

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

| <u>Group</u>   | Note | First Quarter Ended        |                            | Cumulative 3 Months Ended  |                            |
|--|------|----------------------------|----------------------------|----------------------------|----------------------------|
|  |      | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| Interest income  | A17  | 4,215,997                  | 3,942,264                  | 4,215,997                  | 3,942,264                  |
| Interest expense   | A18  | (1,823,166)                | (1,514,869)                | (1,823,166)                | (1,514,869)                |
| Net interest income  |      | <b>2,392,831</b>           | 2,427,395                  | <b>2,392,831</b>           | 2,427,395                  |
| Income from Islamic Banking Scheme operations                          | A32a | <b>808,404</b>             | 619,318                    | <b>808,404</b>             | 619,318                    |
|  |      | <b>3,201,235</b>           | 3,046,713                  | <b>3,201,235</b>           | 3,046,713                  |
| Net income from insurance and takaful business                         | A19  | <b>1,786</b>               | (78,141)                   | <b>1,786</b>               | (78,141)                   |
|  |      | <b>3,203,021</b>           | 2,968,572                  | <b>3,203,021</b>           | 2,968,572                  |
| Non-interest income  | A20  | <b>1,232,128</b>           | 1,364,235                  | <b>1,232,128</b>           | 1,364,235                  |
| Net income   |      | <b>4,435,149</b>           | 4,332,807                  | <b>4,435,149</b>           | 4,332,807                  |
| Overhead expenses  | A21  | (2,168,398)                | (2,157,960)                | (2,168,398)                | (2,157,960)                |
| Operating profit before impairment losses                              |      | <b>2,266,751</b>           | 2,174,847                  | <b>2,266,751</b>           | 2,174,847                  |
| Allowances for impairment losses on loans, advances and financing, net | A22  | (210,102)                  | (85,994)                   | (210,102)                  | (85,994)                   |
| Writeback of impairment losses on financial investments, net           |      | <b>114,669</b>             | 2,415                      | <b>114,669</b>             | 2,415                      |
| Operating profit   |      | <b>2,171,318</b>           | 2,091,268                  | <b>2,171,318</b>           | 2,091,268                  |
| Share of profits in associates and joint ventures                      |      | <b>36,470</b>              | 35,458                     | <b>36,470</b>              | 35,458                     |
| <b>Profit before taxation and zakat</b>                                |      | <b>2,207,788</b>           | 2,126,726                  | <b>2,207,788</b>           | 2,126,726                  |
| Taxation and zakat   | B5   | (573,289)                  | (568,431)                  | (573,289)                  | (568,431)                  |
| <b>Profit for the period</b>   |      | <b>1,634,499</b>           | 1,558,295                  | <b>1,634,499</b>           | 1,558,295                  |
| <b>Attributable to:</b>  |      |                            |                            |                            |                            |
| Equity holders of the Bank   |      | <b>1,601,585</b>           | 1,506,214                  | <b>1,601,585</b>           | 1,506,214                  |
| Non-controlling interests  |      | <b>32,914</b>              | 52,081                     | <b>32,914</b>              | 52,081                     |
|  |      | <b>1,634,499</b>           | 1,558,295                  | <b>1,634,499</b>           | 1,558,295                  |
| <b>Earnings per share attributable to equity holders of the Bank</b>   | B13  |                            |                            |                            |                            |
| Basic  |      | <b>18.09 sen</b>           | 17.87 sen                  | <b>18.09 sen</b>           | 17.87 sen                  |
| Fully diluted  |      | <b>18.09 sen</b>           | 17.85 sen                  | <b>18.08 sen</b>           | 17.85 sen                  |

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

| <u>Group</u>  | First Quarter Ended        |                            | Cumulative 3 Months Ended  |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| <b>Profit for the period</b>  | <b>1,634,499</b>           | <b>1,558,295</b>           | <b>1,634,499</b>           | <b>1,558,295</b>           |
| <b>Other comprehensive income/(loss):</b>                                 |                            |                            |                            |                            |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |                            |                            |                            |                            |
| Defined benefit plan actuarial loss                                       | (11,851)                   | -                          | (11,851)                   | -                          |
| Income tax effect   | 3,284                      | -                          | 3,284                      | -                          |
|   | <b>(8,567)</b>             | <b>-</b>                   | <b>(8,567)</b>             | <b>-</b>                   |
| <i>Items that may be reclassified subsequently to profit or loss</i>      |                            |                            |                            |                            |
| Net gain/(loss) on financial investments available-for-sale               | 45,852                     | (156,684)                  | 45,852                     | (156,684)                  |
| Foreign currency translation  | 585,081                    | 93,974                     | 585,081                    | 93,974                     |
| Income tax effect   | (7,337)                    | 34,987                     | (7,337)                    | 34,987                     |
| Other reserves  | (4,668)                    | (3,662)                    | (4,668)                    | (3,662)                    |
|   | <b>618,928</b>             | <b>(31,385)</b>            | <b>618,928</b>             | <b>(31,385)</b>            |
| Other comprehensive income/(loss) for the period, net of tax              | <b>610,361</b>             | <b>(31,385)</b>            | <b>610,361</b>             | <b>(31,385)</b>            |
| <b>Total comprehensive income for the period</b>                          | <b>2,244,860</b>           | <b>1,526,910</b>           | <b>2,244,860</b>           | <b>1,526,910</b>           |
| <b>Total comprehensive income for the period attributable to:</b>         |                            |                            |                            |                            |
| Equity holders of the Bank  | 2,220,036                  | 1,485,619                  | 2,220,036                  | 1,485,619                  |
| Non-controlling interests   | 24,824                     | 41,291                     | 24,824                     | 41,291                     |
|   | <b>2,244,860</b>           | <b>1,526,910</b>           | <b>2,244,860</b>           | <b>1,526,910</b>           |

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

| <u>Bank</u>   | Note | First Quarter Ended        |                            | Cumulative 3 Months Ended  |                            |
|---|------|----------------------------|----------------------------|----------------------------|----------------------------|
|   |      | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| Interest income   | A17  | 3,121,391                  | 2,755,918                  | 3,121,391                  | 2,755,918                  |
| Interest expense  | A18  | (1,327,141)                | (1,127,628)                | (1,327,141)                | (1,127,628)                |
| Net interest income   |      | 1,794,250                  | 1,628,290                  | 1,794,250                  | 1,628,290                  |
| Non-interest income   | A20  | 1,231,313                  | 873,631                    | 1,231,313                  | 873,631                    |
| Net income  |      | 3,025,563                  | 2,501,921                  | 3,025,563                  | 2,501,921                  |
| Overhead expenses   | A21  | (1,106,449)                | (1,084,615)                | (1,106,449)                | (1,084,615)                |
| Operating profit before impairment losses                                 |      | 1,919,114                  | 1,417,306                  | 1,919,114                  | 1,417,306                  |
| Allowances for impairment losses on loans,<br>advances and financing, net | A22  | (113,758)                  | (70,368)                   | (113,758)                  | (70,368)                   |
| Writeback of impairment losses on financial<br>investments, net           |      | 39,785                     | 20,601                     | 39,785                     | 20,601                     |
| <b>Profit before taxation and zakat</b>                                   |      | <b>1,845,141</b>           | <b>1,367,539</b>           | <b>1,845,141</b>           | <b>1,367,539</b>           |
| Taxation and zakat  | B5   | (406,885)                  | (331,009)                  | (406,885)                  | (331,009)                  |
| <b>Profit for the period</b>  |      | <b>1,438,256</b>           | <b>1,036,530</b>           | <b>1,438,256</b>           | <b>1,036,530</b>           |

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**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

| <u>Bank</u>  | First Quarter Ended |           | Cumulative 3 Months Ended |           |
|--|---------------------|-----------|---------------------------|-----------|
|  | 31 March            | 31 March  | 31 March                  | 31 March  |
|  | 2014                | 2013      | 2014                      | 2013      |
|  | RM'000              | RM'000    | RM'000                    | RM'000    |
| <b>Profit for the period</b>   | <b>1,438,256</b>    | 1,036,530 | <b>1,438,256</b>          | 1,036,530 |
| <b>Other comprehensive income/(loss):</b>                            |                     |           |                           |           |
| <i>Items that may be reclassified subsequently to profit or loss</i> |                     |           |                           |           |
| Net gain/(loss) on financial investments available-for-sale          | <b>68,921</b>       | (64,339)  | <b>68,921</b>             | (64,339)  |
| Foreign currency translation   | <b>(14,925)</b>     | 18,248    | <b>(14,925)</b>           | 18,248    |
| Income tax effect  | <b>(17,234)</b>     | 16,085    | <b>(17,234)</b>           | 16,085    |
| Other comprehensive income/(loss) for the period, net of tax         | <b>36,762</b>       | (30,006)  | <b>36,762</b>             | (30,006)  |
| <b>Total comprehensive income for the period</b>                     | <b>1,475,018</b>    | 1,006,524 | <b>1,475,018</b>          | 1,006,524 |

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014**

|   | Note     | Group                      |                               | Bank                       |                               |
|---|----------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   |          | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| <b>ASSETS</b>   |          |                            |                               |                            |                               |
| Cash and short-term funds   |          | 50,676,555                 | 48,067,358                    | 31,293,540                 | 29,320,984                    |
| Deposits and placements with financial institutions                 |          | 9,433,367                  | 7,156,749                     | 16,577,845                 | 15,723,864                    |
| Financial assets purchased under resale agreements                  |          | 1,003,696                  | 20,558                        | 1,003,696                  | 20,558                        |
| Financial assets at fair value through profit or loss               | A10(i)   | 19,256,236                 | 19,166,565                    | 4,937,564                  | 5,546,091                     |
| Financial investments available-for-sale                            | A10(ii)  | 86,774,600                 | 82,836,922                    | 67,935,892                 | 64,532,797                    |
| Financial investments held-to-maturity                              | A10(iii) | 7,287,320                  | 5,668,174                     | 7,050,598                  | 5,354,097                     |
| Loans, advances and financing                                       | A11      | 360,120,560                | 355,617,527                   | 240,687,983                | 237,971,279                   |
| Derivative assets   | A29      | 3,065,440                  | 3,944,692                     | 2,989,393                  | 3,760,133                     |
| Reinsurance/retakaful assets and other insurance receivables        |          | 3,781,203                  | 2,349,995                     | -                          | -                             |
| Other assets  | A12      | 9,254,501                  | 8,505,918                     | 5,129,309                  | 5,319,437                     |
| Investment properties   |          | 584,203                    | 583,257                       | -                          | -                             |
| Statutory deposits with central banks                               |          | 13,900,993                 | 13,742,874                    | 7,243,227                  | 7,327,996                     |
| Investment in subsidiaries  |          | -                          | -                             | 20,032,232                 | 19,505,514                    |
| Interest in associates and joint ventures                           |          | 2,643,915                  | 2,465,341                     | 451,518                    | 451,518                       |
| Property, plant and equipment                                       |          | 2,654,001                  | 2,614,309                     | 1,361,982                  | 1,363,898                     |
| Intangible assets   |          | 6,290,124                  | 6,041,056                     | 495,022                    | 527,268                       |
| Deferred tax assets   |          | 1,279,366                  | 1,661,931                     | 887,481                    | 1,053,598                     |
| <b>TOTAL ASSETS</b>   |          | <b>578,006,080</b>         | <b>560,443,226</b>            | <b>408,077,282</b>         | <b>397,779,032</b>            |
| <b>LIABILITIES</b>  |          |                            |                               |                            |                               |
| Deposits from customers   | A13      | 395,658,621                | 395,610,810                   | 275,050,481                | 273,670,380                   |
| Deposits and placements from financial institutions                 | A14      | 50,188,639                 | 42,139,081                    | 40,665,087                 | 37,582,577                    |
| Obligations on financial assets sold under repurchase agreements    |          | 4,712,767                  | 4,300,055                     | 4,712,767                  | 4,300,055                     |
| Bills and acceptances payable                                       |          | 2,947,636                  | 1,987,089                     | 2,330,386                  | 1,442,612                     |
| Derivative liabilities  | A29      | 2,956,289                  | 3,937,380                     | 2,699,667                  | 3,632,464                     |
| Insurance/takaful contract liabilities and other insurance payables |          | 23,300,459                 | 21,800,139                    | -                          | -                             |
| Other liabilities   | A16      | 11,225,810                 | 8,285,702                     | 11,079,144                 | 9,485,349                     |
| Recourse obligation on loans and financing sold to Cagamas          |          | 1,223,204                  | 1,277,269                     | 648,421                    | 656,293                       |
| Provision for taxation and zakat                                    |          | 563,123                    | 836,527                       | 522,989                    | 578,100                       |
| Deferred tax liabilities  |          | 661,197                    | 639,285                       | -                          | -                             |
| Borrowings  | A15(i)   | 14,333,131                 | 13,321,805                    | 10,123,951                 | 9,318,389                     |
| Subordinated obligations  | A15(ii)  | 14,263,516                 | 12,644,576                    | 12,001,849                 | 10,404,418                    |
| Capital securities  | A15(iii) | 5,942,808                  | 5,920,909                     | 6,225,221                  | 6,208,623                     |
| <b>TOTAL LIABILITIES</b>  |          | <b>527,977,200</b>         | <b>512,700,627</b>            | <b>366,059,963</b>         | <b>357,279,260</b>            |

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014**

|   | Note | Group                      |                               | Bank                       |                               |
|---|------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   |      | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| <b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK</b>          |      |                            |                               |                            |                               |
| Share capital   |      | 8,867,759                  | 8,862,079                     | 8,867,759                  | 8,862,079                     |
| Share premium   |      | 19,078,308                 | 19,030,227                    | 19,078,308                 | 19,030,227                    |
| Shares held-in-trust  |      | (121,827)                  | (107,248)                     | (121,827)                  | (107,248)                     |
| Retained profits  |      | 13,346,726                 | 11,747,484                    | 4,913,430                  | 3,478,214                     |
| Other reserves  |      | 7,089,006                  | 6,464,865                     | 9,279,649                  | 9,236,500                     |
|   |      | <b>48,259,972</b>          | <b>45,997,407</b>             | <b>42,017,319</b>          | <b>40,499,772</b>             |
| <b>Non-controlling interests</b>                                |      | <b>1,768,908</b>           | <b>1,745,192</b>              | <b>-</b>                   | <b>-</b>                      |
|   |      | <b>50,028,880</b>          | <b>47,742,599</b>             | <b>42,017,319</b>          | <b>40,499,772</b>             |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>               |      |                            |                               |                            |                               |
|   |      | <b>578,006,080</b>         | <b>560,443,226</b>            | <b>408,077,282</b>         | <b>397,779,032</b>            |
| <b>COMMITMENTS AND CONTINGENCIES</b>                            | A27  | <b>496,067,268</b>         | <b>433,829,033</b>            | <b>461,095,663</b>         | <b>399,786,232</b>            |
| <b><u>CAPITAL ADEQUACY</u></b>                                  |      |                            |                               |                            |                               |
|   | A28  |                            |                               |                            |                               |
| Based on credit, market and operational risk:                   |      |                            |                               |                            |                               |
| CET1 capital ratio  |      | 10.987%                    | 11.253%                       | 15.640%                    | 15.925%                       |
| Tier 1 capital ratio  |      | 12.538%                    | 13.059%                       | 15.640%                    | 15.925%                       |
| Total capital ratio   |      | 15.331%                    | 15.664%                       | 15.640%                    | 15.925%                       |
| Net assets per share attributable to equity holders of the Bank |      |                            |                               |                            |                               |
|   |      | <b>RM5.44</b>              | <b>RM5.19</b>                 | <b>RM4.74</b>              | <b>RM4.57</b>                 |

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CONDENSED FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

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

| <u>Group</u>   | Share<br>Capital<br>RM'000 | Share<br>Premium<br>RM'000 | Shares<br>Held-in-trust<br>RM'000 | Statutory<br>Reserve<br>RM'000 | Capital<br>Reserve<br>RM'000 | Unrealised<br>Holding<br>Reserve<br>RM'000 | Exchange<br>Fluctuation<br>Reserve<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | ESS<br>Reserve<br>RM'000 | Profit<br>Equalisation<br>Reserve<br>RM'000 | Defined<br>Benefit<br>Reserve<br>RM'000 | Other<br>Reserves<br>RM'000 | Retained<br>Profits<br>RM'000 | Total<br>Shareholders'<br>Equity<br>RM'000 | Non-<br>controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|----------------------------|----------------------------|-----------------------------------|--------------------------------|------------------------------|--|--|----------------------------------|--------------------------|---|---|-----------------------------|-------------------------------|--|--|---------------------------|
| At 1 January 2014  | 8,862,079                  | 19,030,227                 | (107,248)                         | 9,540,136                      | 14,254                       | (604,112)                                  | (2,727,793)                                  | 11,726                           | 278,231                  | 34,456                                      | (82,033)                                | -                           | 11,747,484                    | 45,997,407                                 | 1,745,192                                  | 47,742,599                |
| Profit for the period  | -                          | -                          | -                                 | -                              | -                            | -  | -  | -                                | -                        | -   | -                                       | -                           | 1,601,585                     | 1,601,585                                  | 32,914                                     | 1,634,499                 |
| Other comprehensive income/(loss)  | -                          | -                          | -                                 | -                              | -                            | 52,404                                     | 580,131                                      | 12                               | -                        | -   | (9,421)                                 | (4,675)                     | -                             | 618,451                                    | (8,090)                                    | 610,361                   |
| <b>Total comprehensive income/(loss)<br/>for the period</b>                      | -                          | -                          | -                                 | -                              | -                            | 52,404                                     | 580,131                                      | 12                               | -                        | -   | (9,421)                                 | (4,675)                     | 1,601,585                     | 2,220,036                                  | 24,824                                     | 2,244,860                 |
| Share-based payment under<br>Employees' Share Scheme<br>("ESS")                  | -                          | -                          | -                                 | -                              | -                            | -  | -  | -                                | 17,573                   | -   | -                                       | -                           | -                             | 17,573                                     | -  | 17,573                    |
| Effect of changes in corporate<br>structure within the Group                     | -                          | -                          | -                                 | -                              | (697)                        | -  | -  | -                                | -                        | -   | -                                       | -                           | 697                           | -  | (1,047)                                    | (1,047)                   |
| Issue of shares pursuant to<br>ESS (Note A8(i)(a)(A))                            | 2,848                      | 23,815                     | -                                 | -                              | -                            | -  | -  | -                                | (1,707)                  | -   | -                                       | -                           | -                             | 24,956                                     | -  | 24,956                    |
| Issue of shares pursuant to Restricted<br>Shares Unit ("RSU") (Note A8(i)(a)(B)) | 2,832                      | 24,266                     | (14,579)                          | -                              | -                            | -  | -  | -                                | (9,479)                  | -   | -                                       | -                           | (3,040)                       | -  | -  | -                         |
| Dividends paid (Note A9(b))  | -                          | -                          | -                                 | -                              | -                            | -  | -  | -                                | -                        | -   | -                                       | -                           | -                             | -  | (61)                                       | (61)                      |
| <b>Total transactions with shareholders</b>                                      | 5,680                      | 48,081                     | (14,579)                          | -                              | (697)                        | -  | -  | -                                | 6,387                    | -   | -                                       | -                           | (2,343)                       | 42,529                                     | (1,108)                                    | 41,421                    |
| <b>At 31 March 2014</b>  | 8,867,759                  | 19,078,308                 | (121,827)                         | 9,540,136                      | 13,557                       | (551,708)                                  | (2,147,662)                                  | 11,738                           | 284,618                  | 34,456                                      | (91,454)                                | (4,675)                     | 13,346,726                    | 48,259,972                                 | 1,768,908                                  | 50,028,880                |

<sup>1</sup> The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM837.5 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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CONDENSED FINANCIAL STATEMENTS  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2014

===== Non-Distributable =====

| <u>Group</u>  | Share<br>Capital<br>RM'000 | Share<br>Premium<br>RM'000 | Shares<br>Held-in-trust<br>RM'000 | Statutory<br>Reserve<br>RM'000 | Capital<br>Reserve<br>RM'000 | Unrealised<br>Holding<br>Reserve<br>RM'000 | Exchange<br>Fluctuation<br>Reserve<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | ESS<br>Reserve<br>RM'000 | Profit<br>Equalisation<br>Reserve<br>RM'000 | Defined<br>Benefit<br>Reserve<br>RM'000 | <sup>1</sup><br>Retained<br>Profits<br>RM'000 | Total<br>Shareholders'<br>Equity<br>RM'000 | Non-<br>controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|----------------------------|----------------------------|-----------------------------------|--------------------------------|------------------------------|--|--|----------------------------------|--------------------------|---|---|---|--|--|---------------------------|
| <b>At 1 January 2013</b>  | 8,440,046                  | 15,639,646                 | (102,405)                         | 8,023,712                      | 14,254                       | 707,690                                    | (1,876,684)                                  | 7,986                            | 226,142                  | 34,456                                      | (124,322)                               | 11,104,837                                    | 42,095,358                                 | 1,719,440                                  | 43,814,798                |
| Profit for the period   | -                          | -                          | -                                 | -                              | -                            | -  | -  | -                                | -                        | -   | -                                       | 1,506,214                                     | 1,506,214                                  | 52,081                                     | 1,558,295                 |
| Other comprehensive (loss)/income                               | -                          | -                          | -                                 | -                              | (3,242)                      | (104,687)                                  | 87,321                                       | 13                               | -                        | -   | -                                       | -   | (20,595)                                   | (10,790)                                   | (31,385)                  |
| <b>Total comprehensive (loss)/income<br/>for the period</b>     | -                          | -                          | -                                 | -                              | (3,242)                      | (104,687)                                  | 87,321                                       | 13                               | -                        | -   | -                                       | 1,506,214                                     | 1,485,619                                  | 41,291                                     | 1,526,910                 |
| Share-based payment under<br>Employees' Share Scheme<br>("ESS") | -                          | -                          | -                                 | -                              | -                            | -  | -  | -                                | 21,221                   | -   | -                                       | -   | 21,221                                     | -  | 21,221                    |
| Effect of changes in corporate<br>structure within the Group    | -                          | -                          | -                                 | -                              | -                            | -  | -  | -                                | -                        | -   | -                                       | (303)   | (303)                                      | 2,977                                      | 2,674                     |
| Transfer to statutory reserves                                  | -                          | -                          | -                                 | 258,068                        | -                            | -  | -  | -                                | -                        | -   | -                                       | (258,068)                                     | -  | -  | -                         |
| Issue of shares pursuant to ESS                                 | 876                        | 7,161                      | -                                 | -                              | -                            | -  | -  | -                                | -                        | -   | -                                       | -   | 8,037                                      | -  | 8,037                     |
| Dividends payable   | -                          | -                          | -                                 | -                              | -                            | -  | -  | -                                | -                        | -   | -                                       | (337,637)                                     | (337,637)                                  | (8,948)                                    | (346,585)                 |
| <b>Total transactions with<br/>shareholders</b>                 | 876                        | 7,161                      | -                                 | 258,068                        | -                            | -  | -  | -                                | 21,221                   | -   | -                                       | (596,008)                                     | (308,682)                                  | (5,971)                                    | (314,653)                 |
| <b>At 31 March 2013</b>   | 8,440,922                  | 15,646,807                 | (102,405)                         | 8,281,780                      | 11,012                       | 603,003                                    | (1,789,363)                                  | 7,999                            | 247,363                  | 34,456                                      | (124,322)                               | 12,015,043                                    | 43,272,295                                 | 1,754,760                                  | 45,027,055                |

<sup>1</sup> The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM727.0 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)



**MALAYAN BANKING BERHAD**  
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| <b>Bank</b>  | <===== Non-Distributable =====> |                          |                                 |                              |   |   |                        | <b>Distributable</b> | <b>Total</b> |
|--|---------------------------------|--------------------------|---------------------------------|------------------------------|---|---|------------------------|----------------------|--------------|
|  | <b>Share<br/>Capital</b>        | <b>Share<br/>Premium</b> | <b>Shares<br/>Held-in-trust</b> | <b>Statutory<br/>Reserve</b> | <b>Unrealised<br/>Holding<br/>Reserve</b> | <b>Exchange<br/>Fluctuation<br/>Reserve</b> | <b>ESS<br/>Reserve</b> |                      |              |
|  | RM'000                          | RM'000                   | RM'000                          | RM'000                       | RM'000                                    | RM'000                                      | RM'000                 | RM'000               | RM'000       |
| <b>At 1 January 2014</b>   | 8,862,079                       | 19,030,227               | (107,248)                       | 9,026,745                    | (653,690)                                 | 585,214                                     | 278,231                | 3,478,214            | 40,499,772   |
| Profit for the period  | -                               | -                        | -                               | -                            | -   | -   | -                      | 1,438,256            | 1,438,256    |
| Other comprehensive income/(loss)  | -                               | -                        | -                               | -                            | 51,687                                    | (14,925)                                    | -                      | -                    | 36,762       |
| <b>Total comprehensive income/(loss)<br/>for the period</b>                      | -                               | -                        | -                               | -                            | 51,687                                    | (14,925)                                    | -                      | 1,438,256            | 1,475,018    |
| Share-based payment under Employees'<br>Share Scheme ("ESS")                     | -                               | -                        | -                               | -                            | -   | -   | 17,573                 | -                    | 17,573       |
| Issue of shares pursuant to<br>ESS (Note A8(i)(a)(A))                            | 2,848                           | 23,815                   | -                               | -                            | -   | -   | (1,707)                | -                    | 24,956       |
| Issue of shares pursuant to Restricted Shares<br>Unit ("RSU") (Note A8(i)(a)(B)) | 2,832                           | 24,266                   | (14,579)                        | -                            | -   | -   | (9,479)                | (3,040)              | -            |
| <b>Total transactions with shareholders</b>                                      | 5,680                           | 48,081                   | (14,579)                        | -                            | -   | -   | 6,387                  | (3,040)              | 42,529       |
| <b>At 31 March 2014</b>  | 8,867,759                       | 19,078,308               | (121,827)                       | 9,026,745                    | (602,003)                                 | 570,289                                     | 284,618                | 4,913,430            | 42,017,319   |

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

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|  | <===== Non-Distributable =====> |                            |                                   |                                |  |  |                          | Distributable<br>Retained<br>Profits<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|---------------------------------|----------------------------|-----------------------------------|--------------------------------|--|--|--------------------------|--|---------------------------|
|  | Share<br>Capital<br>RM'000      | Share<br>Premium<br>RM'000 | Shares<br>Held-in-trust<br>RM'000 | Statutory<br>Reserve<br>RM'000 | Unrealised<br>Holding<br>Reserve<br>RM'000 | Exchange<br>Fluctuation<br>Reserve<br>RM'000 | ESS<br>Reserve<br>RM'000 |  |                           |
| <b>Bank</b>  |                                 |                            |                                   |                                |  |  |                          |  |                           |
| <b>At 1 January 2013</b>                                     | 8,440,046                       | 15,639,646                 | (102,405)                         | 7,805,342                      | 393,286                                    | 313,768                                      | 226,142                  | 4,179,482                                      | 36,895,307                |
| Profit for the period  | -                               | -                          | -                                 | -                              | -  | -  | -                        | 1,036,530                                      | 1,036,530                 |
| Other comprehensive (loss)/income                            | -                               | -                          | -                                 | -                              | (48,254)                                   | 18,248                                       | -                        | -  | (30,006)                  |
| <b>Total comprehensive (loss)/income<br/>for the period</b>  | -                               | -                          | -                                 | -                              | (48,254)                                   | 18,248                                       | -                        | 1,036,530                                      | 1,006,524                 |
| Share-based payment under Employees'<br>Share Scheme ("ESS") | -                               | -                          | -                                 | -                              | -  | -  | 21,221                   | -  | 21,221                    |
| Transfer to statutory reserves                               | -                               | -                          | -                                 | 258,082                        | -  | -  | -                        | (258,082)                                      | -                         |
| Issue of shares pursuant to ESS                              | 876                             | 7,161                      | -                                 | -                              | -  | -  | -                        | -  | 8,037                     |
| Dividends payable  | -                               | -                          | -                                 | -                              | -  | -  | -                        | (337,637)                                      | (337,637)                 |
| <b>Total transactions with shareholders</b>                  | 876                             | 7,161                      | -                                 | 258,082                        | -  | -  | 21,221                   | (595,719)                                      | (308,379)                 |
| <b>At 31 March 2013</b>                                      | 8,440,922                       | 15,646,807                 | (102,405)                         | 8,063,424                      | 345,032                                    | 332,016                                      | 247,363                  | 4,620,293                                      | 37,593,452                |

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

|  | Group                      |                            | Bank                       |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| <b>Cash flows from operating activities</b>  |                            |                            |                            |                            |
| Profit before taxation and zakat   | 2,207,788                  | 2,126,726                  | 1,845,141                  | 1,367,539                  |
| Adjustments for non-operating and non-cash items:  |                            |                            |                            |                            |
| Depreciation of property, plant and equipment  | 76,048                     | 65,171                     | 39,900                     | 34,139                     |
| Share of profits in associates and joint ventures  | (36,470)                   | (35,458)                   | -                          | -                          |
| Amortisation of intangible assets  | 53,614                     | 46,890                     | 26,382                     | 22,103                     |
| Net gain on disposal of financial assets at fair value through profit or loss                                  | (47,379)                   | (116,257)                  | (24,549)                   | (72,920)                   |
| Net gain on disposal of financial investments available-for-sale   | (214,580)                  | (318,615)                  | (48,948)                   | (99,828)                   |
| Net (gain)/loss on redemption of financial investments held-to-maturity  | (14)                       | 1                          | (14)                       | 1                          |
| Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss and derivatives | 58,475                     | 222,245                    | (51,157)                   | 159,685                    |
| Allowances for impairment losses on loans, advances and financing, net   | 398,835                    | 284,772                    | 274,967                    | 223,280                    |
| Allowance made for other debts   | 4,651                      | (14,289)                   | 1,570                      | 94                         |
| Dividend income  | (16,835)                   | (20,383)                   | (403,715)                  | (208,785)                  |
| ESS expenses   | 17,893                     | 21,174                     | 13,092                     | 17,336                     |
| Writeback of impairment losses on financial investments, net   | (114,669)                  | (2,415)                    | (39,785)                   | (20,601)                   |
| Other adjustments for non-operating and non-cash items   | (1,354)                    | 17,289                     | (3,205)                    | (18,242)                   |
| Operating profit before working capital changes  | <u>2,386,003</u>           | <u>2,276,851</u>           | <u>1,629,679</u>           | <u>1,403,801</u>           |
| Change in deposits and placements with financial institutions  | 1,524,943                  | (1,532,096)                | 1,620,355                  | (5,788,590)                |
| Change in financial investments portfolio  | (5,330,169)                | (5,490,300)                | (4,289,196)                | (2,656,778)                |
| Change in loans, advances and financing  | (4,901,868)                | (4,929,411)                | (2,991,670)                | (573,268)                  |
| Change in statutory deposits with central banks  | (158,120)                  | (685,339)                  | 84,769                     | (195,094)                  |
| Change in deposits from customers  | 47,810                     | 8,284,361                  | 1,380,101                  | 8,310,786                  |
| Change in deposits and placements from financial institutions  | 8,049,557                  | 3,404,162                  | 3,082,510                  | 2,132,342                  |
| Change in reinsurance/retakaful assets and other insurance receivables   | (1,431,208)                | 1,179,158                  | -                          | -                          |
| Change in insurance/takaful contract liabilities and other insurance payables                                  | 1,500,320                  | (1,235,845)                | -                          | -                          |
| Change in other operating activities   | 2,522,506                  | 1,255,670                  | 2,010,364                  | 635,676                    |
| Exchange fluctuation   | 365,712                    | 245,761                    | 50,114                     | (39,886)                   |
| Cash generated from operations   | <u>4,575,486</u>           | <u>2,772,972</u>           | <u>2,577,026</u>           | <u>3,228,989</u>           |
| Taxes and zakat paid   | (427,858)                  | (566,732)                  | (313,173)                  | (298,681)                  |
| Net cash generated from operating activities   | <u>4,147,628</u>           | <u>2,206,240</u>           | <u>2,263,853</u>           | <u>2,930,308</u>           |

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENTS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

|   | Group                      |                            | Bank                       |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| <b>Cash flows from investing activities</b>                             |                            |                            |                            |                            |
| Dividend received   |                            |                            |                            |                            |
| - from financial investments portfolio                                  | 16,835                     | 20,383                     | 2,967                      | 764                        |
| - from subsidiaries   | -                          | -                          | 400,748                    | 208,021                    |
| Purchase of property, plant and equipment                               | (97,008)                   | (65,393)                   | (38,529)                   | (46,058)                   |
| Proceeds from disposal of property, plant and equipment                 | 685                        | 1,224                      | 168                        | 93                         |
| Purchase of intangible assets   | (66,375)                   | (63,973)                   | (8,997)                    | (60,842)                   |
| Purchase of additional ordinary shares in new and existing subsidiaries | -                          | -                          | (526,718)                  | (335,800)                  |
| Proceeds from transactions with non-controlling interests               | -                          | 2,674                      | 1,667                      | -                          |
| Net cash used in investing activities                                   | <b>(145,863)</b>           | <b>(105,085)</b>           | <b>(168,694)</b>           | <b>(233,822)</b>           |
| <b>Cash flows from financing activities</b>                             |                            |                            |                            |                            |
| Proceeds from shares issuance   | 24,956                     | 8,037                      | 24,956                     | 8,037                      |
| Net drawdown of borrowings  | 886,995                    | 622,355                    | 838,140                    | 24,450                     |
| Issuance of subordinated obligations                                    | 1,600,000                  | -                          | 1,600,000                  | -                          |
| Loans sold to Cagamas, net  | (54,065)                   | (162,963)                  | (7,873)                    | (7,659)                    |
| Dividends paid to non-controlling interests                             | (61)                       | (8,948)                    | -                          | -                          |
| Net cash generated from financing activities                            | <b>2,457,825</b>           | <b>458,481</b>             | <b>2,455,223</b>           | <b>24,828</b>              |
| Net change in cash and cash equivalents                                 | <b>6,459,590</b>           | <b>2,559,636</b>           | <b>4,550,382</b>           | <b>2,721,314</b>           |
| Cash and cash equivalents at beginning of period *                      | <b>50,821,501</b>          | <b>42,327,981</b>          | <b>32,326,864</b>          | <b>25,755,639</b>          |
| Cash and cash equivalents at end of period                              | <b>57,281,091</b>          | <b>44,887,617</b>          | <b>36,877,246</b>          | <b>28,476,953</b>          |

Cash and cash equivalents included in the cash flow statements comprise the following amounts in Statements of Financial Position:

|  | Group                      |                            | Bank                       |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| Cash and short-term funds                                    | 50,676,555                 | 43,155,120                 | 31,293,540                 | 27,255,514                 |
| Deposits with financial institutions maturing within 1 month | 6,604,536                  | 1,732,497                  | 5,583,706                  | 1,221,439                  |
|  | <b>57,281,091</b>          | <b>44,887,617</b>          | <b>36,877,246</b>          | <b>28,476,953</b>          |
| * Cash and cash equivalents at beginning of period:          |                            |                            |                            |                            |
| Cash and short-term funds as previously reported             | 50,870,333                 | 42,180,023                 | 32,430,352                 | 25,634,415                 |
| Effects of foreign exchange rate changes                     | (48,832)                   | 147,958                    | (103,488)                  | 121,224                    |
| As restated  | <b>50,821,501</b>          | <b>42,327,981</b>          | <b>32,326,864</b>          | <b>25,755,639</b>          |

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

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

**A1. Basis of Preparation**

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

The unaudited condensed interim financial statements have been prepared in accordance with the requirements of Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB").

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. 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 financial year ended 31 December 2013.

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

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2013 except for adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs") and Interpretation of the Issues Committee ("IC Interpretation") with effective date of 1 January 2014:

- MFRS 10 *Consolidated Financial Statements - Investment Entities* (Amendments to MFRS 10)
- MFRS 12 *Disclosure of Interest in Other Entities - Investment Entities* (Amendments to MFRS 12)
- MFRS 127 *Separate Financial Statements - Investment Entities* (Amendments to MFRS 127)
- MFRS 132 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments to MFRS 132)
- MFRS 136 *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments to MFRS 136)
- MFRS 139 *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge*
- IC Interpretation 21 *Levies*

The adoption of the above amendments to MFRSs and IC Interpretation would not have any material impact to the Group's and the Bank's financial performance.

**Guidance issued by Bank Negara Malaysia ("BNM")**

On 4 February 2014, Bank Negara Malaysia ("BNM") issued a letter requiring banking institutions to maintain, in aggregate, collective impairment allowance and regulatory reserve of no less than 1.20% of total outstanding loans/financing, net of individual impairment allowance, pursuant to paragraph 13 of the BNM's Policy Document on Classification and Impairment Provisions for Loans/Financing. The regulatory reserve is maintained in addition to the collective impairment allowance required under MFRS, and it will be set aside from the retained profits to a separate reserve within equity as an additional credit risk absorbent. Banking institutions are required to comply with this requirement by 31 December 2015. The adoption of this new regulatory requirement is not expected to have any financial impact to the profit or loss of the Group and of the Bank.

**A2. Significant Accounting Policies**

The audited financial statements of the Group and the Bank for the financial year ended 31 December 2013 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2013.

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**A3. Significant Accounting Estimates and Judgments**

The preparation of unaudited condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgments are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited condensed interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the financial year ended 31 December 2013.

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

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2013 was not qualified.

**A5. Seasonal or Cyclical Factors**

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors in the first quarter ended 31 March 2014.

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

During the first quarter ended 31 March 2014, save as disclosed in Note A8 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

**A7. Changes in Estimates**

There were no material changes in estimates during the first quarter ended 31 March 2014.

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

(i) The following are the changes in debt and equity securities that were issued by the Group and the Bank during the three-month ended 31 March 2014:

(a) **Issuance of Shares**

The issued and paid-up share capital of the Bank increased from RM8,862,079,081 as at 31 December 2013 to RM8,867,758,790 as at 31 March 2014 via:

(A) issuance of 2,848,200 new ordinary shares of RM1 each, to eligible employees who exercised their options under the current Maybank Group Employees' Share Scheme ("ESS") which commenced on 23 June 2011, for a period of 7 years; and

(B) issuance of 2,831,509 new ordinary shares of RM1 each, to eligible employees under the Restricted Share Unit ("RSU") which is part of the current Maybank Group ESS.

(b) **Redemption of bonds by subsidiaries of PT Bank Internasional Indonesia Tbk**

On 4 March 2014, PT Wahana Ottomitra Multiartha Tbk, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn, an indirect subsidiary of Maybank, redeemed Bonds V Series C of IDR366 billion (equivalent to RM105.4 million). The Bonds issued on 4 March 2011 under Bonds V WOM Finance Year 2011 With Fixed Interest Rate.

(c) **Redemption of medium term notes by Maybank Kim Eng Holdings Limited and its subsidiary**

On 28 January 2014, Maybank Kim Eng Holdings Limited, a subsidiary of Maybank, redeemed medium term notes amounting to SGD100 million (equivalent to RM259.2 million) under its SGD800 million Multicurrency Medium Term Note Programme.

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

(i) The following are the changes in debt and equity securities that were issued by the Group and the Bank during the three-month ended 31 March 2014 (cont'd.):

**(d) Issuance of Tier 2 Subordinated Notes of RM1.6 billion pursuant to the RM7.0 billion Subordinated Note Programme**

On 29 January 2014, Maybank issued RM1.6 billion Basel III-compliant Tier 2 Subordinated Notes with tenure of 10 years on a 10 non-callable 5 basis under the revised Subordinated Note Programme.

**(e) Issuance of JPY30.0 billion Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 6 February 2014, Maybank had completed the issuance of JPY30.0 billion Senior Fixed Rate Notes with tenure of 5 years pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme.

(ii) The following are the changes in debt and equity securities that were issued by the Group and the Bank subsequent to the first quarter ended 31 March 2014 and have not been reflected in the financial statements for the first quarter ended 31 March 2014:

**(a) Issuance of Tier 2 Capital Subordinated Sukuk Murabahah of RM1.5 billion in nominal value ("Subordinated Sukuk Murabahah") pursuant to a Subordinated Sukuk Murabahah Programme of up to RM10.0 billion in nominal value ("Subordinated Sukuk Programme")**

On 7 April 2014, Maybank Islamic Berhad, a subsidiary of Maybank, had completed the issuance of RM1.5 billion Basel III-compliant Tier 2 Subordinated Sukuk Murabahah with tenure of 10 years on a 10 non-callable 5 basis pursuant to the Subordinated Sukuk Programme established in March 2014.

**(b) Issuance of AUD56.0 million Senior Floating Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 5 May 2014, Maybank had completed the issuance of AUD56.0 million Senior Floating Notes with tenure of 5 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

**(c) Issuance of USD50.0 million Senior Floating Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 12 May 2014, Maybank had completed the issuance of USD50.0 million Senior Floating Rate Notes with tenure of 3 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

**(d) Issuance of USD50.0 million Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 20 May 2014, Maybank had completed the issuance of USD50.0 million Senior Fixed Rate Notes with tenure of 5 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

**(e) Issuance of JPY31.1 billion Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 22 May 2014, Maybank had completed the issuance of JPY31.1 billion Senior Fixed Rate Notes with tenure of 3 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

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

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**A9. Dividends Paid**

- (a) There was no dividend paid during the first quarter ended 31 March 2014.

During the Annual General Meeting held on 7 April 2014, a final dividend in respect of the financial year ended 31 December 2013 of 31 sen single-tier dividend per ordinary share of RM1.00 each, amounting to a net dividend payable of RM2,747,244,515 (based on 8,862,079,081 ordinary shares of RM1.00 each in issue as at 31 December 2013) was approved by the shareholders.

The dividend consists of cash portion of 4 sen single-tier dividend per ordinary share of RM1.00 each and an electable portion of 27 sen per ordinary share of RM1.00 each.

The financial statements for the current financial quarter do not reflect the final dividend as approval from shareholders have yet been obtained as at 31 March 2014.

- (b) Dividends paid by Maybank's subsidiaries to non-controlling interest amounting to RM60,898 during the quarter ended 31 March 2014.



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**A10. Financial Investments Portfolio**

|   | Note  | Group                      |                               | Bank                       |                               |
|---|-------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   |       | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Financial assets at fair value through profit or loss | (i)   | 19,256,236                 | 19,166,565                    | 4,937,564                  | 5,546,091                     |
| Financial investments available-for-sale              | (ii)  | 86,774,600                 | 82,836,922                    | 67,935,892                 | 64,532,797                    |
| Financial investments held-to-maturity                | (iii) | 7,287,320                  | 5,668,174                     | 7,050,598                  | 5,354,097                     |
|   |       | <b>113,318,156</b>         | <b>107,671,661</b>            | <b>79,924,054</b>          | <b>75,432,985</b>             |

**(i) Financial assets at fair value through profit or loss**

|  | Group                      |                               | Bank                       |                               |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| (a) Financial assets designated upon initial recognition | 10,998,002                 | 11,177,612                    | -                          | -                             |
| (b) Financial assets held-for-trading                    | 8,258,234                  | 7,988,953                     | 4,937,564                  | 5,546,091                     |
|  | <b>19,256,236</b>          | <b>19,166,565</b>             | <b>4,937,564</b>           | <b>5,546,091</b>              |

(a) Financial assets designated upon initial recognition are as follows:

|   | Group                      |                               | Bank                       |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| <b>At fair value</b>  |                            |                               |                            |                               |
| <b>Money market instruments:</b>                                  |                            |                               |                            |                               |
| Malaysian Government Securities                                   | 384,928                    | 284,447                       | -                          | -                             |
| Malaysian Government Investment Issues                            | 897,412                    | 1,048,283                     | -                          | -                             |
| Negotiable Islamic Certificates of Deposits                       | 239,003                    | 237,013                       | -                          | -                             |
|   | <b>1,521,343</b>           | <b>1,569,743</b>              | <b>-</b>                   | <b>-</b>                      |
| <b>Unquoted securities:</b>                                       |                            |                               |                            |                               |
| Private and Islamic debt securities in Malaysia                   | 9,321,472                  | 9,375,999                     | -                          | -                             |
| Structured deposits   | 155,187                    | 231,870                       | -                          | -                             |
|   | <b>9,476,659</b>           | <b>9,607,869</b>              | <b>-</b>                   | <b>-</b>                      |
| <b>Total financial assets designated upon initial recognition</b> | <b>10,998,002</b>          | <b>11,177,612</b>             | <b>-</b>                   | <b>-</b>                      |

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

**(i) Financial assets at fair value through profit or loss (cont'd.)**

(b) Financial assets held-for-trading are as follows:

|   | Group                      |                               | Bank                       |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| <b>At fair value</b>                                |                            |                               |                            |                               |
| <b>Money market instruments:</b>                    |                            |                               |                            |                               |
| Malaysian Government Securities                     | 924,846                    | 545,022                       | 894,819                    | 545,022                       |
| Malaysian Government Treasury Bills                 | 1,648                      | 9,701                         | 1,648                      | 9,701                         |
| Malaysian Government Investment<br>Issues           | 634,518                    | 233,270                       | 234,093                    | 20,292                        |
| Bank Negara Malaysia Bills and Notes                | 327,633                    | 2,096,486                     | 327,633                    | 2,096,486                     |
| Khazanah Bonds                                      | 42,220                     | 44,950                        | 42,220                     | 44,950                        |
| Bank Negara Malaysia Monetary Notes                 | 712,831                    | 1,121,248                     | 339,444                    | 797,797                       |
| Foreign Government Treasury Bills                   | 339,155                    | 1,127                         | 339,155                    | 1,127                         |
| Foreign Government Securities                       | 1,857,307                  | 418,568                       | 1,209,707                  | 261,875                       |
| Cagamas Bonds                                       | 10,213                     | 10,128                        | 10,213                     | 10,128                        |
| Negotiable instruments of deposits                  | 15,368                     | 15,238                        | -                          | -                             |
|   | <b>4,865,739</b>           | <b>4,495,738</b>              | <b>3,398,932</b>           | <b>3,787,378</b>              |
| <b>Quoted securities:</b>                           |                            |                               |                            |                               |
| <b>In Malaysia:</b>                                 |                            |                               |                            |                               |
| Shares, warrants, trust units<br>and loan stocks    | 535,329                    | 476,290                       | -                          | -                             |
| <b>Outside Malaysia:</b>                            |                            |                               |                            |                               |
| Shares, warrants, trust units<br>and loan stocks    | 173,297                    | 158,774                       | -                          | -                             |
|   | <b>708,626</b>             | <b>635,064</b>                | <b>-</b>                   | <b>-</b>                      |
| <b>Unquoted securities:</b>                         |                            |                               |                            |                               |
| Private and Islamic debt<br>securities in Malaysia  | 645,616                    | 1,416,190                     | 346,088                    | 1,066,773                     |
| Foreign private debt securities                     | 618,197                    | 661,092                       | 356,851                    | 487,645                       |
| Foreign Government Bonds                            | 835,693                    | 204,295                       | 835,693                    | 204,295                       |
| Credit linked note                                  | 388,605                    | 386,954                       | -                          | -                             |
| Structured Deposits                                 | 195,758                    | 189,620                       | -                          | -                             |
|   | <b>2,683,869</b>           | <b>2,858,151</b>              | <b>1,538,632</b>           | <b>1,758,713</b>              |
| <b>Total financial assets held-<br/>for-trading</b> | <b>8,258,234</b>           | <b>7,988,953</b>              | <b>4,937,564</b>           | <b>5,546,091</b>              |

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

**(ii) Financial investments available-for-sale**

|   | Group                      |                               | Bank                       |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| <b>At fair value, or at cost less impairment losses for certain unquoted equity instruments</b> |                            |                               |                            |                               |
| <b>Money market instruments:</b>  |                            |                               |                            |                               |
| Malaysian Government Securities   | 6,065,189                  | 5,376,329                     | 6,001,490                  | 5,334,570                     |
| Cagamas Bonds   | 332,910                    | 335,958                       | 332,910                    | 335,958                       |
| Foreign Government Securities   | 7,936,020                  | 7,123,882                     | 4,708,097                  | 4,198,384                     |
| Malaysian Government Investment Issues  | 13,702,364                 | 12,873,722                    | 8,385,670                  | 7,304,355                     |
| Foreign Government Treasury Bills   | 6,987,624                  | 8,464,589                     | 6,987,624                  | 8,464,589                     |
| Negotiable instruments of deposits  | 4,274,719                  | 2,973,885                     | 4,675,359                  | 3,991,945                     |
| Bankers' acceptances and Islamic accepted bills   | 1,809,175                  | 1,782,763                     | 1,809,175                  | 1,756,523                     |
| Khazanah Bonds  | 2,020,796                  | 1,764,019                     | 1,944,706                  | 1,664,091                     |
| Malaysian Government Treasury Bills   | 23,324                     | 28,153                        | 23,324                     | 28,153                        |
| Foreign Certificates of Deposits  | 31,805                     | 32,292                        | 31,805                     | 32,292                        |
|   | <b>43,183,926</b>          | <b>40,755,592</b>             | <b>34,900,160</b>          | <b>33,110,860</b>             |
| <b>Quoted securities:</b>   |                            |                               |                            |                               |
| <b>In Malaysia:</b>   |                            |                               |                            |                               |
| Shares, warrants, trust units and loan stocks   | 2,948,727                  | 2,605,959                     | 71,040                     | 85,400                        |
| <b>Outside Malaysia:</b>  |                            |                               |                            |                               |
| Shares, warrants, trust units and loan stocks   | 131,039                    | 271,424                       | 3,429                      | 8,112                         |
|   | <b>3,079,766</b>           | <b>2,877,383</b>              | <b>74,469</b>              | <b>93,512</b>                 |
| <b>Unquoted securities:</b>   |                            |                               |                            |                               |
| Shares, trust units and loan stocks in Malaysia   | 531,730                    | 696,820                       | 288,438                    | 379,536                       |
| Shares, trust units and loan stocks outside Malaysia  | 20,883                     | 8,247                         | 18,658                     | 6,026                         |
| Private and Islamic debt securities in Malaysia   | 16,484,173                 | 15,826,042                    | 10,627,675                 | 9,945,610                     |
| Malaysian Government Bonds  | 1,040,751                  | 1,049,980                     | 848,513                    | 857,172                       |
| Foreign Government Bonds  | 5,751,085                  | 5,526,754                     | 5,747,155                  | 5,442,869                     |
| Foreign private and Islamic debt securities   | 16,642,199                 | 16,038,018                    | 15,430,824                 | 14,697,212                    |
| Structured deposits   | 40,087                     | 58,086                        | -                          | -                             |
|   | <b>40,510,908</b>          | <b>39,203,947</b>             | <b>32,961,263</b>          | <b>31,328,425</b>             |
| <b>Total financial investments available-for-sale</b>   | <b>86,774,600</b>          | <b>82,836,922</b>             | <b>67,935,892</b>          | <b>64,532,797</b>             |

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

**(iii) Financial investments held-to-maturity**

|   | Group                      |                               | Bank                       |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| <b>At amortised cost less impairment losses</b>         |                            |                               |                            |                               |
| <b>Money market instruments:</b>                        |                            |                               |                            |                               |
| Malaysian Government Securities                         | 1,475,003                  | 337,658                       | 1,474,897                  | 337,551                       |
| Foreign Government Securities                           | 346,147                    | 376,652                       | -                          | -                             |
| Malaysian Government Investment Issues                  | 1,588,399                  | 1,362,378                     | 1,588,399                  | 1,362,378                     |
| Foreign Government Treasury Bills                       | 410,676                    | 468,262                       | -                          | -                             |
| Khazanah Bonds  | 925,899                    | 813,573                       | 925,899                    | 813,573                       |
| Foreign Certificate of Deposit                          | 126,403                    | 91,260                        | -                          | -                             |
|   | <b>4,872,527</b>           | <b>3,449,783</b>              | <b>3,989,195</b>           | <b>2,513,502</b>              |
| <b>Unquoted securities:</b>                             |                            |                               |                            |                               |
| Private and Islamic debt securities<br>in Malaysia      | 2,344,491                  | 2,113,241                     | 3,034,414                  | 2,795,425                     |
| Foreign Government Bonds                                | 87,413                     | 122,425                       | 44,039                     | 62,220                        |
| Foreign private and Islamic debt securities             | 16,696                     | 16,500                        | -                          | -                             |
| Others  | 2,044                      | 2,044                         | 2,044                      | 2,044                         |
|   | <b>2,450,644</b>           | <b>2,254,210</b>              | <b>3,080,497</b>           | <b>2,859,689</b>              |
| Accumulated impairment losses                           | <b>(35,851)</b>            | <b>(35,819)</b>               | <b>(19,094)</b>            | <b>(19,094)</b>               |
| <b>Total financial investments<br/>held-to-maturity</b> | <b>7,287,320</b>           | <b>5,668,174</b>              | <b>7,050,598</b>           | <b>5,354,097</b>              |

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**A11. Loans, Advances and Financing**

|   | Group                      |                               | Bank                       |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Overdrafts/cashline                                   | 18,015,116                 | 17,765,336                    | 10,899,305                 | 10,935,875                    |
| Term loans  |                            |                               |                            |                               |
| - Housing loans/financing                             | 96,733,716                 | 88,740,412                    | 40,839,092                 | 40,332,480                    |
| - Syndicated loans/financing                          | 25,468,962                 | 25,671,242                    | 24,022,152                 | 22,323,927                    |
| - Hire purchase receivables                           | 53,211,536                 | 52,431,837                    | 21,848,468                 | 22,830,752                    |
| - Lease receivables                                   | 20,988                     | 20,929                        | 3,272                      | 3,272                         |
| - Other loans/financing                               | 184,675,914                | 181,341,680                   | 97,363,819                 | 94,617,421                    |
| Credit card receivables                               | 6,310,714                  | 6,509,680                     | 5,307,718                  | 5,514,077                     |
| Bills receivables                                     | 6,934,607                  | 5,216,010                     | 6,785,243                  | 5,135,423                     |
| Trust receipts  | 3,880,407                  | 3,835,055                     | 3,235,838                  | 2,986,724                     |
| Claims on customers under acceptance credits          | 10,457,991                 | 11,310,833                    | 6,273,041                  | 6,890,688                     |
| Loans/financing to financial institutions (Note (x))  | 3,529,046                  | 4,337,601                     | 11,256,322                 | 12,105,137                    |
| Revolving credits                                     | 31,318,873                 | 32,981,166                    | 18,748,699                 | 20,172,891                    |
| Staff loans   | 2,788,224                  | 2,777,136                     | 1,051,374                  | 1,078,108                     |
| Loans to  |                            |                               |                            |                               |
| - Executive directors of subsidiaries                 | 4,844                      | 4,495                         | 536                        | 346                           |
| Others  | 2,912,673                  | 2,673,826                     | -                          | -                             |
|   | <u>446,263,611</u>         | <u>435,617,238</u>            | <u>247,634,879</u>         | <u>244,927,121</u>            |
| Unearned interest and income                          | <u>(80,183,937)</u>        | <u>(74,237,088)</u>           | <u>(2,383,305)</u>         | <u>(2,568,362)</u>            |
| Gross loans, advances and financing                   | <u>366,079,674</u>         | <u>361,380,150</u>            | <u>245,251,574</u>         | <u>242,358,759</u>            |
| Allowances for impaired loans, advances and financing |                            |                               |                            |                               |
| - Individual allowance                                | (1,939,809)                | (1,939,320)                   | (1,485,327)                | (1,502,010)                   |
| - Collective allowance                                | (4,019,305)                | (3,823,303)                   | (3,078,264)                | (2,885,470)                   |
| Net loans, advances and financing                     | <u>360,120,560</u>         | <u>355,617,527</u>            | <u>240,687,983</u>         | <u>237,971,279</u>            |

(i) Loans, advances and financing analysed by type of customer are as follows:

|   | Group                      |                               | Bank                       |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Domestic banking institutions               | 1,914                      | 1,912                         | 7,376,864                  | 7,320,684                     |
| Domestic non-banking financial institutions |                            |                               |                            |                               |
| - Stockbroking companies                    | -                          | 364                           | -                          | 364                           |
| - Others                                    | 16,464,917                 | 16,199,389                    | 13,918,811                 | 14,354,628                    |
| Domestic business enterprises               |                            |                               |                            |                               |
| - Small and medium enterprises              | 64,767,288                 | 67,988,292                    | 45,998,918                 | 50,143,013                    |
| - Others                                    | 77,631,528                 | 75,691,335                    | 53,650,716                 | 52,282,888                    |
| Government and statutory bodies             | 8,618,394                  | 8,745,359                     | 2,367,104                  | 2,433,691                     |
| Individuals                                 | 163,572,416                | 159,668,593                   | 90,709,922                 | 90,745,812                    |
| Other domestic entities                     | 5,483,754                  | 3,553,363                     | 2,873,617                  | 348,604                       |
| Foreign entities                            | 29,539,463                 | 29,531,543                    | 28,355,622                 | 24,729,075                    |
| Gross loans, advances and financing         | <u>366,079,674</u>         | <u>361,380,150</u>            | <u>245,251,574</u>         | <u>242,358,759</u>            |

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

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

|                                     | Group                      |                               | Bank                       |                               |
|-------------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                                     | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Malaysia                            | 223,943,830                | 224,392,074                   | 141,661,642                | 145,129,943                   |
| Singapore                           | 82,104,888                 | 81,162,326                    | 81,353,883                 | 80,410,679                    |
| Indonesia                           | 30,360,111                 | 28,576,749                    | -                          | -                             |
| Labuan Offshore                     | 8,815,010                  | 6,799,926                     | 6,595,583                  | 1,551,035                     |
| Hong Kong SAR                       | 10,190,384                 | 9,310,531                     | 9,994,002                  | 9,126,352                     |
| United States of America            | 792,861                    | 954,907                       | 792,401                    | 954,445                       |
| People's Republic of China          | 2,871,180                  | 2,796,912                     | 2,871,180                  | 2,796,912                     |
| Vietnam                             | 388,111                    | 388,768                       | 316,149                    | 340,355                       |
| United Kingdom                      | 971,033                    | 1,397,833                     | 970,949                    | 1,397,754                     |
| Brunei                              | 326,158                    | 318,179                       | 326,158                    | 318,179                       |
| Cambodia                            | 898,113                    | 895,358                       | -                          | -                             |
| Bahrain                             | 321,626                    | 287,965                       | 321,626                    | 287,965                       |
| Philippines                         | 2,819,365                  | 2,781,552                     | -                          | -                             |
| Papua New Guinea                    | 182,790                    | 167,495                       | -                          | -                             |
| Thailand                            | 1,014,543                  | 1,072,617                     | -                          | -                             |
| Laos                                | 48,001                     | 45,140                        | 48,001                     | 45,140                        |
| Others                              | 31,670                     | 31,818                        | -                          | -                             |
| Gross loans, advances and financing | <b>366,079,674</b>         | <b>361,380,150</b>            | <b>245,251,574</b>         | <b>242,358,759</b>            |

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

|                                     | Group                      |                               | Bank                       |                               |
|-------------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                                     | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Fixed rate                          |                            |                               |                            |                               |
| - Housing loans/financing           | 13,750,398                 | 13,906,768                    | 11,337,621                 | 11,221,554                    |
| - Hire purchase receivables         | 46,927,015                 | 46,181,266                    | 20,188,714                 | 21,015,764                    |
| - Other fixed rate loans/financing  | 54,927,747                 | 56,572,652                    | 39,215,995                 | 41,692,920                    |
| Variable rate                       |                            |                               |                            |                               |
| - Base lending rate plus            | 132,344,792                | 129,042,645                   | 89,935,725                 | 89,281,956                    |
| - Cost plus                         | 46,794,548                 | 48,681,566                    | 42,483,751                 | 43,204,043                    |
| - Other variable rates              | 71,335,174                 | 66,995,253                    | 42,089,768                 | 35,942,522                    |
| Gross loans, advances and financing | <b>366,079,674</b>         | <b>361,380,150</b>            | <b>245,251,574</b>         | <b>242,358,759</b>            |

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

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

|   | Group                      |                               | Bank                       |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Purchase of securities                                    | 32,513,831                 | 31,545,546                    | 13,766,800                 | 12,824,405                    |
| Purchase of transport vehicles                            | 48,693,984                 | 47,901,056                    | 20,068,881                 | 20,865,446                    |
| Purchase of landed properties                             |                            |                               |                            |                               |
| - Residential   | 67,398,744                 | 65,773,530                    | 48,814,828                 | 48,640,714                    |
| - Non-residential   | 29,142,609                 | 29,271,455                    | 23,535,926                 | 24,169,305                    |
| Purchase of fixed assets (excluding<br>landed properties) | 4,693,408                  | 4,692,156                     | 4,605,936                  | 4,609,831                     |
| Personal use  | 8,272,699                  | 8,137,882                     | 6,283,290                  | 6,285,258                     |
| Credit card   | 6,510,768                  | 6,717,193                     | 5,513,100                  | 5,726,412                     |
| Purchase of consumer durables                             | 180,171                    | 452,606                       | 179,576                    | 451,881                       |
| Constructions   | 13,046,940                 | 13,206,415                    | 9,346,940                  | 9,526,319                     |
| Mergers and acquisitions                                  | 3,923,568                  | 3,922,495                     | 3,923,568                  | 3,922,495                     |
| Working capital   | 128,724,424                | 126,731,269                   | 92,925,386                 | 90,334,005                    |
| Others  | 22,978,528                 | 23,028,547                    | 16,287,343                 | 15,002,688                    |
| Gross loans, advances and financing                       | <b>366,079,674</b>         | <b>361,380,150</b>            | <b>245,251,574</b>         | <b>242,358,759</b>            |

(v) The maturity profile of loans, advances and financing are as follows:

|                                     | Group                      |                               | Bank                       |                               |
|-------------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                                     | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Within one year                     | 101,034,952                | 103,617,415                   | 74,502,568                 | 77,819,709                    |
| One year to three years             | 49,052,607                 | 48,189,831                    | 37,879,405                 | 36,423,888                    |
| Three years to five years           | 50,049,468                 | 50,776,490                    | 36,195,990                 | 35,223,650                    |
| After five years                    | 165,942,647                | 158,796,414                   | 96,673,611                 | 92,891,512                    |
| Gross loans, advances and financing | <b>366,079,674</b>         | <b>361,380,150</b>            | <b>245,251,574</b>         | <b>242,358,759</b>            |

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

|  | Group                      |                               | Bank                       |                               |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Gross impaired loans at 1 January                          | 5,360,903                  | 5,654,352                     | 3,776,831                  | 4,162,301                     |
| Newly impaired   | 1,052,558                  | 4,485,865                     | 583,084                    | 2,687,492                     |
| Reclassified as non-impaired                               | (224,158)                  | (1,260,300)                   | (108,326)                  | (661,304)                     |
| Amount recovered   | (445,438)                  | (1,840,674)                   | (254,677)                  | (1,270,299)                   |
| Amount written off   | (188,257)                  | (1,579,965)                   | (115,555)                  | (1,105,782)                   |
| Converted to financial investments<br>available-for-sale   | (67,830)                   | (152,544)                     | (67,830)                   | (152,544)                     |
| Transferred from a subsidiary                              | -                          | -                             | 17,168                     | -                             |
| Exchange differences and expenses debited                  | 73,384                     | 54,169                        | 15,713                     | 116,967                       |
| Gross impaired loans at 31 March 2014/<br>31 December 2013 | <b>5,561,162</b>           | <b>5,360,903</b>              | <b>3,846,408</b>           | <b>3,776,831</b>              |
| Less: Individual allowance                                 | <b>(1,939,809)</b>         | <b>(1,939,320)</b>            | <b>(1,485,327)</b>         | <b>(1,502,010)</b>            |
| Net impaired loans, advances and financing                 | <b>3,621,353</b>           | <b>3,421,583</b>              | <b>2,361,081</b>           | <b>2,274,821</b>              |
| Ratio of net impaired loans                                | <b>0.99%</b>               | <b>0.95%</b>                  | <b>0.97%</b>               | <b>0.94%</b>                  |

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

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

|  | Group                      |                               | Bank                       |                               |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Purchase of securities                                 | 65,259                     | 66,448                        | 30,579                     | 31,499                        |
| Purchase of transport vehicles                         | 262,365                    | 227,798                       | 105,809                    | 96,811                        |
| Purchase of landed properties                          |                            |                               |                            |                               |
| - Residential  | 461,575                    | 454,877                       | 350,214                    | 343,461                       |
| - Non-residential                                      | 115,795                    | 119,014                       | 88,753                     | 95,277                        |
| Purchase of fixed assets (excluding landed properties) | -                          | 346                           | -                          | -                             |
| Personal use   | 120,169                    | 120,696                       | 50,657                     | 49,749                        |
| Credit card  | 81,178                     | 76,022                        | 53,698                     | 49,433                        |
| Purchase of consumer durables                          | 9                          | 8                             | 6                          | 6                             |
| Constructions  | 332,871                    | 197,055                       | 271,069                    | 153,846                       |
| Working capital  | 3,695,013                  | 3,542,034                     | 2,618,508                  | 2,549,415                     |
| Others   | 426,928                    | 556,605                       | 277,115                    | 407,334                       |
| Impaired loans, advances and financing                 | <b>5,561,162</b>           | <b>5,360,903</b>              | <b>3,846,408</b>           | <b>3,776,831</b>              |

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

|  | Group                      |                               | Bank                       |                               |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Malaysia                               | 3,973,524                  | 3,795,548                     | 3,406,065                  | 3,258,707                     |
| Singapore                              | 246,870                    | 243,157                       | 232,933                    | 229,187                       |
| Indonesia                              | 898,492                    | 797,355                       | -                          | -                             |
| Labuan Offshore                        | 44,306                     | 46,349                        | 17,273                     | -                             |
| Hong Kong SAR                          | 17,183                     | 17,601                        | 16,292                     | 16,706                        |
| United States of America               | 460                        | 462                           | -                          | -                             |
| People's Republic of China             | 1,593                      | 1,598                         | 1,593                      | 1,598                         |
| Vietnam                                | 15,355                     | 15,437                        | 15,355                     | 15,437                        |
| United Kingdom                         | 141,664                    | 241,583                       | 141,664                    | 241,583                       |
| Brunei                                 | 8,261                      | 6,567                         | 8,261                      | 6,567                         |
| Cambodia                               | 49,411                     | 52,689                        | -                          | -                             |
| Bahrain                                | 6,972                      | 7,046                         | 6,972                      | 7,046                         |
| Philippines                            | 102,581                    | 80,933                        | -                          | -                             |
| Papua New Guinea                       | 680                        | 754                           | -                          | -                             |
| Thailand                               | 25,596                     | 25,478                        | -                          | -                             |
| Others                                 | 28,214                     | 28,346                        | -                          | -                             |
| Impaired loans, advances and financing | <b>5,561,162</b>           | <b>5,360,903</b>              | <b>3,846,408</b>           | <b>3,776,831</b>              |



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

(ix) Movements in the allowances for impaired loans, advances and financing are as follows:

|  | Group                      |                               | Bank                       |                               |
|--|----------------------------|-------------------------------|----------------------------|-------------------------------|
|  | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| <b>Individual Allowance</b>                              |                            |                               |                            |                               |
| At 1 January   | 1,939,320                  | 2,228,535                     | 1,502,010                  | 1,719,455                     |
| Allowance made   | 184,687                    | 920,763                       | 131,556                    | 722,580                       |
| Amount written back                                      | (111,887)                  | (324,954)                     | (92,047)                   | (270,734)                     |
| Amount written off                                       | (71,153)                   | (872,595)                     | (62,656)                   | (678,686)                     |
| Transferred from/(to) collective allowance               | 970                        | (13,663)                      | (10,501)                   | (12,001)                      |
| Transferred from a subsidiary                            | -                          | -                             | 17,168                     | -                             |
| Exchange differences                                     | (2,128)                    | 1,234                         | (203)                      | 21,396                        |
| At 31 March 2014/31 December 2013                        | <b>1,939,809</b>           | <b>1,939,320</b>              | <b>1,485,327</b>           | <b>1,502,010</b>              |
|  |                            |                               |                            |                               |
|  | Group                      |                               | Bank                       |                               |
|  | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| <b>Collective Allowance</b>                              |                            |                               |                            |                               |
| At 1 January   | 3,823,303                  | 3,744,994                     | 2,885,470                  | 2,726,849                     |
| Allowance made   | 308,303                    | 845,532                       | 216,455                    | 550,371                       |
| Amount written back                                      | (10,344)                   | (37,769)                      | -                          | -                             |
| Amount written off                                       | (117,104)                  | (707,370)                     | (52,899)                   | (427,096)                     |
| Transferred (to)/from individual allowance               | (970)                      | 13,663                        | 10,501                     | 12,001                        |
| Transferred from a subsidiary                            | -                          | -                             | 19,931                     | -                             |
| Exchange differences                                     | 16,117                     | (35,747)                      | (1,194)                    | 23,345                        |
| At 31 March 2014/31 December 2013                        | <b>4,019,305</b>           | <b>3,823,303</b>              | <b>3,078,264</b>           | <b>2,885,470</b>              |
|  |                            |                               |                            |                               |
| As a percentage of total loans less individual allowance | <b>1.10%</b>               | 1.06%                         | <b>1.26%</b>               | 1.20%                         |

(x) Included in the Bank's loans/financing to financial institutions are the financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, under Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM8,386.7 million (31 December 2013: RM8,336.6 million). The RPSIA is a contract based on the Mudharabah principle between two parties to provide financing where the Bank acts as the investor who solely provides capital to MIB and the business venture is managed solely by MIB as an entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Bank.

**A12. Other Assets**

|                                     | Group                      |                               | Bank                       |                               |
|-------------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                                     | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| Other debtors                       | 5,896,430                  | 5,989,578                     | 4,673,767                  | 4,862,054                     |
| Amount due from brokers and clients | 2,237,688                  | 1,536,260                     | -                          | -                             |
| Development properties              | 57,198                     | 75,251                        | -                          | -                             |
| Prepayments and deposits            | 924,063                    | 787,472                       | 419,513                    | 421,354                       |
| Tax recoverable                     | 29,385                     | 27,253                        | -                          | -                             |
| Foreclosed properties               | 109,737                    | 90,104                        | 36,029                     | 36,029                        |
|                                     | <b>9,254,501</b>           | <b>8,505,918</b>              | <b>5,129,309</b>           | <b>5,319,437</b>              |

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**A13. Deposits from Customers**

**(i) By type of deposit**

|                       | Group   |                               | Bank                       |                               |
|-----------------------|---|-------------------------------|----------------------------|-------------------------------|
|                       | 31 March<br>2014<br>RM'000                            | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
|                       | Fixed deposits and negotiable instruments of deposits |                               |                            |                               |
| - One year or less    | 220,173,031   | 220,782,166                   | 141,527,750                | 142,237,799                   |
| - More than one year  | 15,503,617  | 14,760,420                    | 14,766,593                 | 14,075,299                    |
|                       | <b>235,676,648</b>                                    | <b>235,542,586</b>            | <b>156,294,343</b>         | <b>156,313,098</b>            |
| Money market deposits | 14,272,146  | 14,177,439                    | 14,272,146                 | 14,177,439                    |
| Savings deposits      | 58,792,738  | 56,735,219                    | 40,596,671                 | 39,300,089                    |
| Demand deposits       | 82,988,610  | 86,001,254                    | 60,541,342                 | 61,212,708                    |
| Structured deposits * | 3,928,479   | 3,154,312                     | 3,345,979                  | 2,667,046                     |
|                       | <b>395,658,621</b>                                    | <b>395,610,810</b>            | <b>275,050,481</b>         | <b>273,670,380</b>            |

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

**(ii) By type of customer**

|                                 | Group                      |                               | Bank                       |                               |
|---------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                                 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
|                                 | Business enterprises       | 178,418,253                   | 183,775,722                | 127,587,646                   |
| Individuals                     | 167,088,885                | 162,631,813                   | 128,436,719                | 125,901,762                   |
| Government and statutory bodies | 16,746,035                 | 17,908,268                    | 5,170,469                  | 5,464,782                     |
| Others                          | 33,405,448                 | 31,295,007                    | 13,855,647                 | 13,460,828                    |
|                                 | <b>395,658,621</b>         | <b>395,610,810</b>            | <b>275,050,481</b>         | <b>273,670,380</b>            |

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

|                           | Group                      |                               | Bank                       |                               |
|---------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                           | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
|                           | Due within six months      | 180,897,118                   | 176,430,070                | 114,010,210                   |
| Six months to one year    | 39,275,913                 | 44,352,096                    | 27,517,540                 | 30,574,457                    |
| One year to three years   | 15,004,724                 | 14,272,102                    | 14,657,121                 | 13,954,438                    |
| Three years to five years | 498,893                    | 488,318                       | 109,472                    | 120,861                       |
|                           | <b>235,676,648</b>         | <b>235,542,586</b>            | <b>156,294,343</b>         | <b>156,313,098</b>            |

**A14. Deposits and Placements from Financial Institutions**

|                              | Group                      |                               | Bank                       |                               |
|------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                              | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
|                              | Licensed banks             | 45,537,932                    | 38,230,867                 | 37,135,583                    |
| Licensed finance companies   | 480,914                    | 405,180                       | 224,630                    | 239,360                       |
| Licensed investment banks    | 145,019                    | 66,778                        | 73,519                     | 66,778                        |
| Other financial institutions | 4,024,774                  | 3,436,256                     | 3,231,355                  | 2,990,556                     |
|                              | <b>50,188,639</b>          | <b>42,139,081</b>             | <b>40,665,087</b>          | <b>37,582,577</b>             |

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**A14. Deposits and Placements from Financial Institutions (cont'd.)**

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

|                    | Group                      |                               | Bank                       |                               |
|--------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                    | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| One year or less   | 48,353,960                 | 39,547,359                    | 38,859,556                 | 35,105,495                    |
| More than one year | 1,834,679                  | 2,591,722                     | 1,805,531                  | 2,477,082                     |
|                    | <b>50,188,639</b>          | <b>42,139,081</b>             | <b>40,665,087</b>          | <b>37,582,577</b>             |

**A15. Borrowings, Subordinated Obligations and Capital Securities**

|                          | Group                      |                               | Bank                       |                               |
|--------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                          | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| <b>(i) Borrowings</b>    |                            |                               |                            |                               |
| Secured                  |                            |                               |                            |                               |
| - Less than one year     |                            |                               |                            |                               |
| Denominated in:          |                            |                               |                            |                               |
| - THB                    | -                          | 259,138                       | -                          | -                             |
| - PHP                    | 1,939                      | 3,530                         | -                          | -                             |
| - SGD                    | 1,380                      | -                             | -                          | -                             |
| - IDR                    | 287,846                    | 292,697                       | -                          | -                             |
| - VND                    | -                          | 1,631                         | -                          | -                             |
|                          | <b>291,165</b>             | <b>556,996</b>                | <b>-</b>                   | <b>-</b>                      |
| - More than one year     |                            |                               |                            |                               |
| Denominated in:          |                            |                               |                            |                               |
| - SGD                    | 380,646                    | 383,087                       | -                          | -                             |
| - PHP                    | 834                        | 914                           | -                          | -                             |
| - IDR                    | 1,161,671                  | 1,025,832                     | -                          | -                             |
|                          | <b>1,543,151</b>           | <b>1,409,833</b>              | <b>-</b>                   | <b>-</b>                      |
| Total secured borrowings | <b>1,834,316</b>           | <b>1,966,829</b>              | <b>-</b>                   | <b>-</b>                      |
| Unsecured                |                            |                               |                            |                               |
| (a) Borrowings           |                            |                               |                            |                               |
| - Less than one year     |                            |                               |                            |                               |
| Denominated in:          |                            |                               |                            |                               |
| - USD                    | 405,144                    | 325,810                       | 166,954                    | 226,884                       |
| - CNY                    | 159,568                    | 215,632                       | 159,568                    | 215,632                       |
| - SGD                    | 273,029                    | 220,550                       | -                          | -                             |
| - THB                    | 554,249                    | 294,834                       | -                          | -                             |
| - HKD                    | 71,077                     | -                             | -                          | -                             |
| - IDR                    | 142,964                    | 217,052                       | -                          | -                             |
| - VND                    | 67                         | -                             | -                          | -                             |
| - PHP                    | 28,657                     | 21,626                        | -                          | -                             |
|                          | <b>1,634,755</b>           | <b>1,295,504</b>              | <b>326,522</b>             | <b>442,516</b>                |
| - More than one year     |                            |                               |                            |                               |
| Denominated in:          |                            |                               |                            |                               |
| - USD                    | 3,316,513                  | 3,337,900                     | 3,316,513                  | 3,337,900                     |
| - SGD                    | 90,717                     | -                             | -                          | -                             |
| - IDR                    | 845,799                    | 792,754                       | -                          | -                             |
|                          | <b>4,253,029</b>           | <b>4,130,654</b>              | <b>3,316,513</b>           | <b>3,337,900</b>              |

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**A15. Borrowings, Subordinated Obligations and Capital Securities (cont'd.)**

|                                      | Group                           |                               | Bank                       |                               |
|--------------------------------------|---------------------------------|-------------------------------|----------------------------|-------------------------------|
|                                      | 31 March<br>2014<br>RM'000      | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
|                                      | <b>(i) Borrowings (cont'd.)</b> |                               |                            |                               |
| Unsecured (cont'd.)                  |                                 |                               |                            |                               |
| (b) Medium Term Notes                |                                 |                               |                            |                               |
| - Less than one year                 |                                 |                               |                            |                               |
| Denominated in:                      |                                 |                               |                            |                               |
| - USD                                | 1,643,113                       | 1,641,750                     | 1,643,113                  | 1,641,750                     |
| - HKD                                | 4,374                           | -                             | 4,374                      | -                             |
| - SGD                                | 130,115                         | 390,845                       | -                          | -                             |
| - JPY                                | 3,598                           | -                             | 3,598                      | -                             |
|                                      | <u>1,781,200</u>                | <u>2,032,595</u>              | <u>1,651,085</u>           | <u>1,641,750</u>              |
| - More than one year                 |                                 |                               |                            |                               |
| Denominated in:                      |                                 |                               |                            |                               |
| - USD                                | 1,960,500                       | 1,970,100                     | 1,960,500                  | 1,970,100                     |
| - HKD                                | 1,441,346                       | 1,456,623                     | 1,441,346                  | 1,456,623                     |
| - JPY                                | 1,427,985                       | 469,500                       | 1,427,985                  | 469,500                       |
|                                      | <u>4,829,831</u>                | <u>3,896,223</u>              | <u>4,829,831</u>           | <u>3,896,223</u>              |
| Total unsecured borrowings           | <u>12,498,815</u>               | <u>11,354,976</u>             | <u>10,123,951</u>          | <u>9,318,389</u>              |
| Total borrowings                     | <u>14,333,131</u>               | <u>13,321,805</u>             | <u>10,123,951</u>          | <u>9,318,389</u>              |
|                                      |                                 |                               |                            |                               |
|                                      |                                 |                               |                            |                               |
|                                      |                                 |                               |                            |                               |
|                                      |                                 |                               |                            |                               |
| <b>(ii) Subordinated obligations</b> |                                 |                               |                            |                               |
| Unsecured                            |                                 |                               |                            |                               |
| - More than one year                 |                                 |                               |                            |                               |
| Denominated in:                      |                                 |                               |                            |                               |
| - RM                                 | 8,233,256                       | 6,649,102                     | 6,753,367                  | 5,143,014                     |
| - USD                                | 2,616,171                       | 2,649,720                     | 2,616,171                  | 2,649,720                     |
| - SGD                                | 2,632,311                       | 2,611,684                     | 2,632,311                  | 2,611,684                     |
| - IDR                                | 781,778                         | 734,070                       | -                          | -                             |
|                                      | <u>14,263,516</u>               | <u>12,644,576</u>             | <u>12,001,849</u>          | <u>10,404,418</u>             |
|                                      |                                 |                               |                            |                               |
|                                      |                                 |                               |                            |                               |
|                                      |                                 |                               |                            |                               |
| <b>(iii) Capital Securities</b>      |                                 |                               |                            |                               |
| Unsecured                            |                                 |                               |                            |                               |
| - More than one year                 |                                 |                               |                            |                               |
| Denominated in:                      |                                 |                               |                            |                               |
| - RM                                 | 4,379,215                       | 4,332,172                     | 4,661,628                  | 4,619,886                     |
| - SGD                                | 1,563,593                       | 1,588,737                     | 1,563,593                  | 1,588,737                     |
|                                      | <u>5,942,808</u>                | <u>5,920,909</u>              | <u>6,225,221</u>           | <u>6,208,623</u>              |

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**A16. Other Liabilities**

|   | <b>Group</b>                        |  | <b>Bank</b>                         |  |
|---|-------------------------------------|--|-------------------------------------|--|
|   | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 December<br/>2013<br/>RM'000</b> | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 December<br/>2013<br/>RM'000</b> |
| Due to brokers and clients                    | 2,046,413                           | 1,459,900                              | -                                   | -                                      |
| Deposits, other creditors and accruals        | 8,612,947                           | 6,289,871                              | 10,915,359                          | 9,326,572                              |
| Defined benefit pension plans                 | 391,876                             | 356,842                                | -                                   | -                                      |
| Provisions for commitments and contingencies  | 76,558                              | 76,421                                 | 73,545                              | 73,086                                 |
| Profit equalisation reserves (IBS operations) | 7,776                               | 16,977                                 | -                                   | -                                      |
| Finance lease liabilities                     | 90,240                              | 85,691                                 | 90,240                              | 85,691                                 |
|   | <b>11,225,810</b>                   | <b>8,285,702</b>                       | <b>11,079,144</b>                   | <b>9,485,349</b>                       |

**A17. Interest Income**

| <b>Group</b>  | <b>First Quarter Ended</b>          |                                     | <b>Cumulative 3 Months Ended</b>    |                                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 March<br/>2013<br/>RM'000</b> | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 March<br/>2013<br/>RM'000</b> |
| Loans, advances and financing   | 3,307,394                           | 3,173,908                           | 3,307,394                           | 3,173,908                           |
| Money at call and deposits and placements with financial institutions | 122,078                             | 122,836                             | 122,078                             | 122,836                             |
| Financial assets purchased under resale agreements                    | 2,425                               | 2,116                               | 2,425                               | 2,116                               |
| Financial assets at FVTPL   | 161,935                             | 125,079                             | 161,935                             | 125,079                             |
| Financial investments available-for-sale                              | 571,599                             | 519,839                             | 571,599                             | 519,839                             |
| Financial investments held-to-maturity                                | 49,924                              | 17,310                              | 49,924                              | 17,310                              |
|   | <b>4,215,355</b>                    | <b>3,961,088</b>                    | <b>4,215,355</b>                    | <b>3,961,088</b>                    |
| Accretion of discounts / (amortisation of premiums), net              | 642                                 | (18,824)                            | 642                                 | (18,824)                            |
|   | <b>4,215,997</b>                    | <b>3,942,264</b>                    | <b>4,215,997</b>                    | <b>3,942,264</b>                    |

| <b>Bank</b>   | <b>First Quarter Ended</b>          |                                     | <b>Cumulative 3 Months Ended</b>    |                                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 March<br/>2013<br/>RM'000</b> | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 March<br/>2013<br/>RM'000</b> |
| Loans, advances and financing   | 2,377,989                           | 2,258,370                           | 2,377,989                           | 2,258,370                           |
| Money at call and deposits and placements with financial institutions | 175,818                             | 97,256                              | 175,818                             | 97,256                              |
| Financial assets purchased under resale agreements                    | 147                                 | 340                                 | 147                                 | 340                                 |
| Financial assets at FVTPL   | 18,710                              | 20,254                              | 18,710                              | 20,254                              |
| Financial investments available-for-sale                              | 487,923                             | 379,111                             | 487,923                             | 379,111                             |
| Financial investments held-to-maturity                                | 58,940                              | 18,115                              | 58,940                              | 18,115                              |
|   | <b>3,119,527</b>                    | <b>2,773,446</b>                    | <b>3,119,527</b>                    | <b>2,773,446</b>                    |
| Accretion of discounts / (amortisation of premiums), net              | 1,864                               | (17,528)                            | 1,864                               | (17,528)                            |
|   | <b>3,121,391</b>                    | <b>2,755,918</b>                    | <b>3,121,391</b>                    | <b>2,755,918</b>                    |

Included in interest income for the three-month financial period ended 31 March 2014 was interest on impaired assets amounting to approximately RM40,506,000 (31 March 2013: RM40,627,000) for the Group and RM31,619,000 (31 March 2013: RM33,011,000) for the Bank.

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**A18. Interest Expense**

| Group   | First Quarter Ended |                  | Cumulative 3 Months Ended |                  |
|---|---------------------|------------------|---------------------------|------------------|
|   | 31 March            | 31 March         | 31 March                  | 31 March         |
|   | 2014                | 2013             | 2014                      | 2013             |
|   | RM'000              | RM'000           | RM'000                    | RM'000           |
| Deposits and placements from financial institutions | 85,306              | 89,324           | 85,306                    | 89,324           |
| Deposits from customers                             | 1,449,696           | 1,141,577        | 1,449,696                 | 1,141,577        |
| Floating rate certificates of deposits              | 9,594               | 3,527            | 9,594                     | 3,527            |
| Borrowings  | 110,878             | 104,053          | 110,878                   | 104,053          |
| Subordinated notes                                  | 118,978             | 120,209          | 118,978                   | 120,209          |
| Subordinated bonds                                  | 5,092               | 18,646           | 5,092                     | 18,646           |
| Capital securities                                  | 95,575              | 98,693           | 95,575                    | 98,693           |
| Net interest on derivatives                         | (51,953)            | (61,160)         | (51,953)                  | (61,160)         |
|   | <b>1,823,166</b>    | <b>1,514,869</b> | <b>1,823,166</b>          | <b>1,514,869</b> |

| Bank  | First Quarter Ended |                  | Cumulative 3 Months Ended |                  |
|---|---------------------|------------------|---------------------------|------------------|
|   | 31 March            | 31 March         | 31 March                  | 31 March         |
|   | 2014                | 2013             | 2014                      | 2013             |
|   | RM'000              | RM'000           | RM'000                    | RM'000           |
| Deposits and placements from financial institutions | 92,722              | 92,642           | 92,722                    | 92,642           |
| Deposits from customers                             | 1,045,503           | 846,425          | 1,045,503                 | 846,425          |
| Floating rate certificates of deposits              | 9,594               | 3,527            | 9,594                     | 3,527            |
| Borrowings  | 43,004              | 35,093           | 43,004                    | 35,093           |
| Subordinated notes                                  | 98,219              | 96,351           | 98,219                    | 96,351           |
| Subordinated bonds                                  | -                   | 18,646           | -                         | 18,646           |
| Capital securities                                  | 99,691              | 98,693           | 99,691                    | 98,693           |
| Net interest on derivatives                         | (61,592)            | (63,749)         | (61,592)                  | (63,749)         |
|   | <b>1,327,141</b>    | <b>1,127,628</b> | <b>1,327,141</b>          | <b>1,127,628</b> |

**A19. Net Income from Insurance and Takaful Business**

| Group   | First Quarter Ended |                    | Cumulative 3 Months Ended |                    |
|---|---------------------|--------------------|---------------------------|--------------------|
|   | 31 March            | 31 March           | 31 March                  | 31 March           |
|   | 2014                | 2013               | 2014                      | 2013               |
|   | RM'000              | RM'000             | RM'000                    | RM'000             |
| Gross earned premiums   | 1,538,888           | 1,770,621          | 1,538,888                 | 1,770,621          |
| Premium ceded to reinsurers   | (616,661)           | (643,754)          | (616,661)                 | (643,754)          |
| <b>Net earned premiums</b>  | <b>922,227</b>      | <b>1,126,867</b>   | <b>922,227</b>            | <b>1,126,867</b>   |
| Gross benefits and claims paid  | (1,162,953)         | (805,211)          | (1,162,953)               | (805,211)          |
| Claims ceded to reinsurers  | 514,552             | 43,078             | 514,552                   | 43,078             |
| Gross change to contract liabilities  | (1,263,274)         | (344,237)          | (1,263,274)               | (344,237)          |
| Change in contract liabilities ceded to reinsurers  | 1,081,114           | 13,390             | 1,081,114                 | 13,390             |
| <b>Net benefits and claims</b>  | <b>(830,561)</b>    | <b>(1,092,980)</b> | <b>(830,561)</b>          | <b>(1,092,980)</b> |
| Net fee and commission expenses   | (61,359)            | (74,581)           | (61,359)                  | (74,581)           |
| Change in expense liabilities   | (11,970)            | (22,527)           | (11,970)                  | (22,527)           |
| Taxation of life and takaful fund   | (16,551)            | (14,920)           | (16,551)                  | (14,920)           |
| <b>Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund</b> | <b>(89,880)</b>     | <b>(112,028)</b>   | <b>(89,880)</b>           | <b>(112,028)</b>   |
| Total net income from insurance and takaful business  | <b>1,786</b>        | <b>(78,141)</b>    | <b>1,786</b>              | <b>(78,141)</b>    |

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**A20. Non-Interest Income**

| Group  | First Quarter Ended        |                            | Cumulative 3 Months Ended  |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| (a) Fee income:  |                            |                            |                            |                            |
| Commission   | 261,675                    | 229,703                    | 261,675                    | 229,703                    |
| Service charges and fees   | 279,128                    | 303,094                    | 279,128                    | 303,094                    |
| Underwriting fees  | 12,658                     | 14,263                     | 12,658                     | 14,263                     |
| Brokerage income   | 136,534                    | 229,695                    | 136,534                    | 229,695                    |
| Fees on loans, advances and financing                                      | 95,016                     | 82,815                     | 95,016                     | 82,815                     |
|  | <b>785,011</b>             | <b>859,570</b>             | <b>785,011</b>             | <b>859,570</b>             |
| (b) Investment income:   |                            |                            |                            |                            |
| Net gain on disposal of financial assets<br>at FVTPL                       | 47,379                     | 116,257                    | 47,379                     | 116,257                    |
| Net gain on disposal of financial<br>investments available-for-sale        | 214,580                    | 318,615                    | 214,580                    | 318,615                    |
| Net gain/(loss) on redemption of<br>financial investments held-to-maturity | 14                         | (1)                        | 14                         | (1)                        |
|  | <b>261,973</b>             | <b>434,871</b>             | <b>261,973</b>             | <b>434,871</b>             |
| (c) Gross dividend income from financial<br>investments portfolio          | 16,835                     | 20,383                     | 16,835                     | 20,383                     |
| (d) Unrealised (loss)/gain on revaluation of:                              |                            |                            |                            |                            |
| Financial assets at FVTPL  | (106,029)                  | (15,579)                   | (106,029)                  | (15,579)                   |
| Derivatives  | 47,554                     | (206,666)                  | 47,554                     | (206,666)                  |
|  | <b>(58,475)</b>            | <b>(222,245)</b>           | <b>(58,475)</b>            | <b>(222,245)</b>           |
| (e) Other income:  |                            |                            |                            |                            |
| Foreign exchange gain, net   | 190,035                    | 192,686                    | 190,035                    | 192,686                    |
| Rental income  | 9,735                      | 5,481                      | 9,735                      | 5,481                      |
| Gain on disposal of property, plant and equipment                          | 231                        | 814                        | 231                        | 814                        |
| Gain on disposal of foreclosed properties                                  | 960                        | 743                        | 960                        | 743                        |
| Sale of development properties   | 1,537                      | 844                        | 1,537                      | 844                        |
| Others   | 24,286                     | 71,088                     | 24,286                     | 71,088                     |
|  | <b>226,784</b>             | <b>271,656</b>             | <b>226,784</b>             | <b>271,656</b>             |
| Total non-interest income  | <b>1,232,128</b>           | <b>1,364,235</b>           | <b>1,232,128</b>           | <b>1,364,235</b>           |

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**A20. Non-Interest Income (cont'd.)**

| Bank  | First Quarter Ended |                  | Cumulative 3 Months Ended |                  |
|---|---------------------|------------------|---------------------------|------------------|
|   | 31 March            | 31 March         | 31 March                  | 31 March         |
|   | 2014                | 2013             | 2014                      | 2013             |
|   | RM'000              | RM'000           | RM'000                    | RM'000           |
| (a) Fee income:   |                     |                  |                           |                  |
| Commission  | 229,338             | 198,723          | 229,338                   | 198,723          |
| Service charges and fees  | 224,266             | 234,853          | 224,266                   | 234,853          |
| Underwriting fees   | 10,615              | 10,934           | 10,615                    | 10,934           |
| Brokerage income  | 3                   | 54               | 3                         | 54               |
| Fees on loans, advances and financing                                   | 53,945              | 26,699           | 53,945                    | 26,699           |
|   | <b>518,167</b>      | <b>471,263</b>   | <b>518,167</b>            | <b>471,263</b>   |
| (b) Investment income:  |                     |                  |                           |                  |
| Net gain on disposal of financial assets at FVTPL                       | 24,549              | 72,920           | 24,549                    | 72,920           |
| Net gain on disposal of financial investments available-for-sale        | 48,948              | 99,828           | 48,948                    | 99,828           |
| Net gain/(loss) on redemption of financial investments held-to-maturity | 14                  | (1)              | 14                        | (1)              |
| Net gain on disposal of subsidiaries                                    | -                   | 700              | -                         | 700              |
| Gain on liquidation of an associate                                     | 1,667               | -                | 1,667                     | -                |
|   | <b>75,178</b>       | <b>173,447</b>   | <b>75,178</b>             | <b>173,447</b>   |
| (c) Gross dividend income from:   |                     |                  |                           |                  |
| Financial investments portfolio   | 2,967               | 764              | 2,967                     | 764              |
| Subsidiaries  | 400,748             | 208,021          | 400,748                   | 208,021          |
|   | <b>403,715</b>      | <b>208,785</b>   | <b>403,715</b>            | <b>208,785</b>   |
| (d) Unrealised gain/(loss) on revaluation of:                           |                     |                  |                           |                  |
| Financial assets at FVTPL   | 17,794              | 748              | 17,794                    | 748              |
| Derivatives   | 33,363              | (160,433)        | 33,363                    | (160,433)        |
|   | <b>51,157</b>       | <b>(159,685)</b> | <b>51,157</b>             | <b>(159,685)</b> |
| (e) Other income:   |                     |                  |                           |                  |
| Foreign exchange gain, net  | 163,211             | 160,706          | 163,211                   | 160,706          |
| Rental income   | 6,385               | 5,366            | 6,385                     | 5,366            |
| Gain on disposal of property, plant and equipment                       | 152                 | 32               | 152                       | 32               |
| Others  | 13,348              | 13,717           | 13,348                    | 13,717           |
|   | <b>183,096</b>      | <b>179,821</b>   | <b>183,096</b>            | <b>179,821</b>   |
| Total non-interest income   | <b>1,231,313</b>    | <b>873,631</b>   | <b>1,231,313</b>          | <b>873,631</b>   |

**A21. Overhead Expenses**

| Group                                     | First Quarter Ended |                  | Cumulative 3 Months Ended |                  |
|---|---------------------|------------------|---------------------------|------------------|
|   | 31 March            | 31 March         | 31 March                  | 31 March         |
|   | 2014                | 2013             | 2014                      | 2013             |
|   | RM'000              | RM'000           | RM'000                    | RM'000           |
| (a) Personnel expenses                    |                     |                  |                           |                  |
| Salaries, allowances and bonuses          | 934,423             | 940,959          | 934,423                   | 940,959          |
| Pension costs - defined contribution plan | 112,287             | 110,562          | 112,287                   | 110,562          |
| ESS expenses                              | 17,893              | 21,174           | 17,893                    | 21,174           |
| Other staff related expenses              | 172,678             | 148,767          | 172,678                   | 148,767          |
|   | <b>1,237,281</b>    | <b>1,221,462</b> | <b>1,237,281</b>          | <b>1,221,462</b> |



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**A21. Overhead Expenses (cont'd.)**

| Group (cont'd.)  | First Quarter Ended |                  | Cumulative 3 Months Ended |                  |
|--|---------------------|------------------|---------------------------|------------------|
|  | 31 March            | 31 March         | 31 March                  | 31 March         |
|  | 2014                | 2013             | 2014                      | 2013             |
|  | RM'000              | RM'000           | RM'000                    | RM'000           |
| (b) Establishment costs                                  |                     |                  |                           |                  |
| Depreciation of property, plant and equipment            | 76,048              | 65,171           | 76,048                    | 65,171           |
| Amortisation of intangible assets                        | 53,614              | 46,890           | 53,614                    | 46,890           |
| Rental of leasehold land and premises                    | 65,801              | 65,780           | 65,801                    | 65,780           |
| Repairs and maintenance of property, plant and equipment | 33,827              | 33,045           | 33,827                    | 33,045           |
| Information technology expenses                          | 105,905             | 142,497          | 105,905                   | 142,497          |
| Others   | 26,246              | (545)            | 26,246                    | (545)            |
|  | <b>361,441</b>      | <b>352,838</b>   | <b>361,441</b>            | <b>352,838</b>   |
| (c) Marketing expenses                                   |                     |                  |                           |                  |
| Advertisement and publicity                              | 79,960              | 122,865          | 79,960                    | 122,865          |
| Others   | 55,382              | 39,920           | 55,382                    | 39,920           |
|  | <b>135,342</b>      | <b>162,785</b>   | <b>135,342</b>            | <b>162,785</b>   |
| (d) Administration and general expenses                  |                     |                  |                           |                  |
| Fees and brokerage                                       | 160,689             | 145,014          | 160,689                   | 145,014          |
| Administrative expenses                                  | 152,283             | 133,706          | 152,283                   | 133,706          |
| General expenses   | 114,019             | 137,334          | 114,019                   | 137,334          |
| Cost of development property                             | 1,022               | 579              | 1,022                     | 579              |
| Others   | 6,321               | 4,242            | 6,321                     | 4,242            |
|  | <b>434,334</b>      | <b>420,875</b>   | <b>434,334</b>            | <b>420,875</b>   |
| Total overhead expenses                                  | <b>2,168,398</b>    | <b>2,157,960</b> | <b>2,168,398</b>          | <b>2,157,960</b> |
| <b>Cost to income ratio ("CIR")<sup>1</sup></b>          | <b>48.6%</b>        | <b>49.4%</b>     | <b>48.6%</b>              | <b>49.4%</b>     |

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

| Bank   | First Quarter Ended |                | Cumulative 3 Months Ended |                |
|--|---------------------|----------------|---------------------------|----------------|
|  | 31 March            | 31 March       | 31 March                  | 31 March       |
|  | 2014                | 2013           | 2014                      | 2013           |
|  | RM'000              | RM'000         | RM'000                    | RM'000         |
| (a) Personnel expenses                                   |                     |                |                           |                |
| Salaries, allowances and bonuses                         | 598,192             | 573,885        | 598,192                   | 573,885        |
| Pension costs - defined contribution plan                | 87,067              | 84,304         | 87,067                    | 84,304         |
| ESS expenses   | 13,092              | 17,336         | 13,092                    | 17,336         |
| Other staff related expenses                             | 102,361             | 77,494         | 102,361                   | 77,494         |
|  | <b>800,712</b>      | <b>753,019</b> | <b>800,712</b>            | <b>753,019</b> |
| (b) Establishment costs                                  |                     |                |                           |                |
| Depreciation of property, plant and equipment            | 39,900              | 34,139         | 39,900                    | 34,139         |
| Amortisation of intangible assets                        | 26,382              | 22,103         | 26,382                    | 22,103         |
| Rental of leasehold land and premises                    | 29,152              | 25,710         | 29,152                    | 25,710         |
| Repairs and maintenance of property, plant and equipment | 17,806              | 15,664         | 17,806                    | 15,664         |
| Information technology expenses                          | 150,329             | 111,145        | 150,329                   | 111,145        |
| Others   | 1,806               | 1,470          | 1,806                     | 1,470          |
|  | <b>265,375</b>      | <b>210,231</b> | <b>265,375</b>            | <b>210,231</b> |

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**A21. Overhead Expenses (cont'd.)**

|   | First Quarter Ended        |                            | Cumulative 3 Months Ended  |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| <b>Bank (cont'd.)</b>                           |                            |                            |                            |                            |
| (c) Marketing expenses                          |                            |                            |                            |                            |
| Advertisement and publicity                     | 35,420                     | 62,098                     | 35,420                     | 62,098                     |
| Others  | 47,603                     | 34,129                     | 47,603                     | 34,129                     |
|   | <b>83,023</b>              | <b>96,227</b>              | <b>83,023</b>              | <b>96,227</b>              |
| (d) Administration and general expenses         |                            |                            |                            |                            |
| Fees and brokerage                              | 101,865                    | 113,541                    | 101,865                    | 113,541                    |
| Administrative expenses                         | 59,467                     | 55,016                     | 59,467                     | 55,016                     |
| General expenses                                | 43,502                     | 48,093                     | 43,502                     | 48,093                     |
| Others  | 5,503                      | 3,957                      | 5,503                      | 3,957                      |
|   | <b>210,337</b>             | <b>220,607</b>             | <b>210,337</b>             | <b>220,607</b>             |
| (e) Overhead expenses allocated to subsidiaries | (252,998)                  | (195,469)                  | (252,998)                  | (195,469)                  |
| Total overhead expenses                         | <b>1,106,449</b>           | <b>1,084,615</b>           | <b>1,106,449</b>           | <b>1,084,615</b>           |
| <b>Cost to income ratio ("CIR")<sup>2</sup></b> | <b>36.6%</b>               | <b>43.4%</b>               | <b>36.6%</b>               | <b>43.4%</b>               |

<sup>2</sup> Cost to income ratio ("CIR") is computed using the total cost over the net income. Income refers to net income amount, as stated on the face of income statement.

**A22. Allowances for Impairment Losses on Loans, Advances and Financing, net**

|   | First Quarter Ended        |                            | Cumulative 3 Months Ended  |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| <b>Group</b>                                  |                            |                            |                            |                            |
| Allowances for loans, advances and financing: |                            |                            |                            |                            |
| - collective allowance made, net              | 297,959                    | 166,858                    | 297,959                    | 166,858                    |
| - individual allowance made                   | 184,687                    | 166,834                    | 184,687                    | 166,834                    |
| - individual allowance written back           | (111,887)                  | (74,398)                   | (111,887)                  | (74,398)                   |
| Bad debts and financing written off           | 28,076                     | 25,478                     | 28,076                     | 25,478                     |
| Bad debts and financing recovered             | (193,384)                  | (184,489)                  | (193,384)                  | (184,489)                  |
| Allowance for other debts                     | 4,651                      | (14,289)                   | 4,651                      | (14,289)                   |
|   | <b>210,102</b>             | <b>85,994</b>              | <b>210,102</b>             | <b>85,994</b>              |
| <b>Bank</b>                                   |                            |                            |                            |                            |
| Allowances for loans, advances and financing: |                            |                            |                            |                            |
| - collective allowance made, net              | 216,455                    | 125,031                    | 216,455                    | 125,031                    |
| - individual allowance made                   | 131,556                    | 127,311                    | 131,556                    | 127,311                    |
| - individual allowance written back           | (92,047)                   | (51,755)                   | (92,047)                   | (51,755)                   |
| Bad debts and financing written off           | 19,003                     | 22,693                     | 19,003                     | 22,693                     |
| Bad debts and financing recovered             | (162,779)                  | (153,006)                  | (162,779)                  | (153,006)                  |
| Allowance for other debts                     | 1,570                      | 94                         | 1,570                      | 94                         |
|   | <b>113,758</b>             | <b>70,368</b>              | <b>113,758</b>             | <b>70,368</b>              |

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**A23. Segment Information**

**By business segments**

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

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

(a) Community Financial Services ("CFS"), Malaysia

(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

SME Banking comprises the full range of products and services offered to small and medium enterprises in Malaysia. The products and services offered including 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 including 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 Banking ("GB")

(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 including 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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**A23. Segment Information (cont'd.)**

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

(iii) Investment Banking (Maybank IB and Maybank Kim Eng)

Investment Banking comprises the investment banking and securities broking business. This segment focuses on business needs of mainly large corporate customers and financial institutions. The products and services offered to customers including 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 GB. For the purpose of management reporting, the GB performance is shown separately and comprises Corporate Banking and Global Markets in Malaysia as well as the Investment Banking business, whilst the International Banking performance comprises both the wholesale banking and CFS business outside of Malaysia, for example, Singapore and Indonesia.

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**A23. Segment Information (cont'd.)**

**By Business Segments**

| Three-Month Ended<br>31 March 2014   | <----- Business Segments ----->              |                                |                             |                                 |                                    |  |                                     | Total<br>RM'000    |
|--|--|--------------------------------|-----------------------------|---------------------------------|------------------------------------|--|-------------------------------------|--------------------|
|  | <----- GB ----->                             |                                |                             |                                 |                                    |  |                                     |                    |
|  | 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 income from IBS  |  |                                |                             |                                 |                                    |  |                                     |                    |
| - External   | 1,413,831                                    | 408,680                        | 199,199                     | 45,633                          | 996,856                            | 210,060  | (73,024)                            | 3,201,235          |
| - Inter-segment  | -  | -                              | -                           | (199)                           | (4,571)                            | 19,153   | (14,383)                            | -                  |
|  | <b>1,413,831</b>                             | <b>408,680</b>                 | <b>199,199</b>              | <b>45,434</b>                   | <b>992,285</b>                     | <b>229,213</b>   | <b>(87,407)</b>                     | <b>3,201,235</b>   |
| Net interest income and income from IBS  | 1,413,831                                    | 408,680                        | 199,199                     | 45,434                          | 992,285                            | 229,213  | (87,407)                            | 3,201,235          |
| Net income from insurance and takaful business   | -  | -                              | -                           | -                               | -                                  | 1,786  | -                                   | 1,786              |
| Non-interest income  | 371,245                                      | 143,441                        | 219,556                     | 205,889                         | 398,876                            | 102,253  | (209,132)                           | 1,232,128          |
| Net income   | <b>1,785,076</b>                             | <b>552,121</b>                 | <b>418,755</b>              | <b>251,323</b>                  | <b>1,391,161</b>                   | <b>333,252</b>   | <b>(296,539)</b>                    | <b>4,435,149</b>   |
| Overhead expenses  | <b>(894,097)</b>                             | <b>(127,604)</b>               | <b>(58,913)</b>             | <b>(223,735)</b>                | <b>(696,777)</b>                   | <b>(167,272)</b>   | <b>-</b>                            | <b>(2,168,398)</b> |
| Operating profit before impairment losses  | <b>890,979</b>                               | <b>424,517</b>                 | <b>359,842</b>              | <b>27,588</b>                   | <b>694,384</b>                     | <b>165,980</b>   | <b>(296,539)</b>                    | <b>2,266,751</b>   |
| Writeback of/(allowances for) impairment losses<br>on loans, advances and financing, net | <b>63,197</b>                                | <b>(200,297)</b>               | <b>-</b>                    | <b>6,940</b>                    | <b>(78,257)</b>                    | <b>(1,685)</b>   | <b>-</b>                            | <b>(210,102)</b>   |
| Writeback of impairment losses on<br>financial investments, net                          | <b>-</b>                                     | <b>-</b>                       | <b>39,409</b>               | <b>1,735</b>                    | <b>71,990</b>                      | <b>1,535</b>   | <b>-</b>                            | <b>114,669</b>     |
| Operating profit   | <b>954,176</b>                               | <b>224,220</b>                 | <b>399,251</b>              | <b>36,263</b>                   | <b>688,117</b>                     | <b>165,830</b>   | <b>(296,539)</b>                    | <b>2,171,318</b>   |
| Share of profits in associates and joint ventures  | <b>-</b>                                     | <b>-</b>                       | <b>-</b>                    | <b>(146)</b>                    | <b>36,576</b>                      | <b>40</b>  | <b>-</b>                            | <b>36,470</b>      |
| <b>Profit before taxation and zakat</b>  | <b>954,176</b>                               | <b>224,220</b>                 | <b>399,251</b>              | <b>36,117</b>                   | <b>724,693</b>                     | <b>165,870</b>   | <b>(296,539)</b>                    | <b>2,207,788</b>   |
| Taxation and zakat   |  |                                |                             |                                 |                                    |  |                                     | <b>(573,289)</b>   |
| <b>Profit after taxation and zakat</b>   |  |                                |                             |                                 |                                    |  |                                     | <b>1,634,499</b>   |
| Non-controlling interests  |  |                                |                             |                                 |                                    |  |                                     | <b>(32,914)</b>    |
| <b>Profit for the period</b>   |  |                                |                             |                                 |                                    |  |                                     | <b>1,601,585</b>   |
| <b>Included in overhead expenses are:</b>  |  |                                |                             |                                 |                                    |  |                                     |                    |
| Depreciation of property, plant and equipment  | <b>(26,439)</b>                              | <b>(4,554)</b>                 | <b>(2,527)</b>              | <b>(10,807)</b>                 | <b>(28,059)</b>                    | <b>(3,662)</b>   | <b>-</b>                            | <b>(76,048)</b>    |
| Amortisation of intangible assets  | <b>(17,992)</b>                              | <b>(3,320)</b>                 | <b>(2,062)</b>              | <b>(9,898)</b>                  | <b>(15,830)</b>                    | <b>(4,512)</b>   | <b>-</b>                            | <b>(53,614)</b>    |

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**A23. Segment Information (cont'd.)**

**By Business Segments (cont'd.)**

| Three-Month Ended<br>31 March 2013   | <----- Business Segments ----->              |                                |                             |                                 |                                    |  |                                     | Total<br>RM'000  |
|--|--|--------------------------------|-----------------------------|---------------------------------|------------------------------------|--|-------------------------------------|------------------|
|  | <----- GB ----->                             |                                |                             |                                 |                                    |  |                                     |                  |
|  | 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 income from IBS  |  |                                |                             |                                 |                                    |  |                                     |                  |
| - External   | 1,385,755                                    | 410,068                        | 187,561                     | 65,100                          | 952,838                            | 218,896  | (173,505)                           | 3,046,713        |
| - Inter-segment  | -  | -                              | -                           | (1,015)                         | (6,110)                            | 7,659  | (534)                               | -                |
|  | <b>1,385,755</b>                             | <b>410,068</b>                 | <b>187,561</b>              | <b>64,085</b>                   | <b>946,728</b>                     | <b>226,555</b>   | <b>(174,039)</b>                    | <b>3,046,713</b> |
| Net interest income and income from IBS  | 1,385,755                                    | 410,068                        | 187,561                     | 64,085                          | 946,728                            | 226,555  | (174,039)                           | 3,046,713        |
| Net income from insurance and takaful business   | -  | -                              | -                           | -                               | -                                  | (78,141)   | -                                   | (78,141)         |
| Non-interest income  | 354,041                                      | 142,641                        | 239,514                     | 331,037                         | 373,031                            | 207,382  | (283,411)                           | 1,364,235        |
| Net income   | <b>1,739,796</b>                             | <b>552,709</b>                 | <b>427,075</b>              | <b>395,122</b>                  | <b>1,319,759</b>                   | <b>355,796</b>   | <b>(457,450)</b>                    | <b>4,332,807</b> |
| Overhead expenses  | (879,334)                                    | (99,066)                       | (59,369)                    | (256,160)                       | (696,406)                          | (167,625)  | -                                   | (2,157,960)      |
| Operating profit before impairment losses  | <b>860,462</b>                               | <b>453,643</b>                 | <b>367,706</b>              | <b>138,962</b>                  | <b>623,353</b>                     | <b>188,171</b>   | <b>(457,450)</b>                    | <b>2,174,847</b> |
| (Allowances for)/writeback of impairment losses<br>on loans, advances and financing, net | (29,990)                                     | 1,267                          | -                           | (147)                           | (73,700)                           | 16,576   | -                                   | (85,994)         |
| Writeback of/(allowances for) impairment losses on<br>financial investments, net         | -  | -                              | 20,346                      | (7,918)                         | (1,574)                            | (8,439)  | -                                   | 2,415            |
| Operating profit   | <b>830,472</b>                               | <b>454,910</b>                 | <b>388,052</b>              | <b>130,897</b>                  | <b>548,079</b>                     | <b>196,308</b>   | <b>(457,450)</b>                    | <b>2,091,268</b> |
| Share of profits in associates and joint ventures  | -  | -                              | -                           | 390                             | 35,068                             | -  | -                                   | 35,458           |
| <b>Profit before taxation and zakat</b>  | <b>830,472</b>                               | <b>454,910</b>                 | <b>388,052</b>              | <b>131,287</b>                  | <b>583,147</b>                     | <b>196,308</b>   | <b>(457,450)</b>                    | <b>2,126,726</b> |
| Taxation and zakat   |  |                                |                             |                                 |                                    |  |                                     | (568,431)        |
| <b>Profit after taxation and zakat</b>   |  |                                |                             |                                 |                                    |  |                                     | <b>1,558,295</b> |
| Non-controlling interests  |  |                                |                             |                                 |                                    |  |                                     | (52,081)         |
| <b>Profit for the period</b>   |  |                                |                             |                                 |                                    |  |                                     | <b>1,506,214</b> |
| <b>Included in overhead expenses are:</b>  |  |                                |                             |                                 |                                    |  |                                     |                  |
| Depreciation of property, plant and equipment  | (24,216)                                     | (2,007)                        | (1,293)                     | (10,623)                        | (23,720)                           | (3,312)  | -                                   | (65,171)         |
| Amortisation of intangible assets  | (12,953)                                     | (2,819)                        | (3,067)                     | (10,296)                        | (14,360)                           | (3,395)  | -                                   | (46,890)         |

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**A24. Carrying Amount of Revalued Assets**

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the financial year ended 31 December 2013.

**A25. Subsequent Events**

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

**A26. Changes in the Composition of the Group**

There were no changes to the composition of the Group during the first quarter ended 31 March 2014.

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**A27. Commitments and Contingencies**

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

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

| Group  | As at 31 March 2014          |   |  | As at 31 December 2013       |   |  |
|--|------------------------------|---|--|------------------------------|---|--|
|  | 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>Contingent liabilities</b>                              |                              |   |  |                              |   |  |
| Direct credit substitutes                                  | 12,324,157                   | 11,671,812                                | 6,629,989                              | 12,294,758                   | 11,889,416                                | 7,616,259                              |
| Certain transaction-related<br>contingent items            | 14,460,059                   | 7,116,362                                 | 4,834,797                              | 14,849,519                   | 7,341,034                                 | 4,687,252                              |
| Short-term self-liquidating<br>trade-related contingencies | 5,731,869                    | 1,158,862                                 | 822,488                                | 4,133,782                    | 939,225                                   | 653,222                                |
| Obligations under underwriting<br>agreements               | 444,704                      | 15,000                                    | 3,000                                  | 30,000                       | 15,000                                    | 3,000                                  |
|  | <b>32,960,789</b>            | <b>19,962,036</b>                         | <b>12,290,274</b>                      | <b>31,308,059</b>            | <b>20,184,675</b>                         | <b>12,959,733</b>                      |
| <b>Commitments</b>   |                              |   |  |                              |   |  |
| Irrevocable commitments to<br>extend credit:               |                              |   |  |                              |   |  |
| - Maturity within one year                                 | 104,527,410                  | 9,604,361                                 | 6,270,022                              | 102,118,957                  | 15,282,805                                | 10,240,767                             |
| - Maturity exceeding one year                              | 30,142,536                   | 22,260,073                                | 10,362,864                             | 26,685,600                   | 22,230,898                                | 9,877,562                              |
|  | <b>134,669,946</b>           | <b>31,864,434</b>                         | <b>16,632,886</b>                      | <b>128,804,557</b>           | <b>37,513,703</b>                         | <b>20,118,329</b>                      |
| Miscellaneous commitments and<br>contingencies             | 11,690,383                   | 849,040                                   | 644,481                                | 10,429,751                   | 438,052                                   | 211,879                                |
| Total credit-related commitments<br>and contingencies      | <b>179,321,118</b>           | <b>52,675,510</b>                         | <b>29,567,641</b>                      | <b>170,542,367</b>           | <b>58,136,430</b>                         | <b>33,289,941</b>                      |
| <b>Derivative financial instruments</b>                    |                              |   |  |                              |   |  |
| Foreign exchange related contracts:                        |                              |   |  |                              |   |  |
| - Less than one year                                       | 164,322,960                  | 3,035,167                                 | 774,907                                | 131,531,710                  | 3,256,512                                 | 867,241                                |
| - One year to less than five years                         | 16,775,720                   | 3,092,757                                 | 1,166,770                              | 16,198,153                   | 3,033,341                                 | 1,072,652                              |
| - Five years and above                                     | 1,717,527                    | 12,923                                    | 9,492                                  | 1,959,984                    | 15,189                                    | 11,113                                 |
|  | <b>182,816,207</b>           | <b>6,140,847</b>                          | <b>1,951,169</b>                       | <b>149,689,847</b>           | <b>6,305,042</b>                          | <b>1,951,006</b>                       |
| Interest rate related contracts:                           |                              |   |  |                              |   |  |
| - Less than one year                                       | 29,885,082                   | 790,489                                   | 288,192                                | 22,432,115                   | 735,818                                   | 277,530                                |
| - One year to less than five years                         | 81,875,581                   | 3,104,332                                 | 878,986                                | 70,825,618                   | 2,162,852                                 | 748,432                                |
| - Five years and above                                     | 20,285,024                   | 2,077,885                                 | 703,166                                | 18,581,046                   | 2,191,070                                 | 871,753                                |
|  | <b>132,045,687</b>           | <b>5,972,706</b>                          | <b>1,870,344</b>                       | <b>111,838,779</b>           | <b>5,089,740</b>                          | <b>1,897,715</b>                       |
| Equity and commodity related<br>contracts:                 |                              |   |  |                              |   |  |
| - Less than one year                                       | 728,926                      | -   | -                                      | 801,936                      | -   | -                                      |
| - One year to less than five years                         | 1,121,667                    | 67,143                                    | 31,863                                 | 922,441                      | 14,011                                    | 7,219                                  |
| - Five years and above                                     | 33,663                       | -   | -                                      | 33,663                       | -   | -                                      |
|  | <b>1,884,256</b>             | <b>67,143</b>                             | <b>31,863</b>                          | <b>1,758,040</b>             | <b>14,011</b>                             | <b>7,219</b>                           |
| Total treasury-related commitments<br>and contingencies    | <b>316,746,150</b>           | <b>12,180,696</b>                         | <b>3,853,376</b>                       | <b>263,286,666</b>           | <b>11,408,793</b>                         | <b>3,855,940</b>                       |
| Total commitments and<br>contingencies                     | <b>496,067,268</b>           | <b>64,856,206</b>                         | <b>33,421,017</b>                      | <b>433,829,033</b>           | <b>69,545,223</b>                         | <b>37,145,881</b>                      |



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**A27. Commitments and Contingencies (cont'd.)**

| Bank   | As at 31 March 2014          |   |  | As at 31 December 2013       |   |  |
|--|------------------------------|---|--|------------------------------|---|--|
|  | 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>Contingent liabilities</u></b>                       |                              |   |  |                              |   |  |
| Direct credit substitutes                                  | 10,407,718                   | 10,263,218                                | 5,483,964                              | 10,344,133                   | 9,957,772                                 | 5,799,117                              |
| Certain transaction-related<br>contingent items            | 12,529,901                   | 5,949,969                                 | 3,677,170                              | 12,775,293                   | 6,322,016                                 | 3,754,051                              |
| Short-term self-liquidating<br>trade-related contingencies | 5,374,877                    | 1,017,464                                 | 682,515                                | 3,739,333                    | 777,478                                   | 494,551                                |
|  | <b>28,312,496</b>            | <b>17,230,651</b>                         | <b>9,843,649</b>                       | <b>26,858,759</b>            | <b>17,057,266</b>                         | <b>10,047,719</b>                      |
| <b><u>Commitments</u></b>                                  |                              |   |  |                              |   |  |
| Irrevocable commitments to<br>extend credit:               |                              |   |  |                              |   |  |
| - Maturity within one year                                 | 87,165,672                   | 7,148,381                                 | 4,469,962                              | 84,328,505                   | 12,991,311                                | 8,569,659                              |
| - Maturity exceeding one year                              | 22,991,768                   | 18,577,352                                | 8,625,492                              | 19,612,994                   | 18,532,016                                | 8,112,467                              |
|  | <b>110,157,440</b>           | <b>25,725,733</b>                         | <b>13,095,454</b>                      | <b>103,941,499</b>           | <b>31,523,327</b>                         | <b>16,682,126</b>                      |
| Miscellaneous commitments and<br>contingencies             | 10,823,913                   | 661,039                                   | 522,614                                | 10,261,298                   | 246,154                                   | 89,410                                 |
| Total credit-related commitments<br>and contingencies      | <b>149,293,849</b>           | <b>43,617,423</b>                         | <b>23,461,717</b>                      | <b>141,061,556</b>           | <b>48,826,747</b>                         | <b>26,819,255</b>                      |
| <b><u>Derivative financial instruments</u></b>             |                              |   |  |                              |   |  |
| Foreign exchange related contracts:                        |                              |   |  |                              |   |  |
| - Less than one year                                       | 160,798,045                  | 2,916,361                                 | 717,942                                | 128,323,975                  | 3,154,265                                 | 792,147                                |
| - One year to less than five years                         | 16,595,244                   | 3,037,174                                 | 1,103,069                              | 15,139,124                   | 2,874,342                                 | 968,379                                |
| - Five years and above                                     | 2,125,267                    | 12,923                                    | 9,492                                  | 3,201,700                    | 15,189                                    | 11,113                                 |
|  | <b>179,518,556</b>           | <b>5,966,458</b>                          | <b>1,830,503</b>                       | <b>146,664,799</b>           | <b>6,043,796</b>                          | <b>1,771,639</b>                       |
| Interest rate related contracts:                           |                              |   |  |                              |   |  |
| - Less than one year                                       | 30,870,975                   | 711,540                                   | 268,172                                | 23,397,950                   | 620,364                                   | 261,083                                |
| - One year to less than five years                         | 79,687,246                   | 2,998,751                                 | 826,014                                | 69,313,334                   | 2,034,705                                 | 660,798                                |
| - Five years and above                                     | 20,817,699                   | 2,077,885                                 | 703,166                                | 18,506,046                   | 2,191,070                                 | 871,753                                |
|  | <b>131,375,920</b>           | <b>5,788,176</b>                          | <b>1,797,352</b>                       | <b>111,217,330</b>           | <b>4,846,139</b>                          | <b>1,793,634</b>                       |
| Equity and commodity related<br>contracts:                 |                              |   |  |                              |   |  |
| - Less than one year                                       | 580,633                      | -   | -                                      | 705,972                      | -   | -                                      |
| - One year to less than five years                         | 326,705                      | 67,143                                    | 31,863                                 | 136,575                      | 14,011                                    | 7,219                                  |
|  | <b>907,338</b>               | <b>67,143</b>                             | <b>31,863</b>                          | <b>842,547</b>               | <b>14,011</b>                             | <b>7,219</b>                           |
| Total treasury-related commitments<br>and contingencies    | <b>311,801,814</b>           | <b>11,821,777</b>                         | <b>3,659,718</b>                       | <b>258,724,676</b>           | <b>10,903,946</b>                         | <b>3,572,492</b>                       |
| Total commitments and<br>contingencies                     | <b>461,095,663</b>           | <b>55,439,200</b>                         | <b>27,121,435</b>                      | <b>399,786,232</b>           | <b>59,730,693</b>                         | <b>30,391,747</b>                      |

\* The credit equivalent amount and the risk-weighted amount are arrived at using the credit conversion factors and risk-weights respectively as specified by Bank Negara Malaysia for regulatory capital adequacy purposes.

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**A27. 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 counterparty may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 31 March 2014, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM3,065.4 million (31 December 2013: RM3,944.7 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 fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2014, the Group and the Bank have posted cash collateral of RM529.0 million (31 December 2013: RM850.4 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 derivative financial contracts; and
- (c) the related accounting policies.

**A28. Capital Adequacy**

**(a) Capital Adequacy Framework**

- (i) Bank Negara Malaysia ("BNM") had on 28 November 2012 released the updated guidelines for Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for conventional banks and Islamic banks respectively commencing from 1 January 2013 and subjected to transitional arrangements as set out in paragraphs 36.1 to 36.17 of the said frameworks.

- (ii) The minimum regulatory capital adequacy ratios are set out as follows:

| Calendar Year | Common Equity Tier 1 (CET1) Capital Ratio | Tier 1 Capital Ratio | Total Capital Ratio |
|---------------|---|----------------------|---------------------|
| 2013          | 3.5%                                      | 4.5%                 | 8.0%                |
| 2014          | 4.0%                                      | 5.5%                 | 8.0%                |
| 2015 onwards  | 4.5%                                      | 6.0%                 | 8.0%                |

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**A28. Capital Adequacy (cont'd.)**

**(a) Capital Adequacy Framework (cont'd.)**

- (iii) Total risk-weighted assets ("RWA") shall be calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with the Capital Adequacy Framework (Basel II - Risk Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued by BNM on 28 November 2012 for conventional banks and Islamic banks respectively.

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

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

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

The capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's updated guidelines for Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk Weighted Assets) issued on 28 November 2012. The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.0%, 5.5% and 8.0% of total RWA for the current financial year ending 31 December 2014.

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

- (i) For Maybank Islamic Berhad, the computation of capital adequacy ratios are based on BNM's updated guidelines for Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 28 November 2012. The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.0%, 5.5% and 8.0% of total RWA for the current financial year ending 31 December 2014.

- (ii) For Maybank Investment Bank Berhad, the computation of capital adequacy ratios are based on BNM's updated guidelines for Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 28 November 2012. The total RWA are computed based on the following approaches:

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.0%, 5.5% and 8.0% of total RWA for the current financial year ending 31 December 2014.

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

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

The minimum regulatory capital adequacy requirement for PT Bank Internasional Indonesia Tbk is 9% - 10% of total RWA.

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**A28. Capital Adequacy (cont'd.)**

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

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

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

In addition, the cash portion of the declared dividend will be deducted in the calculation of CET1.

During the Annual General Meeting held on 7 April 2014, a final dividend in respect of the financial year ended 31 December 2013 of 31 sen per ordinary share, which consists of cash portion of 4 sen and an electable portion of 27 sen per ordinary share of RM1.00 each was approved by the shareholders. The electable portion can be elected to be reinvested by shareholders in new Maybank Shares in accordance with the DRP.

The final dividend was not reflected in the calculation of CET1 Capital as approval from shareholders have yet been obtained as at 31 March 2014.

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

|                      | <b>Group</b>             |                             | <b>Bank</b>              |                             |
|----------------------|--------------------------|-----------------------------|--------------------------|-----------------------------|
|                      | <b>31 March<br/>2014</b> | <b>31 December<br/>2013</b> | <b>31 March<br/>2014</b> | <b>31 December<br/>2013</b> |
| CET1 Capital Ratio   | <b>10.987%</b>           | 11.253%                     | <b>15.640%</b>           | 15.925%                     |
| Tier 1 Capital Ratio | <b>12.538%</b>           | 13.059%                     | <b>15.640%</b>           | 15.925%                     |
| Total Capital Ratio  | <b>15.331%</b>           | 15.664%                     | <b>15.640%</b>           | 15.925%                     |

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**A28. Capital Adequacy (cont'd.)**

| (d) Components of capital:  | Group                      |                               | Bank                       |                               |
|---|----------------------------|-------------------------------|----------------------------|-------------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
| <b>CET1 Capital</b>   |                            |                               |                            |                               |
| Paid-up share capital   | 8,867,759                  | 8,862,079                     | 8,867,759                  | 8,862,079                     |
| Share premium   | 19,078,308                 | 19,030,227                    | 19,078,308                 | 19,030,227                    |
| Retained profits  | 8,908,590                  | 8,908,590                     | 4,257,076                  | 4,257,076                     |
| Other reserves  | 7,043,478                  | 6,382,362                     | 9,285,268                  | 9,268,717                     |
| Qualifying non-controlling interests  | 125,130                    | 112,628                       | -                          | -                             |
| Less: Shares held-in-trust  | (121,827)                  | (107,248)                     | (121,827)                  | (107,248)                     |
| CET1 capital before regulatory adjustments  | 43,901,438                 | 43,188,638                    | 41,366,584                 | 41,310,851                    |
| Less: Regulatory adjustments applied on CET1 Capital:   |                            |                               |                            |                               |
| Capital:  | (8,736,403)                | (8,449,692)                   | (5,613,695)                | (5,364,790)                   |
| Deferred tax assets   | (1,235,353)                | (1,623,489)                   | (887,481)                  | (1,053,598)                   |
| Goodwill  | (5,209,055)                | (4,924,662)                   | (81,015)                   | (81,015)                      |
| Other intangibles   | (1,053,823)                | (1,088,882)                   | (414,555)                  | (446,805)                     |
| Profit equalisation reserve   | (34,456)                   | (34,456)                      | -                          | -                             |
| Shortfall of total eligible provision over total expected loss  | (577,871)                  | (778,203)                     | -                          | (39,421)                      |
| Investment in ordinary shares of unconsolidated financial and insurance/takaful entities <sup>2</sup>   | (625,845)                  | -                             | (4,055,505)                | -                             |
| Regulatory adjustments due to insufficient Additional Tier 1 and Tier 2 Capital   | -                          | -                             | (175,139)                  | (3,743,951)                   |
| <b>Total CET1 Capital</b>   | <b>35,165,035</b>          | 34,738,946                    | <b>35,752,889</b>          | 35,946,061                    |
| <b>Additional Tier 1 Capital</b>  |                            |                               |                            |                               |
| Capital securities  | 4,880,864                  | 5,490,972                     | 4,880,864                  | 5,490,972                     |
| Qualifying CET1 and Additional Tier 1 capital instruments held by third parties   | 85,867                     | 82,848                        | -                          | -                             |
| Less: Regulatory adjustment due to insufficient Tier 2 Capital  | -                          | -                             | (4,880,864)                | (5,490,972)                   |
| <b>Total Tier 1 Capital</b>   | <b>40,131,766</b>          | 40,312,766                    | <b>35,752,889</b>          | 35,946,061                    |
| <b>Tier 2 Capital</b>   |                            |                               |                            |                               |
| Subordinated obligations  | 10,838,880                 | 10,319,618                    | 10,838,880                 | 10,319,618                    |
| Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties   | 13,953                     | 12,099                        | -                          | -                             |
| Collective allowance <sup>1</sup>   | 587,447                    | 535,331                       | 243,473                    | 247,746                       |
| Surplus of total eligible provision over total expected loss  | -                          | -                             | 134,849                    | -                             |
| Less: Regulatory adjustment not deducted from CET1 Capital or Additional Tier 1 Capital provided under the transitional arrangements <sup>2</sup> | (2,503,381)                | (2,824,682)                   | (11,217,202)               | (10,567,364)                  |
| <b>Total Tier 2 Capital</b>   | <b>8,936,899</b>           | 8,042,366                     | <b>-</b>                   | <b>-</b>                      |
| <b>Total Capital</b>  | <b>49,068,665</b>          | 48,355,132                    | <b>35,752,889</b>          | 35,946,061                    |

<sup>1</sup> Excludes collective allowance for impaired loans, advances and financing restricted from Tier 2 Capital of the Group and of the Bank.

<sup>2</sup> For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM176,385,000 and (iii) Mayban Agro Fund Sdn Bhd of RM10,845,000, as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes cost of investment in insurance/takaful entities and carrying amount of associates.

The capital adequacy ratios of the Group consist of Total Capital and RWA derived from consolidated balances of the Bank and its subsidiaries, except for insurance/takaful entities and associates.

The capital adequacy ratios of the Bank consist of Total Capital and RWA derived from the Bank and its wholly-owned offshore banking subsidiary, Maybank International (L) Ltd.

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**A28. Capital Adequacy (cont'd.)**

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

|                                   | Maybank Islamic<br>Berhad | Maybank Investment<br>Bank Berhad | PT Bank Internasional<br>Indonesia Tbk |
|-----------------------------------|---------------------------|-----------------------------------|--|
| <b><u>At 31 March 2014</u></b>    |                           |                                   |  |
| CET1 Capital Ratio                | 11.789%                   | 32.464%                           | -                                      |
| Tier 1 Capital Ratio              | 11.789%                   | 32.464%                           | -                                      |
| Total Capital Ratio               | <u>13.479%</u>            | <u>32.464%</u>                    | <u>13.287%</u>                         |
| <b><u>At 31 December 2013</u></b> |                           |                                   |  |
| CET1 Capital Ratio                | 11.761%                   | 33.133% #                         | -                                      |
| Tier 1 Capital Ratio              | 11.761%                   | 33.133% #                         | -                                      |
| Total Capital Ratio               | <u>13.711%</u>            | <u>33.133% #</u>                  | <u>12.716%</u>                         |

# Comparatives for prior year have been restated to conform with current year's presentation.

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**A28. Capital Adequacy (cont'd.)**

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

**At 31 March 2014**

|  | <b>Group<br/>RM'000</b> | <b>Bank<br/>RM'000</b> | <b>Maybank Islamic<br/>Berhad<br/>RM'000</b> | <b>Maybank Investment<br/>Bank Berhad<br/>RM'000</b> | <b>PT Bank Internasional<br/>Indonesia Tbk<br/>RM'000</b> |
|--|-------------------------|------------------------|--|--|---|
| Standardised Approach exposure                                   | 47,280,795              | 20,912,893             | 4,285,236                                    | 860,007  | 28,369,742  |
| Internal Ratings-Based Approach<br>exposure after scaling factor | <b>229,777,383</b>      | <b>179,468,614</b>     | <b>42,956,353</b>                            | -  | -   |
| Total RWA for credit risk  | <b>277,058,178</b>      | <b>200,381,507</b>     | <b>47,241,589</b>                            | <b>860,007</b>                                       | <b>28,369,742</b>   |
| Total RWA for credit risk<br>absorbed by Malayan Banking Berhad* | -                       | -                      | (1,086,961)                                  | -  | -   |
| Total RWA for market risk  | 11,590,822              | 8,430,429              | 699,132                                      | 159,597  | 332,338   |
| Total RWA for operational risk                                   | <b>31,419,572</b>       | <b>19,790,112</b>      | <b>3,674,673</b>                             | <b>892,849</b>                                       | <b>3,871,842</b>  |
| Total RWA  | <b>320,068,572</b>      | <b>228,602,048</b>     | <b>50,528,433</b>                            | <b>1,912,453</b>                                     | <b>32,573,922</b>   |

**At 31 December 2013**

|  | <b>Group<br/>RM'000</b> | <b>Bank<br/>RM'000</b> | <b>Maybank Islamic<br/>Berhad<br/>RM'000</b> | <b>Maybank Investment<br/>Bank Berhad<br/>RM'000</b> | <b>PT Bank Internasional<br/>Indonesia Tbk<br/>RM'000</b> |
|--|-------------------------|------------------------|--|--|---|
| Standardised Approach exposure                                   | 43,834,264              | 22,077,993             | 3,902,334                                    | 765,298 #  | 27,053,526  |
| Internal Ratings-Based Approach<br>exposure after scaling factor | <b>226,139,730</b>      | <b>178,911,435</b>     | <b>42,043,918</b>                            | -  | -   |
| Total RWA for credit risk  | 269,973,994             | 200,989,428            | 45,946,252                                   | 765,298  | 27,053,526  |
| Total RWA for credit risk<br>absorbed by Malayan Banking Berhad* | -                       | -                      | (1,210,230)                                  | -  | -   |
| Total RWA for market risk  | 7,928,149               | 5,338,195              | 729,512                                      | 196,959  | 232,889   |
| Total RWA for operational risk                                   | <b>30,801,508</b>       | <b>19,400,252</b>      | <b>3,619,234</b>                             | <b>876,244</b>                                       | <b>3,227,265</b>  |
| Total RWA  | <b>308,703,651</b>      | <b>225,727,875</b>     | <b>49,084,768</b>                            | <b>1,838,501</b>                                     | <b>30,513,680</b>   |

\* 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 capital adequacy ratios calculation.

# Comparatives for prior year have been restated to conform with current year's presentation.

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**A29. Derivative Financial Instruments**

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

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

|   | Group<br><---- Fair Value ----> |                            |                                 | Bank<br><---- Fair Value ----> |                            |                                 |
|---|---------------------------------|----------------------------|---------------------------------|--------------------------------|----------------------------|---------------------------------|
|   | Principal<br>Amount<br>RM'000   | Assets<br>Amount<br>RM'000 | Liabilities<br>Amount<br>RM'000 | Principal<br>Amount<br>RM'000  | Assets<br>Amount<br>RM'000 | Liabilities<br>Amount<br>RM'000 |
| <b><u>At 31 March 2014</u></b>            |                                 |                            |                                 |                                |                            |                                 |
| <b><u>Trading derivatives</u></b>         |                                 |                            |                                 |                                |                            |                                 |
| <u>Foreign exchange related contracts</u> |                                 |                            |                                 |                                |                            |                                 |
| Currency forwards:                        |                                 |                            |                                 |                                |                            |                                 |
| - Less than one year                      | 35,875,709                      | 979,234                    | (869,169)                       | 32,414,335                     | 944,690                    | (851,192)                       |
| - One year to three years                 | 418,443                         | 6,112                      | (10,900)                        | 418,443                        | 6,112                      | (10,900)                        |
| - More than three years                   | 236,312                         | 3,384                      | (9,321)                         | 236,312                        | 3,384                      | (9,321)                         |
|   | <u>36,530,464</u>               | <u>988,730</u>             | <u>(889,390)</u>                | <u>33,069,090</u>              | <u>954,186</u>             | <u>(871,413)</u>                |
| Currency swaps:                           |                                 |                            |                                 |                                |                            |                                 |
| - Less than one year                      | 103,943,280                     | 186,374                    | (102,809)                       | 103,891,333                    | 171,971                    | (34,585)                        |
| - One year to three years                 | 297,761                         | 7,571                      | (135)                           | 297,761                        | 7,571                      | (135)                           |
| - More than three years                   | 173,579                         | 9,882                      | -                               | 173,579                        | 9,882                      | -                               |
|   | <u>104,414,620</u>              | <u>203,827</u>             | <u>(102,944)</u>                | <u>104,362,673</u>             | <u>189,424</u>             | <u>(34,720)</u>                 |
| Currency spots:                           |                                 |                            |                                 |                                |                            |                                 |
| - Less than one year                      | 15,270,093                      | 5,734                      | (4,954)                         | 15,318,504                     | 5,804                      | (5,006)                         |
| Currency options:                         |                                 |                            |                                 |                                |                            |                                 |
| - Less than one year                      | 3,417,483                       | 19,972                     | (16,236)                        | 3,417,483                      | 19,972                     | (16,236)                        |
| Cross currency interest rate swaps:       |                                 |                            |                                 |                                |                            |                                 |
| - Less than one year                      | 4,764,444                       | 85,152                     | (157,042)                       | 4,845,280                      | 100,495                    | (141,641)                       |
| - One year to three years                 | 6,695,987                       | 965,967                    | (218,612)                       | 6,440,360                      | 941,146                    | (187,512)                       |
| - More than three years                   | 8,528,782                       | 137,688                    | (192,978)                       | 9,011,672                      | 167,299                    | (192,978)                       |
|   | <u>19,989,213</u>               | <u>1,188,807</u>           | <u>(568,632)</u>                | <u>20,297,312</u>              | <u>1,208,940</u>           | <u>(522,131)</u>                |
| <u>Interest rate related contracts</u>    |                                 |                            |                                 |                                |                            |                                 |
| Interest rate swaps:                      |                                 |                            |                                 |                                |                            |                                 |
| - Less than one year                      | 24,487,701                      | 22,403                     | (46,761)                        | 25,343,594                     | 26,198                     | (46,761)                        |
| - One year to three years                 | 35,035,115                      | 153,067                    | (199,709)                       | 34,607,386                     | 144,617                    | (197,084)                       |
| - More than three years                   | 50,347,394                      | 382,656                    | (545,735)                       | 51,157,807                     | 397,144                    | (554,089)                       |
|   | <u>109,870,210</u>              | <u>558,126</u>             | <u>(792,205)</u>                | <u>111,108,787</u>             | <u>567,959</u>             | <u>(797,934)</u>                |
| Interest rate futures:                    |                                 |                            |                                 |                                |                            |                                 |
| - Less than one year                      | 3,645,946                       | 1,377                      | (21)                            | 3,775,946                      | 1,377                      | (21)                            |
| - One year to three years                 | 11,213,987                      | -                          | -                               | 11,213,987                     | -                          | -                               |
|   | <u>14,859,933</u>               | <u>1,377</u>               | <u>(21)</u>                     | <u>14,989,933</u>              | <u>1,377</u>               | <u>(21)</u>                     |
| Interest rate options:                    |                                 |                            |                                 |                                |                            |                                 |
| - Less than one year                      | 653,581                         | 2,495                      | -                               | 653,581                        | 2,495                      | -                               |
| - One year to three years                 | 1,978,034                       | 809                        | (13,656)                        | 1,978,034                      | 808                        | (13,656)                        |
| - More than three years                   | 1,939,804                       | 3,801                      | (292,473)                       | 1,279,804                      | 3,801                      | (192,744)                       |
|   | <u>4,571,419</u>                | <u>7,105</u>               | <u>(306,129)</u>                | <u>3,911,419</u>               | <u>7,104</u>               | <u>(206,400)</u>                |



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**A29. Derivative Financial Instruments (cont'd.)**

|   | Group              |                        |                    | Bank               |                        |                    |
|---|--------------------|------------------------|--------------------|--------------------|------------------------|--------------------|
|   | Principal          | <---- Fair Value ----> |                    | Principal          | <---- Fair Value ----> |                    |
| <b>At 31 March 2014 (cont'd.)</b>         | Amount             | Assets                 | Liabilities        | Amount             | Assets                 | Liabilities        |
|   | RM'000             | Amount                 | Amount             | RM'000             | Amount                 | Amount             |
|   |                    | RM'000                 | RM'000             |                    | RM'000                 | RM'000             |
| <b>Trading derivatives (cont'd.)</b>      |                    |                        |                    |                    |                        |                    |
| <u>Equity related derivatives</u>         |                    |                        |                    |                    |                        |                    |
| Index futures:                            |                    |                        |                    |                    |                        |                    |
| - Less than one year                      | 18,820             | 22                     | (29)               | -                  | -                      | -                  |
| - More than three years                   | 33,664             | 4,632                  | -                  | -                  | -                      | -                  |
|   | <u>52,484</u>      | <u>4,654</u>           | <u>(29)</u>        | <u>-</u>           | <u>-</u>               | <u>-</u>           |
| Equity options:                           |                    |                        |                    |                    |                        |                    |
| - Less than one year                      | 164,276            | 1,625                  | (23,960)           | 34,805             | 1,625                  | (1,625)            |
| - One year to three years                 | 662,781            | 15,838                 | (4,536)            | 98,307             | 4,274                  | (4,274)            |
| - More than three years                   | 9,559              | 919                    | -                  | -                  | -                      | -                  |
|   | <u>836,616</u>     | <u>18,382</u>          | <u>(28,496)</u>    | <u>133,112</u>     | <u>5,899</u>           | <u>(5,899)</u>     |
| <u>Commodity related contracts</u>        |                    |                        |                    |                    |                        |                    |
| Commodity options:                        |                    |                        |                    |                    |                        |                    |
| - Less than one year                      | 15,684             | -                      | -                  | 15,684             | -                      | -                  |
| - One year to three years                 | 220,929            | 4                      | -                  | -                  | -                      | -                  |
|   | <u>236,613</u>     | <u>4</u>               | <u>-</u>           | <u>15,684</u>      | <u>-</u>               | <u>-</u>           |
| Commodity swaps:                          |                    |                        |                    |                    |                        |                    |
| - Less than one year                      | 530,146            | 5,061                  | (4,960)            | 530,144            | 5,061                  | (4,960)            |
| - One year to three years                 | 228,399            | 513                    | (513)              | 228,398            | 513                    | (513)              |
|   | <u>758,545</u>     | <u>5,574</u>           | <u>(5,473)</u>     | <u>758,542</u>     | <u>5,574</u>           | <u>(5,473)</u>     |
| <b>Hedging derivatives</b>                |                    |                        |                    |                    |                        |                    |
| <u>Interest rate related contracts</u>    |                    |                        |                    |                    |                        |                    |
| Interest rate swaps:                      |                    |                        |                    |                    |                        |                    |
| - Less than one year                      | 1,097,854          | 4,653                  | (32,975)           | 1,097,854          | 4,653                  | (32,975)           |
| - One year to three years                 | 884,870            | 10,971                 | (17,846)           | 251,589            | 209                    | (17,846)           |
| - More than three years                   | 761,400            | 3,257                  | (7,247)            | 16,337             | -                      | 100                |
|   | <u>2,744,124</u>   | <u>18,881</u>          | <u>(58,068)</u>    | <u>1,365,780</u>   | <u>4,862</u>           | <u>(50,721)</u>    |
| <u>Foreign exchange related contracts</u> |                    |                        |                    |                    |                        |                    |
| Cross currency interest rate swaps:       |                    |                        |                    |                    |                        |                    |
| - Less than one year                      | 1,051,951          | 44,267                 | (23,250)           | 911,110            | 18,292                 | (23,251)           |
| - One year to three years                 | 1,730,996          | -                      | (89,350)           | 1,730,996          | -                      | (89,350)           |
| - More than three years                   | 411,386            | -                      | (71,112)           | 411,389            | -                      | (71,112)           |
|   | <u>3,194,333</u>   | <u>44,267</u>          | <u>(183,712)</u>   | <u>3,053,495</u>   | <u>18,292</u>          | <u>(183,713)</u>   |
| Total derivative assets / (liabilities)   | <u>316,746,150</u> | <u>3,065,440</u>       | <u>(2,956,289)</u> | <u>311,801,814</u> | <u>2,989,393</u>       | <u>(2,699,667)</u> |

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**A29. Derivative Financial Instruments (cont'd.)**

|   | Group                         |                                 |                    | Bank                          |                                 |                    |
|---|-------------------------------|---------------------------------|--------------------|-------------------------------|---------------------------------|--------------------|
|   | Principal<br>Amount<br>RM'000 | <---- Fair Value ---->          |                    | Principal<br>Amount<br>RM'000 | <---- Fair Value ---->          |                    |
| <u>At 31 December 2013</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 |                    |
| <b>Trading derivatives</b>                |                               |                                 |                    |                               |                                 |                    |
| <u>Foreign exchange related contracts</u> |                               |                                 |                    |                               |                                 |                    |
| Currency forwards:                        |                               |                                 |                    |                               |                                 |                    |
| - Less than one year                      | 19,029,752                    | 391,278                         | (125,097)          | 16,125,005                    | 274,429                         | (101,681)          |
| - One year to three years                 | 403,658                       | 6,902                           | (14,537)           | 403,577                       | 6,901                           | (14,537)           |
| - More than three years                   | 260,669                       | 5,253                           | (12,386)           | 260,669                       | 5,253                           | (12,386)           |
|   | <u>19,694,079</u>             | <u>403,433</u>                  | <u>(152,020)</u>   | <u>16,789,251</u>             | <u>286,583</u>                  | <u>(128,604)</u>   |
| Currency swaps:                           |                               |                                 |                    |                               |                                 |                    |
| - Less than one year                      | 91,496,189                    | 1,459,828                       | (1,600,516)        | 91,374,670                    | 1,440,008                       | (1,504,364)        |
| - One year to three years                 | 844,032                       | 9,608                           | (381)              | 844,032                       | 9,608                           | (381)              |
| - More than three years                   | 186,622                       | 12,952                          | -                  | 186,622                       | 12,952                          | -                  |
|   | <u>92,526,843</u>             | <u>1,482,388</u>                | <u>(1,600,897)</u> | <u>92,405,324</u>             | <u>1,462,568</u>                | <u>(1,504,745)</u> |
| Currency spots:                           |                               |                                 |                    |                               |                                 |                    |
| - Less than one year                      | 14,757,296                    | 3,668                           | (9,014)            | 14,786,077                    | 3,718                           | (9,044)            |
| Currency options:                         |                               |                                 |                    |                               |                                 |                    |
| - Less than one year                      | 1,668,456                     | 22,892                          | (13,790)           | 1,668,456                     | 22,892                          | (13,790)           |
| Cross currency interest rate swaps:       |                               |                                 |                    |                               |                                 |                    |
| - Less than one year                      | 4,067,782                     | 868,421                         | (211,248)          | 3,857,532                     | 836,839                         | (183,344)          |
| - One year to three years                 | 7,009,536                     | 253,935                         | (236,446)          | 6,927,934                     | 255,795                         | (189,430)          |
| - More than three years                   | 6,665,397                     | 139,447                         | (241,220)          | 7,071,297                     | 166,405                         | (241,220)          |
|   | <u>17,742,715</u>             | <u>1,261,803</u>                | <u>(688,914)</u>   | <u>17,856,763</u>             | <u>1,259,039</u>                | <u>(613,994)</u>   |
| <u>Interest rate related contracts</u>    |                               |                                 |                    |                               |                                 |                    |
| Interest rate swaps:                      |                               |                                 |                    |                               |                                 |                    |
| - Less than one year                      | 15,329,470                    | 25,585                          | (43,202)           | 16,185,305                    | 26,970                          | (43,203)           |
| - One year to three years                 | 32,388,613                    | 162,138                         | (225,915)          | 31,507,494                    | 160,220                         | (208,782)          |
| - More than three years                   | 45,961,585                    | 463,117                         | (579,248)          | 46,945,901                    | 486,182                         | (595,142)          |
|   | <u>93,679,668</u>             | <u>650,840</u>                  | <u>(848,365)</u>   | <u>94,638,700</u>             | <u>673,372</u>                  | <u>(847,127)</u>   |
| Interest rate futures:                    |                               |                                 |                    |                               |                                 |                    |
| - Less than one year                      | 5,380,100                     | 4,189                           | (22)               | 5,490,100                     | 4,189                           | (22)               |
| - One year to three years                 | 5,877,399                     | -                               | (150)              | 5,897,399                     | -                               | (150)              |
|   | <u>11,257,499</u>             | <u>4,189</u>                    | <u>(172)</u>       | <u>11,387,499</u>             | <u>4,189</u>                    | <u>(172)</u>       |
| Interest rate options:                    |                               |                                 |                    |                               |                                 |                    |
| - Less than one year                      | 554,073                       | 1,744                           | -                  | 554,073                       | 1,744                           | -                  |
| - One year to three years                 | 1,954,192                     | 2,108                           | (9,355)            | 1,954,192                     | 2,108                           | (9,355)            |
| - More than three years                   | 1,820,126                     | -                               | (302,172)          | 1,245,126                     | -                               | (212,824)          |
|   | <u>4,328,391</u>              | <u>3,852</u>                    | <u>(311,527)</u>   | <u>3,753,391</u>              | <u>3,852</u>                    | <u>(222,179)</u>   |

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**A29. Derivative Financial Instruments (cont'd.)**

|   | Group                         |                                 |                            | Bank                            |                            |                                 |
|---|-------------------------------|---------------------------------|----------------------------|---------------------------------|----------------------------|---------------------------------|
|   | Principal<br>Amount<br>RM'000 | <---- Fair Value ---->          |                            | Principal<br>Amount<br>RM'000   | <---- Fair Value ---->     |                                 |
| <b>At 31 December 2013 (cont'd.)</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>Trading derivatives (cont'd.)</b>      |                               |                                 |                            |                                 |                            |                                 |
| <u>Equity related contracts</u>           |                               |                                 |                            |                                 |                            |                                 |
| Index futures:                            |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                      | 20,184                        | 228                             | -                          | -                               | -                          | -                               |
| - More than three years                   | 33,663                        | 4,757                           | -                          | -                               | -                          | -                               |
|   | <u>53,847</u>                 | <u>4,985</u>                    | <u>-</u>                   | <u>-</u>                        | <u>-</u>                   | <u>-</u>                        |
| Equity options:                           |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                      | 124,080                       | 5,062                           | (14,785)                   | 48,300                          | 5,062                      | (4,992)                         |
| - One year to three years                 | 465,942                       | 16,132                          | (5,739)                    | 101,005                         | 5,208                      | (5,208)                         |
| - More than three years                   | 200,000                       | 2,325                           | -                          | -                               | -                          | -                               |
|   | <u>790,022</u>                | <u>23,519</u>                   | <u>(20,524)</u>            | <u>149,305</u>                  | <u>10,270</u>              | <u>(10,200)</u>                 |
| <u>Commodity related contracts</u>        |                               |                                 |                            |                                 |                            |                                 |
| Commodity options:                        |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                      | 27,580                        | 1                               | (1)                        | 27,580                          | 1                          | (1)                             |
| - One year to three years                 | 256,499                       | 1,890                           | (1,885)                    | 35,570                          | 1,885                      | (1,885)                         |
|   | <u>284,079</u>                | <u>1,891</u>                    | <u>(1,886)</u>             | <u>63,150</u>                   | <u>1,886</u>               | <u>(1,886)</u>                  |
| Commodity swaps:                          |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                      | 630,092                       | 9,582                           | (9,366)                    | 630,092                         | 9,582                      | (9,366)                         |
|   | <u>630,092</u>                | <u>9,582</u>                    | <u>(9,366)</u>             | <u>630,092</u>                  | <u>9,582</u>               | <u>(9,366)</u>                  |
| <b>Hedging derivatives</b>                |                               |                                 |                            |                                 |                            |                                 |
| <u>Interest rate related contracts</u>    |                               |                                 |                            |                                 |                            |                                 |
| Interest rate swaps:                      |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                      | 1,168,472                     | 3,853                           | (48,152)                   | 1,168,472                       | 3,853                      | (48,107)                        |
| - One year to three years                 | 436,849                       | 1,305                           | (21,080)                   | 252,849                         | -                          | (19,475)                        |
| - More than three years                   | 967,900                       | 12,344                          | (7,910)                    | 16,419                          | 297                        | (12)                            |
|   | <u>2,573,221</u>              | <u>17,502</u>                   | <u>(77,142)</u>            | <u>1,437,740</u>                | <u>4,150</u>               | <u>(67,594)</u>                 |
| <u>Foreign exchange related contracts</u> |                               |                                 |                            |                                 |                            |                                 |
| Cross currency interest rate swaps:       |                               |                                 |                            |                                 |                            |                                 |
| - Less than one year                      | 512,235                       | 5,319                           | (29,593)                   | 512,235                         | 5,319                      | (29,593)                        |
| - One year to three years                 | 2,083,822                     | 43,482                          | (97,699)                   | 1,942,292                       | 7,366                      | (97,699)                        |
| - More than three years                   | 704,401                       | 5,347                           | (76,471)                   | 704,401                         | 5,347                      | (76,471)                        |
|   | <u>3,300,458</u>              | <u>54,148</u>                   | <u>(203,763)</u>           | <u>3,158,928</u>                | <u>18,032</u>              | <u>(203,763)</u>                |
| Total derivative assets / (liabilities)   | <u>263,286,666</u>            | <u>3,944,692</u>                | <u>(3,937,380)</u>         | <u>258,724,676</u>              | <u>3,760,133</u>           | <u>(3,632,464)</u>              |

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**A30. Fair Value Measurements of Financial Instruments**

**Fair value hierarchy**

The Group and the Bank classify its financial instruments measured at fair value according to the following hierarchy, reflecting the significance of the inputs in making the fair value measurements:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, and those prices which represent actual and regularly occurring market transactions in an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on exchange.

- (b) Level 2: Valuation techniques using observable inputs for which all significant inputs are, or are based on, observable market data

Refers to inputs other than quoted prices included those within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Examples of Level 2 financial instruments include over-the-counter ("OTC") derivatives, corporate and other government bonds and illiquid equities.

- (c) Level 3: Valuation techniques using significant unobservable inputs for which significant inputs are not based on observable market data

Refers to financial instruments where fair value is measured using significant unobservable market data. The valuation technique is consistent with the Level 2. The chosen valuation technique incorporates the Group's and the Bank's own assumptions and data. Examples of Level 3 instruments include corporate bonds in illiquid markets and private equity investments.

The following tables show the Group's and the Bank's financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 March 2014 and 31 December 2013.

| Group   | <u>Valuation technique using</u>              |   |   | Total<br>RM'000    |
|---|---|---|---|--------------------|
|   | Quoted<br>Market Price<br>(Level 1)<br>RM'000 | Observable<br>Inputs<br>(Level 2)<br>RM'000 | Unobservable<br>Inputs<br>(Level 3)<br>RM'000 |                    |
| <b>At 31 March 2014</b>   |   |   |   |                    |
| <b>Financial assets measured at fair value:</b>                         |   |   |   |                    |
| <b>Financial assets held-for-trading</b>                                | 646,032                                       | 7,223,597                                   | 388,605                                       | 8,258,234          |
| Money market instruments  | -   | 4,865,739                                   | -   | 4,865,739          |
| Non-money market instruments  | 646,032                                       | 2,357,858                                   | 388,605                                       | 3,392,495          |
| <b>Financial assets designated at fair value through profit or loss</b> | -   | 10,998,002                                  | -   | 10,998,002         |
| Money market instruments  | -   | 1,521,343                                   | -   | 1,521,343          |
| Non-money market instruments  | -   | 9,476,659                                   | -   | 9,476,659          |
| <b>Financial investments available-for-sale</b>                         | 3,029,567                                     | 83,323,159                                  | 421,874                                       | 86,774,600         |
| Money market instruments  | -   | 43,183,926                                  | -   | 43,183,926         |
| Non-money market instruments  | 3,029,567                                     | 40,139,233                                  | 421,874                                       | 43,590,674         |
| <b>Derivative assets</b>  | 22  | 3,038,327                                   | 27,091  | 3,065,440          |
| Foreign exchange related contracts                                      | -   | 2,450,680                                   | 657   | 2,451,337          |
| Interest rate related contracts   | -   | 581,155                                     | 4,334   | 585,489            |
| Equity and commodity related contracts                                  | 22  | 6,492                                       | 22,100  | 28,614             |
|   | <b>3,675,621</b>                              | <b>104,583,085</b>                          | <b>837,570</b>                                | <b>109,096,276</b> |
| <b>Financial liabilities measured at fair value:</b>                    |   |   |   |                    |
| <b>Derivative liabilities</b>   | 14,596  | 2,637,549                                   | 304,144                                       | 2,956,289          |
| Foreign exchange related contracts                                      | -   | 1,765,243                                   | 625   | 1,765,868          |
| Interest rate related contracts   | -   | 858,803                                     | 297,620                                       | 1,156,423          |
| Equity and commodity related contracts                                  | 14,596  | 13,503                                      | 5,899   | 33,998             |

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**A30. Fair Value Measurements of Financial Instruments (cont'd.)**

| Group   | Quoted<br>Market Price<br>(Level 1)<br>RM'000 | Valuation technique using                   |   | Total<br>RM'000    |
|---|---|---|---|--------------------|
|   |   | Observable<br>Inputs<br>(Level 2)<br>RM'000 | Unobservable<br>Inputs<br>(Level 3)<br>RM'000 |                    |
| <b>At 31 December 2013</b>  |   |   |   |                    |
| Financial assets measured at fair value:                                |   |   |   |                    |
| <b>Financial assets held-for-trading</b>                                | 722,702                                       | 6,689,677                                   | 576,574                                       | 7,988,953          |
| Money market instruments  | -   | 4,495,738                                   | -   | 4,495,738          |
| Non-money market instruments  | 722,702                                       | 2,193,939                                   | 576,574                                       | 3,493,215          |
| <b>Financial assets designated at fair value through profit or loss</b> | -   | 11,020,675                                  | 156,937                                       | 11,177,612         |
| Money market instruments  | -   | 1,569,743                                   | -   | 1,569,743          |
| Non-money market instruments  | -   | 9,450,932                                   | 156,937                                       | 9,607,869          |
| <b>Financial investments available-for-sale</b>                         | 2,906,759                                     | 79,263,823                                  | 666,340                                       | 82,836,922         |
| Money market instruments  | -   | 40,755,592                                  | -   | 40,755,592         |
| Non-money market instruments  | 2,906,759                                     | 38,508,231                                  | 666,340                                       | 42,081,330         |
| <b>Derivative assets</b>  | 69  | 3,912,772                                   | 31,851  | 3,944,692          |
| Foreign exchange related contracts                                      | -   | 3,226,578                                   | 1,754   | 3,228,332          |
| Interest rate related contracts   | -   | 676,383                                     | -   | 676,383            |
| Equity and commodity related contracts                                  | 69  | 9,811                                       | 30,097  | 39,977             |
|   | <b>3,629,530</b>                              | <b>100,886,947</b>                          | <b>1,431,702</b>                              | <b>105,948,179</b> |
| Financial liabilities measured at fair value:                           |   |   |   |                    |
| <b>Derivative liabilities</b>   | 9,791   | 3,611,395                                   | 316,194                                       | 3,937,380          |
| Foreign exchange related contracts                                      | -   | 2,666,365                                   | 2,033   | 2,668,398          |
| Interest rate related contracts   | -   | 935,132                                     | 302,074                                       | 1,237,206          |
| Equity and commodity related contracts                                  | 9,791   | 9,898                                       | 12,087  | 31,776             |

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**A30. Fair Value Measurements of Financial Instruments (cont'd.)**

| Bank<br>At 31 March 2014                        | <u>Valuation technique using</u>              |   |   | Total<br>RM'000   |
|---|---|---|---|-------------------|
|   | Quoted<br>Market Price<br>(Level 1)<br>RM'000 | Observable<br>Inputs<br>(Level 2)<br>RM'000 | Unobservable<br>Inputs<br>(Level 3)<br>RM'000 |                   |
| Financial assets measured at fair value:        |   |   |   |                   |
| <b>Financial assets held-for-trading</b>        | -   | 4,937,564                                   | -   | 4,937,564         |
| Money market instruments                        | -   | 3,398,932                                   | -   | 3,398,932         |
| Non-money market instruments                    | -   | 1,538,632                                   | -   | 1,538,632         |
| <b>Financial investments available-for-sale</b> | 74,469  | 67,614,518                                  | 246,905                                       | 67,935,892        |
| Money market instruments                        | -   | 34,900,160                                  | -   | 34,900,160        |
| Non-money market instruments                    | 74,469  | 32,714,358                                  | 246,905                                       | 33,035,732        |
| <b>Derivative assets</b>                        | -   | 2,979,068                                   | 10,325  | 2,989,393         |
| Foreign exchange related contracts              | -   | 2,395,993                                   | 625   | 2,396,618         |
| Interest rate related contracts                 | -   | 577,501                                     | 3,801   | 581,302           |
| Equity and commodity related contracts          | -   | 5,574                                       | 5,899   | 11,473            |
|   | <b>74,469</b>                                 | <b>75,531,150</b>                           | <b>257,230</b>                                | <b>75,862,849</b> |

Financial liabilities measured at fair value:

|  |   |           |         |           |
|--|---|-----------|---------|-----------|
| <b>Derivative liabilities</b>          | - | 2,495,252 | 204,415 | 2,699,667 |
| Foreign exchange related contracts     | - | 1,632,594 | 625     | 1,633,219 |
| Interest rate related contracts        | - | 857,185   | 197,891 | 1,055,076 |
| Equity and commodity related contracts | - | 5,473     | 5,899   | 11,372    |

| Bank<br>At 31 December 2013                     | <u>Valuation technique using</u>              |   |   | Total<br>RM'000   |
|---|---|---|---|-------------------|
|   | Quoted<br>Market Price<br>(Level 1)<br>RM'000 | Observable<br>Inputs<br>(Level 2)<br>RM'000 | Unobservable<br>Inputs<br>(Level 3)<br>RM'000 |                   |
| Financial assets measured at fair value:        |   |   |   |                   |
| <b>Financial assets held-for-trading</b>        | -   | 5,546,091                                   | -   | 5,546,091         |
| Money market instruments                        | -   | 3,787,378                                   | -   | 3,787,378         |
| Non-money market instruments                    | -   | 1,758,713                                   | -   | 1,758,713         |
| <b>Financial investments available-for-sale</b> | 171,192                                       | 64,029,334                                  | 332,271                                       | 64,532,797        |
| Money market instruments                        | -   | 33,110,860                                  | -   | 33,110,860        |
| Non-money market instruments                    | 171,192                                       | 30,918,474                                  | 332,271                                       | 31,421,937        |
| <b>Derivative assets</b>                        | 69  | 3,746,248                                   | 13,816  | 3,760,133         |
| Foreign exchange related contracts              | -   | 3,051,103                                   | 1,729   | 3,052,832         |
| Interest rate related contracts                 | -   | 685,563                                     | -   | 685,563           |
| Equity and commodity related contracts          | 69  | 9,582                                       | 12,087  | 21,738            |
|   | <b>171,261</b>                                | <b>73,321,673</b>                           | <b>346,087</b>                                | <b>73,839,021</b> |

Financial liabilities measured at fair value:

|  |   |           |         |           |
|--|---|-----------|---------|-----------|
| <b>Derivative liabilities</b>          | - | 3,405,922 | 226,542 | 3,632,464 |
| Foreign exchange related contracts     | - | 2,472,211 | 1,729   | 2,473,940 |
| Interest rate related contracts        | - | 924,346   | 212,726 | 1,137,072 |
| Equity and commodity related contracts | - | 9,365     | 12,087  | 21,452    |

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**A30. Fair Value Measurements of Financial Instruments (cont'd.)**

**Valuation techniques**

The valuation techniques used for the financial instruments that are not determined by reference to quoted prices (Level 1), are described below:

*Derivatives*

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

*Financial assets designated at fair value through profit or loss, financial assets held-for-trading and financial investments available-for-sale*

The fair values of financial assets and financial investments are determined by reference to prices quoted by independent data providers and independent broker quotations.

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**A30. Fair Value Measurements of Financial Instruments (cont'd.)**

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

| <b>Group</b>  | <b>At 1 January<br/>2014<br/>RM'000</b> | <b>Total<br/>realised<br/>gains/(losses)<br/>recognised in<br/>income<br/>statements*</b><br>RM'000 | <b>Total<br/>unrealised<br/>gains/(losses)<br/>recognised in<br/>income<br/>statements*</b><br>RM'000 | <b>Total<br/>unrealised<br/>gains/(losses)<br/>recognised in<br/>other<br/>comprehensive<br/>income<br/>RM'000</b> | <b>Purchases<br/>RM'000</b> | <b>Sales<br/>RM'000</b> | <b>Settlements**<br/>RM'000</b> | <b>Exchange<br/>differences<br/>RM'000</b> | <b>Transfer in to<br/>Level 3<br/>RM'000</b> | <b>Transfer out of<br/>Level 3<br/>RM'000</b> | <b>At<br/>31 March<br/>2014<br/>RM'000</b> |
|---|---|---|---|--|-----------------------------|-------------------------|---------------------------------|--|--|---|--|
| <b>Financial assets held-for-trading</b>                                |   |   |   |  |                             |                         |                                 |  |  |   |  |
| Non-money market instruments  | 576,574                                 | (93)  | 3,779   | -  | -                           | (2,035)                 | -                               | -  | -  | (189,620)                                     | 388,605                                    |
|   | <u>576,574</u>                          | <u>(93)</u>   | <u>3,779</u>  | <u>-</u>   | <u>-</u>                    | <u>(2,035)</u>          | <u>-</u>                        | <u>-</u>                                   | <u>-</u>                                     | <u>(189,620)</u>                              | <u>388,605</u>                             |
| <b>Financial assets designated at fair value through profit or loss</b> |   |   |   |  |                             |                         |                                 |  |  |   |  |
| Non-money market instruments  | 156,937                                 | -   | -   | -  | -                           | -                       | -                               | -  | -  | (156,937)                                     | -  |
|   | <u>156,937</u>                          | <u>-</u>  | <u>-</u>  | <u>-</u>   | <u>-</u>                    | <u>-</u>                | <u>-</u>                        | <u>-</u>                                   | <u>-</u>                                     | <u>(156,937)</u>                              | <u>-</u>                                   |
| <b>Financial investments available-for-sale</b>                         |   |   |   |  |                             |                         |                                 |  |  |   |  |
| Non-money market instruments  | 666,340                                 | 106,968   | -   | 107  | 83,105                      | (9,048)                 | (340,073)                       | (505)                                      | 31   | (85,051)                                      | 421,874                                    |
|   | <u>666,340</u>                          | <u>106,968</u>  | <u>-</u>  | <u>107</u>   | <u>83,105</u>               | <u>(9,048)</u>          | <u>(340,073)</u>                | <u>(505)</u>                               | <u>31</u>                                    | <u>(85,051)</u>                               | <u>421,874</u>                             |
| <b>Derivative assets</b>  |   |   |   |  |                             |                         |                                 |  |  |   |  |
| Foreign exchange related contracts                                      | 1,754                                   | (2,507)   | 1,111   | -  | 1,071                       | -                       | (772)                           | -  | -  | -   | 657  |
| Interest rate related contracts   | -                                       | -   | 4,334   | -  | -                           | -                       | -                               | -  | -  | -   | 4,334                                      |
| Equity and commodity related contracts                                  | 30,097                                  | 820   | (3,824)   | -  | -                           | -                       | (4,993)                         | -  | -  | -   | 22,100                                     |
|   | <u>31,851</u>                           | <u>(1,687)</u>  | <u>1,621</u>  | <u>-</u>   | <u>1,071</u>                | <u>-</u>                | <u>(5,765)</u>                  | <u>-</u>                                   | <u>-</u>                                     | <u>-</u>                                      | <u>27,091</u>                              |
| <b>Total Level 3 financial assets</b>                                   | <u>1,431,702</u>                        | <u>105,188</u>  | <u>5,400</u>  | <u>107</u>   | <u>84,176</u>               | <u>(11,083)</u>         | <u>(345,838)</u>                | <u>(505)</u>                               | <u>31</u>                                    | <u>(431,608)</u>                              | <u>837,570</u>                             |
| <b>Derivative liabilities</b>   |   |   |   |  |                             |                         |                                 |  |  |   |  |
| Foreign exchange related contracts                                      | (2,033)                                 | 2,599   | (1,104)   | -  | (1,071)                     | -                       | 984                             | -  | -  | -   | (625)                                      |
| Interest rate related contracts   | (302,074)                               | -   | 18,340  | -  | (13,886)                    | -                       | -                               | -  | -  | -   | (297,620)                                  |
| Equity and commodity related contracts                                  | (12,087)                                | (820)   | 2,015   | -  | -                           | -                       | 4,993                           | -  | -  | -   | (5,899)                                    |
| <b>Total Level 3 financial liabilities</b>                              | <u>(316,194)</u>                        | <u>1,779</u>  | <u>19,251</u>   | <u>-</u>   | <u>(14,957)</u>             | <u>-</u>                | <u>5,977</u>                    | <u>-</u>                                   | <u>-</u>                                     | <u>-</u>                                      | <u>(304,144)</u>                           |
| <b>Total net Level 3 financial assets/<br/>(liabilities)</b>            | <u>1,115,508</u>                        | <u>106,967</u>  | <u>24,651</u>   | <u>107</u>   | <u>69,219</u>               | <u>(11,083)</u>         | <u>(339,861)</u>                | <u>(505)</u>                               | <u>31</u>                                    | <u>(431,608)</u>                              | <u>533,426</u>                             |

\* Included within 'Non-interest income'.

\*\* The settlement amount of financial investments available-for-sale for the financial period ended 31 March 2014 comprised redemption of loan stocks of RM340.1million.



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**A30. Fair Value Measurements of Financial Instruments (cont'd.)**

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

| <b>Group</b>  | <b>At 1 January<br/>2013<br/>RM'000</b> | <b>Total<br/>realised<br/>gains/(losses)<br/>recognised in<br/>income<br/>statements*<br/>RM'000</b> | <b>Total<br/>unrealised<br/>gains/(losses)<br/>recognised in<br/>income<br/>statements*<br/>RM'000</b> | <b>Total<br/>unrealised<br/>gains/(losses)<br/>recognised in<br/>other<br/>comprehensive<br/>income<br/>RM'000</b> | <b>Purchases<br/>RM'000</b> | <b>Sales<br/>RM'000</b> | <b>Settlements^<br/>RM'000</b> | <b>Exchange<br/>differences<br/>RM'000</b> | <b>Transfer in to<br/>Level 3<br/>RM'000</b> | <b>Transfer out of<br/>Level 3<br/>RM'000</b> | <b>At<br/>31 December<br/>2013<br/>RM'000</b> |
|---|---|--|--|--|-----------------------------|-------------------------|--------------------------------|--|--|---|---|
| <b>Financial assets held-for-trading</b>                                |   |  |  |  |                             |                         |                                |  |  |   |   |
| Non-money market instruments  | 269,692                                 | 1,664  | (13,909)   | -  | 329,759                     | (10,632)                | -                              | -  | -  | -   | 576,574                                       |
|   | 269,692                                 | 1,664  | (13,909)   | -  | 329,759                     | (10,632)                | -                              | -  | -  | -   | 576,574                                       |
| <b>Financial assets designated at fair value through profit or loss</b> |   |  |  |  |                             |                         |                                |  |  |   |   |
| Non-money market instruments  | 228,547                                 | (3,528)  | 7,073  | -  | -                           | (75,155)                | -                              | -  | -  | -   | 156,937                                       |
|   | 228,547                                 | (3,528)  | 7,073  | -  | -                           | (75,155)                | -                              | -  | -  | -   | 156,937                                       |
| <b>Financial investments available-for-sale</b>                         |   |  |  |  |                             |                         |                                |  |  |   |   |
| Money market instruments  | 139,233                                 | -  | -  | -  | -                           | -                       | -                              | -  | -  | (139,233)                                     | -   |
| Non-money market instruments  | 645,606                                 | (3,918)  | -  | (32,434)   | 79,310                      | (8,902)                 | (11,762)                       | (1,144)                                    | 10,613                                       | (11,029)                                      | 666,340                                       |
|   | 784,839                                 | (3,918)  | -  | (32,434)   | 79,310                      | (8,902)                 | (11,762)                       | (1,144)                                    | 10,613                                       | (150,262)                                     | 666,340                                       |
| <b>Derivative assets</b>  |   |  |  |  |                             |                         |                                |  |  |   |   |
| Foreign exchange related contracts                                      | 1,006                                   | (2,535)  | (5,088)  | -  | 10,018                      | -                       | (1,647)                        | -  | -  | -   | 1,754   |
| Interest rate related contracts   | 3,920                                   | 4,077  | (1,421)  | -  | 210                         | -                       | (6,786)                        | -  | -  | -   | -   |
| Equity and commodity related contracts                                  | 14,133                                  | -  | (1,963)  | -  | 17,927                      | -                       | -                              | -  | -  | -   | 30,097  |
|   | 19,059                                  | 1,542  | (8,472)  | -  | 28,155                      | -                       | (8,433)                        | -  | -  | -   | 31,851  |
| <b>Total Level 3 financial assets</b>                                   | <b>1,302,137</b>                        | <b>(4,240)</b>   | <b>(15,308)</b>  | <b>(32,434)</b>  | <b>437,224</b>              | <b>(94,689)</b>         | <b>(20,195)</b>                | <b>(1,144)</b>                             | <b>10,613</b>                                | <b>(150,262)</b>                              | <b>1,431,702</b>                              |
| <b>Derivative liabilities</b>   |   |  |  |  |                             |                         |                                |  |  |   |   |
| Foreign exchange related contracts                                      | (404)                                   | 1,779  | 4,510  | -  | (10,323)                    | -                       | 2,405                          | -  | -  | -   | (2,033)                                       |
| Interest rate related contracts   | (190,773)                               | (22,662)   | 8,898  | -  | (189,871)                   | -                       | 92,334                         | -  | -  | -   | (302,074)                                     |
| Equity and commodity related contracts                                  | (10,189)                                | -  | 854  | -  | (2,752)                     | -                       | -                              | -  | -  | -   | (12,087)                                      |
| <b>Total Level 3 financial liabilities</b>                              | <b>(201,366)</b>                        | <b>(20,883)</b>  | <b>14,262</b>  | <b>-</b>   | <b>(202,946)</b>            | <b>-</b>                | <b>94,739</b>                  | <b>-</b>                                   | <b>-</b>                                     | <b>-</b>                                      | <b>(316,194)</b>                              |
| <b>Total net Level 3 financial assets/<br/>(liabilities)</b>            | <b>1,100,771</b>                        | <b>(25,123)</b>  | <b>(1,046)</b>   | <b>(32,434)</b>  | <b>234,278</b>              | <b>(94,689)</b>         | <b>74,544</b>                  | <b>(1,144)</b>                             | <b>10,613</b>                                | <b>(150,262)</b>                              | <b>1,115,508</b>                              |

\* Included within 'Non-interest income'.

^ The settlement amount of financial investments available-for-sale for the financial year ended 31 December 2013 included a redemption of capital investment of RM6.5 million.

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**A30. Fair Value Measurements of Financial Instruments (cont'd.)**

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

| <b>Bank</b>  | <b>At 1 January</b> | <b>Total realised gains/(losses) recognised in income statements*</b> | <b>Total unrealised gains/(losses) recognised in income statements*</b> | <b>Total unrealised gains/(losses) recognised in other comprehensive income</b> | <b>Purchases</b> | <b>Sales</b>  | <b>Settlements**</b> | <b>Exchange differences</b> | <b>Transfer in to Level 3</b> | <b>Transfer out of Level 3</b> | <b>At 31 March</b> |
|--|---------------------|---|---|---|------------------|---------------|----------------------|-----------------------------|-------------------------------|--------------------------------|--------------------|
| <b>At 31 March 2014</b>                                  | <b>2014</b>         | <b>recognised in</b>  | <b>recognised in</b>  | <b>comprehensive</b>  | <b>RM'000</b>    | <b>RM'000</b> | <b>RM'000</b>        | <b>RM'000</b>               | <b>RM'000</b>                 | <b>RM'000</b>                  | <b>2014</b>        |
|  | <b>RM'000</b>       | <b>RM'000</b>   | <b>RM'000</b>   | <b>income</b>   | <b>RM'000</b>    | <b>RM'000</b> | <b>RM'000</b>        | <b>RM'000</b>               | <b>RM'000</b>                 | <b>RM'000</b>                  | <b>RM'000</b>      |
| <b>Financial investments available-for-sale</b>          |                     |   |   |   |                  |               |                      |                             |                               |                                |                    |
| Non-money market instruments                             | 332,271             | 33,872  | -   | -   | 16,957           | -             | (135,690)            | (505)                       | -                             | -                              | 246,905            |
|  | 332,271             | 33,872  | -   | -   | 16,957           | -             | (135,690)            | (505)                       | -                             | -                              | 246,905            |
| <b>Derivative assets</b>                                 |                     |   |   |   |                  |               |                      |                             |                               |                                |                    |
| Foreign exchange related contracts                       | 1,729               | (2,507)   | 1,104   | -   | 1,071            | -             | (772)                | -                           | -                             | -                              | 625                |
| Interest rate related contracts                          | -                   | -   | 3,801   | -   | -                | -             | -                    | -                           | -                             | -                              | 3,801              |
| Equity and commodity related contracts                   | 12,087              | 820   | (2,015)   | -   | -                | -             | (4,993)              | -                           | -                             | -                              | 5,899              |
|  | 13,816              | (1,687)   | 2,890   | -   | 1,071            | -             | (5,765)              | -                           | -                             | -                              | 10,325             |
| <b>Total Level 3 financial assets</b>                    | <b>346,087</b>      | <b>32,185</b>   | <b>2,890</b>  | <b>-</b>  | <b>18,028</b>    | <b>-</b>      | <b>(141,455)</b>     | <b>(505)</b>                | <b>-</b>                      | <b>-</b>                       | <b>257,230</b>     |
| <b>Derivative liabilities</b>                            |                     |   |   |   |                  |               |                      |                             |                               |                                |                    |
| Foreign exchange related contracts                       | (1,729)             | 2,507   | (1,104)   | -   | (1,071)          | -             | 772                  | -                           | -                             | -                              | (625)              |
| Interest rate related contracts                          | (212,726)           | -   | 14,835  | -   | -                | -             | -                    | -                           | -                             | -                              | (197,891)          |
| Equity and commodity related contracts                   | (12,087)            | (820)   | 2,015   | -   | -                | -             | 4,993                | -                           | -                             | -                              | (5,899)            |
| <b>Total Level 3 financial liabilities</b>               | <b>(226,542)</b>    | <b>1,687</b>  | <b>15,746</b>   | <b>-</b>  | <b>(1,071)</b>   | <b>-</b>      | <b>5,765</b>         | <b>-</b>                    | <b>-</b>                      | <b>-</b>                       | <b>(204,415)</b>   |
| <b>Total net Level 3 financial assets/ (liabilities)</b> | <b>119,545</b>      | <b>33,872</b>   | <b>18,636</b>   | <b>-</b>  | <b>16,957</b>    | <b>-</b>      | <b>(135,690)</b>     | <b>(505)</b>                | <b>-</b>                      | <b>-</b>                       | <b>52,815</b>      |

\* Included within 'Non-interest income'.

\*\* The settlement amount of financial investments available-for-sale for the financial period ended 31 March 2014 comprised redemption of loan stocks of RM135.7 million.

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**A30. Fair Value Measurements of Financial Instruments (cont'd.)**

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

| <b>Bank</b>  | <b>At 1 January</b> | <b>Total realised gains/(losses) recognised in income statements*</b> | <b>Total unrealised gains/(losses) recognised in income statements*</b> | <b>Total unrealised gains/(losses) recognised in other comprehensive income</b> | <b>Purchases</b> | <b>Sales</b>  | <b>Settlements<sup>^</sup></b> | <b>Transfer in to Level 3</b> | <b>Transfer out of Level 3</b> | <b>At 31 December</b> |
|--|---------------------|---|---|---|------------------|---------------|--------------------------------|-------------------------------|--------------------------------|-----------------------|
| <b>At 31 December 2013</b>                               | <b>2013</b>         | <b>recognised in</b>  | <b>recognised in</b>  | <b>comprehensive</b>  | <b>RM'000</b>    | <b>RM'000</b> | <b>RM'000</b>                  | <b>RM'000</b>                 | <b>RM'000</b>                  | <b>2013</b>           |
|  | <b>RM'000</b>       | <b>income</b>   | <b>income</b>   | <b>income</b>   | <b>RM'000</b>    | <b>RM'000</b> | <b>RM'000</b>                  | <b>RM'000</b>                 | <b>RM'000</b>                  | <b>RM'000</b>         |
| <b>Financial investments available-for-sale</b>          |                     |   |   |   |                  |               |                                |                               |                                |                       |
| Money market instruments                                 | 139,232             | -   | -   | -   | -                | -             | -                              | -                             | (139,232)                      | -                     |
| Non-money market instruments                             | 323,804             | (3,844)   | -   | -   | 24,310           | -             | (11,762)                       | -                             | (237)                          | 332,271               |
|  | <u>463,036</u>      | <u>(3,844)</u>  | <u>-</u>  | <u>-</u>  | <u>24,310</u>    | <u>-</u>      | <u>(11,762)</u>                | <u>-</u>                      | <u>(139,469)</u>               | <u>332,271</u>        |
| <b>Derivative assets</b>                                 |                     |   |   |   |                  |               |                                |                               |                                |                       |
| Foreign exchange related contracts                       | 404                 | (1,779)   | (4,509)   | -   | 10,018           | -             | (2,405)                        | -                             | -                              | 1,729                 |
| Interest rate related contracts                          | 3,920               | 4,077   | (1,421)   | -   | 210              | -             | (6,786)                        | -                             | -                              | -                     |
| Equity related contracts                                 | 9,502               | -   | (167)   | -   | 2,752            | -             | -                              | -                             | -                              | 12,087                |
|  | <u>13,826</u>       | <u>2,298</u>  | <u>(6,097)</u>  | <u>-</u>  | <u>12,980</u>    | <u>-</u>      | <u>(9,191)</u>                 | <u>-</u>                      | <u>-</u>                       | <u>13,816</u>         |
| <b>Total Level 3 financial assets</b>                    | <u>476,862</u>      | <u>(1,546)</u>  | <u>(6,097)</u>  | <u>-</u>  | <u>37,290</u>    | <u>-</u>      | <u>(20,953)</u>                | <u>-</u>                      | <u>(139,469)</u>               | <u>346,087</u>        |
| <b>Derivative liabilities</b>                            |                     |   |   |   |                  |               |                                |                               |                                |                       |
| Foreign exchange related contracts                       | (404)               | 1,779   | 4,509   | -   | (10,018)         | -             | 2,405                          | -                             | -                              | (1,729)               |
| Interest rate related contracts                          | (128,379)           | (22,665)  | 4,897   | -   | (158,913)        | -             | 92,334                         | -                             | -                              | (212,726)             |
| Equity related contracts                                 | (10,189)            | -   | 854   | -   | (2,752)          | -             | -                              | -                             | -                              | (12,087)              |
| <b>Total Level 3 financial liabilities</b>               | <u>(138,972)</u>    | <u>(20,886)</u>   | <u>10,260</u>   | <u>-</u>  | <u>(171,683)</u> | <u>-</u>      | <u>94,739</u>                  | <u>-</u>                      | <u>-</u>                       | <u>(226,542)</u>      |
| <b>Total net Level 3 financial assets/ (liabilities)</b> | <u>337,890</u>      | <u>(22,432)</u>   | <u>4,163</u>  | <u>-</u>  | <u>(134,393)</u> | <u>-</u>      | <u>73,786</u>                  | <u>-</u>                      | <u>(139,469)</u>               | <u>119,545</u>        |

\* Included within 'Non-interest income'.

<sup>^</sup> The settlement amount of financial investments available-for-sale for the financial year ended 31 December 2013 included a redemption of capital investment of RM6.5 million.

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**A30. Fair Value Measurements of Financial Instruments (cont'd.)**

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the end of the reporting period.

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the first quarter ended 31 March 2014.

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

The Group has transferred certain financial assets held-for-trading, financial assets designated at fair value through profit or loss and financial investments available-for-sale out from Level 3 due to the market for some securities became more liquid, which led to a change in the method used to determine fair value. Prior to the transfer, the fair value of the instruments was determined using unobservable market transactions or binding broker quotes for the same or similar instruments. Since the transfer, these instruments have been valued using valuation models incorporating significant observable market inputs.

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**A31. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business**

Pursuant to Paragraph 11.5(iv) of Bank Negara Malaysia's Financial Reporting Policy issued on 28 June 2013, the breakdown of unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows:

**(a) Unaudited Income Statements for the First Quarter Ended 31 March 2014**

| Group<br>Three-Month Ended  | Life Fund        |                  | Family Takaful Fund |                  | General Takaful Fund |                  | Shareholders'<br>and General Fund |                  | Total            |                  |
|---|------------------|------------------|---------------------|------------------|----------------------|------------------|-----------------------------------|------------------|------------------|------------------|
|   | 31 March<br>2014 | 31 March<br>2013 | 31 March<br>2014    | 31 March<br>2013 | 31 March<br>2014     | 31 March<br>2013 | 31 March<br>2014                  | 31 March<br>2013 | 31 March<br>2014 | 31 March<br>2013 |
|   | RM'000           | RM'000           | RM'000              | RM'000           | RM'000               | RM'000           | RM'000                            | RM'000           | RM'000           | RM'000           |
| Interest income   | 103,013          | 106,682          | 77,077              | 77,252           | 13,003               | 10,658           | 40,059                            | 31,588           | 233,152          | 226,180          |
| Interest expense  | -                | -                | -                   | -                | -                    | -                | (5,092)                           | -                | (5,092)          | -                |
| Net interest income   | 103,013          | 106,682          | 77,077              | 77,252           | 13,003               | 10,658           | 34,967                            | 31,588           | 228,060          | 226,180          |
| Net income from insurance and takaful<br>business                         | (107,129)        | (167,183)        | (65,462)            | (113,697)        | (14,112)             | (25,213)         | 164,948                           | 200,279          | (21,755)         | (105,814)        |
| Non-interest income   | 37,927           | 95,542           | (1,994)             | 45,215           | 1,880                | 16,128           | 40,336                            | 42,627           | 78,149           | 199,512          |
| Net income  | 33,811           | 35,041           | 9,621               | 8,770            | 771                  | 1,573            | 240,251                           | 274,494          | 284,454          | 319,878          |
| Overhead expenses   | (34,340)         | (34,304)         | (10,575)            | (7,435)          | (259)                | (235)            | (98,885)                          | (94,204)         | (144,059)        | (136,178)        |
| Operating profit before impairment losses                                 | (529)            | 737              | (954)               | 1,335            | 512                  | 1,338            | 141,366                           | 180,290          | 140,395          | 183,700          |
| Allowances for impairment losses on<br>loans, advances and financing, net | (895)            | 471              | 1,542               | 4,651            | (510)                | (987)            | (2,000)                           | 12,441           | (1,863)          | 16,576           |
| Impairment losses on financial<br>investments, net                        | 1,424            | (1,208)          | (588)               | (5,986)          | (2)                  | (351)            | 701                               | (893)            | 1,535            | (8,438)          |
| Operating profit  | -                | -                | -                   | -                | -                    | -                | 140,067                           | 191,838          | 140,067          | 191,838          |
| Share of profits in associates  | -                | -                | -                   | -                | -                    | -                | 40                                | -                | 40               | -                |
| <b>Profit before taxation and zakat</b>                                   | -                | -                | -                   | -                | -                    | -                | 140,107                           | 191,838          | 140,107          | 191,838          |
| Taxation and zakat  | -                | -                | -                   | -                | -                    | -                | (36,447)                          | (68,085)         | (36,447)         | (68,085)         |
| <b>Profit for the period</b>  | -                | -                | -                   | -                | -                    | -                | 103,660                           | 123,753          | 103,660          | 123,753          |

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**A31. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business (cont'd.)**

Pursuant to Paragraph 11.5(iv) of Bank Negara Malaysia's Financial Reporting Policy issued on 28 June 2013, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows (cont'd.):

**(b) Unaudited Statements of Financial Position as at 31 March 2014**

| Group   | Life Fund           |                        | Family Takaful Fund |                        | General Takaful Fund |                        | Shareholders' and General Fund |                        | Total               |                        |
|---|---------------------|------------------------|---------------------|------------------------|----------------------|------------------------|--------------------------------|------------------------|---------------------|------------------------|
|   | As at 31 March 2014 | As at 31 December 2013 | As at 31 March 2014 | As at 31 December 2013 | As at 31 March 2014  | As at 31 December 2013 | As at 31 March 2014            | As at 31 December 2013 | As at 31 March 2014 | As at 31 December 2013 |
|   | RM'000              | RM'000                 | RM'000              | RM'000                 | RM'000               | RM'000                 | RM'000                         | RM'000                 | RM'000              | RM'000                 |
| <b>ASSETS</b>   |                     |                        |                     |                        |                      |                        |                                |                        |                     |                        |
| Cash and short-term funds   | 63,852              | 55,313                 | 66,326              | 90,009                 | 33,481               | 53,033                 | 124,112                        | 140,250                | 287,771             | 338,605                |
| Deposits and placements with financial institutions                 | 898,487             | 902,179                | 353,677             | 493,643                | 192,047              | 319,559                | 1,360,799                      | 1,379,348              | 2,805,010           | 3,094,729              |
| Financial assets at fair value through profit or loss               | 8,651,145           | 8,546,946              | 4,233,250           | 4,571,735              | -                    | -                      | -                              | -                      | 12,884,395          | 13,118,681             |
| Financial investments available-for-sale                            | 1,022,372           | 1,190,548              | 3,234,402           | 2,781,462              | 1,112,853            | 1,039,781              | 3,255,060                      | 3,165,842              | 8,624,687           | 8,177,633              |
| Loans, advances and financing                                       | 275,925             | 276,629                | 5,650               | 7,309                  | -                    | -                      | 32,484                         | 33,181                 | 314,059             | 317,119                |
| Derivative assets   | 16,232              | 18,035                 | -                   | -                      | -                    | -                      | -                              | -                      | 16,232              | 18,035                 |
| Reinsurance/retakaful assets and other insurance receivables        | 87,223              | 66,498                 | 184,868             | 155,836                | 371,454              | 282,157                | 3,137,658                      | 1,845,504              | 3,781,203           | 2,349,995              |
| Other assets  | 22,117              | 33,576                 | 62,416              | 4,216                  | 1,207                | 7,671                  | (3,790)                        | 89,232                 | 81,950              | 134,695                |
| Investment properties   | 525,402             | 524,392                | -                   | -                      | -                    | -                      | 51,058                         | 51,062                 | 576,460             | 575,454                |
| Interest in associates and joint ventures                           | -                   | -                      | -                   | -                      | -                    | -                      | 9,107                          | 9,110                  | 9,107               | 9,110                  |
| Property, plant and equipment                                       | 62,924              | 61,007                 | -                   | -                      | -                    | -                      | 82,239                         | 74,364                 | 145,163             | 135,371                |
| Intangible assets   | 14,324              | 15,961                 | -                   | 67                     | -                    | 3                      | 12,922                         | 11,482                 | 27,246              | 27,513                 |
| Deferred tax assets   | 1,528               | 1,692                  | 6,178               | 5,544                  | 11,403               | 10,303                 | 24,903                         | 20,903                 | 44,012              | 38,442                 |
| <b>TOTAL ASSETS</b>   | <b>11,641,531</b>   | <b>11,692,776</b>      | <b>8,146,767</b>    | <b>8,109,821</b>       | <b>1,722,445</b>     | <b>1,712,507</b>       | <b>8,086,552</b>               | <b>6,820,278</b>       | <b>29,597,295</b>   | <b>28,335,382</b>      |
| <b>LIABILITIES</b>  |                     |                        |                     |                        |                      |                        |                                |                        |                     |                        |
| Derivative liabilities  | 2,265               | 2,961                  | -                   | -                      | -                    | -                      | -                              | -                      | 2,265               | 2,961                  |
| Insurance/takaful contract liabilities and other insurance payables | 9,759,944           | 9,811,717              | 7,912,258           | 7,779,115              | 1,585,147            | 1,485,201              | 4,043,110                      | 2,724,106              | 23,300,459          | 21,800,139             |
| Other liabilities #   | 1,816,641           | 1,822,276              | 225,413             | 326,024                | 132,532              | 222,254                | (1,415,863)                    | (1,369,185)            | 758,723             | 1,001,369              |
| Provision for taxation and zakat                                    | 28,874              | 12,054                 | 6,330               | (1,805)                | (318)                | (318)                  | (67,223)                       | 21,934                 | (32,337)            | 31,865                 |
| Deferred tax liabilities  | 33,807              | 43,768                 | 2,766               | 6,487                  | 5,084                | 5,370                  | 405,175                        | 359,345                | 446,832             | 414,970                |
| Subordinated obligations  | -                   | -                      | -                   | -                      | -                    | -                      | 504,809                        | 510,184                | 504,809             | 510,184                |
| <b>TOTAL LIABILITIES</b>  | <b>11,641,531</b>   | <b>11,692,776</b>      | <b>8,146,767</b>    | <b>8,109,821</b>       | <b>1,722,445</b>     | <b>1,712,507</b>       | <b>3,470,008</b>               | <b>2,246,384</b>       | <b>24,980,751</b>   | <b>23,761,488</b>      |
| <b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE SUBSIDIARIES</b>      |                     |                        |                     |                        |                      |                        |                                |                        |                     |                        |
| Share capital   | -                   | -                      | -                   | -                      | -                    | -                      | 252,005                        | 252,005                | 252,005             | 252,005                |
| Other reserves  | -                   | -                      | -                   | -                      | -                    | -                      | 4,364,539                      | 4,321,889              | 4,364,539           | 4,321,889              |
|   | -                   | -                      | -                   | -                      | -                    | -                      | 4,616,544                      | 4,573,894              | 4,616,544           | 4,573,894              |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                   | <b>11,641,531</b>   | <b>11,692,776</b>      | <b>8,146,767</b>    | <b>8,109,821</b>       | <b>1,722,445</b>     | <b>1,712,507</b>       | <b>8,086,552</b>               | <b>6,820,278</b>       | <b>29,597,295</b>   | <b>28,335,382</b>      |

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

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**A32. The Operations of Islamic Banking Scheme**

**A32a. Unaudited Income Statements for the First Quarter Ended 31 March 2014**

| <b>Group</b>   | <b>First Quarter Ended</b>          |                                     | <b>Cumulative 3 Months Ended</b>    |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 March<br/>2013<br/>RM'000</b> | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 March<br/>2013<br/>RM'000</b> |
| Income derived from investment of depositors' funds                      | 1,258,969                           | 1,017,568                           | 1,258,969                           | 1,017,568                           |
| Income derived from investment of Islamic Banking Funds                  | 83,413                              | 70,355                              | 83,413                              | 70,355                              |
| (Allowance for)/Writeback of impairment losses on financing and advances | (19,495)                            | 6,781                               | (19,495)                            | 6,781                               |
| <b>Total distributable income</b>  | <b>1,322,887</b>                    | <b>1,094,704</b>                    | <b>1,322,887</b>                    | <b>1,094,704</b>                    |
| Income attributable to the depositors                                    | (703,160)                           | (497,795)                           | (703,160)                           | (497,795)                           |
| <b>Total net income</b>  | <b>619,727</b>                      | <b>596,909</b>                      | <b>619,727</b>                      | <b>596,909</b>                      |
| Finance cost   | (10,549)                            | (10,549)                            | (10,549)                            | (10,549)                            |
| Overhead expenses  | (283,539)                           | (223,520)                           | (283,539)                           | (223,520)                           |
| <b>Profit before taxation and zakat</b>                                  | <b>325,639</b>                      | <b>362,840</b>                      | <b>325,639</b>                      | <b>362,840</b>                      |
| Taxation   | (79,491)                            | (87,248)                            | (79,491)                            | (87,248)                            |
| Zakat  | (5,261)                             | (3,229)                             | (5,261)                             | (3,229)                             |
| <b>Profit for the period</b>   | <b>240,887</b>                      | <b>272,363</b>                      | <b>240,887</b>                      | <b>272,363</b>                      |

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

| <b>Group</b>  | <b>First Quarter Ended</b>          |                                     | <b>Cumulative 3 Months Ended</b>    |                                     |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|   | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 March<br/>2013<br/>RM'000</b> | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 March<br/>2013<br/>RM'000</b> |
| Income derived from investment of depositors' funds   | 1,258,969                           | 1,017,568                           | 1,258,969                           | 1,017,568                           |
| Income derived from investment of Islamic Banking Funds   | 83,413                              | 70,355                              | 83,413                              | 70,355                              |
| Total income before allowance for impairment losses on financing and advances and overhead expenses | 1,342,382                           | 1,087,923                           | 1,342,382                           | 1,087,923                           |
| Income attributable to the depositors   | (703,160)                           | (497,795)                           | (703,160)                           | (497,795)                           |
|   | 639,222                             | 590,128                             | 639,222                             | 590,128                             |
| Finance cost  | (10,549)                            | (10,549)                            | (10,549)                            | (10,549)                            |
| Net of intercompany income and expenses   | 179,731                             | 39,739                              | 179,731                             | 39,739                              |
| Income from Islamic Banking Scheme  | 808,404                             | 619,318                             | 808,404                             | 619,318                             |

**A32b. Unaudited Statements of Comprehensive Income for the First Quarter Ended 31 March 2014**

| <b>Group</b>   | <b>First Quarter Ended</b>          |                                     | <b>Cumulative 3 Months Ended</b>    |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 March<br/>2013<br/>RM'000</b> | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 March<br/>2013<br/>RM'000</b> |
| <b>Profit for the period</b>   | <b>240,887</b>                      | <b>272,363</b>                      | <b>240,887</b>                      | <b>272,363</b>                      |
| <b>Other comprehensive income/(loss):</b>                            |                                     |                                     |                                     |                                     |
| <i>Items that may be reclassified subsequently to profit or loss</i> |                                     |                                     |                                     |                                     |
| Net gain/(loss) on financial investments available-for-sale          | 3,956                               | (7,492)                             | 3,956                               | (7,492)                             |
| Foreign currency translation   | 24,655                              | 38,360                              | 24,655                              | 38,360                              |
| Income tax effect  | (1,199)                             | 1,846                               | (1,199)                             | 1,846                               |
| Other comprehensive income for the period, net of tax                | 27,412                              | 32,714                              | 27,412                              | 32,714                              |
| <b>Total comprehensive income for the period</b>                     | <b>268,299</b>                      | <b>305,077</b>                      | <b>268,299</b>                      | <b>305,077</b>                      |

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**A32. The Operations of Islamic Banking Scheme (cont'd.)**

**A32c. Unaudited Statements of Financial Position as at 31 March 2014**

| <u>Group</u>   | Note | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
|--|------|----------------------------|-------------------------------|
| <b>ASSETS</b>  |      |                            |                               |
| Cash and short-term funds                                  |      | 17,012,258                 | 17,763,716                    |
| Deposits and placements with financial institutions        |      | 128,276                    | 63,380                        |
| Financial investments portfolio                            |      | 9,045,296                  | 9,193,509                     |
| Financing and advances                                     | A32e | 90,285,161                 | 87,395,117                    |
| Derivative assets  |      | 93,394                     | 134,141                       |
| Other assets   |      | 8,609,578                  | 9,101,475                     |
| Statutory deposit with central banks                       |      | 3,181,000                  | 3,084,000                     |
| Property, plant and equipment                              |      | 1,202                      | 1,203                         |
| Intangible assets  |      | 1,385                      | 1,520                         |
| Deferred tax assets  |      | 65,330                     | 268,231                       |
| <b>Total Assets</b>  |      | <b>128,422,880</b>         | <b>127,006,292</b>            |
| <b>LIABILITIES</b>   |      |                            |                               |
| Deposits from customers                                    | A32f | 84,743,169                 | 83,376,255                    |
| Deposits and placements from financial institutions        |      | 33,271,451                 | 33,431,855                    |
| Bills and acceptances payable                              |      | 93,168                     | 62,124                        |
| Derivatives liabilities                                    |      | 219,651                    | 247,952                       |
| Other liabilities  |      | 389,550                    | 278,481                       |
| Recourse obligation on financing sold to Cagamas           |      | 574,782                    | 620,976                       |
| Provision for taxation and zakat                           |      | 43,698                     | 206,479                       |
| Subordinated sukuk   | A32g | 1,000,231                  | 1,010,782                     |
| <b>Total Liabilities</b>                                   |      | <b>120,335,700</b>         | <b>119,234,904</b>            |
| <b>ISLAMIC BANKING CAPITAL FUNDS</b>                       |      |                            |                               |
| Islamic Banking Funds                                      |      | 1,377,871                  | 1,278,853                     |
| Share premium  |      | 4,099,343                  | 3,725,969                     |
| Retained profits   |      | 2,286,232                  | 2,445,492                     |
| Other reserves   |      | 323,734                    | 321,074                       |
|  |      | <b>8,087,180</b>           | <b>7,771,388</b>              |
| <b>Total Liabilities and Islamic Banking Capital Funds</b> |      | <b>128,422,880</b>         | <b>127,006,292</b>            |
| <b>COMMITMENTS AND CONTINGENCIES</b>                       |      |                            |                               |
|  |      | <b>34,487,280</b>          | <b>34,079,257</b>             |



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**A32. The Operations of Islamic Banking Scheme (cont'd.)**

**A32d. Unaudited Statements of Changes in Islamic Banking Capital Fund for the First Quarter Ended 31 March 2014**

| <u>Group</u>                                     | ←----- Non-distributable -----> |                         |                                      |  |                             |   |                                       |                                   |  |                  |
|--|---------------------------------|-------------------------|--------------------------------------|--|-----------------------------|---|---------------------------------------|-----------------------------------|--|------------------|
|  | Islamic Banking Funds<br>RM'000 | Share Premium<br>RM'000 | Unrealised Holding Reserve<br>RM'000 | Exchange Fluctuation Reserve<br>RM'000 | Statutory Reserve<br>RM'000 | *Equity contribution from the holding company<br>RM'000 | Profit Equalisation Reserve<br>RM'000 | Defined Benefit Reserve<br>RM'000 | Distributable Retained Profits<br>RM'000 | Total<br>RM'000  |
| <b>At 1 January 2014</b>                         | 1,278,853                       | 3,725,969               | (124,889)                            | 328                                    | 409,672                     | 1,697   | 34,456                                | (190)                             | 2,445,492                                | 7,771,388        |
| Profit for the period                            | -                               | -                       | -                                    | -                                      | -                           | -   | -                                     | -                                 | 240,887                                  | 240,887          |
| Other comprehensive income                       | -                               | -                       | 2,757                                | 24,655                                 | -                           | -   | -                                     | -                                 | -  | 27,412           |
| <b>Total comprehensive income for the period</b> | -                               | -                       | 2,757                                | 24,655                                 | -                           | -   | -                                     | -                                 | 240,887                                  | 268,299          |
| Transfer from/(to) Head Office                   | 71,644                          | -                       | -                                    | (24,752)                               | -                           | -   | -                                     | -                                 | 601                                      | 47,493           |
| Issue of ordinary shares                         | 27,374                          | 373,374                 | -                                    | -                                      | -                           | -   | -                                     | -                                 | -  | 400,748          |
| Dividends paid                                   | -                               | -                       | -                                    | -                                      | -                           | -   | -                                     | -                                 | (400,748)                                | (400,748)        |
| <b>At 31 March 2014</b>                          | <b>1,377,871</b>                | <b>4,099,343</b>        | <b>(122,132)</b>                     | <b>231</b>                             | <b>409,672</b>              | <b>1,697</b>  | <b>34,456</b>                         | <b>(190)</b>                      | <b>2,286,232</b>                         | <b>8,087,180</b> |

| <u>Group</u>  | ←----- Non-distributable -----> |                         |                                      |  |                             |   |                                       |                                   |  |                  |
|---|---------------------------------|-------------------------|--------------------------------------|--|-----------------------------|---|---------------------------------------|-----------------------------------|--|------------------|
|   | Islamic Banking Funds<br>RM'000 | Share Premium<br>RM'000 | Unrealised Holding Reserve<br>RM'000 | Exchange Fluctuation Reserve<br>RM'000 | Statutory Reserve<br>RM'000 | *Equity contribution from the holding company<br>RM'000 | Profit Equalisation Reserve<br>RM'000 | Defined Benefit Reserve<br>RM'000 | Distributable Retained Profits<br>RM'000 | Total<br>RM'000  |
| <b>At 1 January 2013</b>                                | 863,719                         | 2,687,480               | 36,751                               | (1,033)                                | 147,338                     | 1,697   | 34,456                                | (190)                             | 1,714,977                                | 5,485,195        |
| Profit for the period                                   | -                               | -                       | -                                    | -                                      | -                           | -   | -                                     | -                                 | 272,363                                  | 272,363          |
| Other comprehensive (loss)/income                       | -                               | -                       | (5,646)                              | 38,360                                 | -                           | -   | -                                     | -                                 | -  | 32,714           |
| <b>Total comprehensive (loss)/income for the period</b> | -                               | -                       | (5,646)                              | 38,360                                 | -                           | -   | -                                     | -                                 | 272,363                                  | 305,077          |
| Transfer from/(to) Head Office                          | 28,547                          | -                       | -                                    | (37,293)                               | -                           | -   | -                                     | -                                 | (205)                                    | (8,951)          |
| <b>At 31 March 2013</b>                                 | <b>892,266</b>                  | <b>2,687,480</b>        | <b>31,105</b>                        | <b>34</b>                              | <b>147,338</b>              | <b>1,697</b>  | <b>34,456</b>                         | <b>(190)</b>                      | <b>1,987,135</b>                         | <b>5,781,321</b> |

\* Arose from waiver of intercompany balance between respective subsidiaries on the instruction of the holding company.

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**A32. The Operations of Islamic Banking Scheme (cont'd.)**

**A32e. Financing and Advances**

| <b>Group</b>                                       | <b>Bai'</b>       | <b>Murabahah</b>  | <b>Musyarakah</b> | <b>Al-Ijarah<br/>Thummah</b>     | <b>Ijarah</b>  | <b>Istisna'</b> | <b>Others</b>  | <b>Total<br/>Financing<br/>and<br/>Advances</b> |
|--|-------------------|-------------------|-------------------|----------------------------------|----------------|-----------------|----------------|---|
| <b>As at 31 March 2014</b>                         | <b>RM'000</b>     | <b>RM'000</b>     | <b>RM'000</b>     | <b>Al-Bai (AITAB)<br/>RM'000</b> | <b>RM'000</b>  | <b>RM'000</b>   | <b>RM'000</b>  | <b>RM'000</b>                                   |
| Cashline   | -                 | 2,718,985         | -                 | -                                | -              | 488             | -              | 2,719,473                                       |
| Term financing                                     |                   |                   |                   |                                  |                |                 |                |   |
| - Housing financing                                | 23,635,471        | 24,787,871        | 2,764,713         | -                                | -              | -               | -              | 51,188,055                                      |
| - Syndicated financing                             | -                 | 273,890           | 18,911            | -                                | -              | -               | -              | 292,801   |
| - Hire purchase receivables                        | -                 | -                 | -                 | 27,904,116                       | -              | -               | -              | 27,904,116                                      |
| - Other term financing                             | 45,975,971        | 25,639,869        | 1,916,379         | -                                | 200,950        | 179,763         | 1,235          | 73,914,167                                      |
| Bills receivables                                  | -                 | 403               | -                 | -                                | -              | -               | -              | 403   |
| Trust receipts                                     | -                 | 173,125           | -                 | -                                | -              | -               | -              | 173,125   |
| Claims on customers under<br>acceptance credits    | -                 | 3,699,850         | -                 | -                                | -              | -               | -              | 3,699,850                                       |
| Staff financing                                    | 1,053,880         | 264,806           | 9,687             | 105,304                          | -              | -               | 34,746         | 1,468,423                                       |
| Credit card receivables                            | -                 | -                 | -                 | -                                | -              | -               | 375,793        | 375,793   |
| Revolving credit                                   | -                 | 6,479,480         | -                 | -                                | -              | -               | -              | 6,479,480                                       |
|  | <b>70,665,322</b> | <b>64,038,279</b> | <b>4,709,690</b>  | <b>28,009,420</b>                | <b>200,950</b> | <b>180,251</b>  | <b>411,774</b> | <b>168,215,686</b>                              |
| Unearned income                                    |                   |                   |                   |                                  |                |                 |                | <b>(77,147,559)</b>                             |
| Gross financing and advances*                      |                   |                   |                   |                                  |                |                 |                | <b>91,068,127</b>                               |
| Allowances for impaired<br>financing and advances: |                   |                   |                   |                                  |                |                 |                |   |
| - Individual allowance                             |                   |                   |                   |                                  |                |                 |                | <b>(181,225)</b>                                |
| - Collective allowance                             |                   |                   |                   |                                  |                |                 |                | <b>(601,741)</b>                                |
| Net financing and advances                         |                   |                   |                   |                                  |                |                 |                | <b>90,285,161</b>                               |

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**A32. The Operations of Islamic Banking Scheme (cont'd.)**

**A32e. Financing and Advances (cont'd.)**

| <b>Group</b>                                       | <b>Bai'</b>       | <b>Murabahah</b>  | <b>Musarakah</b> | <b>Al-Ijarah<br/>Thummah</b>     | <b>Ijarah</b>  | <b>Istisna'</b> | <b>Others</b>  | <b>Total<br/>Financing<br/>and<br/>Advances</b> |
|--|-------------------|-------------------|------------------|----------------------------------|----------------|-----------------|----------------|---|
| <b>As at 31 December 2013</b>                      | <b>RM'000</b>     | <b>RM'000</b>     | <b>RM'000</b>    | <b>Al-Bai (AITAB)<br/>RM'000</b> | <b>RM'000</b>  | <b>RM'000</b>   | <b>RM'000</b>  | <b>RM'000</b>                                   |
| Cashline   | -                 | 2,762,316         | -                | -                                | -              | 630             | -              | 2,762,946                                       |
| Term financing                                     |                   |                   |                  |                                  |                |                 |                |   |
| - Housing financing                                | 22,881,526        | 18,521,856        | 2,726,672        | -                                | -              | -               | -              | 44,130,054                                      |
| - Syndicated financing                             | -                 | 420,933           | 24,071           | -                                | -              | -               | -              | 445,004   |
| - Hire purchase receivables                        | -                 | -                 | -                | 26,432,037                       | -              | -               | -              | 26,432,037                                      |
| - Other term financing                             | 46,254,057        | 24,733,658        | 1,953,048        | -                                | 214,442        | 180,206         | 934            | 73,336,345                                      |
| Bills receivables                                  | -                 | 3,241             | -                | -                                | -              | -               | 474            | 3,715   |
| Trust receipts                                     | -                 | 198,607           | -                | -                                | -              | -               | -              | 198,607   |
| Claims on customers under<br>acceptance credits    | -                 | 3,978,452         | -                | -                                | -              | -               | -              | 3,978,452                                       |
| Staff financing                                    | 1,070,418         | 188,580           | 9,646            | 100,524                          | -              | -               | 37,407         | 1,406,575                                       |
| Credit card receivables                            | -                 | -                 | -                | -                                | -              | -               | 424,425        | 424,425   |
| Revolving credit                                   | -                 | 6,096,862         | -                | -                                | -              | -               | -              | 6,096,862                                       |
|  | <u>70,206,001</u> | <u>56,904,505</u> | <u>4,713,437</u> | <u>26,532,561</u>                | <u>214,442</u> | <u>180,836</u>  | <u>463,240</u> | <u>159,215,022</u>                              |
| Unearned income                                    |                   |                   |                  |                                  |                |                 |                | (71,055,879)                                    |
| Gross financing and advances*                      |                   |                   |                  |                                  |                |                 |                | <u>88,159,143</u>                               |
| Allowances for impaired<br>financing and advances: |                   |                   |                  |                                  |                |                 |                |   |
| - Individual allowance                             |                   |                   |                  |                                  |                |                 |                | (172,880)                                       |
| - Collective allowance                             |                   |                   |                  |                                  |                |                 |                | (591,146)                                       |
| Net financing and advances                         |                   |                   |                  |                                  |                |                 |                | <u>87,395,117</u>                               |

\* Included in gross financing and advances are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA") amounting to RM8,363.7 million (31 December 2013: RM8,328.8 million), an arrangement between Maybank Islamic Berhad ("MIB") and the Bank, where the risks and rewards of the RPSIA will be accounted for by the Bank including the individual and collective allowances for the impaired financing arising thereon.

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**A32. The Operations of Islamic Banking Scheme (cont'd.)**

**A32e. Financing and Advances (cont'd.)**

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

| <u>Group</u>  | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 December<br/>2013<br/>RM'000</b> |
|---|-------------------------------------|--|
| Gross impaired financing and advances at 1 January 2014/2013                      | <b>531,627</b>                      | 531,048                                |
| Newly impaired  | <b>156,645</b>                      | 533,271                                |
| Reclassified as non-impaired  | <b>(54,582)</b>                     | (218,605)                              |
| Amount recovered  | <b>(56,827)</b>                     | (245,716)                              |
| Amount written off  | <b>(17,465)</b>                     | (73,313)                               |
| Expenses debited to customers' accounts   | <b>1,315</b>                        | 4,942                                  |
| Gross impaired financing and advances at 31 March 2014/31 December 2013           | <b>560,713</b>                      | 531,627                                |
| Less: Individual allowance  | <b>(181,225)</b>                    | (172,880)                              |
| Net impaired financing and advances at 31 March 2014/31 December 2013             | <b>379,488</b>                      | 358,747                                |
| <br>  |                                     |  |
| Gross financing and advances (excluding RPSIA financing)                          | <b>82,704,384</b>                   | 79,830,300                             |
| Less: Individual allowance  | <b>(181,225)</b>                    | (172,880)                              |
| Net financing and advances  | <b>82,523,159</b>                   | 79,657,420                             |
| <br>  |                                     |  |
| Net impaired financing and advances as a percentage of net financing and advances | <b>0.46%</b>                        | 0.45%                                  |

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**A32. The Operations of Islamic Banking Scheme (cont'd.)**

**A32e. Financing and Advances (cont'd.)**

(ii) Movements in the allowances for impaired financing and advances are as follows:

| <u>Group</u>  | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
|---|----------------------------|-------------------------------|
| <u>Individual allowance</u>   |                            |                               |
| At 1 January 2014/2013  | 172,880                    | 95,836                        |
| Allowance made  | 23,953                     | 97,931                        |
| Amount written back in respect of recoveries  | (7,825)                    | (19,419)                      |
| Amount written off  | (8,490)                    | -                             |
| Transferred to collective allowance   | -                          | (74)                          |
| Exchange differences  | 707                        | (1,394)                       |
| At 31 March 2014/31 December 2013   | <u>181,225</u>             | <u>172,880</u>                |
| <u>Collective allowance</u>   |                            |                               |
| At 1 January 2014/2013  | 591,146                    | 607,837                       |
| Allowance made *  | 19,337                     | 56,839                        |
| Amount written off  | (8,975)                    | (73,313)                      |
| Transferred from individual allowance   | -                          | 74                            |
| Exchange differences  | 233                        | (291)                         |
| At 31 March 2014/31 December 2013   | <u>601,741</u>             | <u>591,146</u>                |
| As a percentage of gross financing and advances (excluding RPSIA financing) less individual allowance | <u>0.73%</u>               | <u>0.74%</u>                  |

\* As at 31 March 2014, the gross exposures to RPSIA financing of RM8,363.7 million (31 December 2013: RM8,328.8 million) is excluded from gross financing and advances for the individual and collective allowances computation. The collective allowance relating to this RPSIA amounting to RM26.2 million (31 December 2013: RM27.8 million) is recognised in the Group's conventional operations. There is no individual allowance provided for this RPSIA financing.

**A32f. Deposits from Customers**

| <u>Group</u>                                | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
|---|----------------------------|-------------------------------|
| <b>Savings deposit</b>                      |                            |                               |
| Wadiah                                      | 9,662,141                  | 8,878,413                     |
| Mudharabah                                  | 823,840                    | 741,952                       |
|   | <u>10,485,981</u>          | <u>9,620,365</u>              |
| <b>Demand deposit</b>                       |                            |                               |
| Wadiah                                      | 7,547,793                  | 8,178,609                     |
| Mudharabah                                  | 9,427,591                  | 9,221,790                     |
|   | <u>16,975,384</u>          | <u>17,400,399</u>             |
| <b>Term deposit</b>                         |                            |                               |
| Murabahah                                   | 39,516,567                 | 40,652,099                    |
| Negotiable Islamic Debt Certificated (NIDC) |                            |                               |
| - Mudharabah                                | 145,348                    | 143,345                       |
| Hybrid (Bai' Bithaman Ajil and Murabahah)   | 600,466                    | 505,255                       |
| General investment account                  |                            |                               |
| - Mudharabah                                | 17,019,423                 | 15,054,792                    |
|   | <u>57,281,804</u>          | <u>56,355,491</u>             |
| Total deposits from customers               | <u>84,743,169</u>          | <u>83,376,255</u>             |

**A32g. Subordinated Sukuk**

| <u>Group</u>   | 31 March<br>2014<br>RM'000 | 31 December<br>2013<br>RM'000 |
|--|----------------------------|-------------------------------|
| RM1.0 billion Islamic subordinated sukuk due in 2021 | <u>1,000,231</u>           | <u>1,010,782</u>              |

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

**B1. Performance Review**

**Current Quarter and Period-to-Date vs Previous Corresponding Quarter and Period-to-Date**

The Group posted profit after tax attributable to equity holders of RM1,601.6 million for the three-month financial period ended 31 March 2014, an increase of RM95.4 million or 6.3% over the corresponding three-month financial period ended 31 March 2013.

The Group's net interest income and Islamic Banking income for the three-month financial period ended 31 March 2014 increased by RM154.5 million or 5.1% to RM3,201.2 million compared to the corresponding three-month financial period ended 31 March 2013. This was largely due to the 13.8% year-on-year growth in the Group's net loans, advances and financing, mainly contributed from Islamic Banking operations.

The Group's net income from insurance and takaful business for the three-month financial period ended 31 March 2014 increased by RM79.9 million compared to the corresponding three-month financial period ended 31 March 2013. The increase was mainly attributable to lower net benefits and claims of RM262.4 million. However, this was mitigated by lower net earned premiums of RM204.6 million.

Non-interest income of the Group for the three-month financial period ended 31 March 2014 recorded a decrease of RM132.1 million or 9.7% to RM1,232.1 million. The decrease was mainly due to lower gain on disposal of financial investments available-for-sale of RM104.0 million, lower gain on disposal of financial assets at fair value through profit or loss ("FVTPL") of RM68.9 million and lower fee income of RM74.6 million. The decrease was, however, mitigated by lower unrealised loss on revaluation of financial assets at FVTPL and derivatives of RM163.8 million.

The Group's overhead expenses for the three-month financial period ended 31 March 2014 recorded a slight increase of RM10.4 million or 0.5% to RM2,168.4 million compared to the corresponding three-month financial period ended 31 March 2013. The increase in overhead expenses was mainly due to higher personnel cost of RM15.8 million, higher establishment costs of RM8.6 million and higher administration and general expenses of RM13.5 million. The increase was, however, mitigated by lower marketing expenses of RM27.4 million.

The Group's allowance for impairment losses on loans, advances and financing increased by RM124.1 million to RM210.1 million for the three-month financial period ended 31 March 2014. The increase was mainly due to higher collective allowance ("CA") made for the three-month financial period ended 31 March 2014. Hence, the Group's CA ratio increased to 1.10% as at 31 March 2014 compared to 1.06% as at 31 December 2013.

The Group's recorded a significant writeback of impairment losses on financial investments of RM114.7 million for the three-month financial period ended 31 March 2014 due to recoveries from impaired loan stocks.

The improvement in the Group's profit before tax for the three-month financial period ended 31 March 2014 compared to the corresponding three-month financial period ended 31 March 2013 is discussed by the operating segments of the Group as follows:

**Community Financial Services ("CFS"), Malaysia**

CFS' profit before tax increased by RM123.7 million or 14.9% to RM954.2 million for the three-month financial period ended 31 March 2014 from RM830.5 million for the corresponding three-month financial period ended 31 March 2013. The increase was driven by writeback of impairment losses on loans, advances and financing of RM93.2 million, higher net interest income and Islamic Banking income of RM28.1 million which arising from strong year-on-year loan growth in other retail loans of 28.8%, unit trust loans of 15.5%, and auto finance of 12.3% and higher non-interest income of RM17.2 million. This increase was, however, offset by higher overhead expenses of RM14.8 million.

**Global Banking**

**a) Corporate Banking, Malaysia**

Corporate Banking's profit before tax decreased by RM230.7 million or 50.7% to RM224.2 million for the three-month financial period ended 31 March 2014 from RM454.9 million for the corresponding three-month financial period ended 31 March 2013. The decrease was due to higher allowance for impairment losses on loans, advances and financing of RM201.6 million and higher overhead expenses of RM28.5 million.

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

**Current Quarter and Period-to-Date vs Previous Corresponding Quarter and Period-to-Date (cont'd.)**

**Global Banking (cont'd.)**

**b) Global Markets, Malaysia**

Global Markets' profit before tax increased by RM11.2 million or 2.9% to RM399.3 million for the three-month financial period ended 31 March 2014 from RM388.1 million for the corresponding three-month financial period ended 31 March 2013. The increase was driven by higher writeback of impairment losses on financial investments of RM19.1 million and higher net interest income of RM11.6 million. This increase was, however, offset by lower non-interest income of RM20.0 million arising mainly from lower gains on trading activities from securities portfolio, interest rate derivatives and rates trading.

**c) Investment Banking (Maybank IB and Maybank Kim Eng)**

Investment Banking's profit before tax decreased by RM95.2 million to RM36.1 million for the three-month financial period ended 31 March 2014 from RM131.3 million for the corresponding three-month financial period ended 31 March 2013. The decrease was driven by lower non-interest income of RM125.1 million primarily from lower income from brokerage fees and trading profits, and lower net interest income of RM18.7 million. This decrease was, however, mitigated by lower overhead expenses of RM32.4 million, higher writeback of impairment losses on financial investments of RM9.7 million and higher writeback of impairment losses on loans, advances and financing of RM7.1 million.

**International Banking**

International Banking's profit before tax increased by RM141.6 million or 24.3% to RM724.7 million for the three-month financial period ended 31 March 2014 from RM583.1 million for the corresponding three-month financial period ended 31 March 2013. The increase was driven by higher writeback of impairment losses on financial investments of RM73.6 million, higher net interest income of RM45.6 million and higher non-interest income of RM25.8 million. This increase was, however, offset by higher allowance for impairment losses on loans, advances and financing of RM4.6 million.

Higher net interest income was supported by strong year-on-year loan growth of 71.7% at Maybank Labuan operations, 41.8% at Indochina and 44.8% at Greater China.

**Insurance, Takaful and Asset Management**

Insurance, Takaful and Asset Management registered a decrease in profit before tax by RM30.4 million or 15.5% to RM165.9 million for the three-month financial period ended 31 March 2014 from RM196.3 million for the corresponding three-month financial period ended 31 March 2013. The decrease was due to lower non-interest income of RM105.1 million and higher allowance for impairment losses on loans, advances and financing of RM18.3 million. This was, however, mitigated by higher net income from insurance and takaful business of RM79.9 million, higher writeback of impairment losses on financial investments of RM10.0 million and higher net interest income of RM2.7 million.

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

The Group's profit after tax attributable to equity holders in this quarter ended 31 March 2014 decreased by RM130.5 million or 7.5% to RM1,601.6 million when compared with the preceding quarter ended 31 December 2013.

The Group's net interest income for the quarter ended 31 March 2014 increased by RM9.4 million or 0.4% to RM2,392.8 million against the preceding quarter of RM2,383.5 million. Income from Islamic Banking Scheme operations increased by RM18.6 million to RM808.4 million for the quarter ended 31 March 2014.

The Group's net income from insurance and takaful business for the quarter ended 31 March 2014 decreased by RM183.0 million to RM1.8 million compared to RM184.8 million in the preceding quarter ended 31 December 2013.

Non-interest income of the Group for the quarter ended 31 March 2014 decreased by RM95.3 million or 7.2% to RM1,232.1 million compared to RM1,327.4 million in the preceding quarter ended 31 December 2013. The decrease was mainly due to lower service charges and fees income of RM144.3 million and lower net foreign exchange gain of RM50.3 million. This decrease was, however, mitigated by higher gain on disposal of financial investments available-for-sale and lower unrealised loss on revaluation of financial assets at FVTPL and derivatives of RM119.2 million and RM78.5 million respectively.

The Group posted a decrease of RM165.8 million or 7.1% in overhead expenses to RM2,168.4 million in the quarter ended 31 March 2014 compared to RM2,334.2 million in the preceding quarter ended 31 December 2013.

The Group's allowance for impairment losses on loans, advances and financing for the quarter ended 31 March 2014 increased by RM264.6 million over the preceding quarter ended 31 December 2013. The increase was mainly due to higher collective allowance ("CA") made during the quarter ended 31 March 2014. Hence, the Group's CA ratio increased to 1.10% as at 31 March 2014 compared to 1.06% as at 31 December 2013.

The Group posted a writeback of impairment losses on financial investments of RM114.7 million for the quarter ended 31 March 2014 compared to impairment losses made on financial investments of RM121.8 million in the preceding quarter ended 31 December 2013. The writeback of impairment losses on financial investments was attributable to recoveries from impaired loan stocks.



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**B3. Prospects**

The global economy is expected to grow by 3.5% in 2014 from 3.0% in 2013. The major advanced economies – US, Europe and Japan – simultaneously expand for the first time since 2010 amid continued sub-8% expansion in China and the generally lackluster growth in other large emerging economies. Economic growth trends in ASEAN are expected to be mixed, reflecting the tailwinds from firmer external demand and headwinds to domestic demand that include structural challenges, macroeconomic policy adjustments and political uncertainty.

Malaysia's macroeconomic outlook appears positive given the steady growth momentum (GDP 2014E: 5.4%; 2013: 4.7%), clarity and credibility in tightened fiscal policy to address the budget deficit by reduction in energy subsidies and the impending implementation of Goods and Services Tax ("GST"), in the midst of sustainable current account surplus. However, these measures are expected to create some near term inflationary pressures. Consequently, we expect the Overnight Policy Rate to be raised between 25bps to 50bps in the second half of 2014.

In 2014, one of the Group's strategic priorities is to accelerate the pace of regionalisation. In line with this, an enhanced organisation structure was introduced on 1 January 2014, which was designed to improve synergies throughout the Maybank Group through the establishment of global/country business and functional roles. The enhanced responsibility framework within the new matrix structure will extend to other levels within the organisation to ensure that greater value and collaboration is achieved in the markets that we operate in. It will also be supported by greater alignment of information technology, operating policies and processes.

In Malaysia, the banking system's loans growth came in at 10.6% YoY in December 2013, supported by household loans growth of 12% YoY. For 2014, the industry is expected to grow at 9%-10% on the back of an improved GDP outlook, though tempered in part by expectations of a moderation in household loan demand. Nonetheless, Maybank's operations are expected to perform ahead of the industry.

In Singapore, GDP growth is forecasted to be sustained at 3.7% in 2014 after a better-than-expected 4.1% in 2013, benefitting from a pick-up in external demand owing to the recovery in global economic conditions. Industry loan growth is expected to moderate to 9%-10% in 2014 due to slower housing loan growth at 4%-6%, reflecting a slowing property market, but will be compensated by strong business loan growth of 12%-14%. The Group will continue to implement strategies to capture greater synergies across its Singapore-based entities to optimise business opportunities from its combined customer base. It will focus on enlarging domestic and regional client coverage, as well as rolling out regional financial services and solutions, including wealth management, cash management and global markets.

In Indonesia, GDP growth is maintained (2014E: 5.6%; 2013: 5.8%) while awaiting the outcome of the Parliament and Presidential elections in April 2014 and July 2014 respectively. PT Bank Internasional Indonesia Tbk ("BII") will continue to realise opportunities from an expanded network and drive loan and deposit growth across all its business segments.

The deepening of Maybank's business portfolio in the region is another near-term priority for the Group in 2014. It will include improving client interface within the Global Banking business, providing cross border banking solutions via the Maybank Islamic business and expansion of insurance and takaful services in other markets. Additionally, the Group will focus on controlling cost and improving productivity to enhance profit.

The Group will continue to maintain healthy capital levels above the regulatory minimum capital requirements as prescribed under Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) issued on 28 November 2012. With prudent capital planning and active capital management across the Group, the Group is confident that its common equity Tier 1 ("CET1") capital ratio will be well ahead of the minimum level of 7% (inclusive of capital conservation buffer) as required by 2019.

The Group has set two Headline Key Performance Indicators ("KPI") of Return on Equity ("ROE") of 15.0% and Group Loans Growth of 13.0%. Barring any unforeseen circumstances, the Group expects its financial performance for the financial year ending 31 December 2014 to remain satisfactory.

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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 for the first quarter ended 31 March 2014.

**B5. Tax Expense and Zakat**

The analysis of the tax expense for the first quarter ended 31 March 2014 are as follows:

|   | First Quarter Ended        |                            | Cumulative 3 Months Ended  |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| <b>Group</b>  |                            |                            |                            |                            |
| Malaysian income tax                                | 300,438                    | 490,008                    | 300,438                    | 490,008                    |
| Foreign income tax                                  | 16,634                     | 83,265                     | 16,634                     | 83,265                     |
|   | <u>317,072</u>             | <u>573,273</u>             | <u>317,072</u>             | <u>573,273</u>             |
| Over provision in respect of prior period:          |                            |                            |                            |                            |
| Malaysian income tax                                | (168,424)                  | (1,695)                    | (168,424)                  | (1,695)                    |
| Foreign income tax                                  | (755)                      | (5,459)                    | (755)                      | (5,459)                    |
|   | <u>147,893</u>             | <u>566,119</u>             | <u>147,893</u>             | <u>566,119</u>             |
| Deferred tax expense                                |                            |                            |                            |                            |
| - Origination and reversal of temporary differences | 418,835                    | (2,027)                    | 418,835                    | (2,027)                    |
|   | <u>418,835</u>             | <u>(2,027)</u>             | <u>418,835</u>             | <u>(2,027)</u>             |
| Tax expense for the period                          | 566,728                    | 564,092                    | 566,728                    | 564,092                    |
| Zakat   | 6,561                      | 4,339                      | 6,561                      | 4,339                      |
|   | <u>573,289</u>             | <u>568,431</u>             | <u>573,289</u>             | <u>568,431</u>             |

The Group's effective tax rate for the three-month ended 31 March 2014 was higher than the statutory tax rate due to the effects of certain non-deductible expenses.

|   | First Quarter Ended        |                            | Cumulative 3 Months Ended  |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 | 31 March<br>2014<br>RM'000 | 31 March<br>2013<br>RM'000 |
| <b>Bank</b>   |                            |                            |                            |                            |
| Malaysian income tax                                | 224,413                    | 348,886                    | 224,413                    | 348,886                    |
| Foreign income tax                                  | 409                        | 5,891                      | 409                        | 5,891                      |
|   | <u>224,822</u>             | <u>354,777</u>             | <u>224,822</u>             | <u>354,777</u>             |
| Under provision in respect of prior period:         |                            |                            |                            |                            |
| Malaysian income tax                                | 33,240                     | -                          | 33,240                     | -                          |
|   | <u>258,062</u>             | <u>354,777</u>             | <u>258,062</u>             | <u>354,777</u>             |
| Deferred tax expense                                |                            |                            |                            |                            |
| - Origination and reversal of temporary differences | 148,823                    | (23,768)                   | 148,823                    | (23,768)                   |
|   | <u>406,885</u>             | <u>331,009</u>             | <u>406,885</u>             | <u>331,009</u>             |
| Tax expense for the period                          | 406,885                    | 331,009                    | 406,885                    | 331,009                    |
| Zakat   | -                          | -                          | -                          | -                          |
|   | <u>406,885</u>             | <u>331,009</u>             | <u>406,885</u>             | <u>331,009</u>             |

The Bank's effective tax rate for the three-month ended 31 March 2014 was lower than the statutory tax rate due to certain income not subject to tax.

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

There are no corporate proposals announced but not completed during the three-month ended 31 March 2014 .

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

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

**B8. Deposits and Placements of Financial Institutions and Debt Securities**

Please refer to note A13, A14 and A15.

**B9. Derivative Financial Instruments**

Please refer to note A29.

**B10. Changes in Material Litigation**

In 2005, a subsidiary, Maybank 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 (which included the issuer of the bonds but not MTB) 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 (the issuer of the bonds) served a counterclaim on MTB for approximately RM535.0 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 were 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 (“Penalty Charges”). However, the Court of Appeal allowed MTB and the other defendant to seek indemnity against the issuer of the bonds (“Issuer”) for 2/3 of the total liability and also allowed MTB to seek indemnity against 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 (collectively the “Associated Defendants”) for one half of the 2/3 of the total liability. Further, the Court of Appeal allowed MTB to seek an indemnity against one of the plaintiffs for 1/3 of its liability (after deducting the sum to be indemnified by the Issuer and the Associated Defendants) (“the 1/3 Indemnity”). The Federal Court had on 5 April 2012 granted MTB and the other parties to the suit leave to appeal against the decision of the Court of Appeal. The appeal concluded on 4 January 2013.

Separately, and unrelated to this suit, a third party had, pursuant to a winding-up petition against a defendant (the issuer of the bonds) (Winding-Up Petition), appointed a provisional liquidator against the said defendant on 16 February 2012 until 15 March 2012 for the purpose of monitoring and completing the sale of assets charged to the third party.

As a result of the appointment of the said provisional liquidator, all pending proceedings by all parties against the said defendant were effectively stayed and these initially included MTB’s applications for leave at the Federal Court referred to above [Leave Applications]. Subsequently, MTB on 9 March 2012 obtained leave of the court to proceed with the successful Leave Applications.

Further to the Winding-Up Petition, the third party had on 22 March 2013 obtained the order of the High Court to wind up the said defendant. Subsequently, MTB had on 16 April 2013 obtained the leave of the High Court to continue with the pending actions against the said defendant given that the Federal Court has yet to deliver its decision.

The Federal Court had on 10 February 2014 delivered its decision (“Decision”) wherein it had, among others, allowed MTB a full indemnity against the Issuer and the Associated Defendants and reduced the judgment sum against MTB to RM107 million with no liability apportioned to the other defendant. The Federal Court also allowed MTB’s appeal against the Penalty Charges. In addition, one of the plaintiffs was allowed to set aside the 1/3 Indemnity.

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**B10. Changes in Material Litigation (cont'd.)**

The Issuer's Chief Executive Officer and associate companies of the said Chief Executive Officer have filed an application for the Federal Court to review its Decision against them ("Review Application"). The hearing date for the Review Application has been fixed on 30 June 2014. 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 RM150.0 million with three (3) other re-insurers.

**B11. Disclosure of Realised and Unrealised Retained Earnings**

The breakdown of the retained profits of the Group as at the statements of financial position date into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants.

|  | <b>31 March<br/>2014<br/>RM'000</b> | <b>31 December<br/>2013<br/>RM'000</b> |
|--|-------------------------------------|--|
| Retained profits of the Group:             |                                     |  |
| - Realised                                 | <b>10,553,460</b>                   | 8,266,525                              |
| - Unrealised                               | <b>1,582,742</b>                    | 2,251,983                              |
|  | <b><u>12,136,202</u></b>            | <u>10,518,508</u>                      |
| Share of retained profits from associates: |                                     |  |
| - Realised                                 | <b>386,288</b>                      | 349,817                                |
| - Unrealised                               | <b>-</b>                            | -                                      |
|  | <b><u>386,288</u></b>               | <u>349,817</u>                         |
| Consolidation adjustments                  | <b>824,236</b>                      | 879,159                                |
|  | <b><u>824,236</u></b>               | <u>879,159</u>                         |
| Total Group's retained profits             | <b><u>13,346,726</u></b>            | <u>11,747,484</u>                      |

**B12. Proposed Dividend**

No interim dividend has been recommended during the first quarter ended 31 March 2014.

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**B13. Earnings Per Share ("EPS")**

**Basic**

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

|  | First Quarter Ended |                  | Cumulative 3 Months Ended |                  |
|--|---------------------|------------------|---------------------------|------------------|
|  | 31 March<br>2014    | 31 March<br>2013 | 31 March<br>2014          | 31 March<br>2013 |
| Net profit for the quarter/period (RM'000)                 | <b>1,601,585</b>    | 1,506,214        | <b>1,601,585</b>          | 1,506,214        |
| Weighted average number of ordinary shares in issue ('000) | <b>8,852,688</b>    | 8,428,948        | <b>8,852,688</b>          | 8,428,948        |
| Basic earnings per share                                   | <b>18.09 sen</b>    | 17.87 sen        | <b>18.09 sen</b>          | 17.87 sen        |

**Diluted**

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

In the diluted EPS calculation, it was assumed that certain number of shares under 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 issued 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 during the quarter/period) 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 31 March 2013) based on the electable portion of the final dividend for financial year ended 31 December 2012 issued under the DRP. These calculations serve to determine the number of dilutive shares to be added to the weighted average ordinary shares in issue for the purpose of computing the dilution. No adjustment was made to the net profit for the quarter/period.

The final dividend under the DRP for the financial year ended 31 December 2013 have not been included in the calculation of diluted earnings per share, as the final dividend was only approved by the shareholders on 7 April 2014.

|   | First Quarter Ended |                  | Cumulative 3 Months Ended |                  |
|---|---------------------|------------------|---------------------------|------------------|
|   | 31 March<br>2014    | 31 March<br>2013 | 31 March<br>2014          | 31 March<br>2013 |
| Net profit for the quarter/period (RM'000)                          | <b>1,601,585</b>    | 1,506,214        | <b>1,601,585</b>          | 1,506,214        |
| Weighted average number of ordinary shares in issue ('000)          | <b>8,852,688</b>    | 8,428,948        | <b>8,852,688</b>          | 8,428,948        |
| Effects of dilution ('000)  | <b>2,858</b>        | 10,527           | <b>3,625</b>              | 10,527           |
| Adjusted weighted average number of ordinary shares in issue ('000) | <b>8,855,546</b>    | 8,439,475        | <b>8,856,313</b>          | 8,439,475        |
| Diluted earnings per share  | <b>18.09 sen</b>    | 17.85 sen        | <b>18.08 sen</b>          | 17.85 sen        |

By Order of the Board

**Mohd Nazlan Mohd Ghazali**  
LS0008977  
Company Secretary  
29 May 2014