

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

| <u>Group</u>   | Note | 1st Quarter Ended |                   | Cumulative 3 Months Ended |                   |
|--|------|-------------------|-------------------|---------------------------|-------------------|
|  |      | 30 September 2011 | 30 September 2010 | 30 September 2011         | 30 September 2010 |
|  |      | RM'000            | RM'000            | RM'000                    | RM'000            |
| Interest income  | A16  | 3,352,634         | 2,908,316         | 3,352,634                 | 2,908,316         |
| Interest expense   | A17  | (1,479,023)       | (1,133,776)       | (1,479,023)               | (1,133,776)       |
| Net interest income  |      | <u>1,873,611</u>  | <u>1,774,540</u>  | <u>1,873,611</u>          | <u>1,774,540</u>  |
| Income from Islamic Banking  |      |                   |                   |                           |                   |
| Scheme operations:   |      |                   |                   |                           |                   |
| Gross operating income   |      | 516,330           | 380,357           | 516,330                   | 380,357           |
| Profit equalisation reserves   |      | -                 | (42,154)          | -                         | (42,154)          |
|  | A28a | <u>516,330</u>    | <u>338,203</u>    | <u>516,330</u>            | <u>338,203</u>    |
|  |      | <u>2,389,941</u>  | <u>2,112,743</u>  | <u>2,389,941</u>          | <u>2,112,743</u>  |
| Net income from insurance business:                                  |      |                   |                   |                           |                   |
| Income from insurance business                                       |      | 177,785           | 158,154           | 177,785                   | 158,154           |
| Claims incurred  |      | (81,288)          | (71,401)          | (81,288)                  | (71,401)          |
|  |      | <u>96,497</u>     | <u>86,753</u>     | <u>96,497</u>             | <u>86,753</u>     |
|  |      | <u>2,486,438</u>  | <u>2,199,496</u>  | <u>2,486,438</u>          | <u>2,199,496</u>  |
| Non-interest income  | A18  | <u>1,222,702</u>  | <u>954,203</u>    | <u>1,222,702</u>          | <u>954,203</u>    |
| Net income   |      | <u>3,709,140</u>  | <u>3,153,699</u>  | <u>3,709,140</u>          | <u>3,153,699</u>  |
| Overhead expenses  | A19  | (1,887,885)       | (1,502,054)       | (1,887,885)               | (1,502,054)       |
|  |      | <u>1,821,255</u>  | <u>1,651,645</u>  | <u>1,821,255</u>          | <u>1,651,645</u>  |
| Allowance for losses on loans, advances and financing                | A20  | (98,747)          | (264,735)         | (98,747)                  | (264,735)         |
| Impairment losses on securities, net                                 |      | 1,018             | (13,923)          | 1,018                     | (13,923)          |
| Operating Profit   |      | <u>1,723,526</u>  | <u>1,372,987</u>  | <u>1,723,526</u>          | <u>1,372,987</u>  |
| Share of profits in associates                                       |      | 36,521            | 31,358            | 36,521                    | 31,358            |
| <b>Profit before taxation and zakat</b>                              |      | <u>1,760,047</u>  | <u>1,404,345</u>  | <u>1,760,047</u>          | <u>1,404,345</u>  |
| Taxation & Zakat   | B5   | (454,186)         | (350,705)         | (454,186)                 | (350,705)         |
| <b>Profit for the period</b>   |      | <u>1,305,861</u>  | <u>1,053,640</u>  | <u>1,305,861</u>          | <u>1,053,640</u>  |
| <b>Attributable to:</b>  |      |                   |                   |                           |                   |
| Equity holders of the Bank   |      | 1,286,390         | 1,028,114         | 1,286,390                 | 1,028,114         |
| Non-controlling interest   |      | 19,471            | 25,526            | 19,471                    | 25,526            |
|  |      | <u>1,305,861</u>  | <u>1,053,640</u>  | <u>1,305,861</u>          | <u>1,053,640</u>  |
| <b>Earnings per share attributable to equity holders of the Bank</b> | B13  |                   |                   |                           |                   |
| Basic  |      | 17.20 sen         | 14.53 sen         | 17.20 sen                 | 14.53 sen         |
| Fully diluted  |      | 17.15 sen         | 14.47 sen         | 17.15 sen                 | 14.47 sen         |

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statement)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

| <u>Group</u>  | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| <b>Profit for the period</b>  | <b>1,305,861</b>               | 1,053,640                      | <b>1,305,861</b>               | 1,053,640                      |
| <b>Other comprehensive (loss)/income:</b>                             |                                |                                |                                |                                |
| Net (loss)/gain on available-for-sale<br>financial assets             | <b>(83,033)</b>                | 250,282                        | <b>(83,033)</b>                | 250,282                        |
| Income tax relating to components of<br>other comprehensive income    | <b>4,486</b>                   | (60,804)                       | <b>4,486</b>                   | (60,804)                       |
| Foreign currency translation  | <b>503,798</b>                 | (370,797)                      | <b>503,798</b>                 | (370,797)                      |
| Revaluation reserve from investment<br>properties                     | <b>(119)</b>                   | -                              | <b>(119)</b>                   | -                              |
| Other comprehensive income:<br>for the period, net of tax             | <b>425,132</b>                 | (181,319)                      | <b>425,132</b>                 | (181,319)                      |
| Total comprehensive income<br>for the period                          | <b>1,730,993</b>               | 872,321                        | <b>1,730,993</b>               | 872,321                        |
| <b>Total comprehensive income for the<br/>period attributable to:</b> |                                |                                |                                |                                |
| Equity holders of the Bank  | <b>1,700,055</b>               | 865,278                        | <b>1,700,055</b>               | 865,278                        |
| Non-controlling interest  | <b>30,938</b>                  | 7,043                          | <b>30,938</b>                  | 7,043                          |
|   | <b>1,730,993</b>               | 872,321                        | <b>1,730,993</b>               | 872,321                        |

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

| <u>Bank</u>  | Note | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|--|------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  |      | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| Interest income  | A16  | 2,550,031                      | 2,242,037                      | 2,550,031                      | 2,242,037                      |
| Interest expense   | A17  | (1,105,460)                    | (860,994)                      | (1,105,460)                    | (860,994)                      |
| Net interest income                                      |      | 1,444,571                      | 1,381,043                      | 1,444,571                      | 1,381,043                      |
| Non-interest income                                      | A18  | 1,061,154                      | 651,112                        | 1,061,154                      | 651,112                        |
| Net income   |      | 2,505,725                      | 2,032,155                      | 2,505,725                      | 2,032,155                      |
| Overhead expenses  | A19  | (1,020,213)                    | (891,321)                      | (1,020,213)                    | (891,321)                      |
|  |      | 1,485,512                      | 1,140,834                      | 1,485,512                      | 1,140,834                      |
| Allowance for losses on loans,<br>advances and financing | A20  | (42,693)                       | (133,142)                      | (42,693)                       | (133,142)                      |
| Impairment losses on securities, net                     |      | 5,258                          | (1,611)                        | 5,258                          | (1,611)                        |
| <b>Profit before taxation and zakat</b>                  |      | 1,448,077                      | 1,006,081                      | 1,448,077                      | 1,006,081                      |
| Taxation   | B5   | (291,927)                      | (261,581)                      | (291,927)                      | (261,581)                      |
| <b>Profit for the period</b>                             |      | 1,156,150                      | 744,500                        | 1,156,150                      | 744,500                        |

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statement)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

| <u>Bank</u>  | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| <b>Profit for the period</b>                                       | <b>1,156,150</b>               | 744,500                        | <b>1,156,150</b>               | 744,500                        |
| <b>Other comprehensive (loss)/income:</b>                          |                                |                                |                                |                                |
| Net gain on available-for-sale<br>financial assets                 | <b>790</b>                     | 176,915                        | <b>790</b>                     | 176,915                        |
| Income tax relating to components of<br>other comprehensive income | <b>438</b>                     | (34,675)                       | <b>438</b>                     | (34,675)                       |
| Foreign currency translation                                       | <b>11,523</b>                  | 51,492                         | <b>11,523</b>                  | 51,492                         |
| Other comprehensive income:<br>for the period, net of tax          | <b>12,751</b>                  | 193,732                        | <b>12,751</b>                  | 193,732                        |
| Total comprehensive income<br>for the period                       | <b>1,168,901</b>               | 938,232                        | <b>1,168,901</b>               | 938,232                        |

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**MALAYAN BANKING BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011**

|  | Note     | Group                          |                           | Bank                           |                           |
|--|----------|--------------------------------|---------------------------|--------------------------------|---------------------------|
|  |          | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| <b>ASSETS</b>  |          |                                |                           |                                |                           |
| Cash and short-term funds  |          | 40,738,848                     | 38,803,519                | 32,170,535                     | 25,803,796                |
| Deposits and placements with<br>financial institutions               |          | 6,052,174                      | 10,291,513                | 5,397,198                      | 7,644,471                 |
| Securities purchased under resale agreements                         |          | 61,552                         | -                         | 61,552                         | -                         |
| Securities portfolio - Held-for-trading                              | A9(i)    | 9,510,165                      | 4,141,978                 | 8,146,168                      | 2,884,895                 |
| Securities portfolio - Available-for-sale                            | A9(ii)   | 46,686,207                     | 47,258,558                | 40,405,201                     | 40,262,042                |
| Securities portfolio - Held-to-maturity                              | A9(iii)  | 9,842,188                      | 9,638,714                 | 8,556,446                      | 8,339,494                 |
| Loans, advances and financing  | A10      | 265,312,289                    | 253,976,426               | 188,855,974                    | 181,572,844               |
| Derivative assets  | A27      | 2,639,072                      | 1,652,182                 | 2,613,712                      | 1,626,415                 |
| Other assets   | A11      | 8,012,441                      | 6,735,522                 | 2,157,109                      | 1,420,365                 |
| Investment properties  |          | 44,530                         | 45,051                    | -                              | -                         |
| Statutory deposits with Central Banks                                |          | 9,433,965                      | 7,698,425                 | 5,552,057                      | 4,313,116                 |
| Investment in subsidiaries   |          | -                              | -                         | 17,219,717                     | 17,070,392                |
| Interests in associates  |          | 2,454,500                      | 2,439,654                 | 454,412                        | 454,412                   |
| Property, plant and equipment  |          | 2,258,803                      | 2,168,986                 | 1,206,778                      | 1,170,183                 |
| Intangible assets  |          | 6,693,814                      | 6,509,048                 | 172,490                        | 177,270                   |
| Deferred tax assets  |          | 1,451,187                      | 1,402,705                 | 955,253                        | 920,837                   |
| Life, general takaful and family takaful fund assets                 |          | 19,369,722                     | 19,196,413                | -                              | -                         |
| <b>TOTAL ASSETS</b>  |          | <b>430,561,457</b>             | <b>411,958,694</b>        | <b>313,924,602</b>             | <b>293,660,532</b>        |
| <b>LIABILITIES</b>   |          |                                |                           |                                |                           |
| Deposits from customers  | A12      | 293,262,656                    | 281,976,379               | 213,806,920                    | 201,465,408               |
| Deposits and placements of banks and<br>other financial institutions | A13      | 36,071,740                     | 33,303,655                | 33,186,553                     | 31,441,675                |
| Obligations on securities sold under<br>repurchase agreements        |          | 272,924                        | 373,562                   | 272,924                        | 373,562                   |
| Bills and acceptances payable  |          | 5,664,304                      | 8,513,401                 | 5,091,145                      | 7,115,673                 |
| Derivative liabilities   | A27      | 3,307,331                      | 1,533,935                 | 3,222,394                      | 1,446,311                 |
| Other liabilities  | A15      | 11,946,335                     | 11,311,854                | 7,346,918                      | 4,240,156                 |
| Recourse obligation on loans sold to Cagamas                         |          | 521,907                        | 528,285                   | 521,907                        | 528,285                   |
| Provision for taxation and zakat                                     |          | 227,606                        | 134,620                   | -                              | -                         |
| Deferred tax liabilities   |          | 249,345                        | 247,892                   | -                              | -                         |
| Borrowings   | A14(i)   | 6,332,423                      | 5,447,120                 | 3,690,889                      | 3,420,499                 |
| Subordinated obligations   | A14(ii)  | 12,984,036                     | 10,800,539                | 11,662,650                     | 9,509,786                 |
| Capital Securities   | A14(iii) | 6,142,503                      | 6,120,774                 | 6,142,503                      | 6,120,774                 |
| Life, general takaful and family<br>takaful fund liabilities         |          | 4,299,903                      | 5,408,600                 | -                              | -                         |
| Life, general takaful and family<br>takaful policy holders' funds    |          | 15,069,819                     | 13,787,813                | -                              | -                         |
| <b>TOTAL LIABILITIES</b>   |          | <b>396,352,832</b>             | <b>379,488,429</b>        | <b>284,944,803</b>             | <b>265,662,129</b>        |

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011**

|   | Note | Group                          |                           | Bank                           |                           |
|---|------|--------------------------------|---------------------------|--------------------------------|---------------------------|
|   |      | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| <b>SHAREHOLDERS' EQUITY</b>   |      |                                |                           |                                |                           |
| Share capital   |      | 7,478,215                      | 7,478,206                 | 7,478,215                      | 7,478,206                 |
| Reserves  |      | 25,500,415                     | 23,983,293                | 21,501,584                     | 20,520,197                |
|   |      | <b>32,978,630</b>              | 31,461,499                | <b>28,979,799</b>              | 27,998,403                |
| Non-controlling interest  |      | 1,229,995                      | 1,008,766                 | -                              | -                         |
| Total equity  |      | <b>34,208,625</b>              | 32,470,265                | <b>28,979,799</b>              | 27,998,403                |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |      |                                |                           |                                |                           |
|   |      | <b>430,561,457</b>             | 411,958,694               | <b>313,924,602</b>             | 293,660,532               |
| <b>COMMITMENTS AND CONTINGENCIES</b>  | A25  | <b>393,460,606</b>             | 292,201,755               | <b>361,490,996</b>             | 265,846,025               |
| <b><u>CAPITAL ADEQUACY</u></b>  |      |                                |                           |                                |                           |
|   | A26  |                                |                           |                                |                           |
| Based on credit, market and operational risk:   |      |                                |                           |                                |                           |
| <b><u>Basel II</u></b>  |      |                                |                           |                                |                           |
| <b>Before deducting electable portion dividend to be reinvested:</b>  |      |                                |                           |                                |                           |
| Core capital ratio  |      | <b>10.83%</b>                  | 11.93% *                  | <b>13.58%</b>                  | 13.44% *                  |
| Risk-weighted capital ratio   |      | <b>14.86%</b>                  | 15.45% *                  | <b>13.58%</b>                  | 13.44% *                  |
| <b>After deducting electable portion dividend to be reinvested:</b>   |      |                                |                           |                                |                           |
| Core capital ratio, assuming:   |      |                                |                           |                                |                           |
| - full electable portion paid in cash   |      | <b>10.23%</b>                  | 11.21%                    | <b>12.79%</b>                  | 12.49%                    |
| - full electable portion reinvested   |      | <b>10.83%</b>                  | 11.84%                    | <b>13.58%</b>                  | 13.32%                    |
| Risk-weighted capital ratio, assuming:  |      |                                |                           |                                |                           |
| - full electable portion paid in cash   |      | <b>14.25%</b>                  | 14.72%                    | <b>12.79%</b>                  | 12.49%                    |
| - full electable portion reinvested   |      | <b>14.86%</b>                  | 15.36%                    | <b>13.58%</b>                  | 13.32%                    |
| * In arriving at the capital base used in the ratio calculations of the Group and the Bank, the proposed dividends were not deducted. |      |                                |                           |                                |                           |
| Net assets per share attributable to equity holders of the parent   |      | <b>RM4.41</b>                  | RM4.21                    | <b>RM3.88</b>                  | RM3.74                    |

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

| <u>Group</u>  | <===== Non Distributable =====> |                            |                                |                              |  |  |                           |                                  |                          |            | Distributable<br>Retained<br>Profits | Total<br>Shareholders'<br>Equity | Non-<br>controlling<br>Interests | Total<br>Equity |
|---|---------------------------------|----------------------------|--------------------------------|------------------------------|--|--|---------------------------|----------------------------------|--------------------------|------------|--------------------------------------|----------------------------------|----------------------------------|-----------------|
|   | Share<br>Capital<br>RM'000      | Share<br>Premium<br>RM'000 | Statutory<br>Reserve<br>RM'000 | Capital<br>Reserve<br>RM'000 | Unrealised<br>Holding<br>Reserve/<br>(Deficit)<br>RM'000 | Exchange<br>Fluctuation<br>Reserve<br>RM'000 | ESS<br>Reserves<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | PER<br>Reserve<br>RM'000 |            |                                      |                                  |                                  |                 |
| <b>At 1 July 2011</b>   | 7,478,206                       | 8,583,711                  | 6,409,922                      | 15,250                       | 417,065  | (1,007,977)                                  | 65,000                    | 9,057                            | -                        | 9,491,265  | 31,461,499                           | 1,008,766                        | 32,470,265                       |                 |
| Profit for the period   | -                               | -                          | -                              | -                            | -  | -  | -                         | -                                | -                        | 1,286,390  | 1,286,390                            | 19,471                           | 1,305,861                        |                 |
| Other comprehensive (loss)/income   | -                               | -                          | -                              | -                            | (66,444)   | 480,228                                      | -                         | (119)                            | -                        | -          | 413,665                              | 11,467                           | 425,132                          |                 |
| <b>Total comprehensive income<br/>for the period</b>                            | -                               | -                          | -                              | -                            | (66,444)   | 480,228                                      | -                         | (119)                            | -                        | 1,286,390  | 1,700,055                            | 30,938                           | 1,730,993                        |                 |
| Reversal of PER under the<br>previous guideline                                 | -                               | -                          | -                              | -                            | -  | -  | -                         | -                                | -                        | 34,456     | 34,456                               | -                                | 34,456                           |                 |
| Provision for the year  | -                               | -                          | -                              | -                            | -  | -  | -                         | -                                | 34,456                   | (34,456)   | -                                    | -                                | -                                |                 |
| Share-based payment under ESS   | -                               | -                          | -                              | -                            | -  | -  | 36,759                    | -                                | -                        | -          | 36,759                               | -                                | 36,759                           |                 |
| Net effect of acquisition/disposal of<br>interests to non-controlling interests | -                               | -                          | -                              | -                            | -  | -  | -                         | -                                | -                        | (29,711)   | (29,711)                             | 128,550                          | 98,839                           |                 |
| Net effect of acquisition/disposal of<br>subsidiaries                           | -                               | -                          | -                              | -                            | -  | -  | -                         | -                                | -                        | (164)      | (164)                                | 64,943                           | 64,779                           |                 |
| Transfer to/(from) statutory reserves   | -                               | -                          | 289,156                        | -                            | -  | -  | -                         | -                                | -                        | (289,156)  | -                                    | -                                | -                                |                 |
| Issue of shares pursuant to Employees'<br>Share Scheme ("ESS")                  | 9                               | 73                         | -                              | -                            | -  | -  | -                         | -                                | -                        | -          | 82                                   | -                                | 82                               |                 |
| Dividend payable (Note A8a)   | -                               | -                          | -                              | -                            | -  | -  | -                         | -                                | -                        | (224,346)  | (224,346)                            | -                                | (224,346)                        |                 |
| Dividend paid (Note A8b)  | -                               | -                          | -                              | -                            | -  | -  | -                         | -                                | -                        | -          | -                                    | (3,202)                          | (3,202)                          |                 |
| <b>Total transactions with shareholders</b>                                     | 9                               | 73                         | 289,156                        | -                            | -  | -  | 36,759                    | -                                | 34,456                   | (543,377)  | (182,924)                            | 190,291                          | 7,367                            |                 |
| <b>At 30 September 2011</b>   | 7,478,215                       | 8,583,784                  | 6,699,078                      | 15,250                       | 350,621  | (527,749)                                    | 101,759                   | 8,938                            | 34,456                   | 10,234,278 | 32,978,630                           | 1,229,995                        | 34,208,625                       |                 |

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statement)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

| <u>Group</u>  | <===== Non Distributable =====> |                      |                          |                        |  |                                     |                     |                            |                                       |            |          | Total Shareholders' Equity RM'000 | Non-controlling 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 | ESS Reserves RM'000 | Revaluation Reserve RM'000 | Distributable Retained Profits RM'000 |            |          |                                   |                                  |                     |
| <b>At 1 July 2010</b>                                 | 7,077,983                       | 5,903,497            | 5,553,999                | 15,250                 | 293,015                                      | (949,434)                           | -                   | 9,057                      | 9,755,600                             | 27,658,967 | 782,785  | 28,441,752                        |                                  |                     |
| Profit for the period                                 | -                               | -                    | -                        | -                      | -  | -                                   | -                   | -                          | 1,028,114                             | 1,028,114  | 25,526   | 1,053,640                         |                                  |                     |
| Other comprehensive (loss)/income                     | -                               | -                    | -                        | -                      | 193,816                                      | (356,652)                           | -                   | -                          | -                                     | (162,836)  | (18,483) | (181,319)                         |                                  |                     |
| <b>Total comprehensive income for the period</b>      | -                               | -                    | -                        | -                      | 193,816                                      | (356,652)                           | -                   | -                          | 1,028,114                             | 865,278    | 7,043    | 872,321                           |                                  |                     |
| Net effect of disposal from non-controlling interests | -                               | -                    | -                        | -                      | -  | -                                   | -                   | -                          | 3,695                                 | 3,695      | 2,581    | 6,276                             |                                  |                     |
| Transfer to/(from) statutory reserves                 | -                               | -                    | 187,000                  | -                      | -  | -                                   | -                   | -                          | (187,000)                             | -          | -        | -                                 |                                  |                     |
| Dividend payable                                      | -                               | -                    | -                        | -                      | -  | -                                   | -                   | -                          | (212,339)                             | (212,339)  | -        | (212,339)                         |                                  |                     |
| <b>Total transactions with shareholders</b>           | -                               | -                    | 187,000                  | -                      | -  | -                                   | -                   | -                          | (395,644)                             | (208,644)  | 2,581    | (206,063)                         |                                  |                     |
| <b>At 30 September 2010</b>                           | 7,077,983                       | 5,903,497            | 5,740,999                | 15,250                 | 486,831                                      | (1,306,086)                         | -                   | 9,057                      | 10,388,070                            | 28,315,601 | 792,409  | 29,108,010                        |                                  |                     |

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statement)



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**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

|  | <===== Non Distributable =====> |                            |                                |  |  |                          | Distributable | Total      |
|--|---------------------------------|----------------------------|--------------------------------|--|--|--------------------------|---------------|------------|
|  | Share<br>Capital<br>RM'000      | Share<br>Premium<br>RM'000 | Statutory<br>Reserve<br>RM'000 | Unrealised<br>Holding<br>Reserve/(Deficit)<br>RM'000 | Exchange<br>Fluctuation<br>Reserve<br>RM'000 | ESS<br>Reserve<br>RM'000 |               |            |
| <b>Bank</b>  |                                 |                            |                                |  |  |                          |               |            |
| <b>At 1 July 2011</b>  | 7,478,206                       | 8,583,711                  | 6,212,460                      | 278,860  | 239,262                                      | 65,000                   | 5,140,904     | 27,998,403 |
| Profit for the period  | -                               | -                          | -                              | -  | -  | -                        | 1,156,150     | 1,156,150  |
| Other comprehensive income                                     | -                               | -                          | -                              | 1,228  | 11,523                                       | -                        | -             | 12,751     |
| <b>Total comprehensive income for the period</b>               | -                               | -                          | -                              | 1,228  | 11,523                                       | -                        | 1,156,150     | 1,168,901  |
| Share-based payment under ESS                                  | -                               | -                          | -                              | -  | -  | 36,759                   | -             | 36,759     |
| Transfer to/(from) statutory reserve                           | -                               | -                          | 289,100                        | -  | -  | -                        | (289,100)     | -          |
| Issue of shares pursuant to Employees'<br>Share Scheme ("ESS") | 9                               | 73                         | -                              | -  | -  | -                        | -             | 82         |
| Dividend payable (Note A8)                                     | -                               | -                          | -                              | -  | -  | -                        | (224,346)     | (224,346)  |
| <b>Total transactions with shareholders</b>                    | 9                               | 73                         | 289,100                        | -  | -  | 36,759                   | (513,446)     | (187,505)  |
| <b>At 30 September 2011</b>                                    | 7,478,215                       | 8,583,784                  | 6,501,560                      | 280,088  | 250,785                                      | 101,759                  | 5,783,608     | 28,979,799 |

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statement)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

| <u>Bank</u>                                      | <=====Non Distributable =====> |                            |                                |  |  |                           | Distributable | Total      |
|--|--------------------------------|----------------------------|--------------------------------|--|--|---------------------------|---------------|------------|
|  | Share<br>Capital<br>RM'000     | Share<br>Premium<br>RM'000 | Statutory<br>Reserve<br>RM'000 | Unrealised<br>Holding<br>Reserve/(Deficit)<br>RM'000 | Exchange<br>Fluctuation<br>Reserve<br>RM'000 | ESS<br>Reserves<br>RM'000 |               |            |
| <b>At 1 July 2010</b>                            | 7,077,983                      | 5,903,497                  | 5,372,770                      | 228,648  | (12,495)                                     | -                         | 6,495,300     | 25,065,703 |
| Profit for the period                            | -                              | -                          | -                              | -  | -  | -                         | 744,500       | 744,500    |
| Other comprehensive income                       | -                              | -                          | -                              | 142,240  | 51,492                                       | -                         | -             | 193,732    |
| <b>Total comprehensive income for the period</b> | -                              | -                          | -                              | 142,240  | 51,492                                       | -                         | 744,500       | 938,232    |
| Transfer to/(from) statutory reserves            | -                              | -                          | 187,000                        | -  | -  | -                         | (187,000)     | -          |
| Dividend payable                                 | -                              | -                          | -                              | -  | -  | -                         | (212,339)     | (212,339)  |
| <b>Total transactions with shareholders</b>      | -                              | -                          | 187,000                        | -  | -  | -                         | (399,339)     | (212,339)  |
| <b>At 30 September 2010</b>                      | 7,077,983                      | 5,903,497                  | 5,559,770                      | 370,888  | 38,997                                       | -                         | 6,840,461     | 25,791,596 |

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statement)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CASH FLOW STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

|  | Group                          |                                | Bank                           |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| Profit before taxation   | 1,760,047                      | 1,404,345                      | 1,448,077                      | 1,006,081                      |
| Adjustments for non-operating and non-cash items   | <u>552,358</u>                 | <u>(33,707)</u>                | <u>4,304</u>                   | <u>(49,216)</u>                |
| Operating profit before working capital changes  | <u>2,312,405</u>               | 1,370,638                      | <u>1,452,381</u>               | 956,865                        |
| Changes in working capital:-   |                                |                                |                                |                                |
| Net changes in operating assets  | <u>(15,601,041)</u>            | (9,736,611)                    | <u>(12,460,555)</u>            | (7,997,931)                    |
| Net changes in operating liabilities   | <u>12,348,134</u>              | 8,258,147                      | <u>14,638,948</u>              | 6,751,528                      |
| Tax expense and zakat paid   | <u>(401,841)</u>               | <u>(326,175)</u>               | <u>(303,847)</u>               | <u>(241,272)</u>               |
| Net cash generated from operations   | <u>(1,342,343)</u>             | <u>(434,001)</u>               | <u>3,326,927</u>               | <u>(530,810)</u>               |
| Net cash used in investing activities  | 130,617                        | 474,025                        | 106,421                        | (14,558)                       |
| Net cash generated from / (used in) financing activities   | <u>2,198,262</u>               | <u>75,310</u>                  | <u>2,070,240</u>               | <u>75,310</u>                  |
|  | <u>2,328,879</u>               | <u>549,335</u>                 | <u>2,176,661</u>               | <u>60,752</u>                  |
| Net change in cash and cash equivalents  | 986,536                        | 115,334                        | 5,503,588                      | (470,058)                      |
| Cash and cash equivalents at beginning of year *   | <u>37,501,220</u>              | 27,833,680                     | <u>27,021,246</u>              | 19,017,269                     |
| Cash and cash equivalents at end of year   | <u>38,487,756</u>              | 27,949,014                     | <u>32,524,834</u>              | 18,547,211                     |
| Cash and cash equivalents included in the cash flow statements comprise the following amounts in Statements of Financial Position: |                                |                                |                                |                                |
| Cash and short-term funds  | 40,738,848                     | 27,115,304                     | 32,170,535                     | 17,834,520                     |
| Deposits maturing within 1 month   | <u>436,910</u>                 | <u>933,240</u>                 | <u>354,299</u>                 | <u>712,691</u>                 |
|  | <u>41,175,758</u>              | 28,048,544                     | <u>32,524,834</u>              | 18,547,211                     |
| Less : Monies held in trusts   | <u>(2,688,002)</u>             | <u>(99,530)</u>                | -                              | -                              |
|  | <u>38,487,756</u>              | 27,949,014                     | <u>32,524,834</u>              | 18,547,211                     |
| * Cash and cash equivalents at beginning of year   |                                |                                |                                |                                |
| Cash and short term funds as previously reported   | 36,899,656                     | 28,707,992                     | 26,460,197                     | 19,403,616                     |
| Effects of foreign exchange rate changes   | <u>601,564</u>                 | <u>(874,312)</u>               | <u>561,049</u>                 | <u>(386,347)</u>               |
| As restated  | <u>37,501,220</u>              | 27,833,680                     | <u>27,021,246</u>              | 19,017,269                     |

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statement)

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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 unaudited condensed interim financial statements for 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 unaudited condensed interim financial statements 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 unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 30 June 2011.

The unaudited condensed interim financial statement incorporated those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to the acceptance of deposit and granting of financing under the principles of Shariah.

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 2011 except for adoption of the following Financial Reporting Standard ("FRS"), amendments to FRSs, Interpretations of the Issues Committee ("IC Interpretations") and Technical Release ("TR"):

- (i) Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- (ii) Amendments to FRS 1: Additional Exemptions for First-time Adopters
- (iii) Amendments to FRS 2: Group Cash-Settled Share-based Payment Transactions
- (iv) Amendments to FRS 7: Improving Disclosures about Financial Instruments
- (v) Amendments to FRSs [Improvements to FRSs (2010)]
- (vi) Amendments to IC Interpretation 13 [Improvements to FRSs (2010)]
- (vii) Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)
- (viii) IC Interpretation 18: Transfers of Assets from Customers
- (ix) IC Interpretation 4: Determining Whether an Arrangement contains a Lease
- (x) IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- (xi) TR i - 4: Shariah Compliant Sale Contracts

In addition to these, the Group and the Bank have also adopted BNM's Revised Guidelines for Profit Equalisation Reserve ("PER") issued on May 2011, ("the Revised Guideline"). The Revised Guideline is effective for financial year beginning 1 July 2011 and is required to be applied prospectively. The Group is in the process of obtaining the required approvals prior to implementing an alternative technique to manage the Displaced Commercial Risk as allowed under the Revised Guideline and currently accounts for PER as follows:

- (i) The creation of PER establishes an obligation to manage distribution to the Investment Account Holders ("IAH") from a Shariah perspective. The PER of the IAH is classified as a liability and recognised at cost. The subsequent apportionments of profit to the IAH are recognised in the income statement. The eventual distribution of PER as profit distributable to IAH will be treated as an outflow of funds due to the settlement of obligation to the IAH; and
- (ii) The PER of the Islamic Banking Institution ("IBI") is allocated from retained profits and classified as a separate reserve in equity and is non distributable. Subsequent apportionments from and distributions to retained profits are treated as transfers between reserves.

The adoption of the above FRSs, amendments to FRSs and IC Interpretations did not have any material impact on the financial statements of the Group and the Bank, except for the adoption of Revised Guideline on PER which resulted in changes in presentation of PER of the IAH and PER of the IBI.

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

The following new FRSs, amendments to FRS and IC Interpretations have been issued but are not yet effective, and have not been adopted by the Group and the Bank.

Effective for the financial periods beginning on or after 1 January 2012:

- (i) FRS 124: Related Party Disclosures
- (ii) IC Interpretation 15: Agreements for the Construction of Real Estate

**A2. Significant Accounting Estimates and Judgements**

The preparation of financial statements requires management to make judgments, 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 judgment and complexity, are as follows:

(i) **Fair Value Estimation of Securities Held-for-trading (Note A9(i)), Securities Available-for-sale (Note A9(ii)) and Derivative Financial Instruments (Note A27)**

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 reporting 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 independent professional 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.

(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.

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**A2. Significant Accounting Estimates and Judgements (cont'd.)**

**(v) Liabilities of Insurance Business**

**(a) Life Fund**

Liabilities of the life insurance business are determined in accordance with BNM's Risk-Based Capital Framework for insurers and valued using an actuarial valuation methodology, which is defined by the Framework as the Gross Premium Valuation method. The expected future cash flows are determined using best estimate assumptions with a provision of risk margin for adverse deviation on a 75% confidence level at the overall subsidiary.

**(b) Family Takaful Fund**

Liabilities of the Family Takaful fund is determined based on annual actuarial valuation whereby estimates are made for future deaths, disabilities, maturities, instruments returns, voluntary terminations and expenses in accordance with contractual and regulatory requirements.

**(c) General Insurance and General Takaful Businesses**

The establishment of technical provisions for general insurance and general takaful businesses, including unearned premium/contribution reserves, unexpired risk reserves and claim liabilities/provision for outstanding claims, are based on specific methodologies. The eventual developments of premium/contribution and claim liabilities may vary from initial estimates due to uncertainties including but not restricted to inflation, economic conditions, judicial interpretations and legislative changes.

**(vi) Deferred Tax and Income Taxes**

The Group and the Bank are 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) Impairment Losses on Loans, Advances and Financing**

The Group and Bank review its individually significant loans, advances and financing at each statement of financial position date to assess whether an impairment loss should be recorded in the income statement. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group and the Bank make judgments about the borrower's or the customer's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowances.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes account of data from the loan portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), and concentrations of risks (such as the performance of difference individual groups).

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**A2. Significant Accounting Estimates and Judgements (cont'd.)**

**(viii) Impairment of Investments in Subsidiaries and Interests in Associates**

The Group and the Bank assess whether there is any indication that an investment in subsidiaries and interest in associates may be impaired at each reporting date.

If indicators are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the investment and the investment's estimated recoverable amount.

Judgements made by management in the process of applying the Group and Bank's accounting policies in respect of investment in subsidiaries and interest in associates are as follows:

- (i) The Bank determines whether its investments are impaired following certain indications of impairment such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes and fundamentals
- (ii) Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted cash flow, realisable net asset value and sector average price-earning ratio methods.

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. These assumptions and other key sources of estimation uncertainty at the reporting date, may have a significant risk of causing a material adjustment to the carrying amounts of the investments within the next financial year. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

**(ix) Impairment of Securities Portfolio - Available for Sale and Held to Maturity**

The Group and Bank review the Securities Portfolio' specifically for Available for Sale and Held to Maturity and assess at each reporting date whether there is any objective evidence that the investment is impaired. If there are indicators or objective evidence, the assets are subject to impairment review.

The impairment review comprises the following judgement made by Management:

- (i) Determination whether its investment is impaired following certain indicators or triggers such as, among others, prolonged decline in fair value, significant financial difficulties of the issuer or obligors, the disappearance of an active trading market and deterioration of the credit quality of the issuers or obligors.
- (ii) Determination of "significant" or "prolonged" requires judgement and management evaluates various factors, such as historical fair value movement and the significant reduction in fair value.

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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 2011 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 first quarter ended 30 September 2011.

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

During the first quarter ended 30 September 2011, save as disclosed in Note A7, 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 first quarter ended 30 September 2011.

**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 Group and Bank.

**(a) Issuance of Shares**

The issued and paid-up share capital of the Bank was increased from RM7,478,206,067 as at 30 June 2011 to RM7,478,215,467 as at 30 September 2011, from the issuance of 9,400 new ordinary of RM1.00 each to eligible persons who have exercised their options under the Maybank Employees' Share Scheme (ESS) at the option price of RM8.82 per share.

**(b) Issuance of Subordinated Notes of RM2.0billion under a subordinated note programme of up to RM3.0 billion in nominal value**

On 15 August 2011, Maybank has successfully completed the issuance of RM2.0 billion Tier 2 Capital Subordinated Notes. Details of the issuance are disclosed in Note B8(b).

**(c) Issuance of bonds, medium term notes and borrowings by PT Wahana Ottomitra Multiartha and PT BII Finance Centre**

During the financial period, PT Bank Internasional Indonesia ("BII") and its subsidiaries, the indirect subsidiaries of Maybank had issued bonds, medium term notes and borrowings amounting to approximately RM271 million. The proceeds of such issuances were used by BII and its subsidiaries for its working capital purposes.



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**A8. Dividends Paid**

- (a) There was no dividend paid during the quarter ended 30 September 2011.

During the Annual General Meeting held on 29 September 2011, a final dividend in respect of the financial year ended 30 June 2011 of 32 sen per share less 25% taxation on 7,478,206,067 ordinary shares, amounting to net dividend payable of RM1,794,769,456 (net 24 sen per ordinary share) was approved by the shareholders.

The dividend consists of 4 sen (net 3 sen per ordinary share) to be paid in cash amounting to RM224,346,182 and an electable portion of 28 sen (net 21 sen per ordinary share) amounting to RM1,570,423,274 which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Plan and subject to the relevant regulatory approvals.

The financial statements for the current financial quarter do not reflect the electable portion of 28 sen (net 21 sen per ordinary share) as the relevant regulatory approvals for the issuance of shares had not been obtained as at 30 September 2011.

- (b) Dividends paid by Maybank's subsidiaries to non-controlling interest amounted to RM3,202,000 during the quarter ended 30 September 2011.

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**A9. Securities Portfolio**

|                               | Note  | Group                          |                           | Bank                           |                           |
|-------------------------------|-------|--------------------------------|---------------------------|--------------------------------|---------------------------|
|                               |       | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| Securities held-for-trading   | (i)   | 9,510,165                      | 4,141,978                 | 8,146,168                      | 2,884,895                 |
| Securities available-for-sale | (ii)  | 46,686,207                     | 47,258,558                | 40,405,201                     | 40,262,042                |
| Securities held-to-maturity   | (iii) | 9,842,188                      | 9,638,714                 | 8,556,446                      | 8,339,494                 |
|                               |       | <b>66,038,560</b>              | <b>61,039,250</b>         | <b>57,107,815</b>              | <b>51,486,431</b>         |

**(i) Securities Held-for-trading**

**At Fair value**

**Money market instruments:-**

|  |                  |                  |                  |                |
|--|------------------|------------------|------------------|----------------|
| Malaysian Government Securities        | 1,092,022        | 311,479          | 1,092,022        | 311,479        |
| Malaysian Government Treasury Bills    | 93,964           | 111,888          | 93,964           | 111,888        |
| Malaysian Government Investment Issues | 435,624          | 50,537           | 271,379          | 20,256         |
| Bank Negara Malaysia Bills and Notes   | 1,388,958        | 3,658            | 1,388,958        | 3,658          |
| Khazanah Bonds                         | 76,900           | 59,953           | 76,900           | 59,953         |
| Bank Negara Malaysia Monetary Notes    | 3,586,917        | 251,412          | 3,264,247        | 9,060          |
| Foreign Government Treasury Bills      | 200,342          | 155,361          | 143,324          | 155,360        |
| Foreign Government Securities          | 298,186          | 315,915          | 13,817           | -              |
| Foreign Certificates of Deposits       | 193,697          | 240,590          | -                | -              |
|  | <b>7,366,610</b> | <b>1,500,793</b> | <b>6,344,611</b> | <b>671,654</b> |

**Quoted securities:**

|        |                |                |              |               |
|--------|----------------|----------------|--------------|---------------|
| Shares | 229,517        | 358,871        | 6,459        | 12,104        |
|        | <b>229,517</b> | <b>358,871</b> | <b>6,459</b> | <b>12,104</b> |

**Unquoted securities:**

|   |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|
| Private and Islamic Debt Securities in Malaysia | 1,235,234        | 1,109,414        | 1,235,234        | 1,109,414        |
| Foreign Government Bonds                        | 39,185           | -                | 32,500           | -                |
| Foreign Private Debt Securities                 | 639,619          | 1,172,900        | 527,364          | 1,091,723        |
|   | <b>1,914,038</b> | <b>2,282,314</b> | <b>1,795,098</b> | <b>2,201,137</b> |

**Total securities held-for-trading**

|  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|
|  | <b>9,510,165</b> | <b>4,141,978</b> | <b>8,146,168</b> | <b>2,884,895</b> |
|--|------------------|------------------|------------------|------------------|

**(ii) Securities Available-for-sale**

**At Fair value, or cost less impairment losses  
for certain unquoted equity instruments**

**Money market instruments:-**

|  |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
| Malaysian Government Securities                    | 2,330,356         | 3,750,910         | 2,258,531         | 3,679,217         |
| Sukuk BNM Ijarah                                   | 11,106            | 11,104            | -                 | -                 |
| Cagamas Bonds                                      | 1,977,712         | 1,526,312         | 1,797,732         | 1,342,316         |
| Foreign Government Securities                      | 7,845,693         | 9,053,992         | 5,498,980         | 6,751,494         |
| Malaysian Government Investment Issues             | 5,505,397         | 7,070,669         | 2,543,332         | 3,349,048         |
| Foreign Government Treasury Bills                  | 3,428,405         | 1,157,497         | 3,060,686         | 842,567           |
| Negotiable Instruments of Deposits                 | 384,282           | 775,683           | 4,566,499         | 4,798,186         |
| Bankers' Acceptances and Islamic<br>Accepted Bills | 417,022           | 588,285           | 412,938           | 367,352           |
| Khazanah Bonds                                     | 1,242,819         | 1,173,829         | 926,486           | 867,407           |
|  | <b>23,142,792</b> | <b>25,108,281</b> | <b>21,065,184</b> | <b>21,997,587</b> |

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|   | Group                          |                           | Bank                           |                           |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| <b>A9. Securities Portfolio (cont'd.)</b>               |                                |                           |                                |                           |
| <b>(ii) Securities Available-for-sale (cont'd.)</b>     |                                |                           |                                |                           |
| <b>Quoted Securities: -</b>                             |                                |                           |                                |                           |
| In Malaysia:  |                                |                           |                                |                           |
| Shares, Warrants, Trust Units and Loan Stocks           | 346,437                        | 406,380                   | 81,776                         | 104,814                   |
| Outside Malaysia:                                       |                                |                           |                                |                           |
| Shares, Warrants, Trust Units and Loan Stocks           | 300,239                        | 311,845                   | 17,032                         | 18,722                    |
|   | <b>646,676</b>                 | <b>718,225</b>            | <b>98,808</b>                  | <b>123,536</b>            |
| <b>Unquoted Securities:-</b>                            |                                |                           |                                |                           |
| Shares, trust units and loan stocks in Malaysia         | 561,720                        | 571,573                   | 363,382                        | 376,358                   |
| Shares, trust units and loan stocks<br>outside Malaysia | 37,220                         | 36,112                    | 13,616                         | 13,908                    |
| Private and Islamic Debt Securities in Malaysia         | 9,989,161                      | 9,791,228                 | 7,696,345                      | 7,633,368                 |
| Malaysian Government Bonds                              | -                              | 135,336                   | -                              | 135,336                   |
| Foreign Government Bonds                                | 1,163,304                      | 1,329,748                 | 1,067,639                      | 1,248,718                 |
| Foreign Islamic Private Debt Securities                 | 10,852,432                     | 9,284,751                 | 9,974,908                      | 8,612,607                 |
| Credit Linked Notes                                     | -                              | 75,439                    | -                              | 75,439                    |
| Malaysia Global Sukuk                                   | 247,216                        | 162,485                   | 125,319                        | 45,185                    |
| Structured Deposits                                     | 45,686                         | 45,380                    | -                              | -                         |
|   | <b>22,896,739</b>              | <b>21,432,052</b>         | <b>19,241,209</b>              | <b>18,140,919</b>         |
| <b>Total securities available-for-sale</b>              | <b>46,686,207</b>              | <b>47,258,558</b>         | <b>40,405,201</b>              | <b>40,262,042</b>         |
| <b>(iii) Securities Held-To-Maturity</b>                |                                |                           |                                |                           |
| <b>At Amortised cost less impairment losses</b>         |                                |                           |                                |                           |
| <b>Money market instruments:-</b>                       |                                |                           |                                |                           |
| Malaysian Government Securities                         | 6,252,249                      | 6,275,068                 | 6,252,141                      | 6,274,961                 |
| Cagamas Bonds   | 12,468                         | 11,738                    | 12,468                         | 11,738                    |
| Foreign Government Securities                           | 813,695                        | 801,772                   | -                              | -                         |
| Malaysian Government Investment Issues                  | 498,350                        | 495,864                   | 355,909                        | 353,971                   |
| Khazanah Bonds  | 17,557                         | 17,362                    | 17,557                         | 17,362                    |
|   | <b>7,594,319</b>               | <b>7,601,804</b>          | <b>6,638,075</b>               | <b>6,658,032</b>          |
| <b>Unquoted Securities:-</b>                            |                                |                           |                                |                           |
| Private and Islamic Debt Securities in Malaysia         | 1,678,460                      | 1,451,903                 | 1,648,426                      | 1,421,871                 |
| Malaysian Government Bonds                              | -                              | 6,056                     | -                              | 6,056                     |
| Foreign Government Bonds                                | 49,393                         | 49,438                    | 49,106                         | 49,162                    |
| Foreign Islamic Private Debt Securities                 | 548,727                        | 558,757                   | 249,549                        | 233,616                   |
| Others  | 2,044                          | 2,044                     | 2,044                          | 2,044                     |
|   | <b>2,278,624</b>               | <b>2,068,198</b>          | <b>1,949,125</b>               | <b>1,712,749</b>          |
| Accumulated impairment losses                           | (30,755)                       | (31,288)                  | (30,754)                       | (31,287)                  |
| <b>Total securities held-to-maturity</b>                | <b>9,842,188</b>               | <b>9,638,714</b>          | <b>8,556,446</b>               | <b>8,339,494</b>          |

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**A10. Loans, Advances and Financing**

|   | Group                          |                           | Bank                           |                           |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| <b>At amortised cost</b>                                  |                                |                           |                                |                           |
| Overdrafts  | 15,579,727                     | 15,602,979                | 11,030,260                     | 11,130,114                |
| Term loans  |                                |                           |                                |                           |
| - Housing loans/financing                                 | 49,384,851                     | 42,588,643                | 39,737,406                     | 33,710,861                |
| - Syndicated loan/financing                               | 18,853,001                     | 16,156,890                | 15,712,862                     | 13,020,361                |
| - Hire purchase receivables                               | 46,970,428                     | 46,847,564                | 23,215,208                     | 23,088,371                |
| - Lease receivables                                       | 4,051                          | 4,495                     | 3,262                          | 3,264                     |
| - Other loans/financing                                   | 116,122,565                    | 107,382,363               | 67,848,239                     | 62,659,172                |
| Credit card receivables                                   | 5,832,578                      | 5,773,326                 | 4,932,049                      | 4,863,738                 |
| Bills receivable  | 4,890,186                      | 4,069,296                 | 4,859,830                      | 4,038,085                 |
| Trust receipts  | 2,555,392                      | 2,394,297                 | 2,091,870                      | 1,976,949                 |
| Claims on customers under acceptance credits              | 11,420,673                     | 12,201,913                | 8,007,133                      | 8,554,699                 |
| Loans/financing to banks and other financial institutions | 589,800                        | 6,714,542                 | 1,104,702                      | 7,255,622                 |
| Revolving credits   | 26,812,862                     | 25,876,169                | 17,526,744                     | 18,392,134                |
| Staff loans   | 2,023,784                      | 1,976,167                 | 961,943                        | 1,001,750                 |
| Loans to  |                                |                           |                                |                           |
| - Executive directors of subsidiaries                     | 2,239                          | 3,416                     | 171                            | 123                       |
| Others  | 1,724,593                      | 1,764,438                 | -                              | -                         |
|   | <b>302,766,730</b>             | <b>289,356,498</b>        | <b>197,031,679</b>             | <b>189,695,243</b>        |
| Unearned interest and income                              | <b>(30,206,570)</b>            | <b>(28,176,735)</b>       | <b>(2,791,118)</b>             | <b>(2,826,729)</b>        |
| Gross loans, advances and financing                       | <b>272,560,160</b>             | <b>261,179,763</b>        | <b>194,240,561</b>             | <b>186,868,514</b>        |
| Allowances for impaired loans and financing:              |                                |                           |                                |                           |
| - individual  | <b>(2,930,293)</b>             | <b>(2,932,129)</b>        | <b>(2,174,880)</b>             | <b>(2,115,897)</b>        |
| - collective  | <b>(4,317,578)</b>             | <b>(4,271,208)</b>        | <b>(3,209,707)</b>             | <b>(3,179,773)</b>        |
| Net loans, advances and financing                         | <b>265,312,289</b>             | <b>253,976,426</b>        | <b>188,855,974</b>             | <b>181,572,844</b>        |

**(i) By type of customer**

|  | Group                          |                           | Bank                           |                           |
|--|--------------------------------|---------------------------|--------------------------------|---------------------------|
|  | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| Domestic banking institutions            | 58,936                         | 55,754                    | 58,936                         | 55,896                    |
| Domestic non-bank financial institutions |                                |                           |                                |                           |
| - Stockbroking companies                 | 570                            | 662                       | 570                            | 664                       |
| - Others                                 | 12,493,553                     | 17,649,116                | 7,050,507                      | 13,026,400                |
| Domestic business enterprise             |                                |                           |                                |                           |
| - Small and medium enterprise            | 50,589,424                     | 45,677,647                | 43,309,843                     | 39,498,099                |
| - Others                                 | 61,724,342                     | 57,198,653                | 42,930,808                     | 38,861,878                |
| Government and statutory bodies          | 2,897,966                      | 2,973,103                 | 2,552,331                      | 2,638,335                 |
| Individuals                              | 121,470,669                    | 119,733,544               | 80,316,985                     | 79,854,546                |
| Other domestic entities                  | 1,892,277                      | 1,785,113                 | 478,685                        | 497,646                   |
| Foreign entities                         | 21,432,423                     | 16,106,171                | 17,541,896                     | 12,435,050                |
| Gross loans, advances and financing      | <b>272,560,160</b>             | <b>261,179,763</b>        | <b>194,240,561</b>             | <b>186,868,514</b>        |

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**A10. Loans, Advances and Financing (cont'd.)**

**(ii) By geographical distribution**

|                                     | Group                          |                           | Bank                           |                           |
|-------------------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|
|                                     | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| Malaysia                            | 172,121,616                    | 169,773,543               | 123,716,995                    | 123,380,078               |
| Singapore                           | 60,188,841                     | 54,830,450                | 59,828,614                     | 54,283,692                |
| Indonesia                           | 22,936,530                     | 21,328,288                | -                              | -                         |
| Hong Kong SAR                       | 5,702,952                      | 4,471,402                 | 5,627,900                      | 4,347,640                 |
| Labuan offshore                     | 4,174,948                      | 3,875,185                 | -                              | -                         |
| Philippines                         | 1,732,221                      | 1,419,000                 | -                              | -                         |
| United Kingdom                      | 1,413,895                      | 1,357,952                 | 1,413,883                      | 1,357,952                 |
| United States of America            | 1,212,936                      | 1,176,644                 | 1,212,936                      | 1,176,644                 |
| People's Republic of China          | 1,026,331                      | 986,362                   | 1,026,331                      | 986,362                   |
| Vietnam                             | 568,537                        | 524,916                   | 568,539                        | 524,916                   |
| Cambodia                            | 444,651                        | 425,790                   | 444,651                        | 425,790                   |
| Bahrain                             | 232,315                        | 226,106                   | 232,315                        | 226,106                   |
| Brunei                              | 168,397                        | 159,334                   | 168,397                        | 159,334                   |
| Papua New Guinea                    | 118,812                        | 115,297                   | -                              | -                         |
| Thailand                            | 485,976                        | 466,214                   | -                              | -                         |
| Others                              | 31,202                         | 43,280                    | -                              | -                         |
| Gross loans, advances and financing | <b>272,560,160</b>             | <b>261,179,763</b>        | <b>194,240,561</b>             | <b>186,868,514</b>        |

**(iii) By interest/profit rate sensitivity**

|                                     |                    |                    |                    |                    |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Fixed rate                          |                    |                    |                    |                    |
| - Housing loans/financing           | 12,019,698         | 11,855,759         | 9,368,181          | 9,147,350          |
| - Hire purchase receivables         | 35,424,355         | 35,588,698         | 20,082,492         | 19,968,614         |
| - Other fixed rate loans/financing  | 24,466,672         | 23,960,007         | 14,103,858         | 13,826,800         |
| Variable rate                       |                    |                    |                    |                    |
| - Base lending rate plus            | 96,807,258         | 94,310,265         | 79,442,238         | 78,337,866         |
| - Cost plus                         | 34,259,459         | 31,832,925         | 30,703,470         | 27,507,286         |
| - Other variable rates              | 69,582,718         | 63,632,109         | 40,540,322         | 38,080,598         |
| Gross loans, advances and financing | <b>272,560,160</b> | <b>261,179,763</b> | <b>194,240,561</b> | <b>186,868,514</b> |

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**A10. Loans, Advances and Financing (cont'd.)**

**(iv) Total loans by economic purpose**

|   | Group                          |                           | Bank                           |                           |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| Purchase of securities                                  | 21,022,237                     | 20,743,919                | 11,577,104                     | 11,575,901                |
| Purchase of transport vehicles                          | 40,609,649                     | 39,687,127                | 19,963,634                     | 19,967,508                |
| - less Islamic loans sold to Cagamas                    | (1,597,722)                    | (682,679)                 | -                              | -                         |
| Purchase of landed properties                           |                                |                           |                                |                           |
| - residential   | 49,509,837                     | 46,621,777                | 40,278,778                     | 38,190,785                |
| - non-residential                                       | 16,116,141                     | 14,623,280                | 14,653,971                     | 13,435,251                |
| Purchase of fixed assets (exclude<br>landed properties) | 3,723,629                      | 2,966,538                 | 3,712,421                      | 2,963,248                 |
| Personal use  | 6,855,362                      | 6,362,067                 | 5,864,679                      | 5,456,581                 |
| Credit card   | 5,897,142                      | 5,772,335                 | 4,989,569                      | 4,874,082                 |
| Purchase of consumer durables                           | 290,320                        | 254,111                   | 290,304                        | 254,744                   |
| Construction  | 13,863,961                     | 13,861,422                | 11,328,113                     | 11,526,219                |
| Merger and acquisition                                  | 75,101                         | 52,272                    | 75,101                         | 52,405                    |
| Working capital   | 101,834,268                    | 96,753,084                | 73,814,856                     | 71,342,270                |
| Others  | 14,360,235                     | 14,164,510                | 7,692,031                      | 7,229,520                 |
| Gross loans, advances and financing                     | <b>272,560,160</b>             | <b>261,179,763</b>        | <b>194,240,561</b>             | <b>186,868,514</b>        |

**(v) The maturity structure of the loans, advances and financing are as follows:**

|                                     |                    |                    |                    |                    |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Maturing within one year            | 97,449,895         | 75,170,061         | 80,567,833         | 58,385,457         |
| One year to three years             | 28,668,520         | 27,181,422         | 17,719,976         | 17,817,419         |
| Three years to five years           | 33,743,181         | 35,685,924         | 18,954,135         | 22,244,753         |
| After five years                    | 112,698,564        | 123,142,356        | 76,998,617         | 88,420,885         |
| Gross loans, advances and financing | <b>272,560,160</b> | <b>261,179,763</b> | <b>194,240,561</b> | <b>186,868,514</b> |

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**A10. Loans, Advances and Financing (cont'd.)**

**(vi) Movement in impaired loans, advances and financing ("impaired loans") are as follows:**

|  | Group                          |                           | Bank                           |                           |
|--|--------------------------------|---------------------------|--------------------------------|---------------------------|
|  | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| At beginning of the period/year              | 8,756,862                      | 9,958,863                 | 6,377,496                      | 7,828,774                 |
| Impaired during the period/year              | 1,380,201                      | 5,929,985                 | 804,932                        | 3,211,874                 |
| Reclassified as non-impaired                 | (561,270)                      | (2,730,159)               | (388,381)                      | (1,677,728)               |
| Recovered during the period/year             | (481,419)                      | (2,004,428)               | (335,857)                      | (1,420,027)               |
| Amount written off                           | (366,060)                      | (2,610,648)               | (151,639)                      | (1,624,278)               |
| Converted to securities                      | -                              | (37,863)                  | -                              | (37,863)                  |
| Exchange differences and expenses debited    | 95,185                         | 89,751                    | 53,361                         | 96,744                    |
| Transfer from newly acquired subsidiaries    | 22,611                         | 161,361                   | -                              | -                         |
| At end of the period/year                    | <b>8,846,110</b>               | 8,756,862                 | <b>6,359,912</b>               | 6,377,496                 |
| Less: Individual allowance on impaired loans | <b>(2,930,293)</b>             | (2,932,129)               | <b>(2,174,880)</b>             | (2,115,897)               |
| Net impaired loans, advances and financing   | <b>5,915,817</b>               | 5,824,733                 | <b>4,185,032</b>               | 4,261,599                 |
| Ratio of net impaired loans                  | <b>2.18%</b>                   | 2.25%                     | <b>2.18%</b>                   | 2.31%                     |

**(vii) Impaired loans, advances and financing by economic purpose**

|                                |                  |           |                  |           |
|--------------------------------|------------------|-----------|------------------|-----------|
| Purchase of securities         | 105,643          | 116,667   | 68,414           | 82,257    |
| Purchase of transport vehicles | 366,547          | 276,671   | 142,514          | 111,271   |
| Purchase of landed properties  |                  |           |                  |           |
| - residential                  | 1,226,658        | 1,277,777 | 1,008,854        | 1,058,965 |
| - non-residential              | 209,202          | 290,538   | 188,678          | 264,828   |
| Personal use                   | 134,659          | 126,271   | 115,209          | 111,542   |
| Credit card                    | 97,395           | 77,764    | 56,309           | 53,642    |
| Purchase of consumer durables  | 480              | 1,163     | 477              | 1,159     |
| Construction                   | 527,605          | 523,361   | 415,704          | 433,545   |
| Working capital                | 5,564,832        | 5,575,238 | 4,050,319        | 3,996,647 |
| Others                         | 613,089          | 491,412   | 313,434          | 263,640   |
|                                | <b>8,846,110</b> | 8,756,862 | <b>6,359,912</b> | 6,377,496 |

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**A10. Loans, Advances and Financing (cont'd.)**

**(viii) Impaired loans, advances and financing by geographical distribution**

|                            | Group                          |                           | Bank                           |                           |
|----------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|
|                            | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| Malaysia                   | 6,581,241                      | 6,712,570                 | 5,691,771                      | 5,769,484                 |
| Singapore                  | 366,181                        | 373,977                   | 264,878                        | 242,169                   |
| Indonesia                  | 1,043,971                      | 873,692                   | -                              | -                         |
| Labuan Offshore            | 353,367                        | 351,094                   | -                              | -                         |
| Hong Kong SAR              | 81,788                         | 84,853                    | 80,913                         | 84,853                    |
| Brunei                     | 947                            | 2,613                     | 947                            | 2,613                     |
| Vietnam                    | 84,426                         | 75,692                    | 84,426                         | 75,692                    |
| United Kingdom             | 169,753                        | 141,478                   | 169,753                        | 141,478                   |
| People's Republic of China | -                              | -                         | -                              | -                         |
| Cambodia                   | 13,899                         | 12,499                    | 13,899                         | 12,499                    |
| Papua New Guinea           | -                              | -                         | -                              | -                         |
| Philippines                | 69,273                         | 50,733                    | -                              | -                         |
| United States of America   | -                              | -                         | -                              | -                         |
| Bahrain                    | 53,325                         | 48,708                    | 53,325                         | 48,708                    |
| Thailand                   | 27,939                         | 28,953                    | -                              | -                         |
|                            | <b>8,846,110</b>               | <b>8,756,862</b>          | <b>6,359,912</b>               | <b>6,377,496</b>          |

**(ix) Movement in the allowance for impaired loans, advances and financing are as follows:**

|   | Group                          |                           | Bank                           |                           |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| <u>Individual Allowance</u>   |                                |                           |                                |                           |
| At beginning of the period/year   | 2,932,129                      | 3,981,073                 | 2,115,897                      | 2,909,013                 |
| Allowance made during the period/year   | 250,934                        | 651,725                   | 210,262                        | 471,883                   |
| Amount written back   | (204,266)                      | (291,066)                 | (119,683)                      | (207,265)                 |
| Transferred to impairment losses in securities  | -                              | (51,475)                  | -                              | (51,475)                  |
| Amount written off  | (78,223)                       | (1,185,904)               | (37,915)                       | (936,464)                 |
| Transferred to collective allowance   | (17,650)                       | (173,038)                 | (9,817)                        | (57,227)                  |
| Acquisition of subsidiaries   | 20,678                         | 50,315                    | -                              | -                         |
| Exchange differences  | 26,691                         | (49,501)                  | 16,136                         | (12,568)                  |
| At end of the period/year   | <b>2,930,293</b>               | <b>2,932,129</b>          | <b>2,174,880</b>               | <b>2,115,897</b>          |
| <u>Collective Allowance</u>   |                                |                           |                                |                           |
| At beginning of the period/year   | 4,271,208                      | 4,741,229                 | 3,179,773                      | 3,665,506                 |
| Allowance made during the period/year   | 309,433                        | 774,955                   | 123,869                        | 117,091                   |
| Amount written back   | (19,126)                       | (42)                      | -                              | -                         |
| Transferred from impairment losses in   | -                              | 13,612                    | -                              | 13,612                    |
| Amount written off  | (287,837)                      | (1,424,744)               | (113,724)                      | (687,814)                 |
| Transferred from individual allowance   | 17,650                         | 173,038                   | 9,817                          | 57,227                    |
| Exchange differences  | 26,250                         | (6,840)                   | 9,972                          | 14,151                    |
| At end of the period/year   | <b>4,317,578</b>               | <b>4,271,208</b>          | <b>3,209,707</b>               | <b>3,179,773</b>          |
| As % of gross loans, advances and financing<br>(including Islamic Loans sold to Cagamas) less<br>individual allowance | <b>1.59%</b>                   | <b>1.65%</b>              | <b>1.67%</b>                   | <b>1.72%</b>              |



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**A11. Other Assets**

|                                     | Group                          |                           | Bank                           |                           |
|-------------------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|
|                                     | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| Other debtors                       | 4,757,065                      | 3,643,484                 | 2,031,376                      | 1,146,591                 |
| Amount due from brokers and clients | 2,109,210                      | 2,016,672                 | -                              | -                         |
| Development properties for sale     | 425,937                        | 345,616                   | -                              | -                         |
| Prepayments and deposits            | 429,552                        | 330,525                   | 50,705                         | 71,098                    |
| Tax recoverable                     | 171,616                        | 274,266                   | 34,896                         | 159,874                   |
| Foreclosed properties               | 119,061                        | 124,959                   | 40,132                         | 42,802                    |
|                                     | <b>8,012,441</b>               | <b>6,735,522</b>          | <b>2,157,109</b>               | <b>1,420,365</b>          |

**A12. Deposits from Customers**

**(i) By type of deposit**

|   |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|
| Fixed deposits and negotiable instruments of deposits |                    |                    |                    |                    |
| - One year or less                                    | 152,171,947        | 147,568,388        | 98,135,773         | 94,306,204         |
| - More than one year                                  | 6,403,225          | 5,307,137          | 5,780,772          | 4,547,863          |
| Money market deposits                                 | 26,312,943         | 24,614,815         | 26,312,943         | 24,614,815         |
| Savings deposits                                      | 45,140,281         | 44,128,596         | 32,451,012         | 32,024,849         |
| Demand deposits                                       | 60,678,120         | 57,696,718         | 49,019,478         | 43,853,536         |
| Structured deposits *                                 | 2,556,140          | 2,660,725          | 2,106,942          | 2,118,141          |
|   | <b>293,262,656</b> | <b>281,976,379</b> | <b>213,806,920</b> | <b>201,465,408</b> |

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

**(ii) By type of customer**

|                                 |                    |                    |                    |                    |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| Business enterprises            | 132,304,678        | 125,471,400        | 96,487,042         | 88,232,244         |
| Individuals                     | 127,778,019        | 123,589,127        | 100,061,237        | 96,557,071         |
| Government and statutory bodies | 9,676,074          | 10,418,229         | 3,414,075          | 3,464,642          |
| Others                          | 23,503,885         | 22,497,623         | 13,844,566         | 13,211,451         |
|                                 | <b>293,262,656</b> | <b>281,976,379</b> | <b>213,806,920</b> | <b>201,465,408</b> |

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

|                           |                    |                    |                    |                   |
|---------------------------|--------------------|--------------------|--------------------|-------------------|
| Due within six months     | 126,035,407        | 121,375,160        | 74,473,744         | 70,896,420        |
| Six months to one year    | 26,136,540         | 26,193,228         | 23,662,029         | 23,409,784        |
| One year to three years   | 5,943,210          | 4,876,438          | 5,639,052          | 4,414,265         |
| Three years to five years | 453,906            | 424,590            | 141,720            | 133,598           |
| After five years          | 6,109              | 6,109              | -                  | -                 |
|                           | <b>158,575,172</b> | <b>152,875,525</b> | <b>103,916,545</b> | <b>98,854,067</b> |

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|   | Group                          |                           | Bank                           |                           |
|---|--------------------------------|---------------------------|--------------------------------|---------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| <b>A13. Deposits and Placement of Banks and Other Financial Institutions</b>            |                                |                           |                                |                           |
| Licensed banks  | 32,233,072                     | 23,712,986                | 30,166,967                     | 24,816,195                |
| Licensed finance companies  | 50,744                         | 41,326                    | 29,362                         | 30,652                    |
| Licensed investment banks   | 172,271                        | 429,662                   | 172,272                        | 429,663                   |
| Other financial institutions  | 3,615,653                      | 9,119,681                 | 2,817,952                      | 6,165,165                 |
|   | <b>36,071,740</b>              | <b>33,303,655</b>         | <b>33,186,553</b>              | <b>31,441,675</b>         |
| Maturity structure of deposits and placements of banks and other financial institutions |                                |                           |                                |                           |
| - One year or less  | 34,251,517                     | 27,731,454                | 31,527,431                     | 26,060,606                |
| - More than one year  | 1,820,223                      | 5,572,201                 | 1,659,122                      | 5,381,069                 |
|   | <b>36,071,740</b>              | <b>33,303,655</b>         | <b>33,186,553</b>              | <b>31,441,675</b>         |
| <b>A14. Borrowings, Subordinated Obligations and Capital Securities</b>                 |                                |                           |                                |                           |
| (i) Borrowings  |                                |                           |                                |                           |
| Secured   |                                |                           |                                |                           |
| - less than one year  | 864,664                        | 727,523                   | -                              | -                         |
| - more than one year  | 687,290                        | 666,667                   | -                              | -                         |
|   | <b>1,551,954</b>               | <b>1,394,190</b>          | <b>-</b>                       | <b>-</b>                  |
| Unsecured   |                                |                           |                                |                           |
| - less than one year  | 1,222,102                      | 630,446                   | 132,522                        | 120,920                   |
| - more than one year  | 3,558,367                      | 3,422,484                 | 3,558,367                      | 3,299,579                 |
|   | <b>4,780,469</b>               | <b>4,052,930</b>          | <b>3,690,889</b>               | <b>3,420,499</b>          |
|   | <b>6,332,423</b>               | <b>5,447,120</b>          | <b>3,690,889</b>               | <b>3,420,499</b>          |
| (ii) Subordinated obligations   |                                |                           |                                |                           |
| Unsecured   |                                |                           |                                |                           |
| - more than one year  | 12,984,036                     | 10,800,539                | 11,662,650                     | 9,509,786                 |
| (iii) Capital Securities  |                                |                           |                                |                           |
| Unsecured   |                                |                           |                                |                           |
| - more than one year  | 6,142,503                      | 6,120,774                 | 6,142,503                      | 6,120,774                 |
| <b>A15. Other Liabilities</b>   |                                |                           |                                |                           |
| Due to brokers and clients  | 4,476,478                      | 4,200,630                 | -                              | -                         |
| Deposits and other creditors  | 4,369,802                      | 3,870,733                 | 5,792,857                      | 2,631,835                 |
| Provisions and accruals   | 2,242,800                      | 2,356,192                 | 1,554,061                      | 1,608,321                 |
| Provision for outstanding claims  | 479,929                        | 464,123                   | -                              | -                         |
| Unearned premium reserves   | 315,939                        | 324,929                   | -                              | -                         |
| Profit equalisation reserves  | 61,387                         | 95,247                    | -                              | -                         |
|   | <b>11,946,335</b>              | <b>11,311,854</b>         | <b>7,346,918</b>               | <b>4,240,156</b>          |

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**A16. Interest Income**

|   | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| <b><u>Group</u></b>   |                                |                                |                                |                                |
| Loans, advances and financing                                       | <b>2,684,176</b>               | 2,352,209                      | <b>2,684,176</b>               | 2,352,209                      |
| Money at call and deposit placements<br>with financial institutions | <b>147,697</b>                 | 76,685                         | <b>147,697</b>                 | 76,685                         |
| Securities purchased under<br>resale agreements                     | <b>1,340</b>                   | 1,856                          | <b>1,340</b>                   | 1,856                          |
| Securities held-for-trading   | <b>32,211</b>                  | 18,126                         | <b>32,211</b>                  | 18,126                         |
| Securities available-for-sale                                       | <b>392,556</b>                 | 377,362                        | <b>392,556</b>                 | 377,362                        |
| Securities held-to-maturity   | <b>110,036</b>                 | 107,830                        | <b>110,036</b>                 | 107,830                        |
|   | <b>3,368,016</b>               | 2,934,068                      | <b>3,368,016</b>               | 2,934,068                      |
| Amortisation of premium less accretion<br>of discounts              | <b>(15,382)</b>                | (15,393)                       | <b>(15,382)</b>                | (15,393)                       |
| Net interest income clawed<br>back/suspended                        | -                              | (10,359)                       | -                              | (10,359)                       |
|   | <b>3,352,634</b>               | 2,908,316                      | <b>3,352,634</b>               | 2,908,316                      |
| <b><u>Bank</u></b>  |                                |                                |                                |                                |
| Loans, advances and financing                                       | <b>1,977,968</b>               | 1,746,206                      | <b>1,977,968</b>               | 1,746,206                      |
| Money at call and deposit placements<br>with financial institutions | <b>112,961</b>                 | 88,103                         | <b>112,961</b>                 | 88,103                         |
| Securities purchased under<br>resale agreements                     | <b>63</b>                      | 7                              | <b>63</b>                      | 7                              |
| Securities held-for-trading   | <b>31,568</b>                  | 14,703                         | <b>31,568</b>                  | 14,703                         |
| Securities available-for-sale                                       | <b>348,501</b>                 | 329,103                        | <b>348,501</b>                 | 329,103                        |
| Securities held-to-maturity   | <b>95,607</b>                  | 90,560                         | <b>95,607</b>                  | 90,560                         |
|   | <b>2,566,668</b>               | 2,268,682                      | <b>2,566,668</b>               | 2,268,682                      |
| Amortisation of premium less accretion<br>of discounts              | <b>(16,637)</b>                | (16,288)                       | <b>(16,637)</b>                | (16,288)                       |
| Net interest income clawed<br>back/suspended                        | -                              | (10,357)                       | -                              | (10,357)                       |
|   | <b>2,550,031</b>               | 2,242,037                      | <b>2,550,031</b>               | 2,242,037                      |

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**A17. Interest Expense**

| <u>Group</u>  | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| Deposits and placements of banks and other financial institutions | 106,115                        | 69,854                         | 106,115                        | 69,854                         |
| Deposits from customers   | 1,081,351                      | 820,393                        | 1,081,351                      | 820,393                        |
| Loans sold to Cagamas   | -                              | 882                            | -                              | 882                            |
| Floating rate certificates of deposits                            | 810                            | 509                            | 810                            | 509                            |
| Borrowings  | 74,256                         | 48,260                         | 74,256                         | 48,260                         |
| Subordinated obligations  | 67,984                         | 33,477                         | 67,984                         | 33,477                         |
| Subordinated bonds  | 33,371                         | 45,074                         | 33,371                         | 45,074                         |
| Capital Securities  | 100,574                        | 99,572                         | 100,574                        | 99,572                         |
| Net interest on derivative  | 14,562                         | 15,755                         | 14,562                         | 15,755                         |
|   | <b>1,479,023</b>               | <b>1,133,776</b>               | <b>1,479,023</b>               | <b>1,133,776</b>               |
| <b>Bank</b>   |                                |                                |                                |                                |
| Deposits and placements of banks and other financial institutions | 107,781                        | 61,826                         | 107,781                        | 61,826                         |
| Deposits from customers   | 776,489                        | 604,296                        | 776,489                        | 604,296                        |
| Loans sold to Cagamas   | -                              | 882                            | -                              | 882                            |
| Floating rate certificates of deposits                            | 810                            | 509                            | 810                            | 509                            |
| Borrowings  | 10,916                         | 2,695                          | 10,916                         | 2,695                          |
| Subordinated obligations  | 67,984                         | 33,477                         | 67,984                         | 33,477                         |
| Subordinated bonds  | 33,873                         | 45,074                         | 33,873                         | 45,074                         |
| Capital Securities  | 100,574                        | 99,572                         | 100,574                        | 99,572                         |
| Net interest on derivative  | 7,033                          | 12,663                         | 7,033                          | 12,663                         |
|   | <b>1,105,460</b>               | <b>860,994</b>                 | <b>1,105,460</b>               | <b>860,994</b>                 |

**A18. Non-interest Income**

| <u>Group</u>                                     |                  |                |                  |                |
|--|------------------|----------------|------------------|----------------|
| (a) Fee income:                                  |                  |                |                  |                |
| Commission                                       | 186,786          | 166,025        | 186,786          | 166,025        |
| Service charges and fees                         | 321,109          | 224,861        | 321,109          | 224,861        |
| Guarantee fees                                   | 29,786           | 28,566         | 29,786           | 28,566         |
| Underwriting fees                                | 8,529            | 3,955          | 8,529            | 3,955          |
| Brokerage income                                 | 160,607          | 27,838         | 160,607          | 27,838         |
| Other loans related fee income                   | 152,811          | 137,212        | 152,811          | 137,212        |
|  | <b>859,628</b>   | <b>588,457</b> | <b>859,628</b>   | <b>588,457</b> |
| (b) Net gain/(loss) arising from:                |                  |                |                  |                |
| Sale of securities held-for trading              | 22,840           | 24,391         | 22,840           | 24,391         |
| Sale of securities available-for-sale            | 201,137          | 104,711        | 201,137          | 104,711        |
| Redemption of securities held-to-maturity        | (1)              | (8)            | (1)              | (8)            |
| Net gain from sale of subsidiary company         | 2,059            | -              | 2,059            | -              |
|  | <b>226,035</b>   | <b>129,094</b> | <b>226,035</b>   | <b>129,094</b> |
| (c) Gross dividend from securities portfolio     | 8,623            | 9,605          | 8,623            | 9,605          |
| (d) Unrealised (loss)/gain on revaluation of:    |                  |                |                  |                |
| - securities held-for-trading                    | (74,603)         | 14,396         | (74,603)         | 14,396         |
| - derivatives                                    | (228,221)        | 171,684        | (228,221)        | 171,684        |
|  | <b>(302,824)</b> | <b>186,080</b> | <b>(302,824)</b> | <b>186,080</b> |
| (e) Other income:                                |                  |                |                  |                |
| Foreign exchange profit/(loss)                   | 298,909          | (5,231)        | 298,909          | (5,231)        |
| Rental income                                    | 5,694            | 6,557          | 5,694            | 6,557          |
| Gain on disposal of property and equipment (net) | 5,540            | 3,540          | 5,540            | 3,540          |
| Gain on disposal of foreclosed properties        | 409              | 442            | 409              | 442            |
| Sale of development property                     | 41,755           | -              | 41,755           | -              |
| Others   | 78,933           | 35,659         | 78,933           | 35,659         |
|  | <b>431,240</b>   | <b>40,967</b>  | <b>431,240</b>   | <b>40,967</b>  |
| Total non-interest income                        | <b>1,222,702</b> | <b>954,203</b> | <b>1,222,702</b> | <b>954,203</b> |

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**A18. Non-interest Income (cont'd.)**

| <u>Bank</u>                                      | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| (a) Fee income:                                  |                                |                                |                                |                                |
| Commission                                       | 161,208                        | 146,855                        | 161,208                        | 146,855                        |
| Service charges and fees                         | 206,678                        | 166,903                        | 206,678                        | 166,903                        |
| Guarantee fees                                   | 25,469                         | 25,757                         | 25,469                         | 25,757                         |
| Underwriting fees                                | 5,626                          | 197                            | 5,626                          | 197                            |
| Brokerage income                                 | 646                            | 2,618                          | 646                            | 2,618                          |
| Other loans related fee income                   | 48,991                         | 27,841                         | 48,991                         | 27,841                         |
|  | <u>448,618</u>                 | <u>370,171</u>                 | <u>448,618</u>                 | <u>370,171</u>                 |
| (b) Net gain/(loss) arising from:                |                                |                                |                                |                                |
| Sale of securities held-for trading              | 24,533                         | 16,930                         | 24,533                         | 16,930                         |
| Sale of securities available-for-sale            | 177,811                        | 85,435                         | 177,811                        | 85,435                         |
| Gain on liquidation of subsidiaries              | -                              | 595                            | -                              | 595                            |
| Redemption of securities held-to-maturity        | (1)                            | (8)                            | (1)                            | (8)                            |
|  | <u>202,343</u>                 | <u>102,952</u>                 | <u>202,343</u>                 | <u>102,952</u>                 |
| (c) Gross dividend income from:                  |                                |                                |                                |                                |
| Securities portfolio                             | 1,501                          | 5,459                          | 1,501                          | 5,459                          |
| Subsidiary companies                             | 311,892                        | -                              | 311,892                        | -                              |
| Associated companies                             | 5,231                          | 5,913                          | 5,231                          | 5,913                          |
|  | <u>318,624</u>                 | <u>11,372</u>                  | <u>318,624</u>                 | <u>11,372</u>                  |
| (d) Unrealised (loss)/gain on revaluation of:    |                                |                                |                                |                                |
| - securities held-for-trading                    | (12,581)                       | 10,044                         | (12,581)                       | 10,044                         |
| - derivatives                                    | (216,508)                      | 179,960                        | (216,508)                      | 179,960                        |
|  | <u>(229,089)</u>               | <u>190,004</u>                 | <u>(229,089)</u>               | <u>190,004</u>                 |
| (e) Other income:                                |                                |                                |                                |                                |
| Foreign exchange profit/(loss)                   | 285,085                        | (33,710)                       | 285,085                        | (33,710)                       |
| Rental income                                    | 5,374                          | 6,122                          | 5,374                          | 6,122                          |
| Gain on disposal of property and equipment (net) | 5,229                          | 2,589                          | 5,229                          | 2,589                          |
| Others   | 24,970                         | 1,612                          | 24,970                         | 1,612                          |
|  | <u>320,658</u>                 | <u>(23,387)</u>                | <u>320,658</u>                 | <u>(23,387)</u>                |
| Total non-interest income                        | <u>1,061,154</u>               | <u>651,112</u>                 | <u>1,061,154</u>               | <u>651,112</u>                 |

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**A19. Overhead Expenses**

| <u>Group</u>  | 1st Quarter Ended |              | Cumulative 3 Months Ended |              |
|---|-------------------|--------------|---------------------------|--------------|
|   | 30 September      | 30 September | 30 September              | 30 September |
|   | 2011              | 2010         | 2011                      | 2010         |
|   | RM'000            | RM'000       | RM'000                    | RM'000       |
| Personnel costs   |                   |              |                           |              |
| - Salaries, allowances and bonuses                      | <b>765,003</b>    | 636,212      | <b>765,003</b>            | 636,212      |
| - Pension costs   | <b>88,642</b>     | 77,234       | <b>88,642</b>             | 77,234       |
| - Shares/Options granted under Employee's Shares Scheme | <b>36,759</b>     | -            | <b>36,759</b>             | -            |
| - Others  | <b>134,735</b>    | 119,221      | <b>134,735</b>            | 119,221      |
|   | <b>1,025,139</b>  | 832,667      | <b>1,025,139</b>          | 832,667      |
| Establishment costs                                     |                   |              |                           |              |
| - Depreciation  | <b>51,156</b>     | 40,381       | <b>51,156</b>             | 40,381       |
| - Amortisation of intangible assets                     | <b>40,618</b>     | 35,174       | <b>40,618</b>             | 35,174       |
| - Rental of leasehold land and premises                 | <b>53,339</b>     | 40,217       | <b>53,339</b>             | 40,217       |
| - Repairs and maintenance of property and equipment     | <b>42,182</b>     | 27,481       | <b>42,182</b>             | 27,481       |
| - Information technology expenses                       | <b>131,889</b>    | 111,177      | <b>131,889</b>            | 111,177      |
| - Others  | <b>5,792</b>      | 4,909        | <b>5,792</b>              | 4,909        |
|   | <b>324,976</b>    | 259,339      | <b>324,976</b>            | 259,339      |
| Marketing expenses                                      |                   |              |                           |              |
| - Advertisement and publicity                           | <b>66,337</b>     | 65,841       | <b>66,337</b>             | 65,841       |
| - Others  | <b>30,868</b>     | 21,460       | <b>30,868</b>             | 21,460       |
|   | <b>97,205</b>     | 87,301       | <b>97,205</b>             | 87,301       |
| Administration and general expenses                     |                   |              |                           |              |
| - Fees and brokerage                                    | <b>151,798</b>    | 113,569      | <b>151,798</b>            | 113,569      |
| - Administrative expenses                               | <b>128,183</b>    | 91,405       | <b>128,183</b>            | 91,405       |
| - General expenses                                      | <b>112,515</b>    | 104,234      | <b>112,515</b>            | 104,234      |
| - Cost of development property                          | <b>37,202</b>     | -            | <b>37,202</b>             | -            |
| - Others  | <b>10,867</b>     | 13,539       | <b>10,867</b>             | 13,539       |
|   | <b>440,565</b>    | 322,747      | <b>440,565</b>            | 322,747      |
|   | <b>1,887,885</b>  | 1,502,054    | <b>1,887,885</b>          | 1,502,054    |

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**A19. Overhead Expenses (cont'd.)**

|   | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| <b><u>Bank</u></b>                                      |                                |                                |                                |                                |
| Personnel costs   |                                |                                |                                |                                |
| - Salaries, allowances and bonuses                      | 481,995                        | 467,261                        | 481,995                        | 467,261                        |
| - Pension costs   | 76,588                         | 69,435                         | 76,588                         | 69,435                         |
| - Shares/Options granted under Employee's Shares Scheme | 30,913                         | -                              | 30,913                         | -                              |
| - Others  | 86,603                         | 67,327                         | 86,603                         | 67,327                         |
|   | <b>676,099</b>                 | <b>604,023</b>                 | <b>676,099</b>                 | <b>604,023</b>                 |
| Establishment costs                                     |                                |                                |                                |                                |
| - Depreciation  | 28,414                         | 29,189                         | 28,414                         | 29,189                         |
| - Amortisation of intangible assets                     | 10,606                         | 11,310                         | 10,606                         | 11,310                         |
| - Rental of leasehold land and premises                 | 24,280                         | 20,982                         | 24,280                         | 20,982                         |
| - Repairs and maintenance of property and equipment     | 17,360                         | 17,126                         | 17,360                         | 17,126                         |
| - Information technology expenses                       | 115,122                        | 100,877                        | 115,122                        | 100,877                        |
| - Others  | 4,742                          | 3,510                          | 4,742                          | 3,510                          |
|   | <b>200,524</b>                 | <b>182,994</b>                 | <b>200,524</b>                 | <b>182,994</b>                 |
| Marketing expenses                                      |                                |                                |                                |                                |
| - Advertisement and publicity                           | 31,204                         | 31,756                         | 31,204                         | 31,756                         |
| - Others  | 26,305                         | 19,812                         | 26,305                         | 19,812                         |
|   | <b>57,509</b>                  | <b>51,568</b>                  | <b>57,509</b>                  | <b>51,568</b>                  |
| Administration and general expenses                     |                                |                                |                                |                                |
| - Fees and brokerage                                    | 131,616                        | 86,498                         | 131,616                        | 86,498                         |
| - Administrative expenses                               | 60,104                         | 43,628                         | 60,104                         | 43,628                         |
| - General expenses                                      | 29,815                         | 33,153                         | 29,815                         | 33,153                         |
| - Others  | 1,413                          | 1,518                          | 1,413                          | 1,518                          |
|   | <b>222,948</b>                 | <b>164,797</b>                 | <b>222,948</b>                 | <b>164,797</b>                 |
| Overhead expenses allocated to subsidiary company       | (136,867)                      | (112,061)                      | (136,867)                      | (112,061)                      |
|   | <b>1,020,213</b>               | <b>891,321</b>                 | <b>1,020,213</b>               | <b>891,321</b>                 |

**A20. Allowance for Impairment on Loans, Advances and Financing**

|   | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| <b><u>Group</u></b>                                 |                                |                                |                                |                                |
| Allowance for impaired loans and financing:         |                                |                                |                                |                                |
| - collective allowance made                         | 290,307                        | 152,850                        | 290,307                        | 152,850                        |
| - individual allowance made                         | 250,934                        | 352,135                        | 250,934                        | 352,135                        |
| - individual allowance written back                 | (204,266)                      | (89,594)                       | (204,266)                      | (89,594)                       |
| Impaired loans and financing written off            | 12,186                         | 7,305                          | 12,186                         | 7,305                          |
| Impaired loans and financing recovered              | (252,262)                      | (159,378)                      | (252,262)                      | (159,378)                      |
| Provision/(written back) for other debts            | 1,848                          | 1,417                          | 1,848                          | 1,417                          |
|   | <b>98,747</b>                  | <b>264,735</b>                 | <b>98,747</b>                  | <b>264,735</b>                 |
| <b><u>Bank</u></b>                                  |                                |                                |                                |                                |
| Allowance for bad and doubtful debts and financing: |                                |                                |                                |                                |
| - collective allowance made/(written back)          | 123,869                        | 114,354                        | 123,869                        | 114,354                        |
| - individual allowance made                         | 210,262                        | 156,530                        | 210,262                        | 156,530                        |
| - individual allowance written back                 | (119,683)                      | (53,091)                       | (119,683)                      | (53,091)                       |
| Impaired loans and financing written off            | 11,129                         | 5,423                          | 11,129                         | 5,423                          |
| Impaired loans and financing recovered              | (183,798)                      | (89,211)                       | (183,798)                      | (89,211)                       |
| Provision/(written back) for other debts            | 914                            | (863)                          | 914                            | (863)                          |
|   | <b>42,693</b>                  | <b>133,142</b>                 | <b>42,693</b>                  | <b>133,142</b>                 |

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**A21. Segment Information**

The Group determines and presents operating segments based on information provided to the board and senior management.

The Group is organised into four (4) segments based on services and products available within the group as follows:

(a) Community Financial Services

(i) Consumer Banking

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

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

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

(iii) Business Banking

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

(b) Global Wholesale Banking ("GWB")

(i) Corporate Banking Malaysia

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

(ii) Global Markets Malaysia

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



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**A21. Segment Information (cont'd.)**

(b) Global Wholesale Banking ("GWB") (cont'd.)

(iii) Investment banking (Maybank IB and Kim Eng Group)

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

(c) Insurance, Takaful and Asset Management

Insurance, takaful and asset management comprise the business of underwriting all classes of general and life insurance businesses, offshore investment life insurance business, general takaful and family takaful businesses, asset and fund management, nominee and trustee services and custodian services

(d) International banking

On the international front, the domestic CFS business is driven in-country whilst the wholesale banking for each country has a reporting line to the Global Wholesale Banking ("GWB"). For purpose of management information reporting, the GWB performance is shown separately and comprises Corporate Banking and Global Market in Malaysia as well as the investment banking business, whilst the international banking performance comprises both the wholesale banking and CFS banking outside of Malaysia for example, Singapore and Indonesia.

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**A21. Segment Information (cont'd.)**

**By Business Segments**

| Three Months Ended<br>30 September 2011              | <===== Business Segments =====>              |                                |                             |                                 |                                    |  |                                     | Total<br>RM'000  |
|--|--|--------------------------------|-----------------------------|---------------------------------|------------------------------------|--|-------------------------------------|------------------|
|  | <===== GWB =====>                            |                                |                             |                                 |                                    |  |                                     |                  |
|  | Community<br>Financial<br>Services<br>RM'000 | Corporate<br>Banking<br>RM'000 | Global<br>Markets<br>RM'000 | Investment<br>Banking<br>RM'000 | International<br>Banking<br>RM'000 | Insurance,<br>Takaful<br>and Asset<br>Management<br>RM'000 | Head Office<br>and Others<br>RM'000 |                  |
| Net interest income and Islamic banking income       |  |                                |                             |                                 |                                    |  |                                     |                  |
| - external   | 1,218,057                                    | 286,401                        | 162,154                     | 66,395                          | 755,157                            | 8,399  | (106,622)                           | 2,389,941        |
| - Inter-segment                                      | -  | -                              | -                           | 314                             | (2,913)                            | 4,524  | (1,925)                             | -                |
|  | <b>1,218,057</b>                             | <b>286,401</b>                 | <b>162,154</b>              | <b>66,709</b>                   | <b>752,244</b>                     | <b>12,923</b>  | <b>(108,547)</b>                    | <b>2,389,941</b> |
| Net interest income and Islamic banking income       | 1,218,057                                    | 286,401                        | 162,154                     | 66,709                          | 752,244                            | 12,923   | (108,547)                           | 2,389,941        |
| Net income from insurance business                   | -  | -                              | -                           | -                               | -                                  | 96,497   | -                                   | 96,497           |
| Non-interest income                                  | 384,495                                      | 138,196                        | 309,990                     | 229,993                         | 425,715                            | 83,080   | (348,767)                           | 1,222,702        |
| Net income   | <b>1,602,552</b>                             | <b>424,597</b>                 | <b>472,144</b>              | <b>296,702</b>                  | <b>1,177,959</b>                   | <b>192,500</b>   | <b>(457,314)</b>                    | <b>3,709,140</b> |
| Overhead expenses                                    | (812,355)                                    | (95,703)                       | (63,842)                    | (245,178)                       | (580,498)                          | (90,309)   | -                                   | (1,887,885)      |
| Allowance for losses on loans advances and financing | 26,049                                       | 60,134                         | -                           | (6,452)                         | (178,430)                          | (48)   | -                                   | (98,747)         |
| Impairment losses on securities, net                 | -  | 4,649                          | -                           | -                               | 578                                | (4,209)  | -                                   | 1,018            |
| Operating Profit                                     | <b>816,246</b>                               | <b>393,677</b>                 | <b>408,302</b>              | <b>45,072</b>                   | <b>419,609</b>                     | <b>97,934</b>  | <b>(457,314)</b>                    | <b>1,723,526</b> |
| Share of profits in associates                       | -  | -                              | -                           | 2,276                           | 34,245                             | -  | -                                   | 36,521           |
| <b>Profit before taxation and zakat</b>              | <b>816,246</b>                               | <b>393,677</b>                 | <b>408,302</b>              | <b>47,348</b>                   | <b>453,854</b>                     | <b>97,934</b>  | <b>(457,314)</b>                    | <b>1,760,047</b> |
| Taxation and zakat                                   |  |                                |                             |                                 |                                    |  |                                     | (454,186)        |
| <b>Profit after taxation and zakat</b>               |  |                                |                             |                                 |                                    |  |                                     | <b>1,305,861</b> |
| Non-controlling interest                             |  |                                |                             |                                 |                                    |  |                                     | (19,471)         |
| <b>Profit for the period</b>                         |  |                                |                             |                                 |                                    |  |                                     | <b>1,286,390</b> |

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**A21. Segment Information (cont'd.)**

**By Business Segments**

| Three Months Ended<br>30 September 2010              | <===== Business Segments =====>              |                                |                             |                                 |                                    |  |                                     | Total<br>RM'000  |
|--|--|--------------------------------|-----------------------------|---------------------------------|------------------------------------|--|-------------------------------------|------------------|
|  | <===== GWB =====>                            |                                |                             |                                 |                                    |  |                                     |                  |
|  | Community<br>Financial<br>Services<br>RM'000 | Corporate<br>Banking<br>RM'000 | Global<br>Markets<br>RM'000 | Investment<br>Banking<br>RM'000 | International<br>Banking<br>RM'000 | Insurance,<br>Takaful<br>and Asset<br>Management<br>RM'000 | Head Office<br>and Others<br>RM'000 |                  |
| Net interest income and Islamic banking income       |  |                                |                             |                                 |                                    |  |                                     |                  |
| - external   | 1,113,940                                    | 186,710                        | 158,800                     | 4,221                           | 656,113                            | 24,461   | (31,502)                            | 2,112,743        |
| - Inter-segment                                      | -  | -                              | -                           | (521)                           | 1,407                              | (3,661)  | 2,775                               | -                |
|  | <u>1,113,940</u>                             | <u>186,710</u>                 | <u>158,800</u>              | <u>3,700</u>                    | <u>657,520</u>                     | <u>20,800</u>  | <u>(28,727)</u>                     | <u>2,112,743</u> |
| Net interest income and Islamic banking income       | 1,113,940                                    | 186,710                        | 158,800                     | 3,700                           | 657,520                            | 20,800   | (28,727)                            | 2,112,743        |
| Net income from insurance business                   | -  | -                              | -                           | -                               | -                                  | 86,753   | -                                   | 86,753           |
| Non-interest income                                  | 235,409                                      | 52,810                         | 261,600                     | 40,830                          | 302,990                            | 79,786   | (19,222)                            | 954,203          |
| Net income   | <u>1,349,349</u>                             | <u>239,520</u>                 | <u>420,400</u>              | <u>44,530</u>                   | <u>960,510</u>                     | <u>187,339</u>   | <u>(47,949)</u>                     | <u>3,153,699</u> |
| Overhead expenses                                    | (717,229)                                    | (40,249)                       | (40,653)                    | (35,198)                        | (565,123)                          | (103,602)  | -                                   | (1,502,054)      |
| Allowance for losses on loans advances and financing | (90,140)                                     | (35,195)                       | -                           | (2,000)                         | (137,100)                          | (300)  | -                                   | (264,735)        |
| Impairment losses on securities, net                 | -  | -                              | (10,067)                    | 24                              | 620                                | (4,500)  | -                                   | (13,923)         |
| Operating Profit                                     | <u>541,980</u>                               | <u>164,076</u>                 | <u>369,680</u>              | <u>7,356</u>                    | <u>258,907</u>                     | <u>78,937</u>  | <u>(47,949)</u>                     | <u>1,372,987</u> |
| Share of profits in associates                       | -  | -                              | -                           | -                               | 31,358                             | -  | -                                   | 31,358           |
| <b>Profit before taxation and zakat</b>              | <u>541,980</u>                               | <u>164,076</u>                 | <u>369,680</u>              | <u>7,356</u>                    | <u>290,265</u>                     | <u>78,937</u>  | <u>(47,949)</u>                     | <u>1,404,345</u> |
| Taxation and zakat                                   |  |                                |                             |                                 |                                    |  |                                     | (350,705)        |
| <b>Profit after taxation and zakat</b>               |  |                                |                             |                                 |                                    |  |                                     | <u>1,053,640</u> |
| Non-controlling interest                             |  |                                |                             |                                 |                                    |  |                                     | (25,526)         |
| <b>Profit for the period</b>                         |  |                                |                             |                                 |                                    |  |                                     | <u>1,028,114</u> |

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**A22. 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 2011.

**A23. Subsequent Events**

There were no material events subsequent to the reporting date, other than disclosed in Note B8.

**A24. 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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**A25. Commitments and Contingencies**

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<br>30 September 2011   |   |                                       | As at<br>30 June 2011        |   |                                       |
|--|------------------------------|---|---------------------------------------|------------------------------|---|---------------------------------------|
|  | Full<br>commitment<br>RM'000 | Credit<br>equivalent<br>amount*<br>RM'000 | Risk<br>weighted<br>amount*<br>RM'000 | Full<br>commitment<br>RM'000 | Credit<br>equivalent<br>amount*<br>RM'000 | Risk<br>weighted<br>amount*<br>RM'000 |
| <b><u>Credit-related</u></b>                             |                              |   |                                       |                              |   |                                       |
| Direct credit substitutes                                | 6,920,984                    | 6,914,232                                 | 4,490,541                             | 6,752,978                    | 6,227,511                                 | 4,099,984                             |
| Certain transaction-related contingent items             | 12,092,845                   | 5,657,212                                 | 4,345,905                             | 11,877,557                   | 5,432,538                                 | 4,249,138                             |
| Short-term self-liquidating trade-related contingencies  | 3,534,048                    | 912,257                                   | 543,452                               | 2,568,575                    | 823,220                                   | 466,841                               |
| Islamic hire purchase loans sold to Cagamas Berhad       | 1,597,722                    | 1,528,875                                 | 469,211                               | 682,679                      | 623,084                                   | 226,105                               |
| Obligations under underwriting agreements                | 30,000                       | 15,000                                    | 15,000                                | -                            | -   | -                                     |
| Irrevocable commitments to extend credit:                |                              |   |                                       |                              |   |                                       |
| - maturity within one year                               | 96,779,910                   | 10,896,554                                | 4,799,126                             | 90,585,383                   | 3,377,523                                 | 1,577,558                             |
| - maturity exceeding one year                            | 19,148,888                   | 2,878,084                                 | 1,640,154                             | 17,429,274                   | 6,027,366                                 | 2,818,245                             |
| Miscellaneous commitments and contingencies              | 7,616,550                    | 399,559                                   | 296,607                               | 9,605,986                    | 95,365                                    | 71,442                                |
| <b>Total credit-related commitment and contingencies</b> | <b>147,720,947</b>           | <b>29,201,773</b>                         | <b>16,599,996</b>                     | <b>139,502,432</b>           | <b>22,606,607</b>                         | <b>13,509,313</b>                     |

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**A25. Commitments and Contingencies (cont'd.)**

**Group (cont'd.)**

|  | As at<br>30 September 2011   |   |                                       | As at<br>30 June 2011        |   |                                       |
|--|------------------------------|---|---------------------------------------|------------------------------|---|---------------------------------------|
|  | Full<br>commitment<br>RM'000 | Credit<br>equivalent<br>amount*<br>RM'000 | Risk<br>weighted<br>amount*<br>RM'000 | Full<br>commitment<br>RM'000 | Credit<br>equivalent<br>amount*<br>RM'000 | Risk<br>weighted<br>amount*<br>RM'000 |
| <b><u>Derivative Financial Instruments</u></b>       |                              |   |                                       |                              |   |                                       |
| Foreign exchange related contracts:                  |                              |   |                                       |                              |   |                                       |
| - less than one year                                 | 97,014,815                   | 2,429,418                                 | 989,504                               | 73,596,336                   | 999,219                                   | 341,316                               |
| - one year to less than five years                   | 14,102,044                   | 128,461                                   | 93,865                                | 12,391,864                   | 98,952                                    | 65,569                                |
| - five years and above                               | 840,754                      | 45,908                                    | 45,289                                | 605,885                      | 54,096                                    | 52,937                                |
|  | <b>111,957,613</b>           | <b>2,603,787</b>                          | <b>1,128,658</b>                      | <b>86,594,085</b>            | <b>1,152,267</b>                          | <b>459,822</b>                        |
| Interest rate related contracts:                     |                              |   |                                       |                              |   |                                       |
| - less than one year                                 | 74,508,064                   | 254,371                                   | 165,576                               | 42,098,665                   | 625,318                                   | 389,499                               |
| - one year to less than five years                   | 48,818,751                   | 3,131,074                                 | 1,579,155                             | 17,922,122                   | 2,944,133                                 | 1,495,547                             |
| - five years and above                               | 9,617,941                    | 1,103,840                                 | 582,762                               | 5,120,193                    | 733,014                                   | 316,936                               |
|  | <b>132,944,756</b>           | <b>4,489,285</b>                          | <b>2,327,493</b>                      | <b>65,140,980</b>            | <b>4,302,465</b>                          | <b>2,201,982</b>                      |
| Equity and commodity related contracts:              |                              |   |                                       |                              |   |                                       |
| - less than one year                                 | 226,447                      | -   | -                                     | 808,651                      | -   | -                                     |
| - one year to less than five years                   | 610,843                      | -   | -                                     | 155,607                      | -   | -                                     |
|  | <b>837,290</b>               | <b>-</b>                                  | <b>-</b>                              | <b>964,258</b>               | <b>-</b>                                  | <b>-</b>                              |
| Total treasury-related commitments and contingencies | <b>245,739,659</b>           | <b>7,093,072</b>                          | <b>3,456,151</b>                      | <b>152,699,323</b>           | <b>5,454,732</b>                          | <b>2,661,804</b>                      |
|  | <b>393,460,606</b>           | <b>36,294,845</b>                         | <b>20,056,147</b>                     | <b>292,201,755</b>           | <b>28,061,339</b>                         | <b>16,171,117</b>                     |

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**A25. Commitments and Contingencies (cont'd.)**

|   | As at<br>30 September 2011   |   |                                       | As at<br>30 June 2011        |   |                                       |
|---|------------------------------|---|---------------------------------------|------------------------------|---|---------------------------------------|
|   | Full<br>commitment<br>RM'000 | Credit<br>equivalent<br>amount*<br>RM'000 | Risk<br>weighted<br>amount*<br>RM'000 | Full<br>commitment<br>RM'000 | Credit<br>equivalent<br>amount*<br>RM'000 | Risk<br>weighted<br>amount*<br>RM'000 |
| <b><u>Bank</u></b>                                      |                              |   |                                       |                              |   |                                       |
| <b><u>Credit-related</u></b>                            |                              |   |                                       |                              |   |                                       |
| Direct credit substitutes                               | 4,678,053                    | 4,678,053                                 | 2,880,576                             | 4,649,552                    | 4,649,552                                 | 2,664,930                             |
| Certain transaction-related contingent items            | 10,299,735                   | 4,974,645                                 | 3,720,981                             | 10,543,747                   | 4,935,629                                 | 3,801,327                             |
| Short-term self-liquidating trade-related contingencies | 3,344,825                    | 874,145                                   | 507,336                               | 2,408,875                    | 760,622                                   | 431,034                               |
| Obligations under underwriting agreements               | -                            | -   | -                                     | -                            | -   | -                                     |
| Irrevocable commitments to extend credit:               |                              |   |                                       |                              |   |                                       |
| - maturity within one year                              | 82,606,494                   | 10,108,654                                | 4,434,771                             | 78,255,915                   | 2,613,454                                 | 1,366,897                             |
| - maturity exceeding one year                           | 16,579,093                   | 2,321,390                                 | 1,325,823                             | 15,431,262                   | 5,632,158                                 | 2,648,543                             |
| Miscellaneous commitments and contingencies             | 7,398,606                    | 361,103                                   | 150,015                               | 9,576,083                    | 95,365                                    | 71,442                                |
| Total credit-related commitment and contingencies       | <b>124,906,806</b>           | <b>23,317,990</b>                         | <b>13,019,502</b>                     | 120,865,434                  | 18,686,780                                | 10,984,173                            |

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**A25. Commitments and Contingencies (cont'd.)**

|  | As at<br>30 September 2011   |   |                                       | As at<br>30 June 2011        |   |                                       |
|--|------------------------------|---|---------------------------------------|------------------------------|---|---------------------------------------|
|  | Full<br>commitment<br>RM'000 | Credit<br>equivalent<br>amount*<br>RM'000 | Risk<br>weighted<br>amount*<br>RM'000 | Full<br>commitment<br>RM'000 | Credit<br>equivalent<br>amount*<br>RM'000 | Risk<br>weighted<br>amount*<br>RM'000 |
| <b><u>Bank (cont'd.)</u></b>                         |                              |   |                                       |                              |   |                                       |
| <b><u>Derivative Financial Instruments</u></b>       |                              |   |                                       |                              |   |                                       |
| Foreign exchange related contracts:                  |                              |   |                                       |                              |   |                                       |
| - less than one year                                 | 92,518,572                   | 2,353,672                                 | 943,745                               | 69,241,688                   | 974,508                                   | 330,847                               |
| - one year to less than five years                   | 12,205,481                   | 65,977                                    | 56,061                                | 11,703,995                   | 98,952                                    | 65,569                                |
| - five years and above                               | 840,754                      | 45,908                                    | 45,289                                | 605,885                      | 54,096                                    | 52,937                                |
|  | <b>105,564,807</b>           | <b>2,465,557</b>                          | <b>1,045,095</b>                      | 81,551,568                   | 1,127,556                                 | 449,353                               |
| Interest rate related contracts:                     |                              |   |                                       |                              |   |                                       |
| - less than one year                                 | 103,409,158                  | 247,098                                   | 162,792                               | 39,794,395                   | 618,202                                   | 386,088                               |
| - one year to less than five years                   | 20,282,636                   | 3,037,416                                 | 1,545,268                             | 17,674,164                   | 2,899,881                                 | 1,473,840                             |
| - five years and above                               | 6,490,299                    | 1,067,868                                 | 569,784                               | 4,996,206                    | 733,014                                   | 344,942                               |
|  | <b>130,182,093</b>           | <b>4,352,382</b>                          | <b>2,277,844</b>                      | 62,464,765                   | 4,251,097                                 | 2,204,870                             |
| Equity and commodity related contracts:              |                              |   |                                       |                              |   |                                       |
| - less than one year                                 | 226,447                      | -   | -                                     | 808,651                      | -   | -                                     |
| - one year to less than five years                   | 610,843                      | -   | -                                     | 155,607                      | -   | -                                     |
|  | <b>837,290</b>               | -   | -                                     | 964,258                      | -   | -                                     |
| Total treasury-related commitments and contingencies | <b>236,584,190</b>           | <b>6,817,939</b>                          | <b>3,322,939</b>                      | 144,980,591                  | 5,378,653                                 | 2,654,223                             |
|  | <b>361,490,996</b>           | <b>30,135,929</b>                         | <b>16,342,441</b>                     | 265,846,025                  | 24,065,433                                | 13,638,396                            |

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



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**A25. Commitments and Contingencies (cont'd.)**

- (i) The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risk, as follows:

Market Risk

Market risk on derivatives is the potential loss to the value of these contracts due to changes in price of the underlying items such as equities, interest rates, foreign exchange, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amount at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 30 September 2011, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM1,287.2 million (30 June 2011: RM435.4 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

- (ii) Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as at fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 September 2011, the Group and the Bank have posted cash collateral of RM259.7 million (30 June 2011: RM143.2 million) on their derivative contracts.

- (iii) There have been no changes since the end of the previous financial year in respect of the following:

- (a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- (b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- (c) the related accounting policies.

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**A26. Capital Adequacy**

**(a) Compliance and Application of Capital Adequacy Ratios**

The capital adequacy ratios are computed as follows:

(a) Group, Bank and Maybank Islamic Berhad (“MIB”)’s ratios are computed in accordance with Bank Negara Malaysia’s Risk Weighted Capital Adequacy Framework (Basel II “RWCAF”) as follows:

- (i) Credit risk under Internal-Ratings Based Approach
- (ii) Market risk under Standardised Approach
- (iii) Operational risk under Basic Indicator Approach

The minimum regulatory capital adequacy requirement is 8% (2011: 8%) for the risk-weighted capital ratios.

(b) Maybank Investment Bank Berhad (“Maybank IB”) on a standalone basis is computed in accordance with Bank Negara Malaysia’s Risk Weighted Capital Adequacy Framework (Basel II “RWCAF”) under Standardised Approach for credit and market, whereas operational risk is under the Basic Indicator Approach. The minimum regulatory capital adequacy requirement is 8% (2011: 8%) for the risk-weighted capital ratios.

(c) PT Bank Internasional Indonesia Tbk on a standalone basis is computed in accordance with local requirements, which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirement is 8% (2011: 8%) for the risk-weighted capital ratios. However, for disclosure at Maybank Group level, the computation was based on the capital adequacy rules of the overseas jurisdiction (parent company) namely Maybank Group, using Basel II RWCAF rules, as PT Bank Internasional Indonesia Tbk is considered a significant overseas subsidiary.

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**A26. Capital Adequacy (cont'd.)**

**(b) The capital adequacy ratios of the Group and the Bank as at the following dates:**

In determining the capital adequacy ratio, the approved gross dividend consisting of an electable portion of 28 sen (net 21 sen per ordinary share) which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Plan.

Thereof, there will be a range of extreme possibilities that the full electable portion is reinvested in new ordinary shares or the full electable portion is not reinvested but paid in cash.

The is no proposed dividend for the financial period ended 30 September 2011.

Based on the above, the range of capital adequacy ratios of the Group and the Bank after deducting the electable portion dividend are as follows:

|  | <b>Group</b>        |                | <b>Bank</b>         |                |
|--|---------------------|----------------|---------------------|----------------|
|  | <b>30 September</b> | <b>30 June</b> | <b>30 September</b> | <b>30 June</b> |
|  | <b>2011</b>         | <b>2011</b>    | <b>2011</b>         | <b>2011</b>    |
| <b>Before deducting electable portion dividend to be reinvested:</b> |                     |                |                     |                |
| Core capital ratio   | <b>10.83%</b>       | 11.93% *       | <b>13.58%</b>       | 13.44% *       |
| Risk-weighted capital ratio  | <b>14.86%</b>       | 15.45% *       | <b>13.58%</b>       | 13.44% *       |
| <b>After deducting electable portion dividend to be reinvested:</b>  |                     |                |                     |                |
| Core capital ratio, assuming:  |                     |                |                     |                |
| - full electable portion paid in cash                                | <b>10.23%</b>       | 11.21%         | <b>12.79%</b>       | 12.49%         |
| - full electable portion reinvested                                  | <b>10.83%</b>       | 11.84%         | <b>13.58%</b>       | 13.32%         |
| Risk-weighted capital ratio, assuming:                               |                     |                |                     |                |
| - full electable portion paid in cash                                | <b>14.25%</b>       | 14.72%         | <b>12.79%</b>       | 12.49%         |
| - full electable portion reinvested                                  | <b>14.86%</b>       | 15.36%         | <b>13.58%</b>       | 13.32%         |

\* In arriving at the capital based used in the ratio calculations of the Group and the Bank, the proposed dividends were not deducted.

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**A26. Capital Adequacy (cont'd.)**

**(c) Components of Tier I and Tier II capital:**

|   | Group                           |                            | Bank                            |                            |
|---|---------------------------------|----------------------------|---------------------------------|----------------------------|
|   | 30 September<br>2011<br>RM '000 | 30 June<br>2011<br>RM '000 | 30 September<br>2011<br>RM '000 | 30 June<br>2011<br>RM '000 |
| <u>Tier I capital</u>   |                                 |                            |                                 |                            |
| Paid-up share capital   | 7,478,215                       | 7,478,206                  | 7,478,215                       | 7,478,206                  |
| Share premium   | 8,583,784                       | 8,583,711                  | 8,583,784                       | 8,583,711                  |
| Other reserves  | 13,547,532                      | 14,779,856                 | 11,805,051                      | 11,790,065                 |
| Capital Securities  | 6,066,543                       | 6,065,486                  | 6,066,543                       | 6,065,486                  |
|   | <u>35,676,074</u>               | <u>36,907,259</u>          | <u>33,933,593</u>               | <u>33,917,468</u>          |
| Less: Deferred tax assets <sup>1</sup>                                  | (1,383,388)                     | (1,383,388)                | (920,837)                       | (920,837)                  |
| Less: Goodwill <sup>1</sup>   | (6,049,900)                     | (6,049,900)                | (81,015)                        | (81,015)                   |
| Total Tier I capital  | <u>28,242,786</u>               | <u>29,473,971</u>          | <u>32,931,741</u>               | <u>32,915,616</u>          |
| <u>Tier II capital</u>  |                                 |                            |                                 |                            |
| Subordinated obligations  | 12,825,139                      | 10,732,475                 | 11,510,697                      | 9,458,980                  |
| Collective allowance for bad and<br>doubtful debts                      | 998,200                         | 995,632                    | 480,504                         | 449,884                    |
| Total Tier II capital   | <u>13,823,339</u>               | <u>11,728,107</u>          | <u>11,991,201</u>               | <u>9,908,864</u>           |
| Total capital   | 42,066,125                      | 41,202,078                 | 44,922,942                      | 42,824,480                 |
| Less: Investment in subsidiary companies<br>and associates <sup>2</sup> | (2,939,811)                     | (2,924,965)                | (17,457,434)                    | (17,457,434)               |
| Less: Other deductions  |                                 |                            |                                 |                            |
| Liquidity reserve   | -                               | (1,492)                    | -                               | (1,492)                    |
| Securitisation exposures held in the<br>banking book                    | (47,721)                        | (16,796)                   | (47,721)                        | (16,796)                   |
| Excess of EL <sup>3</sup> over EP <sup>3</sup>                          | (347,489)                       | (108,217)                  | (299,973)                       | (37,149)                   |
| Capital base  | <u>38,731,104</u>               | <u>38,150,608</u>          | <u>27,117,814</u>               | <u>25,311,609</u>          |

<sup>1</sup> Under Bank Negara Malaysia Guidelines, deferred tax and goodwill are required to be excluded from Tier I capital.

<sup>2</sup> Excludes the cost of investment in subsidiary companies and associates, except for Myfin Berhad of RM18,993,759, as its business, assets and liabilities have been transferred to the Bank. For the Group, the cost of investments in insurance companies and associates are deducted from capital base.

<sup>3</sup> EP is defined as eligible provision and EL is defined as expected loss.

<sup>4</sup> The capital adequacy ratios of the Group consist of capital base and risk-weighted assets derived from consolidated balances of the Bank and its subsidiaries, excluding the investments in insurance entities and associates. The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and its wholly-owned offshore banking subsidiary company, Maybank International (L) Ltd., excluding the cost of investment in subsidiary companies and associates (except for Myfin Behad amounting to RM18,993,759 as its business assets and liabilities have been transferred to the Bank).

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**A26. Capital Adequacy (cont'd.)**

d) The capital adequacy ratios of the banking subsidiaries of Group are as follows:

|  | Maybank Islamic<br>Berhad | Maybank Investment<br>Bank Berhad | PT Bank Internasional<br>Indonesia Tbk |
|--|---------------------------|-----------------------------------|--|
| <b><u>30 September 2011</u></b>            |                           |                                   |  |
| <b>Before deducting proposed dividends</b> |                           |                                   |  |
| Core capital ratio                         | 9.57%                     | 22.62%                            | -                                      |
| Risk-weighted capital ratio                | 12.33%                    | 22.62%                            | 12.33%                                 |
| <b>After deducting proposed dividends</b>  |                           |                                   |  |
| Core capital ratio                         | 9.57%                     | 22.62%                            | -                                      |
| Risk-weighted capital ratio                | 12.33%                    | 22.62%                            | 12.33%                                 |
| <b><u>30 June 2011</u></b>                 |                           |                                   |  |
| <b>Before deducting proposed dividends</b> |                           |                                   |  |
| Core capital ratio                         | 10.31%                    | 24.72%                            | -                                      |
| Risk-weighted capital ratio                | 13.02%                    | 24.72%                            | 13.06%                                 |
| <b>After deducting proposed dividends</b>  |                           |                                   |  |
| Core capital ratio                         | 9.46%                     | 24.72%                            | -                                      |
| Risk-weighted capital ratio                | 12.17%                    | 24.72%                            | 13.06%                                 |

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**A26. Capital Adequacy (cont'd.)**

**e) The breakdown of Assets and Credit Equivalent values according to Risk Weighted as follows:**

**At 30 September 2011**

|  | Group<br>RM'000 | Bank<br>RM'000 | Maybank Islamic<br>Berhad<br>RM'000 | Maybank Investment<br>Bank Berhad<br>RM'000 | PT Bank Internasional<br>Indonesia Tbk<br>RM'000 |
|--|-----------------|----------------|-------------------------------------|---|--|
| Standardised Approach exposure   | 67,888,156      | 37,098,319     | 3,480,088                           | 1,094,658                                   | 23,358,460                                       |
| IRB Approach exposure after scaling factor                             | 156,715,751     | 136,706,757    | 26,519,258                          | -   | -  |
| Total risk-weighted assets for credit risk                             | 224,603,907     | 173,805,076    | 29,999,346                          | 1,094,658                                   | 23,358,460                                       |
| Total risk-weighted assets for credit risk absorbed by Maybank Berhad* | -               | -              | (205,938)                           | -   | -  |
| Total risk-weighted assets for market risk                             | 11,047,004      | 8,130,993      | 89,380                              | 202,844                                     | 207,441  |
| Total risk-weighted assets for operational risk                        | 25,058,310      | 17,807,012     | 2,455,726                           | 530,915                                     | 3,316,361  |
| Additional RWA due to capital floor                                    | -               | -              | 4,008,085                           | -   | -  |
| Total risk-weighted assets   | 260,709,221     | 199,743,081    | 36,346,599                          | 1,828,417                                   | 26,882,262                                       |

**At 30 June 2011**

|  | Group<br>RM'000 | Bank<br>RM'000 | Maybank Islamic<br>Berhad<br>RM'000 | Maybank Investment<br>Bank Berhad<br>RM'000 | PT Bank Internasional<br>Indonesia Tbk<br>RM'000 |
|--|-----------------|----------------|-------------------------------------|---|--|
| Standardised Approach exposure   | 60,236,549      | 31,459,666     | 3,753,922                           | 1,040,223                                   | 21,381,949                                       |
| IRB Approach exposure after scaling factor                             | 147,528,075     | 129,381,636    | 23,571,746                          | -   | -  |
| Total risk-weighted assets for credit risk                             | 207,764,624     | 160,841,302    | 27,325,668                          | 1,040,223                                   | 21,381,949                                       |
| Total risk-weighted assets for credit risk absorbed by Maybank Berhad* | -               | -              | (206,402)                           | -   | -  |
| Total risk-weighted assets for market risk                             | 15,991,249      | 9,692,832      | 149,810                             | 156,475                                     | 270,737  |
| Total risk-weighted assets for operational risk                        | 23,223,860      | 17,738,110     | 2,334,044                           | 476,309                                     | 3,215,865  |
| Additional RWA due to capital floor                                    | -               | -              | 7,154,554                           | -   | -  |
| Total risk-weighted assets   | 246,979,733     | 188,272,244    | 36,757,674                          | 1,673,007                                   | 24,868,551                                       |

\* In accordance with BNM's guideline on the recognition and measurement of Restricted Profit Sharing Investment Account ("RPSIA") as Risk Absorbent, the credit risk on the assets funded by the RPSIA are excluded from the risk weighted capital ("RWCR") calculation.

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**A27. Derivative Financial Instruments**

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

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

|  | Group             |                |                    | Bank              |                |                    |
|--|-------------------|----------------|--------------------|-------------------|----------------|--------------------|
|  | Principal         | Fair Value     |                    | Principal         | Fair Value     |                    |
| <u>As at 30 September 2011</u>             | Amount            | Assets         | Liabilities        | Amount            | Assets         | Liabilities        |
|  | RM'000            | RM'000         | RM'000             | RM'000            | RM'000         | RM'000             |
| <b>Trading derivatives</b>                 |                   |                |                    |                   |                |                    |
| <u>Foreign exchange related contracts:</u> |                   |                |                    |                   |                |                    |
| Currency forward                           |                   |                |                    |                   |                |                    |
| - Less than one year                       | 32,473,041        | 615,265        | (235,462)          | 26,390,443        | 561,195        | (185,090)          |
| - One year to three years                  | 446,181           | 10,387         | (4,083)            | 446,181           | 10,387         | (4,083)            |
| - More than three years                    | 595,260           | 6,721          | (40)               | 294,761           | 6,720          | (41)               |
|  | <u>33,514,482</u> | <u>632,373</u> | <u>(239,585)</u>   | <u>27,131,385</u> | <u>578,302</u> | <u>(189,214)</u>   |
| Currency swaps                             |                   |                |                    |                   |                |                    |
| - Less than one year                       | 46,810,321        | 668,266        | (1,564,470)        | 46,810,321        | 668,266        | (1,564,470)        |
| - One year to three years                  | 367,888           | 7,591          | (4,380)            | 367,888           | 7,591          | (4,380)            |
| - More than three years                    | 294,760           | 88             | (5,612)            | 294,760           | 88             | (5,612)            |
|  | <u>47,472,969</u> | <u>675,945</u> | <u>(1,574,462)</u> | <u>47,472,969</u> | <u>675,945</u> | <u>(1,574,462)</u> |
| Currency spots                             |                   |                |                    |                   |                |                    |
| - Less than one year                       | 9,079,523         | 12,388         | (11,332)           | 9,069,814         | 12,406         | (11,332)           |
| - One year to three years                  | -                 | -              | -                  | -                 | -              | -                  |
| - More than three years                    | -                 | -              | -                  | -                 | -              | -                  |
|  | <u>9,079,523</u>  | <u>12,388</u>  | <u>(11,332)</u>    | <u>9,069,814</u>  | <u>12,406</u>  | <u>(11,332)</u>    |
| Currency options                           |                   |                |                    |                   |                |                    |
| - Less than one year                       | 6,486,021         | 65,547         | (54,685)           | 6,486,021         | 65,547         | (54,685)           |
| - One year to three years                  | -                 | -              | -                  | -                 | -              | -                  |
| - More than three years                    | -                 | -              | -                  | -                 | -              | -                  |
|  | <u>6,486,021</u>  | <u>65,547</u>  | <u>(54,685)</u>    | <u>6,486,021</u>  | <u>65,547</u>  | <u>(54,685)</u>    |
| Cross currency interest rate swaps         |                   |                |                    |                   |                |                    |
| - Less than one year                       | 2,372,238         | 72,812         | (34,505)           | 2,372,238         | 72,812         | (34,505)           |
| - One year to three years                  | 3,802,724         | 135,006        | (107,319)          | 3,802,724         | 135,006        | (107,319)          |
| - More than three years                    | 5,878,767         | 102,339        | (89,956)           | 5,878,767         | 102,339        | (89,957)           |
|  | <u>12,053,729</u> | <u>310,157</u> | <u>(231,780)</u>   | <u>12,053,729</u> | <u>310,157</u> | <u>(231,781)</u>   |
| <u>Interest rate derivatives</u>           |                   |                |                    |                   |                |                    |
| Interest rate swaps                        |                   |                |                    |                   |                |                    |
| - Less than one year                       | 14,060,678        | 21,603         | (49,051)           | 14,060,678        | 21,603         | (49,051)           |
| - One year to three years                  | 24,103,263        | 160,317        | (185,601)          | 24,103,263        | 160,317        | (185,601)          |
| - More than three years                    | 27,638,686        | 481,962        | (621,100)          | 27,638,686        | 481,962        | (621,100)          |
|  | <u>65,802,627</u> | <u>663,882</u> | <u>(855,752)</u>   | <u>65,802,627</u> | <u>663,882</u> | <u>(855,752)</u>   |
| Interest rate futures                      |                   |                |                    |                   |                |                    |
| - Less than one year                       | 59,070,102        | 5,815          | (135)              | 59,070,102        | 5,815          | (135)              |
| - One year to three years                  | 44,648            | -              | (6)                | 44,648            | -              | (6)                |
| - More than three years                    | -                 | -              | -                  | -                 | -              | -                  |
|  | <u>59,114,750</u> | <u>5,815</u>   | <u>(141)</u>       | <u>59,114,750</u> | <u>5,815</u>   | <u>(141)</u>       |
| Interest rate options                      |                   |                |                    |                   |                |                    |
| - Less than one year                       | 597,263           | 13,020         | (1,503)            | 282,363           | 7,008          | -                  |
| - One year to three years                  | 1,437,820         | 14,601         | -                  | 1,437,820         | 14,601         | -                  |
| - More than three years                    | 982,425           | 4,648          | (110,979)          | 832,426           | 3,067          | (80,427)           |
|  | <u>3,017,508</u>  | <u>32,269</u>  | <u>(112,482)</u>   | <u>2,552,609</u>  | <u>24,676</u>  | <u>(80,427)</u>    |

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**A27. Derivative Financial Instruments (cont'd.)**

|   | Group              |                  |                    | Bank               |                  |                    |
|---|--------------------|------------------|--------------------|--------------------|------------------|--------------------|
|   | Principal          | Fair Value       |                    | Principal          | Fair Value       |                    |
| <b>As at 30 September 2011</b>            | Amount             | Assets           | Liabilities        | Amount             | Assets           | Liabilities        |
|   | RM'000             | Amount           | Amount             | RM'000             | Amount           | Amount             |
|   |                    | RM'000           | RM'000             |                    | RM'000           | RM'000             |
| <b>Equity related derivatives</b>         |                    |                  |                    |                    |                  |                    |
| <b>Equity options</b>                     |                    |                  |                    |                    |                  |                    |
| - Less than one year                      | 226,447            | 10               | (10)               | 226,447            | 10               | (10)               |
| - One year to three years                 | 498,483            | 3,090            | (3,090)            | 498,483            | 3,090            | (3,090)            |
| - More than three years                   | 57,965             | 5,983            | (5,983)            | 57,965             | 5,983            | (5,983)            |
|   | <b>782,895</b>     | <b>9,083</b>     | <b>(9,083)</b>     | <b>782,895</b>     | <b>9,083</b>     | <b>(9,083)</b>     |
| <b>Commodity options</b>                  |                    |                  |                    |                    |                  |                    |
| - Less than one year                      | -                  | -                | -                  | -                  | -                | -                  |
| - One year to three years                 | -                  | -                | -                  | -                  | -                | -                  |
| - More than three years                   | 54,395             | 3,068            | (3,068)            | 54,395             | 3,068            | (3,068)            |
|   | <b>54,395</b>      | <b>3,068</b>     | <b>(3,068)</b>     | <b>54,395</b>      | <b>3,068</b>     | <b>(3,068)</b>     |
| <b>Hedging derivatives</b>                |                    |                  |                    |                    |                  |                    |
| <b>Interest rate swaps</b>                |                    |                  |                    |                    |                  |                    |
| - Less than one year                      | 767,430            | 423              | (9,122)            | 661,764            | 3                | (4,247)            |
| - One year to three years                 | 3,178,118          | 559              | (119,372)          | 1,466,711          | 559              | (137,766)          |
| - More than three years                   | 1,064,321          | -                | (74,761)           | 583,629            | -                | (58,730)           |
|   | <b>5,009,869</b>   | <b>982</b>       | <b>(203,255)</b>   | <b>2,712,104</b>   | <b>562</b>       | <b>(200,743)</b>   |
| <b>Cross currency interest rate swaps</b> |                    |                  |                    |                    |                  |                    |
| - Less than one year                      | 388,095            | 41,055           | -                  | 388,095            | 41,055           | -                  |
| - One year to three years                 | 2,354,896          | 142,826          | (11,706)           | 2,354,896          | 173,287          | (11,706)           |
| - More than three years                   | 607,900            | 43,682           | -                  | 607,901            | 49,927           | -                  |
|   | <b>3,350,891</b>   | <b>227,563</b>   | <b>(11,706)</b>    | <b>3,350,892</b>   | <b>264,269</b>   | <b>(11,706)</b>    |
| Total derivative assets / (liabilities)   | <b>245,739,659</b> | <b>2,639,072</b> | <b>(3,307,331)</b> | <b>236,584,190</b> | <b>2,613,712</b> | <b>(3,222,394)</b> |



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**A27. Derivative Financial Instruments (cont'd.)**

|  | Group                         |                                 |                            | Bank                            |                            |                                 |
|--|-------------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|---------------------------------|
|  | Principal<br>Amount<br>RM'000 | Fair Value                      |                            | Principal<br>Amount<br>RM'000   | Fair Value                 |                                 |
| <u>As at 30 June 2011</u>                  | Assets<br>Amount<br>RM'000    | Liabilities<br>Amount<br>RM'000 | Assets<br>Amount<br>RM'000 | Liabilities<br>Amount<br>RM'000 | Assets<br>Amount<br>RM'000 | Liabilities<br>Amount<br>RM'000 |
| <b><u>Trading derivatives</u></b>          |                               |                                 |                            |                                 |                            |                                 |
| <u>Foreign exchange related contracts:</u> |                               |                                 |                            |                                 |                            |                                 |
| Currency forward                           |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                       | 22,154,987                    | 115,780                         | (128,485)                  | 17,215,104                      | 78,689                     | (91,170)                        |
| - One year to three years                  | 428,114                       | 11,639                          | (13,146)                   | 428,114                         | 11,639                     | (13,146)                        |
| - More than three years                    | 290,945                       | 18,349                          | (111)                      | 290,945                         | 18,349                     | (111)                           |
|  | <u>22,874,046</u>             | <u>145,768</u>                  | <u>(141,742)</u>           | <u>17,934,163</u>               | <u>108,677</u>             | <u>(104,427)</u>                |
| Currency swaps                             |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                       | 43,497,687                    | 298,339                         | (228,440)                  | 43,497,687                      | 298,339                    | (228,440)                       |
| - One year to three years                  | 589,231                       | 19,791                          | (7,071)                    | 589,231                         | 19,791                     | (7,071)                         |
| - More than three years                    | 290,944                       | 123                             | (17,160)                   | 290,945                         | 123                        | (17,160)                        |
|  | <u>44,377,862</u>             | <u>318,253</u>                  | <u>(252,671)</u>           | <u>44,377,863</u>               | <u>318,253</u>             | <u>(252,671)</u>                |
| Currency spots                             |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                       | 2,305,804                     | 8,571                           | (15,047)                   | 2,203,170                       | 8,541                      | (14,977)                        |
| - One year to three years                  | -                             | -                               | -                          | -                               | -                          | -                               |
| - More than three years                    | -                             | -                               | -                          | -                               | -                          | -                               |
|  | <u>2,305,804</u>              | <u>8,571</u>                    | <u>(15,047)</u>            | <u>2,203,170</u>                | <u>8,541</u>               | <u>(14,977)</u>                 |
| Currency options                           |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                       | 4,546,215                     | 13,388                          | (8,344)                    | 4,546,215                       | 13,388                     | (8,344)                         |
| - One year to three years                  | -                             | -                               | -                          | -                               | -                          | -                               |
| - More than three years                    | -                             | -                               | -                          | -                               | -                          | -                               |
|  | <u>4,546,215</u>              | <u>13,388</u>                   | <u>(8,344)</u>             | <u>4,546,215</u>                | <u>13,388</u>              | <u>(8,344)</u>                  |
| Cross currency interest rate swaps         |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                       | 607,365                       | 26,284                          | (26,006)                   | 607,365                         | 26,284                     | (26,006)                        |
| - One year to three years                  | 3,495,130                     | 182,155                         | (53,499)                   | 3,495,130                       | 182,155                    | (53,499)                        |
| - More than three years                    | 5,307,678                     | 87,568                          | (162,431)                  | 5,307,678                       | 87,568                     | (162,431)                       |
|  | <u>9,410,173</u>              | <u>296,007</u>                  | <u>(241,936)</u>           | <u>9,410,173</u>                | <u>296,007</u>             | <u>(241,936)</u>                |
| <u>Interest rate derivatives</u>           |                               |                                 |                            |                                 |                            |                                 |
| Interest rate swaps                        |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                       | 12,300,584                    | 105,386                         | (113,058)                  | 10,700,584                      | 104,483                    | (112,623)                       |
| - One year to three years                  | 23,972,146                    | 162,163                         | (183,755)                  | 23,972,146                      | 162,163                    | (183,755)                       |
| - More than three years                    | 21,713,328                    | 191,563                         | (233,589)                  | 21,713,328                      | 206,964                    | (233,588)                       |
|  | <u>57,986,058</u>             | <u>459,112</u>                  | <u>(530,402)</u>           | <u>56,386,058</u>               | <u>473,610</u>             | <u>(529,966)</u>                |
| Interest rate futures                      |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                       | 1,252,719                     | 281                             | -                          | 1,252,719                       | 243                        | -                               |
| - One year to three years                  | -                             | -                               | -                          | -                               | -                          | -                               |
| - More than three years                    | -                             | -                               | -                          | -                               | -                          | -                               |
|  | <u>1,252,719</u>              | <u>281</u>                      | <u>-</u>                   | <u>1,252,719</u>                | <u>243</u>                 | <u>-</u>                        |
| Interest rate options                      |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                       | 610,117                       | 2,431                           | (44,206)                   | 36,813                          | -                          | -                               |
| - One year to three years                  | 1,483,240                     | 14,548                          | -                          | 1,483,240                       | 14,548                     | -                               |
| - More than three years                    | 872,904                       | 1,110                           | (105,905)                  | 872,904                         | 1,110                      | (105,905)                       |
|  | <u>2,966,261</u>              | <u>18,089</u>                   | <u>(150,111)</u>           | <u>2,392,957</u>                | <u>15,658</u>              | <u>(105,905)</u>                |

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**A27. Derivative Financial Instruments (cont'd.)**

|  | Group                         |                                 |                            | Bank                            |                            |                                 |
|--|-------------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|---------------------------------|
|  | Principal<br>Amount<br>RM'000 | Fair Value                      |                            | Principal<br>Amount<br>RM'000   | Fair Value                 |                                 |
| <b>As at 30 June 2011</b>                          | Assets<br>Amount<br>RM'000    | Liabilities<br>Amount<br>RM'000 | Assets<br>Amount<br>RM'000 | Liabilities<br>Amount<br>RM'000 | Assets<br>Amount<br>RM'000 | Liabilities<br>Amount<br>RM'000 |
| <b><u>Equity related derivatives</u></b>           |                               |                                 |                            |                                 |                            |                                 |
| <b>Equity options</b>                              |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                               | 808,651                       | 1,686                           | (6,443)                    | 808,654                         | 1,011                      | (1,011)                         |
| - One year to three years                          | 44,468                        | 2,231                           | (2,231)                    | 44,468                          | 2,231                      | (2,231)                         |
| - More than three years                            | 55,074                        | 5,822                           | (5,822)                    | 55,074                          | 5,822                      | (5,822)                         |
|  | <u>908,193</u>                | <u>9,739</u>                    | <u>(14,496)</u>            | <u>908,196</u>                  | <u>9,064</u>               | <u>(9,064)</u>                  |
| <b>Commodity options</b>                           |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                               | -                             | -                               | -                          | -                               | -                          | -                               |
| - One year to three years                          | -                             | -                               | -                          | -                               | -                          | -                               |
| - More than three years                            | 56,065                        | 4,766                           | (4,766)                    | 56,065                          | 4,766                      | (4,766)                         |
|  | <u>56,065</u>                 | <u>4,766</u>                    | <u>(4,766)</u>             | <u>56,065</u>                   | <u>4,766</u>               | <u>(4,766)</u>                  |
| <b><u>Hedging derivatives</u></b>                  |                               |                                 |                            |                                 |                            |                                 |
| <b>Interest rate swaps</b>                         |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                               | 532,917                       | 1                               | (46,117)                   | 411,020                         | 1                          | (45,951)                        |
| - One year to three years                          | 516,860                       | 1                               | (46,539)                   | 441,263                         | 1                          | (46,539)                        |
| - More than three years                            | 1,886,165                     | 324                             | (79,661)                   | 1,580,744                       | 324                        | (79,661)                        |
|  | <u>2,935,942</u>              | <u>326</u>                      | <u>(172,317)</u>           | <u>2,433,027</u>                | <u>326</u>                 | <u>(172,151)</u>                |
| <b>Cross currency interest rate swaps</b>          |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                               | -                             | -                               | -                          | -                               | -                          | -                               |
| - One year to three years                          | 2,472,085                     | 316,017                         | (2,103)                    | 2,472,085                       | 316,017                    | (2,104)                         |
| - More than three years                            | 607,900                       | 61,865                          | -                          | 607,900                         | 61,865                     | -                               |
|  | <u>3,079,985</u>              | <u>377,882</u>                  | <u>(2,103)</u>             | <u>3,079,985</u>                | <u>377,882</u>             | <u>(2,104)</u>                  |
| <b>Total derivative<br/>assets / (liabilities)</b> | <u>152,699,323</u>            | <u>1,652,182</u>                | <u>(1,533,935)</u>         | <u>144,980,591</u>              | <u>1,626,415</u>           | <u>(1,446,311)</u>              |

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**A28. The Operations of Islamic Banking Scheme**

**A28a. Unaudited Income Statements for the period 30 September 2011**

| <u>Group</u>   | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|  | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| Income derived from investment of depositors' funds                    | 823,423                        | 557,191                        | 823,423                        | 557,191                        |
| Expenses directly attributable to depositors and Islamic Banking Funds | (17,104)                       | (7,068)                        | (17,104)                       | (7,068)                        |
| Transfer (to) / from profit equalisation reserve                       | -                              | (42,154)                       | -                              | (42,154)                       |
| Gross attributable income  | 806,319                        | 507,969                        | 806,319                        | 507,969                        |
| Written back of/(allowance for) losses on financing and advances       | (30,042)                       | (4,096)                        | (30,042)                       | (4,096)                        |
| <b>Total attributable income</b>                                       | <b>776,277</b>                 | <b>503,873</b>                 | <b>776,277</b>                 | <b>503,873</b>                 |
| Income attributable to the depositors                                  | (350,973)                      | (226,711)                      | (350,973)                      | (226,711)                      |
| <b>Income attributable to the Group</b>                                | <b>425,304</b>                 | <b>277,162</b>                 | <b>425,304</b>                 | <b>277,162</b>                 |
| Income derived from investment of Islamic Banking Funds                |                                |                                |                                |                                |
| Gross investment income  | 42,953                         | 41,967                         | 42,953                         | 41,967                         |
| Net income from investment of Islamic Banking Funds                    | 42,953                         | 41,967                         | 42,953                         | 41,967                         |
|  | 468,257                        | 319,129                        | 468,257                        | 319,129                        |
| Finance cost   | (10,579)                       | -                              | (10,579)                       | -                              |
| Overhead expenses  | (165,428)                      | (123,870)                      | (165,428)                      | (123,870)                      |
| <b>Profit before taxation and zakat</b>                                | <b>292,250</b>                 | <b>195,259</b>                 | <b>292,250</b>                 | <b>195,259</b>                 |
| Taxation   | (69,257)                       | (47,553)                       | (69,257)                       | (47,553)                       |
| Zakat  | (4,768)                        | (1,544)                        | (4,768)                        | (1,544)                        |
| <b>Profit for the period</b>   | <b>218,225</b>                 | <b>146,162</b>                 | <b>218,225</b>                 | <b>146,162</b>                 |

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

| <u>Group</u>  | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| Gross attributable income   | 806,319                        | 507,969                        | 806,319                        | 507,969                        |
| Net income from investment of Islamic Banking Funds                                       | 42,953                         | 41,967                         | 42,953                         | 41,967                         |
| Total income before allowances for losses on financing and advances and overhead expenses | 849,272                        | 549,936                        | 849,272                        | 549,936                        |
| Income attributable to the depositors   | (350,973)                      | (226,711)                      | (350,973)                      | (226,711)                      |
|   | 498,299                        | 323,225                        | 498,299                        | 323,225                        |
| Finance cost  | (10,579)                       | -                              | (10,579)                       | -                              |
| Net of intercompany income & expenses   | 28,610                         | 14,978                         | 28,610                         | 14,978                         |
| Income from Islamic Banking Scheme  | 516,330                        | 338,203                        | 516,330                        | 338,203                        |

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**A28. The Operations of Islamic Banking Scheme (cont'd.)**

**A28b. Unaudited Statement of Comprehensive Income for the period 30 September 2011**

|   | 1st Quarter Ended              |                                | Cumulative 3 Months Ended      |                                |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|   | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 | 30 September<br>2011<br>RM'000 | 30 September<br>2010<br>RM'000 |
| <b>Profit for the period</b>  | <b>218,225</b>                 | 146,162                        | <b>218,225</b>                 | 146,162                        |
| Other comprehensive income/(loss):                                  |                                |                                |                                |                                |
| Currency translation differences in respect of foreign operations   | 367                            | (58)                           | 367                            | (58)                           |
| Net gain on revaluation of financial investments available-for-sale | 37,184                         | 44,534                         | 37,184                         | 44,534                         |
| Income tax relating to components of other comprehensive income     | (9,315)                        | (9,164)                        | (9,315)                        | (9,164)                        |
| Other comprehensive income: for the period, net of tax              | <b>28,236</b>                  | 35,312                         | <b>28,236</b>                  | 35,312                         |
| <b>Total comprehensive income for the period</b>                    | <b>246,461</b>                 | 181,474                        | <b>246,461</b>                 | 181,474                        |

**A28c. Unaudited Statements of Financial Position as at 30 September 2011**

| <u>Group</u>  | Note | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
|---|------|--------------------------------|---------------------------|
| <b>ASSETS</b>   |      |                                |                           |
| Cash and short-term funds   |      | 2,539,918                      | 9,684,169                 |
| Deposits and placements with banks and other financial institutions |      | 495,445                        | 394,136                   |
| Securities portfolio  |      | 5,974,818                      | 6,823,392                 |
| Financing and advances  | A28d | 48,356,168                     | 46,244,031                |
| Deferred tax assets   |      | 167,355                        | 161,550                   |
| Derivative assets   |      | 36,736                         | 14,646                    |
| Other assets  |      | 4,738,861                      | 4,737,314                 |
| Statutory deposit with Bank Negara Malaysia                         |      | 1,380,300                      | 913,900                   |
| Intangible assets   |      | 4,043                          | 918                       |
| Property, plant and equipment                                       |      | 2,399                          | 347                       |
| <b>Total Assets</b>   |      | <b>63,696,043</b>              | 68,974,403                |
| <b>LIABILITIES</b>  |      |                                |                           |
| Deposits from customers   | A28e | 47,563,075                     | 50,890,270                |
| Deposit and placements of banks and other financial institutions    |      | 10,172,691                     | 11,292,077                |
| Bills and acceptances payable                                       |      | 314,267                        | 1,115,350                 |
| Derivatives liabilities   |      | 77,952                         | 53,504                    |
| Other liabilities   |      | 129,329                        | 175,494                   |
| Provision for taxation and zakat                                    |      | 88,548                         | 52,931                    |
| Subordinated Sukuk  | A28f | 1,000,115                      | 1,010,637                 |
| <b>Total Liabilities</b>  |      | <b>59,345,977</b>              | 64,590,263                |
| <b>ISLAMIC BANKING FUNDS</b>  |      |                                |                           |
| Islamic Banking Funds   |      | 454,226                        | 459,287                   |
| Reserves  |      | 3,895,840                      | 3,924,853                 |
|   |      | <b>4,350,066</b>               | 4,384,140                 |
| <b>Total Liabilities and Islamic Banking Funds</b>                  |      | <b>63,696,043</b>              | 68,974,403                |
| <b>COMMITMENTS AND CONTINGENCIES</b>                                |      |                                |                           |
|   |      | <b>21,653,677</b>              | 18,643,612                |

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**A28. The Operations of Islamic Banking Scheme (cont'd.)**

**A28d. Financing and Advances**

|  | Group                          |                           |
|--|--------------------------------|---------------------------|
|  | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| Cashline                                     | 1,940,678                      | 2,027,371                 |
| Term financing                               |                                |                           |
| - Housing financing                          | 6,689,849                      | 6,237,944                 |
| - Syndicated financing                       | 269,391                        | 235,582                   |
| - Hire purchase receivables                  | 17,801,409                     | 18,198,072                |
| - Other financing                            | 40,721,322                     | 37,591,734                |
| Bills receivable                             | 4,387                          | 2,201                     |
| Trust receipts                               | 180,076                        | 170,724                   |
| Claims on customers under acceptance credits | 3,413,540                      | 3,648,182                 |
| Staff financing                              | 834,862                        | 782,675                   |
| Credit card receivables                      | 320,131                        | 307,454                   |
| Revolving credits                            | 4,513,194                      | 3,319,247                 |
|  | <u>76,688,839</u>              | <u>72,521,186</u>         |
| Unearned income                              | (27,405,394)                   | (25,341,649)              |
| Gross financing and advances*                | 49,283,445                     | 47,179,537                |
| Allowance for bad and doubtful financing:    |                                |                           |
| - individual allowance                       | (309,985)                      | (354,688)                 |
| - collective allowance                       | (617,292)                      | (580,818)                 |
| Net financing and advances                   | <u>48,356,168</u>              | <u>46,244,031</u>         |

\* Included in financing and advances are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), an arrangement between Maybank Islamic Bhd and Malayan Banking Bhd ("MBB"), where the risks and rewards of the RPSIA will be accounted by MBB including the collective and individual allowances for the impaired financing arising thereon.

**A28d. (i) Movements in impaired financing and advances are as follows:**

|  | Group                          |                           |
|--|--------------------------------|---------------------------|
|  | 30 September<br>2011<br>RM'000 | 30 June<br>2011<br>RM'000 |
| At beginning of the period/year                          | 928,549                        | 1,155,639                 |
| Impaired during the year                                 | 140,589                        | 770,551                   |
| Recovered/regularised during the period/year             | (133,246)                      | (700,306)                 |
| Amount written off                                       | (65,230)                       | (326,880)                 |
| Expenses debited to customers' accounts                  | 3,993                          | 29,545                    |
| At end of the period/year                                | <u>874,655</u>                 | <u>928,549</u>            |
| Individual allowance                                     | (309,985)                      | (354,688)                 |
| Net balance  | <u>564,670</u>                 | <u>573,861</u>            |
| Gross financing and advances (excluding RPSIA financing) | 48,633,445                     | 46,529,537                |
| Less:  |                                |                           |
| - Individual allowance                                   | (309,985)                      | (354,688)                 |
| Net financing and advances                               | <u>48,323,460</u>              | <u>46,174,849</u>         |
| Ratio of net impaired financing                          | <u>1.17%</u>                   | <u>1.24%</u>              |

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**A28. The Operations of Islamic Banking Scheme (cont'd.)**

**A28d.** (ii) Movements in the allowances for bad and doubtful financing accounts are as follows:

|  | <b>Group</b>        |                |
|--|---------------------|----------------|
|  | <b>30 September</b> | <b>30 June</b> |
|  | <b>2011</b>         | <b>2011</b>    |
|  | <b>RM'000</b>       | <b>RM'000</b>  |
| <u>Individual allowance</u>  |                     |                |
| At beginning of the period/year  | 354,688             | 473,823        |
| Allowance made during the period/year  | 14,766              | 94,775         |
| Amount written back  | (18,869)            | (41,822)       |
| Amount written off   | (40,268)            | (165,650)      |
| Amount transfer to collective allowance                                      | (332)               | (6,438)        |
| At end of the period/year  | <b>309,985</b>      | <b>354,688</b> |
| <u>Collective allowance</u>  |                     |                |
| At beginning of the period/year  | 580,818             | 713,938        |
| Amount transfer from MSI from conventional banking                           | -                   | 3,925          |
| Allowance made during the period/year *                                      | 60,944              | 17,668         |
| Amount written back  | -                   | -              |
| Amount written off   | (24,962)            | (161,230)      |
| Amount transfer from individual allowance                                    | 332                 | 6,438          |
| Exchange difference  | 160                 | 79             |
| At end of the period/year  | <b>617,292</b>      | <b>580,818</b> |
| As a percentage of gross financing and advances<br>less individual allowance | <b>1.28%</b>        | 1.26%          |

\* As at 30 September 2011, the gross exposure to RPSIA financing of RM650.0 million (2011 : RM650.0 million) is excluded from gross financing and advances for the individual and collective allowance computation. The collective allowance relating to this RPSIA amounting RM 1.8 million (2011 : RM1.8 million) is recognised in the Bank. There was no individual allowance provided on this RPSIA financing.

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**A28. The Operations of Islamic Banking Scheme (con'td)**

**A28e. Deposits from Customers**

|                                    | <b>Group</b>        |                   |
|------------------------------------|---------------------|-------------------|
|                                    | <b>30 September</b> | <b>30 June</b>    |
|                                    | <b>2011</b>         | <b>2011</b>       |
|                                    | <b>RM'000</b>       | <b>RM'000</b>     |
| <b>(i) By type of deposit</b>      |                     |                   |
| <u>Mudharabah Fund</u>             |                     |                   |
| Demand deposits                    | 3,426,017           | 3,777,414         |
| Savings deposits                   | 448,415             | 423,091           |
| General Investment deposits        | 13,636,749          | 17,146,396        |
| Negotiable instruments of deposits | 331,514             | 242,829           |
|                                    | <b>17,842,695</b>   | <b>21,589,730</b> |
| <br><u>Non-Mudharabah Fund</u>     |                     |                   |
| Demand deposits                    | 5,392,025           | 5,734,190         |
| Savings deposits                   | 6,477,495           | 6,178,284         |
| Fixed return investment deposits   | 17,401,661          | 16,845,483        |
| Structured deposits                | 449,199             | 542,583           |
|                                    | <b>29,720,380</b>   | <b>29,300,540</b> |
| <br>Total deposit from customers   | <b>47,563,075</b>   | <b>50,890,270</b> |

**A28f. Subordinated Sukuk**

|  | <b>Group</b>        |                  |
|--|---------------------|------------------|
|  | <b>30 September</b> | <b>30 June</b>   |
|  | <b>2011</b>         | <b>2011</b>      |
|  | <b>RM'000</b>       | <b>RM'000</b>    |
| RM1.0 billion Islamic Subordinated Sukuk due in 2021 | <b>1,000,115</b>    | <b>1,010,637</b> |

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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 posted profit after tax attributable to equity holders of RM1,286.4 million for the first quarter ended 30 September 2011, an increase of RM258.3 million or 25.1% over the corresponding quarter ended 30 September 2010.

The Group's net interest income for three (3) month period ended 30 September 2011 increased by RM99.1 million or 5.6%. This is largely due to the growth in Group's loans and advances (excluding Islamic finance) of 17.8% on an annualised basis. Income from Islamic Banking operations continued to grow, increasing by RM178.1 million or 52.7% to RM516.3 million, mainly due to the growth in financing and advances of RM2.0 billion for the quarter ended 30 September 2011 or 18.4% on an annualised basis and the adoption of BNM Revised Guidelines for Profit Equalisation Reserve as disclosed in Note A1. The annualised growth of total financial assets for the period ended 30 September 2011 is 20.5%.

Net income from insurance business increased by RM9.7 million or 11.2% to RM96.5 million due to higher takaful revenue account.

Non interest income recorded an increase of RM268.5 million or 28.1% to RM1,222.7 million. Commission, service charges and fees increased by RM117.0 million or 29.9% due to better contribution from trade finance, cards and remittance businesses. Brokerage income increased by RM132.8 million, of which RM125.3 million was contributed by Kim Eng Holdings Limited ("Kim Eng"), which acquisition was completed on 10 May 2011. The Islamic operations of Maybank Investment Bank Berhad ("Maybank IB") recorded significant increase in fee base income of RM38.0 million due to sizeable sukuk capital market transactions. The Group also benefited from higher net gain on sale of securities, contributing an additional income of RM96.9 million.

Overhead expenses increased by RM385.8 million or 25.7% to RM1,887.9 million over the amount in the corresponding year as a result of consolidation of Kim Eng overhead expenses amounting to RM199.3 million. Personnel cost increased by RM192.7 million or 23.1% to RM1,025.1 million mainly due to Employee's Share Scheme expenses, higher sales incentives and incorporation of Kim Eng's personnel cost. Administration and general expenses increased by RM117.8 million or 36.5% to RM440.6 million mainly due to higher Information Technology consultancy fees, higher brokerage expenses and consolidation of Kim Eng cost of development property. Establishment cost increased by RM65.6 million or 25.3% to RM325.0 million. Marketing costs increased by RM9.9 million or 11.34% to RM97.2 million.

Allowance for losses on loans, advances and financing decreased significantly by RM166.0 million or 62.7% to RM98.7 million. The decrease is mainly due to higher recoveries and lower allowances in the Malaysian banking operations as a result of lower individual allowance. Asset quality continues to improve with net impaired loans ratio improving to 2.18% as at 30 September 2011, compared to 2.25% as at 30 June 2011.

In general, every business segment reported a better performance in the quarter; Malaysia business banking operations reported an increase in profit before tax from RM1,001.2 million to RM1,425.3 million or 42.4% increase, Singapore banking operation reported a profit before tax of RM283.0 million, an increase of 56.4% year-on-year, PT Bank Internasional Indonesia Tbk ("BII") reported an increase in profit before tax of RM74.0 million, 250.8% increase year-on-year, Investment banking group coming mainly from Maybank IB and Kim Eng reported a profit before tax of RM47.3 million, and Insurance, Takaful and Asset Management reported a profit before tax increase of RM19.0 million year-on-year, all the other International banking reported a profit before tax of RM67.4 million, a decrease of 15.5% year-on-year.



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

The Group's net interest income for the 1st quarter ended 30 September 2011 increased by RM46.8 million or 2.6% to RM1,873.6 million against the preceding quarter due to growth in loans base assets. Income from Islamic Banking Scheme operations recorded an increase of RM73.3 million or 16.5% to RM516.3 million over the amount in the preceding quarter, mainly due to higher fee base income from the investment banking Islamic operations and the adoption of BNM Revised Guidelines for PER as disclosed in Note A1.

Net income from insurance business for the quarter decreased significantly by RM248.9 million or 72.1% to RM96.5 million due higher transfer of actuarial surplus from insurance and takaful revenue account in preceding quarter.

Non-interest income for the quarter increased by RM26.0 million or 2.2% to RM1,222.7 million compared to that in preceding quarter. The increase is mainly attributable to higher gain on sale of securities and foreign exchange profits and brokerage income, but mitigated by the unrealised loss on revaluation of securities held-for trading and derivatives.

Overhead expenses for the quarter decreased by RM74.2 million or 3.8% over that of the preceding quarter mainly due to transaction costs relating to acquisition of Kim Eng and higher Employees Share Scheme expenses recognised in the preceding quarter.

Compared to the preceding quarter, allowance for losses on loans, advances and financing was higher by RM51.0 million mainly due to lower recoveries in the domestic banking operations. Impairment losses on securities decreased by RM115.0 million due to deterioration in value for certain securities in the preceding quarter.

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**B3. Prospects**

The global economic outlook remains challenging, with the continuing concerns over Eurozone's sovereign debt crisis and the stalling economic recovery in US. Despite the risks of weakening external demand, domestic demand in ASEAN countries is expected to be resilient and continue to support credit growth.

The loans growth in Malaysia is expected to be mainly driven by the rollout of the Economic Transformation Programme projects and domestic consumption. Credit demand in Singapore is anticipated to moderate with growth remaining broad based. In Indonesia, the strong loans growth is expected to be sustained due to robust domestic demand.

With continued pressure on narrowing margins, the Group will continue to be selective in pursuing loans growth and will focus on sustaining asset quality through sound credit risk management policies and practices.

The Group's investment banking business is set to expand regionally with the availability of a regional investment banking platform via Kim Eng. However, brokerage income may be slower as a result of volatile market conditions.

Strong growth in Islamic banking is expected to continue on the back of expansion within the region and through the wholesale market segment.

Insurance and Takaful will focus on growth through product innovation and expanding its agency force.

The Group will continue to adhere to sound Capital Management practices through risk based asset underwriting, balanced funding mechanism and capital conservation via the dividend reinvestment plan. The Group will also be proactive in monitoring the impending implementation of Basel III capital requirements to be introduced by Bank Negara Malaysia.

The Group will continue to leverage on its Group resources and boost its regional organisational structures to drive value creation across business segments within the Group.

The Group has changed its financial year end from 30 June to 31 December whereby the current financial period is for the 6-month period ending 31 December 2011.

Barring any unforeseen circumstances, the Group expects to record better performance for the financial period ending 31 December 2011 compared to the same period a year ago, with current first quarter annualised ROE (normalised for expected actuarial surplus) of 15.8% (KPI target 31 December 2011: 16.0%) and annualised growth in financial assets of 20.5% (KPI target 31 December 2011: 12.0%).

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**B4. Profit Forecast or Profit Guarantee**

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

**B5. Tax Expense and Zakat**

The analysis of the tax expense for the 1st quarter ended 30 September 2011 are as follows:

| <b>Group</b>  | <b>1st Quarter Ended</b> |                          | <b>Cumulative 3 Months Ended</b> |                          |
|---|--------------------------|--------------------------|----------------------------------|--------------------------|
|   | <b>30 September 2011</b> | <b>30 September 2010</b> | <b>30 September 2011</b>         | <b>30 September 2010</b> |
|   | <b>RM'000</b>            | <b>RM'000</b>            | <b>RM'000</b>                    | <b>RM'000</b>            |
| Malaysian income tax                                | <b>424,554</b>           | 293,376                  | <b>424,554</b>                   | 293,376                  |
| Foreign income tax                                  | <b>63,472</b>            | 36,535                   | <b>63,472</b>                    | 36,535                   |
|   | <b>488,026</b>           | 329,911                  | <b>488,026</b>                   | 329,911                  |
| Over provision in respect of prior period/year:     |                          |                          |                                  |                          |
| Malaysian income tax                                | -                        | -                        | -                                | -                        |
| Foreign income tax                                  | -                        | -                        | -                                | -                        |
| Deferred tax expense                                |                          |                          |                                  |                          |
| - Origination and reversal of temporary differences | <b>(40,639)</b>          | 17,769                   | <b>(40,639)</b>                  | 17,769                   |
| - Overprovision in prior period/year                | -                        | -                        | -                                | -                        |
|   | <b>(40,639)</b>          | 17,769                   | <b>(40,639)</b>                  | 17,769                   |
| Tax expense for the period/year                     | <b>447,387</b>           | 347,680                  | <b>447,387</b>                   | 347,680                  |
| Zakat   | <b>6,799</b>             | 3,025                    | <b>6,799</b>                     | 3,025                    |
|   | <b>454,186</b>           | 350,705                  | <b>454,186</b>                   | 350,705                  |
|   |                          |                          |                                  |                          |
| <b>Bank</b>   | <b>1st Quarter Ended</b> |                          | <b>Cumulative 3 Months Ended</b> |                          |
|   | <b>30 September 2011</b> | <b>30 September 2010</b> | <b>30 September 2011</b>         | <b>30 September 2010</b> |
|   | <b>RM'000</b>            | <b>RM'000</b>            | <b>RM'000</b>                    | <b>RM'000</b>            |
| Malaysian income tax                                | <b>302,386</b>           | 238,886                  | <b>302,386</b>                   | 238,886                  |
| Foreign income tax                                  | <b>1,461</b>             | 1,708                    | <b>1,461</b>                     | 1,708                    |
|   | <b>303,847</b>           | 240,594                  | <b>303,847</b>                   | 240,594                  |
| Over provision in prior period/year                 | -                        | -                        | -                                | -                        |
| Deferred tax expense                                |                          |                          |                                  |                          |
| - Origination and reversal of temporary differences | <b>(11,920)</b>          | 20,987                   | <b>(11,920)</b>                  | 20,987                   |
| - Under/(over) provision in prior period/year       | -                        | -                        | -                                | -                        |
|   | <b>(11,920)</b>          | 20,987                   | <b>(11,920)</b>                  | 20,987                   |
| Tax expense for the period/year                     | <b>291,927</b>           | 261,581                  | <b>291,927</b>                   | 261,581                  |
| Zakat   | -                        | -                        | -                                | -                        |
|   | <b>291,927</b>           | 261,581                  | <b>291,927</b>                   | 261,581                  |

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (30 June 2011: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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**B6. Sale of Unquoted Investments and Properties**

There were no material gains or losses on sale of investments or properties during the period other than in the ordinary course of business.

**B7. Quoted Securities**

Financial institutions are exempted from the disclosure requirements relating to quoted

**B8. Status of Corporate Proposals Announced but Not Completed**

(a) (i) **Proposed Acquisition by Mayban IB Holdings Sdn Bhd (formerly known as Aseam Credit Sdn Bhd (“Mayban IB Holdings” or Offeror”), a wholly-owned subsidiary of Maybank, of an aggregate of 257,559,264 ordinary shares in Kim Eng Holdings Ltd (“Kim Eng”) , representing 44.63% of the issued and paid up share capital of Kim Eng**

(ii) **Possible mandatory conditional cash offer for all the remaining ordinary shares of Kim Eng not already owned by Mayban IB Holdings, its related corporations and their respective nominees (“Offer Shares”) subject to completion of the Proposed Acquisition as defined herein**

On 29 July 2011, Maybank announced that Mayban IB Holdings had on even date exercised the right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all the Kim Eng Share held by dissenting shareholders. Following the compulsory acquisition Kim Eng would become a wholly owned subsidiary of Mayban IB Holdings and delisted from the Official List of the SGX-ST on 4 August 2011.

On 25 July 2011, Maybank announced that following the close of the Thai Tender Offer on 18 July, Mayban IB Holdings received valid acceptance of approximately 27.99% of KEST shares. As such, the Mayban IB Holdings group's aggregate shareholding in KEST is approximately 83.74%.

On 22 September 2011, Mayban IB Holdings and Kim Eng, have completed an internal restructuring whereby Mayban IB Holdings has transferred all the 159,320,319 Kim Eng Securities (Thailand) Public Company Limited (“KEST”) shares, representing approximately 27.99% of the total paid-up KEST shares (“KEST Stake”) to Kim Eng. Mayban IB Holdings had acquired the KEST Stake pursuant to acceptances of the Thai Tender Offer on 22 September 2011.

Post completion of the internal restructuring, the Mayban IB Holdings group's aggregate shareholding in KEST of approximately 83.74% remains unchanged.

(b) **Establishment of Subordinated Note Programme of up to RM3.0 billion in Nominal Value (“Subordinated Note Programme”)**

On 30 May 2011, Maybank announced that it has obtained approval from the Securities Commission vide their letter dated 25 May 2011 for the establishment of the Subordinated Note Programme and the issue of subordinated notes thereunder. In addition, the approval from Bank Negara Malaysia (“BNM”) for the issuance of subordinated notes was obtained on 14 April 2011 (upon terms and conditions therein contained).

The subordinated notes issued under the Subordinated Note Programme will qualify as Tier 2 capital of Maybank subject to compliance with the requirements as specified in the Risk Weighted Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks by BNM.

The tenor of the Subordinated Note Programme is up to 20 years from the date of first issue of subordinated notes under the Subordinated Note Programme and each subordinated note issued shall have a tenor of either the following; 10-year non-callable basis; 15 years on a 15 non-callable 10 basis; 12 years on a 12 non-callable 7 basis or 10 years on a 10 non-callable 5 basis.

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**B8. Status of Corporate Proposals Announced but Not Completed (cont'd.)**

**(b) Establishment of Subordinated Note Programme of up to RM3.0 billion in Nominal Value (“Subordinated Note Programme”) (cont'd.)**

Each issuance of subordinated notes under the Subordinated Note Programme, save and except for subordinated notes issued on a 10-year non-callable basis, shall have a callable option allowing Maybank, and subject to the redemption conditions being satisfied, redeem (in whole, but not in part) that tranche of subordinated notes on the call date at their principal amount together with accrued but unpaid coupon (if any) (“Optional Redemption”). Further to the Optional Redemption, Maybank may also, at its option and subject to the redemption conditions being satisfied, redeem a tranche of subordinated notes (in whole, but not in part) if a regulatory event occurs at the principal amount together with accrued but unpaid coupon (if any) (“Regulatory Redemption”). The Optional Redemption and Regulatory Redemption of one tranche of the subordinated notes shall not trigger the redemption of other tranches of subordinated notes.

The net proceeds from the issuance of the subordinated notes will be utilised to fund Maybank’s working capital, general banking and other corporate purposes.

Maybank had on 15 August 2011 issued RM2.0 billion of subordinated notes (“Subordinated Notes”) at a fixed rate of 4.10% per annum under the Subordinated Note Programme, which has been accorded a long term rating of AA1 by RAM Rating Services Berhad. The Subordinated Notes issued shall have tenure of 10 years on a 10 non-callable 5 basis and will mature on 16 August 2021. It is callable on 15 August 2016 and on every interest payment date thereafter.

**B9. Deposits and Placements of Financial Institutions and Debt Securities**

Please refer to note A12 and A13.

**B10. Derivative Financial Instruments**

Please refer to note A27.

**B11. Changes in Material Litigation**

- (a) In 2005, a subsidiary, Mayban Trustees Berhad (“MTB”) and eleven other defendants were served with a writ of summons by ten plaintiffs/bondholders all of which are institutions, for an amount of approximately RM149.3 million. MTB was alleged to have acted in breach of trust and negligently in its capacity as Trustee for the bonds issued. MTB has defended the suit.

On 7 July 2008, the plaintiffs entered judgment by consent against certain defendants for the sum of RM149.3 million. The entering of the said judgment by consent is not in any way an admission of liability on the part of MTB.

On 4 August 2008, a defendant served a counterclaim on MTB for approximately RM535 million being losses allegedly incurred by it as a result of MTB unlawfully declaring an Event Of Default on the bonds. The defendant had however on 25 August 2009 withdrawn the counterclaim against MTB.

The High Court on 30 June 2010 awarded judgment against MTB and another defendant, being the Arranger for the bonds, for RM149.3 million. The judgment sum in favour of the plaintiffs/bondholders was apportioned at 40% against MTB and 60% against the other defendant. The High Court also dismissed MTB’s other claims.

Upon appeal by the parties, the Court of Appeal on 8 November 2011 ruled that MTB and the other defendant are instead to be equally liable to the plaintiffs/bondholders. In addition, the Court of Appeal ordered them to pay penalty charges on the judgment sum at the rate of 3% from 30 September 2005 to date of judgment. However the Court of Appeal allowed MTB and the other defendant to seek indemnity against the issuer of the bonds, the issuer’s Chief Executive Officer, one of the issuer’s directors and associate companies of the said Chief Executive Officer and the said director for 2/3 of the total liability. Further the Court of Appeal allowed MTB to seek indemnity against one of the plaintiffs for 1/3 of its liability (after deducting the sum to be indemnified by the issuer, the issuer’s Chief Executive Officer, one of the issuer’s directors and associate companies of the said Chief Executive Officer and the said director). The judgment of the Court of Appeal is currently being reviewed by MTB’s counsel in order to determine the exact amount of liability that has to be borne by MTB and MTB’s next course of action on this matter.

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**B11. Changes in Material Litigation**

(a) (cont'd.)

The above contingent liability is covered by an existing Banker Blanket Bond Policy between the Bank and a subsidiary, Etiqa Insurance Berhad, which had entered into a facultative reinsurance contract for an insured sum of RM150 million with three (3) other re-insurers.

- (b) In 2004, Etiqa Takaful Berhad ("ETB"), 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 installments.

The 1st Defendant counterclaimed for loss and damage amounting to approximately RM284 million as a result of ETB'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 its project and therefore suffered loss and damage.

On 14 May 2009, the Court allowed ETB's application for summary judgment, but directed that a rebate be given if there is early settlement. The Court has also dismissed the 1st Defendant's counterclaim against ETB with costs. All 4 Defendants filed their respective applications for stay of execution of the summary judgment.

On 4 March 2010 the Court of Appeal reversed the decision of the High Court granting the earlier summary judgment and ordered that the matter be returned to the High Court for full hearing. The full trial including the counterclaim concluded on 4 May 2011. The High Court on 21 September 2011 entered judgment in favour of ETB and allowed ETB's claim (with costs) and dismissed the 1st Defendant's counterclaim (with costs). All 4 Defendants have filed Notices of Appeal against the said decision.

- (c) A corporate borrower had issued a writ of summons and statement of claim against a subsidiary, Maybank Investment Bank Berhad ("Maybank IB"), in 2005 in the latter's capacity as agent bank for three financial institutions, claiming general, special and exemplary damages arising from alleged breach of duty owed by Maybank IB in connection with a syndicated facility.

The credit facilities consist of a bridging loan of RM58.5 million and a revolving credit facility of RM4 million which were granted by Maybank IB and the three syndicated lenders. The loan was subsequently restructured to RM38 million with terms for repayment. In 2006, Maybank IB and the three syndicated lenders filed a suit against the corporate borrower for the recovery of the said credit facilities. The 2 claims were heard together.

The High Court on 6 May 2009 entered judgment against Maybank IB as agent for the syndicated lenders for, inter alia, a sum of RM115.5 million with interest at 6% per annum from date of disbursement to realization, with the balance of the corporate borrower's claim (including general damages) ordered to be assessed at a later date. In the same Judgment, the recovery action by Maybank IB and the three syndicated lenders was also dismissed.

At this juncture, Maybank as one of the syndicated lenders has an exposure of RM48 million out of the RM115.5 million awarded pursuant to the Judgment.

Maybank IB filed an appeal against the Judgment ("Appeal") and an application for stay of execution of the Judgment on 8 May 2009. On 24 June 2009, Maybank IB successfully obtained a stay order for execution of the Judgment pending the disposal of the Appeal against the Judgment. The corporate borrower's appeal to the Court of Appeal against the decision on the stay order was dismissed on 23 November 2009.

The Appeal is now fixed for final case management before the Court of Appeal on 20 October 2011. The Court of Appeal has also fixed the date of hearing of the Appeal, tentatively on 12 December 2011 which shall be confirmed on the next case management date.

Maybank IB's solicitors are of the view that Maybank IB has a more than even chance of succeeding in its Appeal against the said Judgment.

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**B11. Changes in Material Litigation**

- (d) Mayban Trustees Berhad ("MTB"), as Trustee and Maybank Investment Bank Berhad ("Maybank IB") as Security Agent for the Senior Bonds and Junior Notes issued by a corporation were served with a Writ of Summons, Statement of Claim and Amended Statement of Claim on 29 December 2010 and 30 December 2010 respectively.

An individual as the sole Junior Noteholder of the Junior Notes issued, claimed against both MTB and Maybank IB, the sum of RM556.5 million together with interests and costs arising from the declaration made by MTB of an Event Of Default of the Senior Bonds and subsequent Event Of Default of the Junior Notes and for an alleged breach of fiduciary duties and duty of care by Maybank IB. On 30 September 2011, the High Court gave judgment in favour of Maybank IB and MTB and dismissed the claim against Maybank IB and MTB with costs. The individual has filed an appeal to the Court of Appeal against the said decision. The matter is scheduled for case management on 13 December 2011.

- (e) On 8 April 2010, a corporate borrower ("the Plaintiff") had filed a civil suit against Malayan Banking Berhad ("Maybank") and two other Defendants at the Johor Bahru High Court ("JB High Court Suit") alleging that Maybank was in breach of its obligations to the Plaintiff under several banking facilities between them for refusing to allow the drawdown and/or refusing to allow the further drawdown of the banking facilities.

Maybank had offered several banking facilities to finance the Plaintiff's development in a mixed development project. Amongst the many securities granted were several debentures which gave Maybank a right to appoint a receiver and manager over the Plaintiff in the event of default of the banking facilities.

The 2nd and 3rd Defendants were receivers and managers ("R&M") appointed by Maybank under debentures given by the Plaintiff.

The Plaintiff had defaulted under the banking facilities granted by Maybank resulting in Maybank appointing the R&M.

Concurrent with this suit, the Plaintiff also filed an application for an interlocutory injunction to restrain Maybank from exercising its right to appoint a R&M. The application was heard on 23 November 2010 and allowed.

Maybank has filed an application to strike out the JB High Court Suit and the said application was dismissed by the JB High Court on 12 April 2011. Maybank's solicitors had filed an appeal on 25 April 2011. Maybank has also filed a counterclaim in the JB High Court Suit against the Plaintiff and its guarantors to recover all sums due and owing under the banking facilities granted to the Plaintiff. Pursuant thereto, Maybank has also filed an application for summary judgment against the Plaintiff and its guarantors that was fixed for case management on 13 May 2011. The case management was deferred to 31 May 2011 where the JB High Court has allowed Maybank's application to transfer the JB High Court Suit to KL High Court to be heard with the KL High Court Suit described below. As for the appeal, Maybank had requested the Court of Appeal to fix an early hearing date thereto.

Maybank was also subsequently served with a Writ of Summons and Statement of Claim on 25 March 2011 by the Plaintiff at the Kuala Lumpur High Court ("KL High Court Suit") for a sum of RM1.2 billion alleging that the appointment of the R&M was *mala fide* and with malice and that as a consequence thereof, it has purportedly suffered loss and damages.

On 24 October 2011, the KL High Court had allowed Maybank's counterclaim and dismissed the claims, ie JB High Court Suit and KL High Court Suit, both of which against Maybank, with costs. Maybank has also filed an application to strike out the KL High Court Suit which is fixed for hearing on 1 December 2011. The KL High Court allowed the Bank's withdrawal of this striking out application with no order as to cost and the hearing on 1 December 2011 is vacated.

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**B12. Disclosure of Realised and Unrealised Retained Earnings**

Pursuant to the Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements with the guidance notes from Malaysian Institute of Accountants ("MIA") issued on 20 December 2010, the key items contributing to the realised and unrealised retained earnings of the Group and the Bank are disclosed as follows:

|  | <b>30 September<br/>2011<br/>RM'000</b> | <b>30 June<br/>2011<br/>RM'000</b> |
|--|---|------------------------------------|
| Total retained profits of the Bank and its subsidiaries:   |   |                                    |
| - Realised   | <b>8,890,100</b>                        | 8,213,749                          |
| - Unrealised   | <b>955,920</b>                          | 925,779                            |
|  | <b><u>9,846,020</u></b>                 | <u>9,139,528</u>                   |
| Total share of retained profits from associated companies: |   |                                    |
| - Realised   | <b>388,258</b>                          | 351,737                            |
| - Unrealised   | <b>-</b>                                | -                                  |
|  | <b><u>388,258</u></b>                   | <u>351,737</u>                     |
| Total Group retained profits as per consolidated accounts  | <b><u>10,234,278</u></b>                | <u>9,491,265</u>                   |



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**B13. Earning Per Share (EPS)**

**Basic**

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

|  | 1st Quarter Ended    |                      | Cumulative 3 Months Ended |                      |
|--|----------------------|----------------------|---------------------------|----------------------|
|  | 30 September<br>2011 | 30 September<br>2010 | 30 September<br>2011      | 30 September<br>2010 |
| Net profit for the period (RM'000)                         | <b>1,286,390</b>     | 1,028,114            | <b>1,286,390</b>          | 1,028,114            |
| Weighted average number of ordinary shares in issue ('000) | <b>7,478,215</b>     | 7,077,983            | <b>7,478,215</b>          | 7,077,983            |
| Basic earnings per share ('000)                            | <b>17.20 sen</b>     | 14.53 sen            | <b>17.20 sen</b>          | 14.53 sen            |

**Diluted**

The diluted EPS of the Group is calculated by dividing the net profit for the quarter attributable to ordinary shareholders of the parent by the weighted-average number of ordinary shares in issue and adjusted for the number of shares that could have been issued under the Maybank Group Employee Share Scheme ("ESS") and under the Dividend Reinvestment Plan ("DRP").

In the diluted EPS calculation, it was assumed that the ESS relating to the RSU were vested and awarded to employees through issuance of additional ordinary shares and the electable portion of the dividends issue under the DRP 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) based on the monetary value of the ESS entitlement attached to the outstanding RSU granted and the number of shares that could have been issued at an assumed price (determined as the 5-day average price of the Bank's shares as at 30 September 2011) based on the electable portion of the dividends issue under the DRP. These calculations 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 period.

|  | 1st Quarter Ended    |                      | Cumulative 3 Months Ended |                      |
|--|----------------------|----------------------|---------------------------|----------------------|
|  | 30 September<br>2011 | 30 September<br>2010 | 30 September<br>2011      | 30 September<br>2010 |
| Net profit for the period (RM'000)   | <b>1,286,390</b>     | 1,028,114            | <b>1,286,390</b>          | 1,028,114            |
| Weighted average number of ordinary shares in issue ('000)   | <b>7,478,215</b>     | 7,077,983            | <b>7,478,215</b>          | 7,077,983            |
| Effects of dilution ('000)   |                      |                      |                           |                      |
| - shares issued based on the electable portion of the dividends under the Dividend Reinvestment Plan | <b>21,036</b>        | 27,119               | <b>21,036</b>             | 27,119               |
| Adjusted weighted average number of ordinary shares in issue ('000)                                  | <b>7,499,251</b>     | 7,105,102            | <b>7,499,251</b>          | 7,105,102            |
| Diluted earnings per share ('000)  | <b>17.15 sen</b>     | 14.47 sen            | <b>17.15 sen</b>          | 14.47 sen            |

By Order of the Board

**Mohd Nazlan Mohd Ghazali**  
LS0008977  
Company Secretary  
14 November 2011