and Takaful		Others		Eliminations		Consolidated	
	Mar 2008	Mar 2007	Mar 2008	Mar 2007	Mar 2008	Mar 2007	Mar 2008	Mar 2007	Mar 2008	Mar 2007	Mar 2008	Mar 2007
REVENUE AND EXPENSES	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue												
External revenue	10,808,844	9,994,321	346,563	410,183	482,323	519,073	23,672	42,637	-	-	11,661,402	10,966,214
Inter-segment revenue	116,774	475,739	30,653	267,244	142,839	4,432	3,307	7,119	(293,573)	(754,534)	-	-
Total revenue	10,925,618	10,470,060	377,216	677,427	625,162	523,505	26,979	49,756	(293,573)	(754,534)	11,661,402	10,966,214
Segment results												
Operating profit	3,275,530	3,793,299	89,960	432,822	265,836	171,678	19,858	30,413	(131,336)	(746,952)	3,519,848	3,681,260
Loan loss and provision	(486,013)	(679,568)	34,082	31,917	(13)	(94)	(1)	12	-	-	(451,945)	(647,733)
Share of results of associates	-	-	-	-	-	-	(568)	(1,128)	-	-	(568)	(1,128)
Profit before taxation	2,789,517	3,113,731	124,042	464,739	265,823	171,584	19,289	29,297	(131,336)	(746,952)	3,067,335	3,032,399
Taxation & Zakat	(693,635)	(868,866)	(32,223)	(92,214)	(95,889)	(44,844)	(3,715)	(5,429)	3,722	163,831	(821,740)	(847,522)
Profit after taxation and zakat	2,095,882	2,244,865	91,819	372,525	169,934	126,740	15,574	23,868	(127,614)	(583,121)	2,245,595	2,184,877
Minority interest	-	-	-	-	-	-	-	-	-	-	(20,606)	(59,311)
Net profit for the year	2,095,882	2,244,865	91,819	372,525	169,934	126,740	15,574	23,868	(127,614)	(583,121)	2,224,989	2,125,566
OTHER INFORMATION												
Capital expenditure	154,670	187,083	3,130	691	3,784	1,737	59	759	-	-	161,643	190,270
Depreciation	91,999	116,882	1,857	3,215	4,615	5,838	753	1,394	-	-	99,224	127,329
Amortisation	31,909	-	975	-	3,940	-	166	-	-	-	36,990	-
Non-cash expenses/(income) other than depreciation	(67,902)	74,371	15,736	2,763	(45)	4,872	(149)	(7,300)	-	-	(52,360)	74,706

	Mar 2008	June 2007	Mar 2008	June 2007	Mar 2008	June 2007	Mar 2008	June 2007	Mar 2008	June 2007	Mar 2008	June 2007
ASSETS AND LIABILITIES	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	247,154,241	239,385,356	9,765,799	10,041,389	20,320,866	19,908,892	1,101,784	3,049,561	(19,511,083)	(15,761,523)	258,831,607	256,623,675
Investments in associates	33,303	40,739	-	-	-	-	11,186	11,566	-	(8,704)	44,489	43,601
Total assets	247,187,544	239,426,095	9,765,799	10,041,389	20,320,866	19,908,892	1,112,970	3,061,127	(19,511,083)	(15,770,227)	258,876,096	256,667,276
Total segment liabilities	226,507,647	219,659,303	8,409,297	8,778,938	16,449,426	16,108,436	859,091	989,936	(12,881,783)	(8,737,485)	238,443,678	236,799,128

GEOGRAPHICAL SEGMENT

	External Revenue		Profit Before Tax & Zakat		Capital expenditure		Segment assets	
	Mar 2008	Mar 2007	Mar 2008	Mar 2007	Mar 2008	Mar 2007	Mar 2008	June 2007
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	9,514,547	9,317,483	2,881,285	3,282,142	134,957	179,514	210,013,919	209,086,242
Singapore	1,612,527	1,367,897	341,296	270,392	24,933	7,942	45,390,866	39,178,558
Other locations	827,901	1,035,368	(23,910)	206,767	1,753	2,814	22,982,394	24,172,703
	11,954,975	11,720,748	3,198,671	3,759,301	161,643	190,270	278,387,179	272,437,503
Eliminations	(293,573)	(754,534)	(131,336)	(726,902)	-	-	(19,511,083)	(15,770,227)
Group	11,661,402	10,966,214	3,067,335	3,032,399	161,643	190,270	258,876,096	256,667,276

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A21. 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. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the year ended 30 June 2007.

A22. Subsequent Events

There were no material events subsequent to the balance sheet date, other than that mentioned in Note B8.

A23. Changes in the Composition of the Group

The changes to the composition of the Group during the financial year are further elaborated in Note B8.

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A24. Commitments and Contingencies and Off-Balance Sheet Financial Instruments (contd.)

Market Risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 31 March 2008, the amount of contracts that was not hedged in the Group and the Bank and, hence, exposed to market risk was RM186.6 million (30 June 2007: RM135.9 million).

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 31 March 2008, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM302.6 million (30 June 2007: RM159.1 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.

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A24. Commitments and Contingencies and Off-Balance Sheet Financial Instruments

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

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

<u>Group</u>	As at 31 March 2008			As at 30 June 2007		
	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
Direct credit substitutes	5,150,016	5,150,016	4,635,816	5,171,650	5,171,650	4,736,389
Certain transaction-related contingent items	9,372,762	4,686,381	4,288,217	7,213,591	3,606,795	3,273,307
Short-term self-liquidating trade-related contingencies	4,015,002	802,457	591,967	6,562,586	1,312,517	614,099
Islamic housing and hire purchase loans sold to Cagamas Berhad	1,070,700	1,070,700	851,601	1,196,143	1,196,143	991,686
Obligations under underwriting agreements	488,974	146,889	129,889	1,166,613	583,307	583,307
Irrevocable commitments to extend credit:						
- maturity within one year	70,145,727	-	-	60,228,585	-	-
- maturity exceeding one year	9,591,816	4,795,908	4,598,710	9,887,353	4,943,676	4,715,569
Foreign exchange related contracts:						
- less than one year	41,041,463	596,371	181,582	50,797,825	525,756	180,914
- one year to less than five years	1,305,409	37,345	9,319	757,997	7,845	2,699
Interest rate related contracts:						
- less than one year	17,779,890	1,381,124	310,763	23,812,539	863,091	214,301
- one year to less than five years	14,520,793	436,190	125,775	2,182,786	79,116	19,645
- five years and above	3,107,933	167,893	57,967	3,587,527	130,030	32,287
Miscellaneous	4,503,265	-	-	2,827,255	-	-
	182,093,750	19,271,274	15,781,606	175,392,450	18,419,926	15,364,203

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A24. Commitments and Contingencies and Off-Balance Sheet Financial Instruments (continued)

	As at 31 March 2008			As at 30 June 2007		
	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
Bank						
Direct credit substitutes	4,391,916	4,391,916	3,960,926	4,470,302	4,470,302	4,035,043
Certain transaction-related contingent items	8,731,479	4,365,739	4,005,455	7,144,082	3,572,041	3,242,020
Short-term self-liquidating trade-related contingencies	3,783,100	756,620	553,762	6,495,940	1,299,188	606,916
Islamic housing and hire purchase loans sold to Cagamas Berhad	-	-	-	1,196,143	1,196,143	991,686
Obligations under underwriting agreements	293,778	146,889	129,889	286,822	143,411	143,411
Irrevocable commitments to extend credit:						
- maturity within one year	64,289,555	-	-	59,698,675	-	-
- maturity exceeding one year	9,158,958	4,579,479	4,528,981	9,299,580	4,649,790	4,555,080
Foreign exchange related contracts:						
- less than one year	40,991,442	596,371	181,582	50,797,825	525,756	180,914
- one year to less than five years	1,305,410	37,345	9,319	757,997	7,845	2,699
Interest rate related contracts:						
- less than one year	17,121,301	1,362,346	310,727	23,371,524	847,098	206,638
- one year to less than five years	13,771,844	412,197	118,744	2,142,360	77,650	18,942
- five years and above	2,913,591	155,012	51,526	3,521,085	127,621	31,132
Miscellaneous	4,340,831	-	-	2,774,807	-	-
	171,093,205	16,803,914	13,850,911	171,957,142	16,916,845	14,014,481

* The credit equivalent amount and the risk-weighted amount are arrived at using the credit conversion factors and risk weights respectively, as specified by Bank Negara Malaysia.

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A25. Interest Rate Risk

Group As at 31 March 2008	← Non trading book →					Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 years RM'000				
ASSETS									
Cash and short-term funds	29,968,644	-	-	-	-	3,802,691	-	33,771,335	3.46
Deposits and placements with banks and other financial institutions	1,899,023	5,502,019	3,017,643	10,772	9,793	302,250	-	10,741,500	3.63
Securities purchased under resale agreements	15,629	15,628	-	-	-	-	-	31,257	3.65
Securities held-for-trading							1,949,675	1,949,675	4.15
Securities available-for-sale	311,171	271,642	380,998	1,378,132	375,442		30,184,851	32,902,236	4.14
Securities held-to-maturity	6,791	1,144	68,868	715,396	188,359	44,178	-	1,024,736	5.62
Loans, advances and financing									
- performing	68,635,948	17,388,371	12,239,643	17,982,621	21,200,543	13,170,194	-	150,617,320	6.37
- non-performing*	-	-	-	-	-	979,546	-	979,546	-
Derivative assets							744,020	744,020	-
Other Assets	-	-	-	-	-	3,938,488	-	3,938,488	-
Other non-interest sensitive balances	-	-	-	-	-	6,826,635	-	6,826,635	-
Life, general takaful and family takaful fund assets	-	-	-	-	-	15,349,348	-	15,349,348	-
TOTAL ASSETS	100,837,206	23,178,804	15,707,152	20,086,921	21,774,137	44,413,330	32,878,546	258,876,096	

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A25. Interest Rate Risk (contd)

Group As at 31 March 2008	Non trading book						Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 years RM'000					
LIABILITIES AND SHAREHOLDERS' EQUITY										
Deposits from customers	69,658,375	19,585,694	31,856,100	43,541,344	57,850	20,503,014	-	185,202,377	1.62	
Deposits and placements of banks and other financial institutions	14,907,287	2,364,419	1,032,693	1,710,796	261,478	1,176,473	-	21,453,146	2.88	
Obligations on securities sold under repurchase agreements	75,402	-	-	-	-	38,912	-	114,314	4.49	
Bills and acceptances payable	805,248	877,584	203,477	-	-	1,256,009	-	3,142,318	3.59	
Recourse obligations on loans sold to Cagamas	-	-	981,055	388,527	-	-	-	1,369,582	4.37	
Derivative liabilities	-	-	-	-	-	-	1,090,070	1,090,070	-	
Subordinated obligations	953,524	-	-	2,499,643	1,500,000	-	-	4,953,167	4.77	
Other liabilities	-	-	-	-	-	5,179,590	-	5,179,590	-	
Other non-interest sensitive balances	-	-	-	-	-	589,766	-	589,766	-	
Life, general takaful and family takaful fund liabilities	-	-	-	-	-	3,996,960	-	3,996,960	-	
Life, general takaful and family takaful policy holders' funds	-	-	-	-	-	11,352,388	-	11,352,388	-	
Total Liabilities	86,399,836	22,827,697	34,073,325	48,140,310	1,819,328	44,093,112	1,090,070	238,443,678		
Shareholders' equity	-	-	-	-	-	19,751,125	-	19,751,125		
Minority interests	-	-	-	-	-	681,293	-	681,293		
Total Liabilities and Shareholders' Equity	86,399,836	22,827,697	34,073,325	48,140,310	1,819,328	64,525,530	1,090,070	258,876,096		
On-balance sheet interest sensitivity gap	14,437,370	351,107	(18,366,173)	(28,053,389)	19,954,809	(20,112,200)	31,788,476			
Off-balance sheet interest sensitivity gap (interest rate swaps)	(280,489)	2,153,608	2,053,643	(3,926,762)	-	-	-			
Total interest sensitivity gap	14,156,881	2,504,715	(16,312,530)	(31,980,151)	19,954,809	(20,112,200)	31,788,476	-		
Cumulative interest rate sensitivity gap	14,156,881	16,661,596	349,066	(31,631,085)	(11,676,276)	(31,788,476)	-			

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A25. Interest Rate Risk (contd)

Group As at 30 June 2007	← Non trading book →						Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 years RM'000	Non- interest sensitive RM'000			
ASSETS									
Cash and short-term funds	32,184,637	-	-	-	-	5,289,928	122,857	37,597,422	4.66
Deposits and placements with banks and other financial institutions	75,802	9,934,437	6,900,360	10,000	5,000	418,897	3,925	17,348,421	4.77
Securities purchased under resale agreements	173,351	85,421	-	-	-	-	-	258,772	3.20
Securities held-for-trading	-	-	-	-	-	-	2,032,634	2,032,634	4.43
Securities available-for-sale	-	-	-	-	-	-	29,124,704	29,124,704	4.32
Securities held-to-maturity	275,534	109,462	988,426	715,724	401,429	43,817	-	2,534,392	4.29
Loans, advances and financing									
- performing	57,832,642	10,674,373	8,770,062	24,399,903	24,939,881	12,622,195	-	139,239,056	6.62
- non-performing*	-	-	-	-	-	1,625,680	-	1,625,680	-
Derivative assets	-	-	-	-	-	-	394,870	394,870	-
Other Assets	-	-	-	-	-	3,257,377	-	3,257,377	-
Other non-interest sensitive balances	-	-	-	-	-	8,216,089	-	8,216,089	-
Life, general takaful and family takaful fund assets	-	-	-	-	-	15,037,859	-	15,037,859	-
TOTAL ASSETS	90,541,966	20,803,693	16,658,848	25,125,627	25,346,310	46,511,842	31,678,990	256,667,276	

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A25. Interest Rate Risk (contd)

Group As at 30 June 2007	← Non trading book →						Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 years RM'000					
LIABILITIES AND SHAREHOLDERS' EQUITY										
Deposits from customers	53,845,268	18,489,984	34,003,949	38,824,910	184,646	18,328,005	-	163,676,762	2.14	
Deposits and placements of banks and other financial institutions	14,316,670	7,891,224	2,425,445	1,496,682	457,273	2,947,396	-	29,534,690	3.93	
Obligations on securities sold under repurchase agreements	9,572,963	152,690	231,412	-	-	-	-	9,957,065	3.12	
Bills and acceptances payable	236,919	698,265	278,898	-	-	1,715,988	-	2,930,070	3.56	
Recourse obligations on loans sold to Cagamas	182,105	54,248	591,781	1,627,628	-	-	-	2,455,762	4.09	
Derivative liabilities	-	-	-	-	-	-	656,705	656,705	-	
Subordinated obligations	-	-	-	-	6,344,048	-	-	6,344,048	4.77	
Other liabilities	-	-	-	-	-	5,089,567	-	5,089,567	-	
Other non-interest sensitive balances	-	-	-	-	-	1,116,600	-	1,116,600	-	
Life, general takaful and family takaful fund liabilities	-	-	-	-	-	1,194,914	-	1,194,914	-	
Life, general takaful and family takaful policy holders' funds	-	-	-	-	-	13,842,945	-	13,842,945	-	
Total Liabilities	78,153,925	27,286,411	37,531,485	41,949,220	6,985,967	44,235,415	656,705	236,799,128		
Shareholders' equity	-	-	-	-	-	19,197,656	-	19,197,656		
Minority interests	-	-	-	-	-	670,492	-	670,492		
Total Liabilities and Shareholders' Equity	78,153,925	27,286,411	37,531,485	41,949,220	6,985,967	64,103,563	656,705	256,667,276		
On-balance sheet interest sensitivity gap	12,388,041	(6,482,718)	(20,872,637)	(16,823,593)	18,360,343	(17,591,721)	31,022,285	-		
Off-balance sheet interest sensitivity gap (interest rate swaps)	(2,408,732)	2,520,569	1,628,139	(446,677)	(1,293,299)	-	-	-		
Total interest sensitivity gap	9,979,309	(3,962,149)	(19,244,498)	(17,270,270)	17,067,044	(17,591,721)	31,022,285	-		
Cumulative interest rate sensitivity gap	9,979,309	6,017,160	(13,227,338)	(30,497,608)	(13,430,564)	(31,022,285)	-	-		

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A25. Interest Rate Risk (contd)

Bank As at 31 March 2008	← Non trading book →					Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 years RM'000				
ASSETS									
Cash and short-term funds	26,643,378	-	-	-	-	4,810,395	-	31,453,773	3.25
Deposits and placements with banks and other financial institutions	49,064	4,656,813	2,906,920	-	-	287,670	-	7,900,467	3.41
Securities purchased under resale agreements	15,629	15,628	-	-	-	-	-	31,257	3.65
Securities held-for-trading	-	-	-	-	-	-	1,371,561	1,371,561	3.80
Securities available-for-sale	-	-	-	-	-	-	27,725,346	27,725,346	3.89
Securities held-to-maturity	-	-	17,547	386,771	79,875	24,782	-	508,975	6.01
Loans, advances and financing									
- performing	67,530,456	16,392,164	10,946,172	17,106,400	14,728,833	-	-	126,704,025	6.48
- non-performing*						729,358		729,358	-
Derivative assets	-	-	-	-	-	-	742,027	742,027	-
Other assets	-	-	-	-	-	3,955,285	-	3,955,285	-
Other non-interest sensitive balances	-	-	-	-	-	10,103,857	-	10,103,857	-
TOTAL ASSETS	94,238,527	21,064,605	13,870,639	17,493,171	14,808,708	19,911,347	29,838,934	211,225,931	

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A25. Interest Rate Risk (contd)

Bank As at 31 March 2008	← Non trading book →						Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 years RM'000					
LIABILITIES AND SHAREHOLDERS' EQUITY										
Deposits from customers	60,386,078	18,642,493	31,203,430	43,597,667	66,299	2,401,180	-	156,297,147	1.79	
Deposits and placements of banks and other financial institutions	15,914,605	2,660,923	1,162,222	1,921,192	294,279	726,478	-	22,679,699	2.83	
Obligations on securities sold under repurchase agreements	75,402	-	-	-	-	-	-	75,402	5.00	
Bills and acceptances payable	797,509	877,498	203,457	-	-	1,116,312	-	2,994,776	3.62	
Recourse obligations on loans sold to Cagamas	-	-	981,055	388,527	-	-	-	1,369,582	4.37	
Derivative liabilities	-	-	-	-	-	-	1,025,049	1,025,049	-	
Subordinated obligations	953,524	-	-	2,499,643	1,500,000	-	-	4,953,167	5.15	
Other liabilities	-	-	-	-	-	3,631,267	-	3,631,267	-	
Other non-interest sensitive balances	-	-	-	-	-	481,562	-	481,562	-	
Total Liabilities	78,127,118	22,180,914	33,550,164	48,407,029	1,860,578	8,356,799	1,025,049	193,507,651		
Shareholders' equity	-	-	-	-	-	17,718,280	-	17,718,280		
Total Liabilities and Shareholders' Equity	78,127,118	22,180,914	33,550,164	48,407,029	1,860,578	26,075,079	1,025,049	211,225,931		
On-balance sheet interest sensitivity gap	16,111,409	(1,116,309)	(19,679,525)	(30,913,858)	12,948,132	(6,163,734)	28,813,885	-		
Off-balance sheet interest sensitivity gap (interest rate swaps)	(434,622)	2,080,746	1,986,963	(3,633,087)	-	-	-	-		
Total interest sensitivity gap	15,676,787	964,437	(17,692,562)	(34,546,945)	12,948,132	(6,163,734)	28,813,885	-		
Cumulative interest rate sensitivity gap	15,676,787	16,641,224	(1,051,338)	(35,598,283)	(22,650,151)	(28,813,885)	-	-		

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A25. Interest Rate Risk (contd)

Bank	← Non trading book →						Non- interest sensitive	Trading books	Total	Effective interest rate
	As at 30 June 2007	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 years RM'000				
ASSETS										
Cash and short-term funds	29,117,254	-	-	-	-	5,083,655	-	34,200,909	4.58	
Deposits and placements with banks and other financial institutions	31,823	8,664,258	6,468,752	-	-	396,081	-	15,560,914	4.84	
Securities purchased under resale agreements	173,351	85,421	-	-	-	-	-	258,772	3.20	
Securities held-for-trading	-	-	-	-	-	-	1,447,227	1,447,227	4.20	
Securities available-for-sale	-	-	-	-	-	-	25,213,654	25,213,654	3.95	
Securities held-to-maturity	-	91,003	1,126,672	357,147	363,869	25,373	-	1,964,064	4.45	
Loans, advances and financing										
- performing	56,346,011	8,711,918	7,810,960	24,123,624	24,766,171	12,719,773	-	134,478,457	6.60	
- non-performing*	-	-	-	-	-	1,745,041	-	1,745,041	-	
Derivative assets	-	-	-	-	-	-	390,406	390,406	-	
Other assets	-	-	-	-	-	1,833,414	-	1,833,414	-	
Other non-interest sensitive balances	-	-	-	-	-	10,354,382	-	10,354,382	-	
TOTAL ASSETS	85,668,439	17,552,600	15,406,384	24,480,771	25,130,040	32,157,719	27,051,287	227,447,240		

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A25. Interest Rate Risk (contd)

Bank As at 30 June 2007	Non trading book						Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 years RM'000					
LIABILITIES AND SHAREHOLDERS' EQUITY										
Deposits from customers	43,631,730	15,989,458	33,013,878	38,716,551	16,300	18,208,138	-	149,576,055	1.95	
Deposits and placements of banks and other financial institutions	17,470,601	7,890,985	2,424,881	1,491,886	457,273	2,947,394	-	32,683,020	3.91	
Obligations on securities sold under repurchase agreements	10,106,302	152,239	231,314	-	-	-	-	10,489,855	3.12	
Bills and acceptances payable	236,919	698,265	278,898	-	-	1,708,006	-	2,922,088	3.56	
Recourse obligations on loans sold to Cagamas	182,105	54,248	591,781	1,627,628	-	-	-	2,455,762	4.09	
Derivative liabilities	-	-	-	-	-	-	644,860	644,860	-	
Subordinated obligations	-	-	-	-	6,344,048	-	-	6,344,048	4.77	
Other liabilities	-	-	-	-	-	3,896,973	-	3,896,973	-	
Other non-interest sensitive balances	-	-	-	-	-	980,741	-	980,741	-	
Total Liabilities	71,627,657	24,785,195	36,540,752	41,836,065	6,817,621	27,741,252	644,860	209,993,402		
Shareholders' equity	-	-	-	-	-	17,453,838	-	17,453,838		
Total Liabilities and Shareholders' Equity	71,627,657	24,785,195	36,540,752	41,836,065	6,817,621	45,195,090	644,860	227,447,240		
On-balance sheet interest sensitivity gap	14,040,782	(7,232,595)	(21,134,368)	(17,355,294)	18,312,419	(13,037,371)	26,406,427	-		
Off-balance sheet interest sensitivity gap (interest rate swaps)	(2,597,074)	2,464,903	1,623,289	(228,771)	(1,262,347)	-	-	-		
Total interest sensitivity gap	11,443,708	(4,767,692)	(19,511,079)	(17,584,065)	17,050,072	(13,037,371)	26,406,427	-		
Cumulative interest rate sensitivity gap	11,443,708	6,676,016	(12,835,063)	(30,419,128)	(13,369,056)	(26,406,427)	-	-		

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A26. Capital Adequacy

The capital adequacy ratios of the Group and the Bank, based on credit and market risks as at the following dates:

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Before deducting proposed dividend:				
Core capital ratio	9.87%	10.06%	10.60%	9.82%
Risk-weighted capital ratio	13.98%	15.14%	13.02%	14.11%
After deducting proposed dividend:				
Core capital ratio	9.59%	9.43%	10.26%	9.13%
Risk-weighted capital ratio	13.69%	14.51%	12.68%	13.42%
Components of Tier I and Tier II capital:				
<u>Tier I capital</u>				
Paid-up share capital	4,881,018	3,889,225	4,881,018	3,889,225
Share premium	2,199,743	2,935,570	2,096,318	2,935,570
Other reserves	12,335,114	12,036,017	10,635,357	10,337,119
Tier I minority interest	274,312	276,842	-	-
Less: Deferred tax assets ¹	(927,490)	(1,016,730)	(862,286)	(951,526)
Less: Goodwill ¹	(81,015)	(81,015)	(81,015)	(81,015)
Total Tier I capital	18,681,682	18,039,909	16,669,392	16,129,373
<u>Tier II capital</u>				
Subordinated obligations	4,958,500	6,349,060	4,958,500	6,349,060
General allowance for bad and doubtful debts	2,794,792	2,757,315	2,367,620	2,613,274
Total Tier II capital	7,753,292	9,106,375	7,326,120	8,962,334
Total capital	26,434,974	27,146,284	23,995,512	25,091,707
Less: Investment in subsidiary companies ²	-	-	(3,517,819)	(1,923,929)
Capital base	26,434,974	27,146,284	20,477,693	23,167,778

¹ Under Bank Negara Guidelines, deferred tax and goodwill are not allowed for computation of capital adequacy ratios.

² Excludes the cost of investment in a subsidiary, Myfin Berhad of RM840.0 million, as its business, assets and liabilities have been transferred to the Bank in the previous financial year.

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A27. Operations of Islamic Banking

A27a. Unaudited Balance Sheets as at 31 March 2008¹

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
ASSETS				
Cash and short-term funds	2,134,300	1,913,875	-	1,633,560
Deposits and placements with banks and other financial institutions	110,511	73,536	-	73,536
Securities portfolio	2,899,709	3,735,886	-	3,489,141
Loans and financing	20,015,814	17,945,079	-	17,935,458
Deferred tax assets	10,234	192,303	-	192,473
Other assets	113,300	91,696	-	77,499
Statutory deposit with Bank Negara Malaysia	712,000	501,000	-	501,000
Total Assets	25,995,868	24,453,375	-	23,902,667
LIABILITIES				
Deposits from customers	17,755,697	16,252,045	-	15,806,576
Deposit and placements of banks and other financial institutions	1,006,500	2,278,022	-	2,278,022
Bills and acceptances payable	130,183	526,874	-	526,874
Other liabilities	5,250,451	694,934	-	646,779
Provision for taxation and zakat	41,448	237,754	-	236,531
Subordinated obligations	-	2,500,000	-	2,500,000
Total Liabilities	24,184,279	22,489,629	-	21,994,782
ISLAMIC BANKING FUNDS				
Islamic Banking Funds	148,358	521,003	-	516,002
Share Capital	100,000	-	-	-
Reserves	1,563,231	1,442,743	-	1,391,883
	1,811,589	1,963,746	-	1,907,885
Total Liabilities and Islamic Banking Funds	25,995,868	24,453,375	-	23,902,667
COMMITMENTS AND CONTINGENCIES				
	8,298,918	9,573,057	-	9,573,057

¹ The assets and liabilities of the Islamic Banking Business of Maybank in Malaysia have been effected and vested to Maybank Islamic Berhad, a wholly owned subsidiary of Maybank, on 1 January 2008.

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A27. Operations of Islamic Banking (contd)

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A27b. Unaudited Income Statements for the Third Financial Quarter Ended 31 March 2008

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
Group				
Income derived from investment of depositors' funds	352,260	345,497	1,078,029	1,010,994
Expenses directly attributable to depositors and Islamic Banking Funds	(16,881)	(10,529)	(50,736)	(31,104)
Transfer from/(to) profit equalisation reserve	16,225	(800)	4,887	90,392
Gross attributable income	<u>351,604</u>	<u>334,168</u>	<u>1,032,180</u>	<u>1,070,282</u>
Allowance for losses on financing, advances and other loans	(49,761)	(8,180)	(157,915)	(121,565)
Total attributable income	301,843	325,988	874,265	948,717
Income attributable to the depositors	(107,252)	(144,921)	(370,212)	(395,936)
Income attributable to the Group	194,591	181,067	504,053	552,781
Income derived from investment of Islamic Banking Funds				
Gross investment income	23,463	17,215	69,122	53,780
Finance cost	-	(17,323)	(39,569)	(66,166)
Net (expense)/income from investment of Islamic Banking Funds	<u>23,463</u>	<u>(108)</u>	<u>29,553</u>	<u>(12,386)</u>
Overhead expenses	(97,351)	(74,671)	(299,867)	(230,756)
Profit before zakat and tax expense	120,703	106,288	233,739	309,639
Taxation	(20,956)	(32,521)	(53,582)	(95,365)
Zakat	(1,064)	(1,252)	(2,574)	(3,664)
Profit after taxation	98,683	72,515	177,583	210,610
Bank				
Income derived from investment of depositors' funds	-	340,308	706,273	992,539
Expenses directly attributable to depositors and Islamic Banking Funds	-	(9,494)	(33,852)	(27,677)
Transfer from/(to) profit equalisation reserve	-	-	(10,225)	91,290
Gross attributable income	<u>-</u>	<u>330,814</u>	<u>662,196</u>	<u>1,056,152</u>
Allowance for losses on financing, advances and other loans	-	(7,445)	(108,897)	(121,668)
Total attributable income	-	323,369	553,299	934,484
Income attributable to the depositors	-	(143,261)	(249,977)	(391,391)
Income attributable to the reporting institution	-	180,108	303,322	543,093
Income derived from investment of Islamic Banking Funds				
Gross investment income	-	17,214	45,337	53,777
Finance cost	-	(17,323)	(39,569)	(66,166)
Net (expense)/income from investment of Islamic Banking Funds	<u>-</u>	<u>(109)</u>	<u>5,768</u>	<u>(12,389)</u>
Overhead expenses	-	179,999	309,090	530,704
Profit before zakat and tax expense	-	(74,550)	(202,276)	(230,434)
Taxation	-	105,449	106,814	300,270
Zakat	-	(32,573)	(32,200)	(94,118)
Zakat	-	(1,252)	(1,495)	(3,624)
Profit after taxation	-	71,624	73,119	202,528

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A27b. Unaudited Income Statements for the Third Financial Quarter Ended 31 March 2008 (Contd)

Reconciliation of net income amalgamated with the conventional banking operations:

	Group		Bank	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
Gross attributable income	1,032,180	1,070,282	662,196	1,056,152
Net income from investment of Islamic Banking Fund	29,553	(12,386)	5,768	(12,389)
Total income before allowances for loan losses and overheads	1,061,733	1,057,896	667,964	1,043,763
Income attributable to the depositors	(370,212)	(395,936)	(249,977)	(391,391)
Income from Islamic Banking scheme	691,521	661,960	417,987	652,372

A27c. Loans and Financing

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Overdrafts	1,727,123	1,677,671	-	1,677,671
Term financing				
- House financing	4,777,607	5,101,545	-	5,101,545
- Syndicated financing	158,877	304,483	-	294,119
- Hire purchase receivables	7,852,599	5,445,996	-	5,445,996
- Other term financing	14,716,895	14,794,843	-	14,794,843
Trust receipts	173,718	146,359	-	146,359
	29,406,819	27,470,897	-	27,460,533
Unearned income	(8,477,270)	(8,325,050)	-	(8,325,050)
Gross loans and financing	20,929,549	19,145,847	-	19,135,483
Allowance for bad and doubtful debts and financing:				
- specific	(613,845)	(536,572)	-	(536,572)
- general	(299,890)	(664,196)	-	(663,453)
Net loans and financing	20,015,814	17,945,079	-	17,935,458

A27d. (i) Movements in non-performing loans and financing ("NPL") are as follows:

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
Balance at beginning of period	1,306,138	1,363,941	1,306,138	1,363,941
Non-performing during the period	472,186	823,539	295,447	823,539
NPL of subsidiary acquired	-	8,859	-	8,859
Recovered/regularized during the period	(441,117)	(806,036)	(269,973)	(806,036)
Amount written off	(47,355)	(90,291)	(19,953)	(90,291)
Amount transfer to Head Office (Pursuant to NPL asset disposal)	(69,448)	-	(69,448)	-
Amount transfer to Maybank Islamic Berhad	-	-	(1,245,328)	-
Expenses debited to customers' accounts	5,592	6,126	3,117	6,126
Balance at end of the period	1,225,996	1,306,138	-	1,306,138
Specific allowance	-	(536,572)	-	(536,572)
Net non-performing loans and financing	1,225,996	769,566	-	769,566
Net NPL as % of gross loans and financing less specific allowance	6.03%	4.14%	-	4.14%

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A27. Operations of Islamic Banking (contd)

A27d. (ii) Movements in the allowance for bad and doubtful debts and financing accounts are as follows:

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
<u>General allowance</u>				
At beginning of the period	664,196	623,914	663,453	623,914
Allowance made during the period	15,560	69,324	9,054	68,398
Allowance written back	(15,250)	(29,234)	-	(29,051)
Amount transfer to Head Office (Excess in General Allowance)	(367,233)	-	(367,233)	-
Amount transfer to Maybank Islamic Bhd	-	-	(307,891)	-
Amount transfer from KBB	-	192	-	192
Transfer from specific allowance	2,617	-	2,617	-
At end of the period	<u>299,890</u>	<u>664,196</u>	<u>-</u>	<u>663,453</u>
As % gross loans and financing less specific allowance	<u>1.48%</u>	<u>3.57%</u>	<u>-</u>	<u>3.57%</u>
<u>Specific allowance</u>				
At beginning of the period	536,572	390,937	536,572	390,937
Allowance made during the period	240,688	289,558	153,175	289,558
Amount written back	(69,349)	(52,088)	(43,267)	(52,088)
Amount written off	(47,355)	(90,290)	(19,953)	(90,290)
Transfer to general allowance	(2,617)	-	(2,617)	-
Transfer from specific allowance for restructured and rescheduled loans	-	(9,502)	-	(9,502)
Transfer from KBB	-	7,957	-	7,957
Amount transfer to Head Office (Pursuant NPL asset disposal)	(44,094)	-	(44,094)	-
Amount transfer to Maybank Islamic Berhad	-	-	(579,816)	-
At end of the period	<u>613,845</u>	<u>536,572</u>	<u>-</u>	<u>536,572</u>

A27e. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	31 March 2008 RM'000	30 June 2007 RM'000	31 March 2008 RM'000	30 June 2007 RM'000
<u>Mudharabah Fund</u>				
Demand deposits	2,092,449	1,885,819	-	1,885,819
Savings deposits	103,511	83,805	-	83,805
General investment deposits	5,100,732	6,192,625	-	5,782,692
Special investment deposits	-	483,953	-	483,953
	<u>7,296,692</u>	<u>8,646,202</u>	<u>-</u>	<u>8,236,269</u>
<u>Non-Mudharabah Fund</u>				
Demand deposits	3,413,737	2,940,783	-	2,905,247
Savings deposits	3,786,120	3,217,921	-	3,217,921
Structured deposits	312,100	-	-	-
Negotiable instruments of deposits	2,947,048	1,447,139	-	1,447,139
	<u>10,459,005</u>	<u>7,605,843</u>	<u>-</u>	<u>7,570,307</u>
Deposit from Customers	<u>17,755,697</u>	<u>16,252,045</u>	<u>-</u>	<u>15,806,576</u>

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A27f. Establishment of an Islamic Banking Subsidiary - Maybank Islamic Berhad

On 12 December 2007, Maybank obtained an order from the High Court of Malaya to effect and vest over the assets and liabilities of the Islamic Banking Business of Maybank in Malaysia as defined in the Business Acquisition Agreement to Maybank Islamic Berhad (MIB). However, the Islamic banking business from its overseas operations will remain with Maybank. The effective date of transfer and vesting of the Islamic Banking Business of Maybank in Malaysia is on 1 January 2008. The assets and liabilities vested to MIB are as follows:

As at 31 December 2007

	RM'000
ASSETS	
Cash and short-term funds	1,416,054
Deposits and placements with banks and other financial institutions	4,397
Securities portfolio	2,548,875
Loans and financing	19,485,068
Other assets	103,948
Statutory deposit with Bank Negara Malaysia	603,000
Total Assets	<u>24,161,342</u>
LIABILITIES	
Deposits from customers	17,129,124
Deposit and placements of banks and other financial institutions	4,414,584
Obligations on securities sold under repurchase agreements	29,625
Bills and acceptances payable	12,942
Other liabilities	1,092,202
Provision for zakat	5,058
Total Liabilities	<u>22,683,535</u>
Net Assets	<u>1,477,807</u>

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A28. Effects of Changes in Accounting Policies

The following tables provide estimates of the extent to which of the line items in the balance sheets for the third financial quarter ended 31 March 2008 is higher or lower as a result of changes in accounting policies as stated in Note A1:

a. Effects on Balance Sheets as at 31 March 2008

	Increase/(Decrease)	
	Group	Bank
FRS 117	RM'000	RM'000
Other assets	118,385	87,496
Property, plant & equipment	(118,385)	(87,496)

b. Restatement of Comparatives

The following comparatives have been restated as a result of adopting new FRS:-

(i) Balance Sheets as at 30 June 2007

	Previously	Increase/		Total
		(Decrease)		
	Stated	FRS 117		RM'000
Group	RM'000	RM'000		RM'000
Other assets	3,357,377	118,017		3,475,394
Property, plant & equipment	1,269,703	(118,017)		1,151,686
Bank				
Other assets	1,833,414	87,194		1,920,608
Property, plant & equipment	1,074,389	(87,194)		987,195

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

B1. Performance Review

The Group's pre-tax profit for the nine months ended 31 March 2008 registered an increase of 1.2% or RM34.9 million to RM3,067 million compared to the corresponding period. Net Profit attributable to equity holders was however higher by 4.7% or RM99.4 million to RM2,225 million compared to the corresponding period.

The growth was largely driven by higher net interest income earned and lower provision made for loan loss. Net interest income registered an increase of 6.3% or RM241.8 million on higher gross loan growth of 13.0% or RM18.26 billion to RM158.27 billion compared to the corresponding period.

In the period under review, the Group's performance was impacted by slower growth in non-interest income arising mainly from unrealised mark to market loss of securities and derivatives, and net of write back of impairment losses in securities amounting to RM353.4 million compared to RM90.4 million in the previous corresponding period.

The Group's focus on improving asset quality as one of its operational strategies to enhance bottom line growth has resulted in a lower provision for loan loss of RM451.9 million as against RM647.7 million in the corresponding period. Net NPL as a percentage of gross loans, advances and financing improved to 2.43% from 3.56% compared to the corresponding period

B2. Variation of Results Against Preceding Quarter

The Group registered a lower pre-tax profit of RM1,020 million in the current quarter compared with a pre-tax profit of RM1,033 million for the preceding quarter ended due mainly to higher unrealised mark to market loss of securities and derivatives.

B3. Prospects

The prospects of a slowing US economy that threatens to slide into recession presents a downside risk to Malaysia's external sector, especially in curbing manufacturing exports growth. Nevertheless, domestic and business spending is expected to remain resilient, upheld by sturdy consumer spending, despite some risk of inflationary pressures. However, overall, the slightly restrained economic performance would still provide sustained growth in interest income and recurring non-interest income. The Group is confident of sustaining the current performance for this financial year.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank made any profit forecast or issued any profit guarantee.

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B5. Tax Expense and Zakat

The analysis of the tax expense for the second financial quarter ended 31 December 2007 are as follows:

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
Malaysian income tax	128,458	266,266	649,268	775,291
Foreign income tax	24,926	(4,237)	80,303	3,361
	153,384	262,029	729,571	778,652
Under/(over) provision in prior years	7,447	1,640	(87,836)	1,036
Deferred tax expense				
- Origination and reversal of temporary differences	90,240	(6,719)	136,255	23,525
Due to reduction in statutory rate	1,003	889	40,326	40,645
	91,243	(5,830)	176,581	64,170
Tax expense for the period	252,074	257,839	818,316	843,858
Zakat	477	(146)	3,424	3,664
	252,551	257,693	821,740	847,522

Bank	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2008 RM'000	31 March 2007 RM'000	31 March 2008 RM'000	31 March 2007 RM'000
Malaysian income tax	129,462	302,494	543,817	807,252
Foreign income tax	23,737	872	75,374	3,306
	153,199	303,366	619,191	810,558
Under/ (over) provision in prior years	(47,641)	1,640	(142,924)	1,036
Deferred tax expense				
- Origination and reversal of temporary differences	103,253	1,342	150,248	22,497
- Due to reduction in statutory rate	1,003	-	39,651	39,723
	104,256	1,342	189,899	62,220
Tax expense for the period	209,814	306,348	666,166	873,814
Zakat	-	1,252	1,495	3,624
	209,814	307,600	667,661	877,438

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

B6. Sale of Unquoted Investments and Properties

The profit from the sale of unquoted investments of the Group and Bank amounted to RM37.16 million and RM40.68 million respectively while the profit from sale of properties amounted to RM6.63 million for both the Group and the Bank.

B7. Quoted Securities

Financial institutions are exempted from the disclosure requirements relating to quoted securities.

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B8. Status of Corporate Proposals Announced but Not Completed

(a) Establishment of an Islamic Banking Subsidiary- Maybank Islamic Berhad

Bank Negara Malaysia (“BNM”) had given its approval on 21 July 2007 for Maybank to establish a subsidiary under the name “Maybank Islamic Berhad” (“MIB”) to undertake the Islamic banking business and the setting up of an International Currency Business Unit within MIB.

On 16 November 2007, Maybank had entered into a business acquisition agreement with MIB to transfer its Islamic banking business in Malaysia to MIB for a total consideration to be determined later (“Business Acquisition Agreement”). In accordance with the order from High Court of Malaya (which was obtained on 12 December 2007) and the terms and conditions of the Business Acquisition Agreement, the aforesaid transfer has been completed on 1 January 2008.

The Minister of Finance has granted a licence to MIB on 28 December 2007, pursuant to section 3(4) of the Islamic Banking Act 1983, for MIB to commence and transact Islamic banking business with effect from 1 January 2008.

MIB has commenced operations on 1 January 2008.

(b) Rationalisation of Insurance and Takaful Business

Mayban Fortis Holdings Berhad (“MFHB”) undertook a restructuring exercise to streamline the entire insurance and takaful business within its group of companies following the completion of acquisition of the entire equity of MNI Holdings Berhad (“MNIH”) by MFHB in May 2006. The restructuring entailed the following:-

(i) Dissolution of MNI Life International (L) Ltd (“MNILIL”)

On 10 April 2007, MNILIL commenced a members' voluntary winding-up pursuant to a special resolution under Section 131(1) of the Offshore Companies Act, 1990 and Section 254(1)(b) of the Companies Act, 1960. The dissolution of MNILIL was completed on 17 September 2007.

(ii) Transfer of Etiqa Takaful Berhad (formerly known as Takaful Nasional Berhad)(“TN”) and MNI Offshore Insurance (L) Ltd (“MNIOIL”) to MFHB via a Dividend in Specie

On 30 August 2007, MNIB declared dividend amounting to RM107,882,500 to MFHB which was satisfied by shares held by MNIB in TN and MNIOIL, at values equal to the original investment costs of MNIB in TNSB and MNIOIL. Therefore, TNB and MNIOIL became wholly-owned direct subsidiaries of MFHB.

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B8. Status of Corporate Proposals Announced but Not Completed (Contd.)

(b) Rationalisation of Insurance and Takaful Business (Contd.)

- (iii) Acquisition of Fortis Insurance International N.V.'s shareholdings in Mayban General Assurance Berhad ("MGAB") and Mayban Life Assurance Berhad ("MLAB")

Subsequent to the Share Sale Agreement with Fortis Insurance International N.V. ("Fortis") on 8 August 2007, MFHB acquired the shares held by Fortis in MGAB and MLAB for a purchase consideration equivalent to RM31,622,063 comprising:

- 3,948,649 ordinary shares of RM1.00 each in MGAB representing approximately 2.22% of the issued and paid up capital of MGAB; and
- 3,430,000 ordinary shares of RM1.00 each in MLAB representing approximately 3.43% of the issued and paid up capital of MLAB.

The purchase consideration of RM31,622,063 was satisfied by the issuance of 3,256,906 new ordinary shares in MFHB on 28 September 2007.

- (iv) Transfer of Takaful Funds from Mayban Takaful Berhad ("MTB") to Etiqa Takaful Berhad (formerly known as Takaful Nasional Berhad ("TN"))

MFHB will also consolidate its Takaful business as part of the internal restructuring exercise. MTB will transfer its Takaful Funds under a scheme pursuant to Section 51 of the Takaful Act, 1984 at a purchase consideration equivalent to the net tangible assets of the Takaful Funds as at the date of transfer based on the valuation carried out by the appointed actuary. The execution of the Scheme of transfer of the Takaful business was approved by BNM on 13 September 2007. The effective date for transfer of MTB into TN was on 1 December 2007.

- (v) Capital Injection from Employee Provident Fund ("EPF")

Upon completion of event (iv) above, MFHB will enter into a Subscription Agreement with EPF for the subscription of 12,576,076 Non-Redeemable Preference Shares ("NRPS") of RM1.00 each in MFHB by EPF for a total issue price of RM116 million. The transaction was completed on 3 January 2008.

(c) Bonus Issue

On 20 February 2008, Maybank issued 976,057,505 new ordinary shares of RM1.00 each to the shareholders of Maybank whose names appear in the Record of Depositors as at the close of business at 5.00 p.m. on 20 February 2008 pursuant to the Bonus Issue of 1 new ordinary share for every 4 ordinary shares held.

The Bonus Shares have been listed and quoted on the Main Board of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on 21 February 2008.

The Bank has also issued and dispatched notices of allotment to the entitled shareholders on 27 February 2008.

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B8. Status of Corporate Proposals Announced but Not Completed (Contd.)

(d) Memorandum of Understanding (“MOU”) between Maybank and PT Panin Life Tbk (“Panin’)

Maybank entered into a MOU with Panin on 30 March 2007 to commence discussion on a possible joint venture partnership via a 60% stake in PT Anugrah Life Insurance, a subsidiary of Panin.

On 6 November 2007, the Ministry of Finance of the Republic of Indonesia (“MOF”) informed Panin that the MOF was unable at this stage to proceed to consider the application for approval on the above proposed acquisition due to the limitations of Article 43(2) of the MOF Regulation No. 426/MKM.06/2003 which requires a foreign company to maintain a majority of its portfolio in insurance business should it wish to become a shareholder of a local insurance company.

The Board of Directors of Maybank and Mayban Fortis Holdings Berhad and its joint venture partner, Fortis, have agreed that Maybank’s insurance and takaful holding company, Mayban Fortis Holdings Berhad (“Mayban Fortis”) will replace Maybank to pursue the proposed acquisition of PT Anugrah Life Insurance.

Mayban Fortis had on 26 March 2008 obtained approval from Bank Negara Malaysia for the proposed acquisition which is one of the prerequisites in the submissions to the Indonesian authorities.

Panin and Mayban Fortis teams are currently preparing submissions to the relevant Indonesian authorities for approval of the acquisition.

(e) Sale of Non Performing Loans

On 8 January 2008, Maybank announced that it has entered into a conditional Sale and Purchase Agreement (“SPA”) with Standard Chartered Bank (Hong Kong) Limited Alternative Investments and ORIX Leasing Malaysia Berhad for disposal of long-standing secured consumer non-performing loans.

The portfolio comprises 8,375 long outstanding consumer loans with a total face value of about RM1.4 billion. The loans are mainly secured by residential properties located across Malaysia.

The Agreement was reached by way of negotiations following a bid process that was held on 4 December 2007.

The approval for the sale was obtained from Bank Negara Malaysia on 21 February 2008. On 17 April 2008, the Vesting Order was obtained from the High Court to transfer the loan accounts sold to the buyer. The effective date of transfer is 22 April 2008, being the third (3rd) business day after the date of issue of the Vesting Order. The estimated gain on disposal is approximately RM140 million.

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B8. Status of Corporate Proposals Announced but Not Completed (Contd.)

(f) Proposed Acquisition of Approximately 15% of the Total Charter Capital of Vietnam's An Binh Commercial Joint Stock Bank ("ABBank")

On 21 March 2008, Maybank announced that it has entered into an agreement with ABBank for the subscription by Maybank of approximately 15% of the total charter capital of ABBank for a total cash consideration of approximately Vietnam Dong ("VND") 2.1 trillion or the equivalent of approximately RM430 million, on or before 31 December 2008. Maybank may also take up an additional 5% equity in the near future, pending approval by the Vietnam government. Current regulations in Vietnam allow foreign banks to own up to 15% equity in a Vietnamese bank with the possibility of increasing the stake to 20% subject to approval by the government.

On the same date, Maybank has also entered into a strategic cooperation and knowledge transfer agreement with ABBank to provide technical assistance in consumer banking, network, treasury, business banking, risk management, human resource, information technology and corporate governance. ABBank will provide Maybank with infrastructure, facilities, logistics, support and resources in Vietnam.

Upon completion of the agreement, Maybank will emerge as a major shareholder of ABBank. The Electricity of Vietnam Group is ABBank's largest shareholder with a 28.3% equity in ABBank. The other major shareholder is The Hanoi Export-Import JSC (Geleximco), which holds 7.2% equity interest in ABBank.

The proposed acquisition is subject to the approval of the following:-

- (a) Bank Negara Malaysia, if required;
- (b) the shareholders of ABBank; and
- (c) any other relevant authorities including the State Bank of Vietnam or other authorities in Vietnam.

(g) Proposed Acquisition of up to 100% of the Issued and Paid-up Share Capital of Sorak Financial Holdings Pte. Ltd. ("Sorak") for a Total Cash Consideration of Approximately Indonesian Rupiah ("Rp") 13.9 Trillion or the Equivalent of Approximately RM4.8 Billion

On 26 March 2008, Maybank announced that it has entered into a Share Sale Agreement ("SSA") to acquire up to 100% of Sorak Financial Holdings Pte Ltd ("Sorak") for a cash consideration of approximately Indonesian Rupiah ("Rp") 13.9 trillion or the equivalent of approximately RM4.8 billion paving the way for Maybank to be a controlling shareholder of PT Bank Internasional Indonesia Tbk ("BII").

Sorak is 75%-owned by Fullerton Financial Holdings Pte. Ltd. ("FFH"), a wholly owned subsidiary of Temasek Holdings (Private) Limited and 25%-owned by Kookmin Bank ("KB"). Sorak owns approximately 55.7% equity interest in BII.

As a result of this transaction, Maybank will also be making a tender offer for the remaining 44.3% shares held by remaining shareholders of BII. The total amount involved for the tender offer is approximately Rp 11.0 trillion or the equivalent of approximately RM3.8 billion, bringing the total value of the potential acquisition to about Rp 24.9 trillion or the equivalent of approximately RM8.6 billion.

The completion is conditional upon approvals as stipulated below being obtained:

- (i) Bank Negara Malaysia (which was obtained vide its letter dated 25 March 2008);
- (ii) the shareholders of Maybank at an extraordinary general meeting to be convened; and
- (iii) other relevant authorities as may be necessary from any governmental or regulatory body having jurisdiction over the entry into and completion of the SSA.

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B8. Status of Corporate Proposals Announced but Not Completed (Contd.)

(g) Proposed Acquisition of up to 100% of the Issued and Paid-up Share Capital of Sorak Financial Holdings Pte. Ltd. (“Sorak”) for a Total Cash Consideration of Approximately Indonesian Rupiah (“Rp”) 13.9 Trillion or the Equivalent of Approximately RM4.8 Billion (Contd.)

In addition, the completion is also conditional upon the following conditions precedent being fulfilled or duly waived:

- (i) Maybank having to pass the fit and proper test as stipulated by Bank Indonesia;
- (ii) all consents, approvals and actions of, filings with and notices, as may be necessary from any governmental or regulatory body or relevant competent authority having jurisdiction over the entry into and completion of the SSA, whether in or outside Indonesia, being granted or obtained and being in full force as at the Completion; and
- (iii) no breach of the warranties as provided by FFH, KB and Maybank having occurred and the said warranties remaining true and correct as at Completion.

Barring unforeseen circumstances, the proposed acquisition is expected to be completed within six months following the signing of the SSA.

(h) Disposal of Mayban Investment Management Sdn Bhd (“MIM”) to Mayban Fortis Holdings Berhad

Maybank and its subsidiary Aseambankers Malaysia Berhad (“Aseambankers”) had on 27 March 2008 completed the disposal of MIM to Mayban Fortis Holdings Berhad, also a subsidiary of Maybank. The transaction comprise the sale of 5,000,000 ordinary shares in MIM, representing 100% of the issued and paid-up capital of MIM for a total cash consideration of RM23 million.

Maybank and Aseambankers held 61.525% and 38.475% shareholdings in MIM respectively.

(i) Proposed Acquisition of up to 20% of the Issued and Paid-Up Share Capital of Pakistan’s MCB Bank Limited (“MCB”)

On 3 May 2008, Maybank entered into five (5) separate Share Sales Agreements (“SPAs”) with each of the respective party(ies):

- (i) Mian Umer Mansha, Mian Hasan Mansha, Muhammad Saleem (collectively known to as the “Individual Sellers”);
- (ii) Muslim Commercial Bank Limited Employees’ Pension Fund;
- (iii) The Muslim Commercial Bank Limited Provident Fund;
- (iv) Nishat Mills Limited Employees Provident Fund Trust; and
- (v) Adamjee Insurance Company Limited,

for the acquisition of 94,241,527 ordinary shares of par value PKR10 each in MCB representing 15% of the issued and paid-up share capital of MCB for a cash price of PKR470 per MCB Share or a total cash consideration of approximately PKR44.29 billion or the equivalent of approximately RM2.17 billion (at the exchange rate of RM1.00 : PKR20.44, as at 2 May 2008).

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(i) Proposed Acquisition of up to 20% of the Issued and Paid-Up Share Capital of Pakistan's MCB Bank Limited (Contd.)

Upon completion of SPAs, Maybank will emerge as a major shareholder of MCB.

On the same date, Maybank also entered into the following:

- (i) an Agreement for the Right to Sell and Purchase Shares with the Individual Sellers wherein its terms and conditions will cause Maybank to acquire additional ordinary shares of par value PKR10 each in MCB of up to 5% of the issued and paid-up share capital of MCB; and
- (ii) a Shareholders' Agreement with certain shareholders of MCB (the "Nishat Group") to reflect the long term relationship and strategic cooperation between Maybank and the Nishat Group.

The proposed acquisition is now conditional upon regulatory approvals, including approval from State Bank of Pakistan and Bank Negara Malaysia.

(j) Maybank and the Islamic Corporation for the Development of the Private Sector ("ICD") sign Memorandum of Understanding ("MOU") in relation to Global Takaful Business

On 7 May 2008, Maybank and ICD signed a MOU to jointly explore the feasibility of establishing an international takaful holding company with the vision to create a global leader in the takaful business. ICD is the commercial arm of the Islamic Development Bank.

Under the MOU, the proposed holding company to be set up aims to explore opportunities with the aim of creating takaful companies in both ICD member and non-member countries. The plan is for the proposed holding company to commence operations by end 2008.

B9. Deposits and Placements of Financial Institutions and Debt Securities

Please refer to note A12 and A13.

B10. Off-Balance Sheet Financial Instruments

Please refer to note A24.

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B11. Changes in Material Litigation

- (a) In 2005, a subsidiary, Mayban Trustee Berhad (“MTB”) and eleven other defendants were served with a writ of summons by ten bondholders for an amount of approximately RM157.8 million. MTB was alleged to have acted in breach of trust and negligence in its capacity as Trustee for the bonds issued. The legal suit is pending court hearing and the liability amount, if any, is subject to the court’s decision.

During the last financial year ended 30 June 2007, MTB had proceeded to file a counter-claim on a full indemnity basis against one of the bondholders and two of the other defendants to the suit.

The contingent liability is covered by an existing Banker Blanket Bond Policy between the Bank and a subsidiary, Mayban General Assurance Berhad (“MGAB”), which had entered into a facultative reinsurance contract for an insured sum of RM150 million with three other reinsurers.

The trial dates are fixed for 7 July 2008 to 10 July 2008 and 4 August 2008 to 7 August 2008.

No provision is made in the Group’s financial statements.

- (b) In 2004, Etiqa Takaful Berhad (formerly known as Takaful Nasional Berhad) (“TN”), now a subsidiary of Maybank, commenced a civil suit against a borrower (“the 1st Defendant”) and three guarantors for the sum of approximately RM25.8 million, following the recall of the relevant facility which was preceded by the 1st Defendant’s failure to pay monthly instalments.

The 1st Defendant counter-claimed for loss and damage amounting to approximately RM284 million as a result of TN’s alleged failure to release the balance of the facility of RM7.5 million. It is alleged that the 1st Defendant was unable to carry on with its project and therefore has suffered loss and damage. TN are proceeding with their claim and are resisting the 1st Defendant’s counter-claim.

TN are of the view that they have a good chance of succeeding in the action and in securing a dismissal of the 1st Defendant’s counter-claim.

The hearing date for TN’s application for Order 14 (Summary Judgment) and to strike out the counter claim was postponed to 4 March 2008 for the defendant to file the affidavit in reply. The hearing date was then postponed to 12 May 2008 for both parties to file respective written submission on the agreed facts.

Other than that stated above, the Group and the Bank do not have any other material litigation that would materially and adversely affect the financial position of the Group and the Bank.

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B12. Earning Per Share (EPS)

Basic

The basic EPS of the Group is calculated by dividing the net profit for the quarter and the financial year attributable to ordinary share holders of the parent by the weighted-average number of ordinary shares in issue during the quarter and the financial year respectively.

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Net profit for the period (RM'000)	758,606	764,611	2,224,989	2,125,566
Weighted average number of ordinary shares in issue ('000) ¹	4,888,876	4,838,444	4,871,448	4,794,609
Basic earnings per share ('000) ¹	15.52 sen	15.80 sen	45.67 sen	44.33 sen

Diluted

The diluted EPS of the Group is calculated by dividing the net profit for the quarter and the cumulative period attributable to ordinary share holders of the parent by the weighted-average number of ordinary shares in issue, which has been adjusted for the number of shares that could have been issued under the Maybank Group Employee Share Option Scheme.

In the diluted EPS calculation, it was assumed that the share options were exercised into ordinary shares. A calculation is done to determine the number of shares that could have been issued at fair value (determined as the average price of the Bank's shares during the quarter) based on the monetary value of the subscription rights attached to the outstanding share options. This calculation serves to determine the number of dilutive shares to be added to the weighted-average ordinary shares in issue for the purpose of computing the dilution. No adjustment was made to the net profit for the quarter.

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2008	31 March 2007	31 March 2008	31 March 2007
Net profit for the period (RM'000)	758,606	764,611	2,224,989	2,125,566
Weighted average number of ordinary shares in issue ('000)	4,888,876	4,838,444	4,871,448	4,794,609
Effects of share option ('000)	8,132	15,854	5,484	12,439
Adjusted weighted average number of ordinary shares in issue ('000) ¹	4,897,008	4,854,298	4,876,932	4,807,048
Diluted earnings per share ('000) ¹	15.49 sen	15.75 sen	45.62 sen	44.22 sen

¹ Adjusted for bonus issue of 1:4

By Order of the Board

Mohd Nazlan Mohd Ghazali
LS0008977
Company Secretary
14 May 2008