

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

<u>Group</u>	Note	3rd Quarter Ended		Cumulative 9 Months Ended	
		30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Interest income	A17	4,487,146	4,144,389	13,068,367	12,135,593
Interest expense	A18	(2,025,555)	(1,751,476)	(5,806,525)	(4,933,781)
Net interest income		2,461,591	2,392,913	7,261,842	7,201,812
Income from Islamic Banking Scheme operations	A32a	848,045	734,879	2,465,696	2,020,328
		3,309,636	3,127,792	9,727,538	9,222,140
Net income from insurance and takaful business	A19	(168,156)	209,268	(268,581)	76,077
		3,141,480	3,337,060	9,458,957	9,298,217
Non-interest income	A20	1,396,104	1,487,501	3,993,136	4,554,685
Net income		4,537,584	4,824,561	13,452,093	13,852,902
Overhead expenses	A21	(2,283,583)	(2,223,828)	(6,538,387)	(6,593,678)
Operating profit before impairment losses		2,254,001	2,600,733	6,913,706	7,259,224
Allowances for impairment losses on loans, advances and financing, net	A22	(70,537)	(270,518)	(434,992)	(784,121)
(Allowances for)/writeback of impairment losses on financial investments, net		(1,994)	(22,301)	83,622	(28,711)
Operating profit		2,181,470	2,307,914	6,562,336	6,446,392
Share of profits in associates and joint ventures		44,525	44,505	118,261	121,603
<b>Profit before taxation and zakat</b>		2,225,995	2,352,419	6,680,597	6,567,995
Taxation and zakat	B5	(578,629)	(558,602)	(1,779,906)	(1,592,973)
<b>Profit for the period</b>		1,647,366	1,793,817	4,900,691	4,975,022
<b>Attributable to:</b>					
Equity holders of the Bank		1,608,106	1,746,343	4,785,222	4,820,291
Non-controlling interests		39,260	47,474	115,469	154,731
		1,647,366	1,793,817	4,900,691	4,975,022
<b>Earnings per share attributable to equity holders of the Bank</b>	B13				
Basic		17.62 sen	20.05 sen	53.17 sen	56.19 sen
Fully diluted		17.58 sen	20.02 sen	53.05 sen	56.10 sen

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**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

<u>Group</u>	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
<b>Profit for the period</b>	<b>1,647,366</b>	<b>1,793,817</b>	<b>4,900,691</b>	<b>4,975,022</b>
<b>Other comprehensive income/(loss):</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Defined benefit plan actuarial gain/(loss)	97	(378)	(12,210)	(378)
Income tax effect	(26)	-	3,064	-
Share of associates' reserve	-	-	1	-
	<b>71</b>	<b>(378)</b>	<b>(9,145)</b>	<b>(378)</b>
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net gain/(loss) on financial investments available-for-sale	241,188	(428,536)	587,048	(1,289,157)
Foreign currency translation	(8,458)	(728,203)	(153,091)	(586,086)
Income tax effect	(59,360)	109,800	(145,968)	295,566
Other reserves	3,282	118	17,850	169
Share of associates' reserve	(157,926)	-	(93,155)	-
	<b>18,726</b>	<b>(1,046,821)</b>	<b>212,684</b>	<b>(1,579,508)</b>
Other comprehensive income/(loss) for the period, net of tax	<b>18,797</b>	<b>(1,047,199)</b>	<b>203,539</b>	<b>(1,579,886)</b>
<b>Total comprehensive income for the period</b>	<b>1,666,163</b>	<b>746,618</b>	<b>5,104,230</b>	<b>3,395,136</b>
<b>Total comprehensive income for the period attributable to:</b>				
Equity holders of the Bank	1,637,381	728,911	4,999,239	3,277,934
Non-controlling interests	28,782	17,707	104,991	117,202
	<b>1,666,163</b>	<b>746,618</b>	<b>5,104,230</b>	<b>3,395,136</b>

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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

<u>Bank</u>	Note	3rd Quarter Ended		Cumulative 9 Months Ended	
		30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Interest income	A17	3,351,851	3,015,502	9,667,553	8,632,370
Interest expense	A18	(1,499,744)	(1,335,711)	(4,277,482)	(3,731,439)
Net interest income		1,852,107	1,679,791	5,390,071	4,900,931
Non-interest income	A20	1,110,933	1,408,983	3,858,237	3,333,681
Net income		2,963,040	3,088,774	9,248,308	8,234,612
Overhead expenses	A21	(1,261,545)	(1,137,186)	(3,293,429)	(3,342,092)
Operating profit before impairment losses		1,701,495	1,951,588	5,954,879	4,892,520
Writeback of/(allowances for) impairment losses on loans, advances and financing, net	A22	166,435	(170,559)	35,606	(601,173)
Writeback of impairment losses on financial investments, net		3,452	22,498	36,528	36,576
<b>Profit before taxation and zakat</b>		<b>1,871,382</b>	<b>1,803,527</b>	<b>6,027,013</b>	<b>4,327,923</b>
Taxation and zakat	B5	(346,149)	(388,283)	(1,172,591)	(936,964)
<b>Profit for the period</b>		<b>1,525,233</b>	<b>1,415,244</b>	<b>4,854,422</b>	<b>3,390,959</b>

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**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

<u>Bank</u>	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
<b>Profit for the period</b>	<b>1,525,233</b>	<b>1,415,244</b>	<b>4,854,422</b>	<b>3,390,959</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	<b>197,285</b>	(285,704)	<b>577,002</b>	(927,757)
Foreign currency translation	<b>19,860</b>	236,153	<b>(71,034)</b>	281,520
Income tax effect	<b>(49,321)</b>	66,120	<b>(144,250)</b>	226,633
Other comprehensive income/(loss) for the period, net of tax	<b>167,824</b>	16,569	<b>361,718</b>	(419,604)
<b>Total comprehensive income for the period</b>	<b>1,693,057</b>	<b>1,431,813</b>	<b>5,216,140</b>	<b>2,971,355</b>

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**MALAYAN BANKING BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014**

	Note	Group		Bank	
		30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
<b>ASSETS</b>					
Cash and short-term funds		49,989,570	48,067,358	31,985,548	29,320,984
Deposits and placements with financial institutions		15,885,301	7,156,749	16,865,301	15,723,864
Financial assets purchased under resale agreements		386,243	20,558	362,999	20,558
Financial assets at fair value through profit or loss	A10(i)	22,997,926	19,166,565	8,877,113	5,546,091
Financial investments available-for-sale	A10(ii)	86,351,450	82,836,922	76,165,839	64,532,797
Financial investments held-to-maturity	A10(iii)	9,599,269	5,668,174	9,091,983	5,354,097
Loans, advances and financing	A11	380,879,947	355,617,527	248,877,009	237,971,279
Derivative assets	A29	3,407,948	3,944,692	3,344,146	3,760,133
Reinsurance/retakaful assets and other insurance receivables		4,919,759	2,349,995	-	-
Other assets	A12	10,776,328	8,505,918	5,953,947	5,319,437
Investment properties		594,619	583,257	-	-
Statutory deposits with central banks		14,570,063	13,742,874	7,444,101	7,327,996
Investment in subsidiaries		-	-	20,032,222	19,505,514
Interest in associates and joint ventures		2,452,740	2,465,341	451,518	451,518
Property, plant and equipment		2,608,314	2,614,309	1,355,996	1,363,898
Intangible assets		5,917,811	6,041,056	446,484	527,268
Deferred tax assets		605,297	1,661,931	296,429	1,053,598
<b>TOTAL ASSETS</b>		<b>611,942,585</b>	<b>560,443,226</b>	<b>431,550,635</b>	<b>397,779,032</b>
<b>LIABILITIES</b>					
Deposits from customers	A13	420,225,419	395,610,810	295,269,274	273,670,380
Deposits and placements from financial institutions	A14	55,222,794	42,139,081	43,073,091	37,582,577
Obligations on financial assets sold under repurchase agreements		1,184,629	4,300,055	1,172,274	4,300,055
Bills and acceptances payable		2,809,224	1,987,089	1,987,910	1,442,612
Derivative liabilities	A29	3,569,063	3,937,380	3,387,708	3,632,464
Insurance/takaful contract liabilities and other insurance payables		24,969,867	21,800,139	-	-
Other liabilities	A16	12,714,148	8,285,702	10,923,092	9,485,349
Recourse obligation on loans and financing sold to Cagamas		1,212,537	1,277,269	1,212,537	656,293
Provision for taxation and zakat		308,765	836,527	283,685	578,100
Deferred tax liabilities		690,469	639,285	-	-
Borrowings	A15(i)	16,134,254	13,321,805	11,471,132	9,318,389
Subordinated obligations	A15(ii)	15,322,942	12,644,576	11,997,101	10,404,418
Capital securities	A15(iii)	5,763,011	5,920,909	6,043,534	6,208,623
<b>TOTAL LIABILITIES</b>		<b>560,127,122</b>	<b>512,700,627</b>	<b>386,821,338</b>	<b>357,279,260</b>

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	Note	Group		Bank	
		30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK</b>					
Share capital		9,150,719	8,862,079	9,150,719	8,862,079
Share premium		21,351,162	19,030,227	21,351,162	19,030,227
Shares held-in-trust		(110,925)	(107,248)	(110,925)	(107,248)
Retained profits		12,087,122	11,747,484	3,907,115	3,478,214
Other reserves		7,531,953	6,464,865	10,431,226	9,236,500
		<b>50,010,031</b>	<b>45,997,407</b>	<b>44,729,297</b>	<b>40,499,772</b>
<b>Non-controlling interests</b>		<b>1,805,432</b>	<b>1,745,192</b>	<b>-</b>	<b>-</b>
		<b>51,815,463</b>	<b>47,742,599</b>	<b>44,729,297</b>	<b>40,499,772</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		<b>611,942,585</b>	<b>560,443,226</b>	<b>431,550,635</b>	<b>397,779,032</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A27	<b>548,079,716</b>	<b>433,829,033</b>	<b>516,190,297</b>	<b>399,786,232</b>
<b><u>CAPITAL ADEQUACY</u></b>					
	A28				
Based on credit, market and operational risk:					
CET1 capital ratio		11.265%	11.253%	16.208%	15.925%
Tier 1 capital ratio		13.137%	13.059%	16.243%	15.925%
Total capital ratio		16.017%	15.664%	16.243%	15.925%
Net assets per share attributable to equity holders of the Bank					
		<b>RM5.47</b>	<b>RM5.19</b>	<b>RM4.89</b>	<b>RM4.57</b>

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**MALAYAN BANKING BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

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

<u>Group</u>	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000	ESS Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Other Reserves RM'000	Retained Profits <sup>1</sup> RM'000	Total Shareholders' Equity RM'000	Non-controlling Interests RM'000	Total Equity RM'000
<b>At 1 January 2014</b>	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	-	-	-	-	-	-	-	-	-	-	-	-	4,785,222	4,785,222	115,469	4,900,691
Other comprehensive income/(loss)	-	-	-	-	-	469,959	(264,045)	36	-	-	(9,748)	17,815	-	214,017	(10,478)	203,539
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	-	469,959	(264,045)	36	-	-	(9,748)	17,815	4,785,222	4,999,239	104,991	5,104,230
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	-	55,866	-	-	-	-	55,866	-	55,866
Effect of changes in corporate structure within the Group	-	-	-	-	(697)	-	-	-	-	-	-	-	697	-	(17,624)	(17,624)
Transfer to statutory reserves	-	-	-	853,063	-	-	-	-	-	-	-	-	(853,063)	-	-	-
Issue of shares pursuant to ESS (Note A8(i)(a)(A))	55,798	467,909	-	-	-	-	-	-	(33,504)	-	-	-	-	490,203	-	490,203
Issue of shares pursuant to Restricted Share Unit ("RSU") (Note A8(i)(a)(B))	2,832	24,266	(351)	-	-	-	-	-	(20,253)	-	-	-	(6,494)	-	-	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU") (Note A8(i)(a)(C))	200	1,768	-	-	-	-	-	-	(1,404)	-	-	-	(564)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a)(D))	229,810	1,826,992	(3,326)	-	-	-	-	-	-	-	-	-	-	2,053,476	-	2,053,476
Dividends paid (Note A9(a) & (c))	-	-	-	-	-	-	-	-	-	-	-	-	(2,745,942)	(2,745,942)	(27,127)	(2,773,069)
Dividends payable (Note A9(b))	-	-	-	-	-	-	-	-	-	-	-	-	(840,218)	(840,218)	-	(840,218)
<b>Total transactions with shareholders</b>	<b>288,640</b>	<b>2,320,935</b>	<b>(3,677)</b>	<b>853,063</b>	<b>(697)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,445,584)</b>	<b>(986,615)</b>	<b>(44,751)</b>	<b>(1,031,366)</b>
<b>At 30 September 2014</b>	<b>9,150,719</b>	<b>21,351,162</b>	<b>(110,925)</b>	<b>10,393,199</b>	<b>13,557</b>	<b>(134,153)</b>	<b>(2,991,838)</b>	<b>11,762</b>	<b>278,936</b>	<b>34,456</b>	<b>(91,781)</b>	<b>17,815</b>	<b>12,087,122</b>	<b>50,010,031</b>	<b>1,805,432</b>	<b>51,815,463</b>

<sup>1</sup> The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM916.7 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

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

<u>Group</u>	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000	ESS Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity 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	-	-	-	-	-	-	-	-	-	-	-	4,820,291	4,820,291	154,731	4,975,022
Other comprehensive (loss)/income	-	-	-	-	-	(964,049)	(578,260)	330	-	-	(378)	-	(1,542,357)	(37,529)	(1,579,886)
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	-	-	(964,049)	(578,260)	330	-	-	(378)	4,820,291	3,277,934	117,202	3,395,136
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	-	78,756	-	-	-	78,756	-	78,756
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	-	-	(322)	(322)	(5,534)	(5,856)
Effect of rights issue exercised by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	8,159	8,159
Transfer to statutory reserves	-	-	-	881,581	-	-	-	-	-	-	-	(881,581)	-	-	-
Issue of shares pursuant to ESS	84,561	703,308	-	-	-	-	-	-	(47,644)	-	-	-	740,225	-	740,225
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	201,463	1,571,411	(2,877)	-	-	-	-	-	-	-	-	-	1,769,997	-	1,769,997
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(2,404,850)	(2,404,850)	(13,961)	(2,418,811)
Dividends payable	-	-	-	-	-	-	-	-	-	-	-	(929,562)	(929,562)	-	(929,562)
<b>Total transactions with shareholders</b>	286,024	2,274,719	(2,877)	881,581	-	-	-	-	31,112	-	-	(4,216,315)	(745,756)	(11,336)	(757,092)
<b>At 30 September 2013</b>	8,726,070	17,914,365	(105,282)	8,905,293	14,254	(256,359)	(2,454,944)	8,316	257,254	34,456	(124,700)	11,708,813	44,627,536	1,825,306	46,452,842

<sup>1</sup> The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM803.5 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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**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	<===== Non-Distributable =====>							Distributable Retained Profits RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000		
<b>Bank</b>									
<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	-	-	-	-	-	-	-	4,854,422	4,854,422
Other comprehensive income/(loss)	-	-	-	-	432,752	(71,034)	-	-	361,718
<b>Total comprehensive income/(loss) for the period</b>	-	-	-	-	432,752	(71,034)	-	4,854,422	5,216,140
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	55,866	-	55,866
Transfer to statutory reserve	-	-	-	832,303	-	-	-	(832,303)	-
Issue of shares pursuant to ESS (Note A8(i)(a)(A))	55,798	467,909	-	-	-	-	(33,504)	-	490,203
Issue of shares pursuant to Restricted Share Unit ("RSU") (Note A8(i)(a)(B))	2,832	24,266	(351)	-	-	-	(20,253)	(6,494)	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU") (Note A8(i)(a)(C))	200	1,768	-	-	-	-	(1,404)	(564)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a)(D))	229,810	1,826,992	(3,326)	-	-	-	-	-	2,053,476
Dividends paid (Note A9(a))	-	-	-	-	-	-	-	(2,745,942)	(2,745,942)
Dividends payable (Note A9(b))	-	-	-	-	-	-	-	(840,218)	(840,218)
<b>Total transactions with shareholders</b>	288,640	2,320,935	(3,677)	832,303	-	-	705	(4,425,521)	(986,615)
<b>At 30 September 2014</b>	9,150,719	21,351,162	(110,925)	9,859,048	(220,938)	514,180	278,936	3,907,115	44,729,297

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual 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 STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

<b>Bank</b>	<===== Non-Distributable =====>							<b>Distributable</b>	<b>Total</b>
	<b>Share</b>	<b>Share</b>	<b>Shares</b>	<b>Statutory</b>	<b>Unrealised</b>	<b>Exchange</b>	<b>ESS</b>		
	<b>Capital</b>	<b>Premium</b>	<b>Held-in-trust</b>	<b>Reserve</b>	<b>Reserve</b>	<b>Fluctuation</b>	<b>Reserve</b>	<b>Profits</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>RM'000</b>	<b>RM'000</b>	<b>RM'000</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	-	-	-	-	-	-	-	3,390,959	3,390,959
Other comprehensive (loss)/income	-	-	-	-	(701,124)	281,520	-	-	(419,604)
<b>Total comprehensive (loss)/income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(701,124)</b>	<b>281,520</b>	<b>-</b>	<b>3,390,959</b>	<b>2,971,355</b>
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	78,756	-	78,756
Transfer to statutory reserves	-	-	-	847,740	-	-	-	(847,740)	-
Issue of shares pursuant to ESS	84,561	703,308	-	-	-	-	(47,644)	-	740,225
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	201,463	1,571,411	(2,877)	-	-	-	-	-	1,769,997
Dividends paid	-	-	-	-	-	-	-	(2,404,850)	(2,404,850)
Dividends payable	-	-	-	-	-	-	-	(929,562)	(929,562)
<b>Total transactions with shareholders</b>	<b>286,024</b>	<b>2,274,719</b>	<b>(2,877)</b>	<b>847,740</b>	<b>-</b>	<b>-</b>	<b>31,112</b>	<b>(4,182,152)</b>	<b>(745,434)</b>
<b>At 30 September 2013</b>	<b>8,726,070</b>	<b>17,914,365</b>	<b>(105,282)</b>	<b>8,653,082</b>	<b>(307,838)</b>	<b>595,288</b>	<b>257,254</b>	<b>3,388,289</b>	<b>39,121,228</b>

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

**MALAYAN BANKING BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	Group		Bank	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation and zakat	6,680,597	6,567,995	6,027,013	4,327,923
Adjustments for non-operating and non-cash items:				
Depreciation of property, plant and equipment	240,766	198,446	129,698	101,908
Share of profits in associates and joint ventures	(118,261)	(121,603)	-	-
Amortisation of intangible assets	166,409	141,788	76,550	67,397
Net gain on disposal of financial assets at fair value through profit or loss	(128,509)	(220,057)	(69,196)	(124,727)
Net gain on disposal of financial investments available-for-sale	(512,407)	(822,398)	(106,425)	(290,910)
Net (gain)/loss on redemption of financial investments held-to-maturity	(25)	1	(25)	1
Unrealised (gain)/loss on revaluation of financial assets at fair value through profit or loss and derivatives	(180,232)	806,053	(86,594)	484,574
Allowances for impairment losses on loans, advances and financing, net	1,157,432	1,407,915	578,684	1,059,655
Allowance made for other debts	(11,362)	(11,036)	299	2,285
Dividend income	(76,079)	(81,096)	(1,608,707)	(471,384)
ESS expenses	56,910	79,600	39,860	62,996
(Writeback of)/allowances for impairment losses on financial investments, net	(83,622)	28,711	(36,528)	(36,576)
Other adjustments for non-operating and non-cash items	(17,208)	52,079	5,870	28,128
Operating profit before working capital changes	<u>7,174,409</u>	<u>8,026,398</u>	<u>4,950,499</u>	<u>5,211,270</u>
Change in deposits and placements with financial institutions	(9,073,571)	1,540,727	(2,776,557)	(11,271,821)
Change in financial investments portfolio	(10,132,928)	(15,672,301)	(17,888,539)	(10,843,013)
Change in loans, advances and financing	(26,419,851)	(23,060,912)	(11,484,414)	(8,693,852)
Change in statutory deposits with central banks	(827,189)	(820,575)	(116,105)	(299,736)
Change in deposits from customers	24,614,609	30,761,467	21,598,894	28,811,435
Change in deposits and placements from financial institutions	13,083,712	8,223,750	5,490,514	2,565,659
Change in reinsurance/retakaful assets and other insurance receivables	(2,569,764)	(76,782)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	3,169,729	202,439	-	-
Change in other operating activities	(1,044,309)	(316,417)	(2,663,855)	145,172
Exchange fluctuation	538,100	207,102	(127,600)	115,936
Cash (used in)/generated from operations	<u>(1,487,053)</u>	<u>9,014,896</u>	<u>(3,017,163)</u>	<u>5,741,050</u>
Taxes and zakat paid	(1,554,122)	(1,620,250)	(854,000)	(949,329)
Net cash (used in)/generated from operating activities	<u>(3,041,175)</u>	<u>7,394,646</u>	<u>(3,871,163)</u>	<u>4,791,721</u>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENTS**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014**

	Group		Bank	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
<b>Cash flows from investing activities</b>				
Dividend received				
- from financial investments portfolio	76,079	81,096	5,123	7,409
- from associates	24,825	-	3,572	9,641
- from subsidiaries	-	-	1,600,012	454,334
Purchase of property, plant and equipment	(258,659)	(227,921)	(135,877)	(133,329)
Purchase of investment properties	(11,503)	-	-	-
Proceeds from disposal of property, plant and equipment	9,074	2,376	7,002	29
Purchase of intangible assets	(125,059)	(195,166)	(47,387)	(177,412)
Purchase of additional ordinary shares in new and existing subsidiaries	-	-	(526,718)	(925,943)
Redemption of non-convertible bonds and capital repayment in associates	-	4,994	3,531	4,994
Proceeds from transactions with non-controlling interests	(88)	2,303	-	-
Net cash (used in)/generated from investing activities	<b>(285,331)</b>	<b>(332,318)</b>	<b>909,258</b>	<b>(760,277)</b>
<b>Cash flows from financing activities</b>				
Proceeds from shares issuance	2,543,679	2,510,222	2,543,679	2,510,222
Net drawdown of borrowings	2,834,935	1,680,629	2,200,663	1,304,785
Redemption of subordinated obligations	-	(1,500,000)	-	(1,500,000)
Redemption of capital securities	(3,437,000)	-	(3,437,000)	-
Issuance of subordinated obligations and capital securities	6,115,000	500,000	5,100,000	-
Loans sold to Cagamas, net	(64,732)	(263,036)	556,243	(23,239)
Dividends paid	(2,745,942)	(2,404,850)	(2,745,942)	(2,404,850)
Dividends paid to non-controlling interests	(27,127)	(13,961)	-	-
Net cash generated from/(used in) financing activities	<b>5,218,813</b>	<b>509,004</b>	<b>4,217,643</b>	<b>(113,082)</b>
Net change in cash and cash equivalents	<b>1,892,307</b>	<b>7,571,332</b>	<b>1,255,738</b>	<b>3,918,362</b>
Cash and cash equivalents at beginning of period *	<b>50,555,219</b>	<b>43,133,706</b>	<b>32,204,059</b>	<b>26,548,533</b>
Cash and cash equivalents at end of period	<b>52,447,526</b>	<b>50,705,038</b>	<b>33,459,797</b>	<b>30,466,895</b>

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

	Group		Bank	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Cash and short-term funds	49,989,570	47,594,935	31,985,548	28,561,334
Deposits with financial institutions maturing within 1 month	2,457,956	3,110,103	1,474,249	1,905,561
	<b>52,447,526</b>	<b>50,705,038</b>	<b>33,459,797</b>	<b>30,466,895</b>
* Cash and cash equivalents at beginning of period:				
Cash and short-term funds as previously reported	50,870,333	42,180,022	32,430,352	25,634,415
Effects of foreign exchange rate changes	(315,114)	953,684	(226,293)	914,118
As restated	<b>50,555,219</b>	<b>43,133,706</b>	<b>32,204,059</b>	<b>26,548,533</b>

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 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*.

The unaudited condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 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 annual 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 Accounting* (Amendments to MFRS 139); and
- 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 on Maintenance of Regulatory Reserve**

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 that has been assessed and recognised in accordance with 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 new regulatory requirement by 31 December 2015. Upon adoption of this new regulatory requirement, there will be no impact to the income statements of the Group and of the Bank and any resulted impact will be recorded in the statement of changes in equity of the Group and of the Bank.

**A2. Significant Accounting Policies**

The audited annual 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 annual 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 annual financial statements for the financial year ended 31 December 2013.

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

The auditors' report on the audited annual financial statements for the financial year ended 31 December 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 during the third quarter and 9 months financial period ended 30 September 2014.

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

During the third quarter and 9 months financial period ended 30 September 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 third quarter and 9 months financial period ended 30 September 2014.

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

(i) The following are the changes in debt and equity securities that were issued and redeemed by the Group and by the Bank during the third quarter and 9 months financial period ended 30 September 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 RM9,150,718,394 as at 30 September 2014 via:

- (A) issuance of 55,798,000 new ordinary shares of RM1.00 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;
- (B) issuance of 2,831,509 new ordinary shares of RM1.00 each, to eligible employees under the Restricted Share Unit ("RSU") which is part of the current Maybank Group ESS;
- (C) issuance of 199,533 new ordinary shares of RM1.00 each, to eligible employees under the Supplemental Restricted Share Unit ("SRSU") which is part of the current Maybank Group ESS; and
- (D) issuance of 229,810,271 new ordinary shares (including 371,620 new ordinary shares issued to ESOS Trust Fund ("ETF") Pool) of RM1.00 each arising from the Dividend Reinvestment Plan ("DRP") relating to electable portion of the final dividend of 27 sen in respect of the financial year ended 31 December 2013.

(b) **Issuance/redemption of bonds by subsidiaries of PT Bank Internasional Indonesia Tbk**

- (A) 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 RM98.4 million). The Bonds issued on 4 March 2011 under Bonds V WOM Finance Year 2011 With Fixed Interest Rate.
- (B) On 25 June 2014, PT Wahana Ottomitra Multiartha Tbk, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn an indirect subsidiary of Maybank, had issued Shelf Bonds I Tranche I Series A of IDR397 billion (equivalent to RM106.7 million). The Bond is under Shelf Bonds I WOM Finance Tranche I Year 2014 With Fixed Interest Rate.

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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 and redeemed by the Group and by the Bank during the third quarter and 9 months financial period ended 30 September 2014 (cont'd.):

**(b) Issuance/redemption of bonds by subsidiaries of PT Bank Internasional Indonesia Tbk (cont'd.)**

(C) On 25 June 2014, PT Wahana Ottomitra Multiartha Tbk, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn an indirect subsidiary of Maybank, had issued Shelf Bonds I Tranche I Series B of IDR203 billion (equivalent to RM54.6 million). The Bond is under Shelf Bonds I WOM Finance Tranche I Year 2014 With Fixed Interest Rate.

**(D) Issuance of IDR1.5 trillion Subordinated Bond under Shelf Subordinated Bonds II Bank BII Tranche I Year 2014**

On 8 July 2014, PT Bank Internasional Indonesia Tbk, an indirect subsidiary of Maybank, had issued Subordinated Bond of IDR1.5 trillion under Shelf Subordinated Bonds II Bank BII Tranche I Year 2014.

**(E) Issuance of IDR300 billion Sukuk Mudharabah under Shelf Sukuk Mudharabah I Bank BII Tranche I Year 2014**

On 8 July 2014, PT Bank Internasional Indonesia Tbk, an indirect subsidiary of Maybank, had issued Sukuk Mudharabah of IDR300 billion under Shelf Sukuk Mudharabah I Bank BII Tranche I Year 2014.

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

(A) On 28 January 2014, Maybank Kim Eng Holdings Limited, an indirect subsidiary of Maybank, redeemed medium term notes amounting to SGD100 million (equivalent to RM257.0 million) under its SGD800 million Multicurrency Medium Term Note Programme.

(B) On 28 May 2014, Maybank Kim Eng Securities Pte. Ltd., an indirect subsidiary of Maybank, redeemed medium term notes amounting to SGD50 million (equivalent to RM128.5 million) under its SGD800 million Multicurrency Medium Term Note Programme.

**(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.

**(f) 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.

**(g) 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.

**(h) Redemption of USD500.0 million Senior Notes under the USD2.0 billion Multicurrency Medium Term Note Programme**

On 8 May 2014, Maybank fully redeemed the USD500.0 million Senior Notes. The Senior Notes were issued on 8 May 2012.

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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 and redeemed by the Group and by the Bank during the third quarter and 9 months financial period ended 30 September 2014 (cont'd.):

(i) **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.

(j) **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.

(k) **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.

(l) **Issuance of Tier-2 Capital Subordinated Sukuk Musharakah of RM300.0 million in nominal value by Etiqa Takaful Berhad**

On 30 May 2014, Etiqa Takaful Berhad, an indirect subsidiary of Maybank, had completed the issuance of its Tier-2 Capital Subordinated Sukuk Musharakah of RM300.0 million in nominal value with a tenure of 10 years on a 10 non-callable 5 basis.

(m) **Issuance of USD45.0 million Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 18 June 2014, Maybank had completed the issuance of USD45.0 million Senior Fixed Rate Notes in nominal value with a tenure of 15 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(n) **Issuance of HKD284.0 million Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 27 June 2014, Maybank had completed the issuance of HKD284.0 million Senior Fixed Rate Notes in nominal value with a tenure of 5 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(o) **Issuance of HKD707.0 million Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 15 August 2014, Maybank had completed the issuance of HKD707.0 million Senior Fixed Rate Notes in nominal value with a tenure of 10 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(p) **Issuance of JPY20.0 billion Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 21 August 2014, Maybank had completed the issuance of JPY20.0 billion Senior Fixed Rate Notes in nominal value with a tenure of 5 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(q) **Issuance of Tier 1 Capital Securities ("AT1CS") of RM3.5 billion in nominal value pursuant to the AT1CS Programme of up to RM10.0 billion and/or its foreign currency equivalent in nominal value ("AT1CS Programme")**

On 10 September 2014, Maybank had completed the issuance of Basel III-compliant AT1CS of RM3.5 billion in nominal value with a tenure of Perpetual Non-Callable 5 years pursuant to the AT1CS Programme established on 19 August 2014.



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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 and redeemed by the Group and by the Bank during the third quarter and 9 months financial period ended 30 September 2014 (cont'd.):

(r) **Partial Redemption of Non-Innovative Tier 1 Capital of RM3.437 billion in nominal value**

On 10 September 2014, Maybank had completed a partial redemption of Non-Innovative Tier 1 Capital of RM3.437 billion in nominal value comprising Non-Cumulative Perpetual Capital Securities ("NCPCS") which are stapled to Subordinated Notes issued by Cekap Mentari Berhad, a wholly-owned subsidiary of Maybank.

- (ii) Establishment of Euro-Commercial Paper Programme ("CP Programme") of up to USD5.0 billion or its equivalent in alternative currencies in nominal value

On 4 September 2014, Maybank successfully established a CP Programme under which Maybank may issue and have outstanding at anytime euro-commercial paper notes ("Notes") of up to USD5.0 billion or its equivalent in alternative currencies in nominal value.

Maybank received the Securities Commission Malaysia's approval for the establishment of the CP Programme on 25 July 2014. The CP Programme will give Maybank the flexibility to raise funds via the issuance of Notes from time to time which can be utilised, amongst others, to fund the Bank's working capital, general banking and other corporate purposes.

- (iii) The following is the change in debt securities that was issued by the Bank subsequent to the third quarter and 9 months ended 30 September 2014 and has not been reflected in the financial statements for the third quarter and 9 months ended 30 September 2014:

(a) **Issuance of HKD310.0 million Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 10 November 2014, Maybank had completed the issuance of HKD310.0 million Senior Fixed Rate Notes in nominal value with a tenure of 5 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 by the Bank.

**A9. Dividends Paid and Payable**

Dividends paid and payable during the 9 months financial period ended 30 September 2014 are as follows:

- (a) 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 on 8,870,196,423 ordinary shares of RM1.00 each, amounting to a net dividend paid of RM2,749,760,891 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 where the electable portion could be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The payment date for cash dividends and crediting of shares under the DRP was completed on 30 May 2014.

- (b) A single-tier interim dividend, in respect of the financial year ending 31 December 2014 of 24 sen per ordinary share, was declared by the Bank on 28 August 2014.

The dividend consists of 4 sen to be paid in cash amounting to RM366,028,316 and an electable portion of 20 sen amounting to RM1,830,141,579 which can be elected to be reinvested in new ordinary shares in accordance with the DRP.

The financial statements for the current financial quarter ended 30 September 2014 record 4 sen cash portion and a portion of the electable portion of the dividends assumed to be paid in cash.

The Book Closure date and the payment date pursuant to the single-tier interim dividend and DRP was fixed on 29 September 2014 and 28 October 2014 respectively.

- (c) Dividends paid by Maybank's subsidiaries to non-controlling interest amounting to RM27,127,000 during the 9 months financial period ended 30 September 2014.

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**A10. Financial Investments Portfolio**

	Note	Group		Bank	
		30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Financial assets at fair value through profit or loss	(i)	22,997,926	19,166,565	8,877,113	5,546,091
Financial investments available-for-sale	(ii)	86,351,450	82,836,922	76,165,839	64,532,797
Financial investments held-to-maturity	(iii)	9,599,269	5,668,174	9,091,983	5,354,097
		<b>118,948,645</b>	<b>107,671,661</b>	<b>94,134,935</b>	<b>75,432,985</b>

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
(a) Financial assets designated upon initial recognition	11,173,442	11,177,612	-	-
(b) Financial assets held-for-trading	11,824,484	7,988,953	8,877,113	5,546,091
	<b>22,997,926</b>	<b>19,166,565</b>	<b>8,877,113</b>	<b>5,546,091</b>

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	253,867	284,447	-	-
Malaysian Government Investment Issues	522,836	1,048,283	-	-
Negotiable Islamic Certificates of Deposits	240,334	237,013	-	-
	<b>1,017,037</b>	<b>1,569,743</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities:</b>				
Private and Islamic debt securities in Malaysia	9,793,997	9,375,999	-	-
Foreign private debt securities	188,535	-	-	-
Structured deposits	173,873	231,870	-	-
	<b>10,156,405</b>	<b>9,607,869</b>	<b>-</b>	<b>-</b>
<b>Total financial assets designated upon initial recognition</b>	<b>11,173,442</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	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
<b>At fair value</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	598,791	545,022	567,277	545,022
Malaysian Government Treasury Bills	44,230	9,701	44,230	9,701
Malaysian Government Investment Issues	368,655	233,270	119,312	20,292
Bank Negara Malaysia Bills and Notes	1,338,639	2,096,486	1,338,639	2,096,486
Khazanah Bonds	-	44,950	-	44,950
Bank Negara Malaysia Monetary Notes	1,778,550	1,121,248	1,081,181	797,797
Foreign Government Treasury Bills	357,976	1,127	357,976	1,127
Foreign Government Securities	2,015,225	418,568	1,663,241	261,875
Cagamas Bonds	-	10,128	-	10,128
Negotiable instruments of deposits	69,503	15,238	54,226	-
	<b>6,571,569</b>	<b>4,495,738</b>	<b>5,226,082</b>	<b>3,787,378</b>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants, trust units and loan stocks	661,694	476,290	-	-
<b>Outside Malaysia:</b>				
Shares, warrants, trust units and loan stocks	400,835	158,774	-	-
	<b>1,062,529</b>	<b>635,064</b>	<b>-</b>	<b>-</b>
<b>Unquoted securities:</b>				
Private and Islamic debt securities in Malaysia	883,619	1,416,190	504,552	1,066,773
Foreign private debt securities	1,546,990	661,092	1,953,838	487,645
Foreign Government Bonds	1,181,661	204,295	1,181,661	204,295
Malaysian Government Bonds	10,980	-	10,980	-
Credit linked note	382,068	386,954	-	-
Structured deposits	185,068	189,620	-	-
	<b>4,190,386</b>	<b>2,858,151</b>	<b>3,651,031</b>	<b>1,758,713</b>
<b>Total financial assets held- for-trading</b>	<b>11,824,484</b>	<b>7,988,953</b>	<b>8,877,113</b>	<b>5,546,091</b>

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

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 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	6,571,326	5,376,329	6,559,243	5,334,570
Cagamas Bonds	292,256	335,958	292,256	335,958
Foreign Government Securities	6,877,092	7,123,882	4,417,016	4,198,384
Malaysian Government Investment Issues	14,053,282	12,873,722	9,024,803	7,304,355
Foreign Government Treasury Bills	8,346,004	8,464,589	8,346,004	8,464,589
Negotiable instruments of deposits	4,421,608	2,973,885	12,456,124	3,991,945
Bankers' acceptances and Islamic accepted bills	1,882,735	1,782,763	1,882,735	1,756,523
Khazanah Bonds	2,152,228	1,764,019	2,087,674	1,664,091
Malaysian Government Treasury Bills	-	28,153	-	28,153
Foreign certificates of deposits	32,459	32,292	32,459	32,292
	<b>44,628,990</b>	<b>40,755,592</b>	<b>45,098,314</b>	<b>33,110,860</b>
<b>Quoted securities:</b>				
<b>In Malaysia:</b>				
Shares, warrants, trust units and loan stocks	3,117,796	2,605,959	74,501	85,400
<b>Outside Malaysia:</b>				
Shares, warrants, trust units and loan stocks	197,250	271,424	2,313	8,112
	<b>3,315,046</b>	<b>2,877,383</b>	<b>76,814</b>	<b>93,512</b>
<b>Unquoted securities:</b>				
Shares, trust units and loan stocks in Malaysia	791,721	696,820	294,934	379,536
Shares, trust units and loan stocks outside Malaysia	64,764	8,247	4,566	6,026
Private and Islamic debt securities in Malaysia	19,076,276	15,826,042	12,638,556	9,945,610
Malaysian Government Bonds	778,205	1,049,980	707,875	857,172
Foreign Government Bonds	2,280,672	5,526,754	2,276,809	5,442,869
Foreign private and Islamic debt securities	15,391,207	16,038,018	15,067,971	14,697,212
Structured deposits	24,569	58,086	-	-
	<b>38,407,414</b>	<b>39,203,947</b>	<b>30,990,711</b>	<b>31,328,425</b>
<b>Total financial investments available-for-sale</b>	<b>86,351,450</b>	<b>82,836,922</b>	<b>76,165,839</b>	<b>64,532,797</b>

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

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
<b>At amortised cost less impairment losses</b>				
<b>Money market instruments:</b>				
Malaysian Government Securities	1,660,642	337,658	1,660,535	337,551
Foreign Government Securities	352,370	376,652	-	-
Malaysian Government Investment Issues	2,282,356	1,362,378	2,282,356	1,362,378
Foreign Government Treasury Bills	529,690	468,262	-	-
Khazanah Bonds	943,612	813,573	943,612	813,573
Foreign certificate of deposit	127,341	91,260	-	-
	<b>5,896,011</b>	<b>3,449,783</b>	<b>4,886,503</b>	<b>2,513,502</b>
<b>Unquoted securities:</b>				
Private and Islamic debt securities in Malaysia	3,475,565	2,113,241	4,167,283	2,795,425
Foreign Government Bonds	93,461	122,425	41,079	62,220
Foreign private and Islamic debt securities	153,673	16,500	-	-
Others	2,044	2,044	2,044	2,044
	<b>3,724,743</b>	<b>2,254,210</b>	<b>4,210,406</b>	<b>2,859,689</b>
Accumulated impairment losses	(21,485)	(35,819)	(4,926)	(19,094)
<b>Total financial investments held-to-maturity</b>	<b>9,599,269</b>	<b>5,668,174</b>	<b>9,091,983</b>	<b>5,354,097</b>

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**A11. Loans, Advances and Financing**

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Overdrafts/cashline	17,962,145	17,765,336	10,768,243	10,935,875
Term loans				
- Housing loans/financing	109,893,733	88,740,412	42,711,187	40,332,480
- Syndicated loans/financing	29,993,702	25,671,242	28,552,345	22,323,927
- Hire purchase receivables	54,845,623	52,431,837	20,287,251	22,830,752
- Lease receivables	28,444	20,929	3,272	3,272
- Other loans/financing	195,461,592	181,341,680	100,807,547	94,617,421
Credit card receivables	6,587,061	6,509,680	5,517,833	5,514,077
Bills receivables	6,143,224	5,216,010	6,005,945	5,135,423
Trust receipts	3,474,534	3,835,055	2,758,139	2,986,724
Claims on customers under acceptance credits	11,268,089	11,310,833	6,485,774	6,890,688
Loans/financing to financial institutions (Note A11(x))	3,895,191	4,337,601	8,921,758	12,105,137
Revolving credits	33,191,960	32,981,166	21,870,217	20,172,891
Staff loans	2,823,711	2,777,136	945,583	1,078,108
Loans to				
- Executive directors of subsidiaries	2,020	4,495	89	346
Others	3,353,187	2,673,826	-	-
	<u>478,924,216</u>	<u>435,617,238</u>	<u>255,635,183</u>	<u>244,927,121</u>
Unearned interest and income	(91,963,751)	(74,237,088)	(2,140,948)	(2,568,362)
Gross loans, advances and financing	<u>386,960,465</u>	<u>361,380,150</u>	<u>253,494,235</u>	<u>242,358,759</u>
Allowances for impaired loans, advances and financing				
- Individual allowance	(2,025,104)	(1,939,320)	(1,552,906)	(1,502,010)
- Collective allowance	(4,055,414)	(3,823,303)	(3,064,320)	(2,885,470)
Net loans, advances and financing	<u>380,879,947</u>	<u>355,617,527</u>	<u>248,877,009</u>	<u>237,971,279</u>

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Domestic banking institutions	5,894	1,912	4,325,594	7,320,684
Domestic non-banking financial institutions				
- Stockbroking companies	892	364	892	364
- Others	18,237,979	16,199,389	15,753,798	14,354,628
Domestic business enterprises				
- Small and medium enterprises	63,406,548	67,988,292	44,356,673	50,143,013
- Others	86,739,644	76,836,223	61,526,888	52,282,888
Government and statutory bodies	9,059,491	8,745,359	2,329,996	2,433,691
Individuals	173,655,786	159,668,593	92,637,495	90,745,812
Other domestic entities	2,889,689	2,408,475	380,997	348,604
Foreign entities	32,964,542	29,531,543	32,181,902	24,729,075
Gross loans, advances and financing	<u>386,960,465</u>	<u>361,380,150</u>	<u>253,494,235</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	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Malaysia	232,442,160	224,392,074	137,775,216	145,129,943
Singapore	89,302,913	81,162,326	88,546,496	80,410,679
Indonesia	29,484,958	28,576,749	-	-
Labuan Offshore	11,609,464	6,799,926	9,548,141	1,551,035
Hong Kong SAR	11,424,356	9,310,531	11,202,586	9,126,352
United States of America	1,095,079	954,907	1,094,617	954,445
People's Republic of China	2,862,500	2,796,912	2,862,500	2,796,912
Vietnam	444,069	388,768	340,097	340,355
United Kingdom	1,364,350	1,397,833	1,364,318	1,397,754
Brunei	334,222	318,179	334,222	318,179
Cambodia	1,060,057	895,358	-	-
Bahrain	363,423	287,965	363,423	287,965
The Philippines	3,340,726	2,781,552	-	-
Papua New Guinea	213,886	167,495	-	-
Thailand	1,523,831	1,072,617	-	-
Laos	62,619	45,140	62,619	45,140
Others	31,852	31,818	-	-
Gross loans, advances and financing	<b>386,960,465</b>	<b>361,380,150</b>	<b>253,494,235</b>	<b>242,358,759</b>

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Fixed rate				
- Housing loans/financing	14,370,404	13,906,768	12,447,471	11,221,554
- Hire purchase receivables	48,524,743	46,181,266	18,961,216	21,015,764
- Other fixed rate loans/financing	59,431,846	56,572,652	38,536,856	41,692,920
Variable rate				
- Base lending rate plus	140,185,589	129,042,645	91,458,755	89,281,956
- Cost plus	50,628,189	48,681,566	46,046,941	43,204,043
- Other variable rates	73,819,694	66,995,253	46,042,996	35,942,522
Gross loans, advances and financing	<b>386,960,465</b>	<b>361,380,150</b>	<b>253,494,235</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	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Purchase of securities	35,484,462	31,545,546	15,785,264	12,824,405
Purchase of transport vehicles	49,851,424	47,901,056	18,724,771	20,865,446
Purchase of landed properties				
- Residential	71,930,131	65,773,530	50,535,018	48,640,714
- Non-residential	31,931,394	29,271,455	24,837,110	24,169,305
Purchase of fixed assets (excluding landed properties)	4,716,611	4,692,156	4,679,679	4,609,831
Personal use	8,791,842	8,137,882	6,387,360	6,285,258
Credit card	6,729,128	6,717,193	5,664,896	5,726,412
Purchase of consumer durables	142,295	452,606	141,626	451,881
Constructions	14,343,272	13,206,415	10,293,996	9,526,319
Mergers and acquisitions	1,399,618	3,922,495	1,399,618	3,922,495
Working capital	133,574,369	126,731,269	94,208,976	90,334,005
Others	28,065,919	23,028,547	20,835,921	15,002,688
Gross loans, advances and financing	<b>386,960,465</b>	<b>361,380,150</b>	<b>253,494,235</b>	<b>242,358,759</b>

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Within one year	101,895,735	103,617,415	74,542,464	77,819,709
One year to three years	57,210,993	48,189,831	39,487,289	36,423,888
Three years to five years	48,084,004	50,776,490	36,988,238	35,223,650
After five years	179,769,733	158,796,414	102,476,244	92,891,512
Gross loans, advances and financing	<b>386,960,465</b>	<b>361,380,150</b>	<b>253,494,235</b>	<b>242,358,759</b>

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Gross impaired loans at 1 January	5,360,903	5,654,352	3,776,831	4,162,301
Newly impaired	3,789,437	4,485,865	2,153,057	2,687,492
Reclassified as non-impaired	(826,761)	(1,260,300)	(428,672)	(661,304)
Amount recovered	(1,182,600)	(1,840,674)	(722,723)	(1,270,299)
Amount written off	(723,868)	(1,579,965)	(320,980)	(1,105,782)
Converted to financial investments available-for-sale	(80,049)	(152,544)	(80,049)	(152,544)
Transferred from a subsidiary	-	-	17,183	-
Exchange differences and expenses debited	35,683	54,169	36,911	116,967
Gross impaired loans at 30 September 2014/ 31 December 2013	<b>6,372,745</b>	<b>5,360,903</b>	<b>4,431,558</b>	<b>3,776,831</b>
Less: Individual allowance	<b>(2,025,104)</b>	<b>(1,939,320)</b>	<b>(1,552,906)</b>	<b>(1,502,010)</b>
Net impaired loans, advances and financing	<b>4,347,641</b>	<b>3,421,583</b>	<b>2,878,652</b>	<b>2,274,821</b>
Ratio of net impaired loans	<b>1.13%</b>	<b>0.95%</b>	<b>1.14%</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	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Purchase of securities	63,948	66,448	28,110	31,499
Purchase of transport vehicles	289,621	227,798	117,771	96,811
Purchase of landed properties				
- Residential	379,022	454,877	266,946	343,461
- Non-residential	125,157	119,014	86,555	95,277
Purchase of fixed assets (excluding landed properties)	-	346	-	-
Personal use	133,995	120,696	54,574	49,749
Credit card	87,373	76,022	48,547	49,433
Purchase of consumer durables	9	8	6	6
Constructions	1,157,865	197,055	976,586	153,846
Working capital	3,752,229	3,542,034	2,625,390	2,549,415
Others	383,526	556,605	227,073	407,334
Impaired loans, advances and financing	<b>6,372,745</b>	<b>5,360,903</b>	<b>4,431,558</b>	<b>3,776,831</b>

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Malaysia	4,739,894	3,795,548	4,020,363	3,258,707
Singapore	223,792	243,157	210,873	229,187
Indonesia	961,768	797,355	-	-
Labuan Offshore	37,785	46,349	17,225	-
Hong Kong SAR	14,950	17,601	14,950	16,706
United States of America	462	462	-	-
People's Republic of China	1,630	1,598	1,630	1,598
Vietnam	15,285	15,437	15,285	15,437
United Kingdom	136,989	241,583	136,989	241,583
Brunei	9,250	6,567	9,250	6,567
Cambodia	52,645	52,689	-	-
Bahrain	4,993	7,046	4,993	7,046
The Philippines	119,182	80,933	-	-
Papua New Guinea	-	754	-	-
Thailand	25,743	25,478	-	-
Others	28,377	28,346	-	-
Impaired loans, advances and financing	<b>6,372,745</b>	<b>5,360,903</b>	<b>4,431,558</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	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
<b>Individual Allowance</b>				
At 1 January	1,939,320	2,228,535	1,502,010	1,719,455
Allowance made	649,106	920,763	335,932	722,580
Amount written back	(199,448)	(324,954)	(166,523)	(270,734)
Amount written off	(344,244)	(872,595)	(127,206)	(678,686)
Transferred to collective allowance	(3,067)	(13,663)	(8,336)	(12,001)
Transferred from a subsidiary	-	-	17,183	-
Exchange differences	(16,563)	1,234	(154)	21,396
At 30 September 2014/31 December 2013	<u>2,025,104</u>	<u>1,939,320</u>	<u>1,552,906</u>	<u>1,502,010</u>
	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
<b>Collective Allowance</b>				
At 1 January	3,823,303	3,744,994	2,885,470	2,726,849
Allowance made	646,877	845,532	346,745	550,371
Amount written back	(29,083)	(37,769)	-	-
Amount written off	(379,624)	(707,370)	(193,774)	(427,096)
Transferred from individual allowance	3,067	13,663	8,336	12,001
Transferred from a subsidiary	-	-	19,949	-
Exchange differences	(9,126)	(35,747)	(2,406)	23,345
At 30 September 2014/31 December 2013	<u>4,055,414</u>	<u>3,823,303</u>	<u>3,064,320</u>	<u>2,885,470</u>
As a percentage of total loans less individual allowance	<u>1.05%</u>	<u>1.06%</u>	<u>1.22%</u>	<u>1.20%</u>

(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 RM5,699.8 million (31 December 2013: RM8,336.3 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	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Other debtors	7,198,153	5,989,578	5,493,092	4,862,054
Amount due from brokers and clients	2,443,085	1,536,260	-	-
Development properties for sale	54,465	75,251	-	-
Prepayments and deposits	934,392	787,472	425,009	421,354
Tax recoverable	29,459	27,253	-	-
Foreclosed properties	116,774	90,104	35,846	36,029
	<u>10,776,328</u>	<u>8,505,918</u>	<u>5,953,947</u>	<u>5,319,437</u>

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**A13. Deposits from Customers**

**(i) By type of deposit**

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	229,021,343	220,782,166	147,735,010	142,237,799
- More than one year	14,419,396	14,760,420	13,690,341	14,075,299
	<b>243,440,739</b>	235,542,586	<b>161,425,351</b>	156,313,098
Money market deposits	27,236,692	14,177,439	27,236,692	14,177,439
Savings deposits	57,303,522	56,735,219	39,426,371	39,300,089
Demand deposits	87,647,046	86,001,254	63,300,213	61,212,708
Structured deposits *	4,597,420	3,154,312	3,880,647	2,667,046
	<b>420,225,419</b>	395,610,810	<b>295,269,274</b>	273,670,380

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

**(ii) By type of customer**

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Business enterprises	187,404,495	183,775,722	138,307,306	128,843,008
Individuals	171,723,729	162,631,813	131,921,680	125,901,762
Government and statutory bodies	25,069,349	17,908,268	10,734,131	5,464,782
Others	36,027,846	31,295,007	14,306,157	13,460,828
	<b>420,225,419</b>	395,610,810	<b>295,269,274</b>	273,670,380

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Due within six months	182,599,546	176,430,070	107,312,908	111,663,342
Six months to one year	46,421,797	44,352,096	40,422,102	30,574,457
One year to three years	13,938,688	14,272,102	13,610,646	13,954,438
Three years to five years	480,708	488,318	79,695	120,861
	<b>243,440,739</b>	235,542,586	<b>161,425,351</b>	156,313,098

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Licensed banks	51,476,263	38,230,867	40,154,544	34,285,883
Licensed finance companies	379,636	405,180	227,982	239,360
Licensed investment banks	66,701	66,778	66,701	66,778
Other financial institutions	3,300,194	3,436,256	2,623,864	2,990,556
	<b>55,222,794</b>	42,139,081	<b>43,073,091</b>	37,582,577

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

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
One year or less	53,981,746	39,547,359	42,046,518	35,105,495
More than one year	1,241,048	2,591,722	1,026,573	2,477,082
	<b>55,222,794</b>	<b>42,139,081</b>	<b>43,073,091</b>	<b>37,582,577</b>

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

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
<b>(i) Borrowings</b>				
Secured				
- Less than one year				
Denominated in:				
- THB	-	259,138	-	-
- PHP	9,349	3,530	-	-
- SGD	1,413	-	-	-
- IDR	535,022	292,697	-	-
- VND	-	1,631	-	-
	<b>545,784</b>	<b>556,996</b>	<b>-</b>	<b>-</b>
- More than one year				
Denominated in:				
- SGD	377,376	383,087	-	-
- PHP	623	914	-	-
- IDR	1,037,300	1,025,832	-	-
	<b>1,415,299</b>	<b>1,409,833</b>	<b>-</b>	<b>-</b>
Total secured borrowings	<b>1,961,083</b>	<b>1,966,829</b>	<b>-</b>	<b>-</b>
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	1,085,732	325,810	854,026	226,884
- CNY	159,669	215,632	159,669	215,632
- SGD	303,507	220,550	-	-
- THB	1,160,924	294,834	-	-
- HKD	6,855	-	-	-
- IDR	141,085	217,052	-	-
- VND	14,886	-	-	-
- PHP	28,805	21,626	-	-
	<b>2,901,463</b>	<b>1,295,504</b>	<b>1,013,695</b>	<b>442,516</b>
- More than one year				
Denominated in:				
- USD	3,106,975	3,337,900	3,106,975	3,337,900
- IDR	814,271	792,754	-	-
	<b>3,921,246</b>	<b>4,130,654</b>	<b>3,106,975</b>	<b>3,337,900</b>

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(i) Borrowings (cont'd.)</b>				
Unsecured (cont'd.)				
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- USD	5,691	1,641,750	5,691	1,641,750
- HKD	10,795	-	10,795	-
- SGD	-	390,845	-	-
- JPY	5,201	-	5,201	-
- AUD	964	-	964	-
	<b>22,651</b>	<b>2,032,595</b>	<b>22,651</b>	<b>1,641,750</b>
- More than one year				
Denominated in:				
- USD	2,436,523	1,970,100	2,436,523	1,970,100
- HKD	1,859,024	1,456,623	1,859,024	1,456,623
- JPY	2,872,110	469,500	2,872,110	469,500
- AUD	160,154	-	160,154	-
	<b>7,327,811</b>	<b>3,896,223</b>	<b>7,327,811</b>	<b>3,896,223</b>
Total unsecured borrowings	<b>14,173,171</b>	<b>11,354,976</b>	<b>11,471,132</b>	<b>9,318,389</b>
Total borrowings	<b>16,134,254</b>	<b>13,321,805</b>	<b>11,471,132</b>	<b>9,318,389</b>
	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(ii) Subordinated Obligations</b>				
Unsecured				
- More than one year				
Denominated in:				
- RM	9,303,365	6,649,102	6,767,973	5,143,014
- USD	2,618,742	2,649,720	2,618,742	2,649,720
- SGD	2,610,386	2,611,684	2,610,386	2,611,684
- IDR	790,449	734,070	-	-
	<b>15,322,942</b>	<b>12,644,576</b>	<b>11,997,101</b>	<b>10,404,418</b>
	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(iii) Capital Securities</b>				
Unsecured				
- More than one year				
Denominated in:				
- RM	4,212,153	4,332,172	4,492,676	4,619,886
- SGD	1,550,858	1,588,737	1,550,858	1,588,737
	<b>5,763,011</b>	<b>5,920,909</b>	<b>6,043,534</b>	<b>6,208,623</b>

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**A16. Other Liabilities**

	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Due to brokers and clients	2,345,815	1,459,900	-	-
Deposits, other creditors and accruals	9,857,613	6,289,871	10,792,237	9,326,572
Defined benefit pension plans	372,193	356,842	-	-
Provisions for commitments and contingencies	57,216	76,421	53,830	73,086
Profit equalisation reserves (IBS operations)	4,286	16,977	-	-
Finance lease liabilities	77,025	85,691	77,025	85,691
	<b>12,714,148</b>	<b>8,285,702</b>	<b>10,923,092</b>	<b>9,485,349</b>

**A17. Interest Income**

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Loans, advances and financing	3,439,411	3,284,797	10,095,751	9,636,080
Money at call and deposits and placements with financial institutions	119,807	144,555	370,448	465,066
Financial assets purchased under resale agreements	1,095	1,888	4,043	8,709
Financial assets at FVTPL	221,961	159,791	586,321	519,185
Financial investments available-for-sale	618,151	556,511	1,800,618	1,500,985
Financial investments held-to-maturity	76,059	25,722	192,994	65,824
	<b>4,476,484</b>	<b>4,173,264</b>	<b>13,050,175</b>	<b>12,195,849</b>
Accretion of discounts / (amortisation of premiums), net	10,662	(28,875)	18,192	(60,256)
	<b>4,487,146</b>	<b>4,144,389</b>	<b>13,068,367</b>	<b>12,135,593</b>

Bank	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Loans, advances and financing	2,521,299	2,311,532	7,297,334	6,833,973
Money at call and deposits and placements with financial institutions	151,299	227,214	486,875	504,414
Financial assets purchased under resale agreements	137	78	808	1,589
Financial assets at FVTPL	51,903	16,904	118,343	54,246
Financial investments available-for-sale	531,004	460,018	1,532,866	1,228,543
Financial investments held-to-maturity	78,848	25,017	208,667	63,336
	<b>3,334,490</b>	<b>3,040,763</b>	<b>9,644,893</b>	<b>8,686,101</b>
Accretion of discounts / (amortisation of premiums), net	17,361	(25,261)	22,660	(53,731)
	<b>3,351,851</b>	<b>3,015,502</b>	<b>9,667,553</b>	<b>8,632,370</b>

Included in interest income for the 9 months financial period ended 30 September 2014 was interest on impaired assets amounting to approximately RM163,514,000 (30 September 2013: RM126,515,000) for the Group and RM129,998,000 (30 September 2013: RM102,839,000) for the Bank.

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**A18. Interest Expense**

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	86,183	65,326	252,650	209,049
Deposits from customers	1,557,695	1,355,973	4,503,943	3,734,845
Floating rate certificates of deposits	8,120	6,513	26,625	14,070
Borrowings	117,600	113,348	336,223	325,272
Subordinated notes	150,702	119,393	422,668	363,178
Subordinated bonds	8,620	3,062	20,052	30,750
Capital securities	98,762	101,754	291,172	300,212
Net interest on derivatives	(2,127)	(13,893)	(46,808)	(43,595)
	<b>2,025,555</b>	<b>1,751,476</b>	<b>5,806,525</b>	<b>4,933,781</b>

Bank	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	90,175	69,832	265,557	220,196
Deposits from customers	1,140,678	1,037,449	3,266,782	2,814,150
Floating rate certificates of deposits	8,120	6,513	26,625	14,070
Borrowings	41,049	40,923	122,986	114,202
Subordinated notes	119,352	96,065	349,083	291,660
Subordinated bonds	-	-	-	27,762
Capital securities	102,969	101,754	303,658	300,212
Net interest on derivatives	(2,599)	(16,825)	(57,209)	(50,813)
	<b>1,499,744</b>	<b>1,335,711</b>	<b>4,277,482</b>	<b>3,731,439</b>

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

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	1,204,499	1,204,555	3,656,306	3,943,221
Premium ceded to reinsurers	(236,992)	(391,872)	(737,138)	(867,990)
<b>Net earned premiums</b>	<b>967,507</b>	<b>812,683</b>	<b>2,919,168</b>	<b>3,075,231</b>
Gross benefits and claims paid	(1,234,364)	(852,553)	(3,361,427)	(2,488,534)
Claims ceded to reinsurers	513,283	56,153	1,223,024	195,059
Gross change to contract liabilities	(1,100,251)	176,208	(3,114,037)	(525,284)
Change in contract liabilities ceded to reinsurers	789,140	103,577	2,324,578	109,718
<b>Net benefits and claims</b>	<b>(1,032,192)</b>	<b>(516,615)</b>	<b>(2,927,862)</b>	<b>(2,709,041)</b>
Net fee and commission expenses	(68,094)	(68,404)	(170,320)	(227,293)
Change in expense liabilities	(2,947)	12,484	(17,057)	(18,135)
Taxation of life and takaful fund	(32,430)	(30,880)	(72,510)	(44,685)
<b>Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund</b>	<b>(103,471)</b>	<b>(86,800)</b>	<b>(259,887)</b>	<b>(290,113)</b>
Total net income from insurance and takaful business	<b>(168,156)</b>	<b>209,268</b>	<b>(268,581)</b>	<b>76,077</b>

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**A20. Non-Interest Income**

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
(a) Fee income:				
Commission	264,084	246,710	780,191	700,209
Service charges and fees	357,605	254,701	953,783	941,737
Underwriting fees	30,169	20,806	91,546	68,344
Brokerage income	183,618	169,622	485,412	612,948
Fees on loans, advances and financing	122,264	118,138	333,624	251,988
	<b>957,740</b>	<b>809,977</b>	<b>2,644,556</b>	<b>2,575,226</b>
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	40,265	38,627	128,509	220,057
Net gain on disposal of financial investments available-for-sale	161,134	185,365	512,407	822,398
Net gain/(loss) on redemption of financial investments held-to-maturity	-	-	25	(1)
Net loss on liquidation of subsidiaries	-	-	(94)	-
	<b>201,399</b>	<b>223,992</b>	<b>640,847</b>	<b>1,042,454</b>
(c) Gross dividend income from financial investments portfolio	<b>24,835</b>	24,019	<b>76,079</b>	81,096
(d) Unrealised gain/(loss) on revaluation of: Financial assets at FVTPL				
- Designated upon initial recognition	137,365	(273,846)	31,774	(341,751)
- Held-for-trading	4,392	17,405	45,533	(1,251)
Derivatives	(159,977)	(249,541)	102,925	(463,051)
	<b>(18,220)</b>	<b>(505,982)</b>	<b>180,232</b>	<b>(806,053)</b>
(e) Other income:				
Foreign exchange gain, net	173,850	891,437	285,197	1,491,961
Rental income	9,573	12,598	31,399	27,091
(Loss)/gain on disposal of property, plant and equipment	(3,028)	(866)	1,999	220
Gain on disposal of foreclosed properties	691	6,677	2,877	8,983
Sale of development properties	3,068	901	6,909	2,357
Others	46,196	24,748	123,041	131,350
	<b>230,350</b>	<b>935,495</b>	<b>451,422</b>	<b>1,661,962</b>
Total non-interest income	<b>1,396,104</b>	<b>1,487,501</b>	<b>3,993,136</b>	<b>4,554,685</b>



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

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Bank	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	233,400	215,792	687,825	610,808
Service charges and fees	242,687	251,783	707,783	724,602
Underwriting fees	13,841	16,151	35,771	42,910
Brokerage income	34	10	37	93
Fees on loans, advances and financing	87,516	29,993	208,291	97,599
	<b>577,478</b>	<b>513,729</b>	<b>1,639,707</b>	<b>1,476,012</b>
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	28,562	25,691	69,196	124,727
Net gain on disposal of financial investments available-for-sale	67,911	49,273	106,425	290,910
Net gain/(loss) on redemption of financial investments held-to-maturity	-	-	25	(1)
Net (loss)/gain on disposal/liquidation of subsidiaries	(10)	-	(10)	700
Gain on liquidation of an associate	1,864	24,667	3,531	24,667
	<b>98,327</b>	<b>99,631</b>	<b>179,167</b>	<b>441,003</b>
(c) Gross dividend income from:				
Financial investments portfolio	380	929	5,123	7,409
Subsidiaries	406,338	214,702	1,600,012	454,334
Associates	-	1,349	3,572	9,641
	<b>406,718</b>	<b>216,980</b>	<b>1,608,707</b>	<b>471,384</b>
(d) Unrealised (loss)/gain on revaluation of:				
Financial assets at FVTPL				
- Held-for-trading	(9,665)	2,224	1,573	(22,895)
Derivatives	(152,985)	(251,633)	85,021	(461,679)
	<b>(162,650)</b>	<b>(249,409)</b>	<b>86,594</b>	<b>(484,574)</b>
(e) Other income:				
Foreign exchange gain, net	180,042	822,218	285,103	1,380,487
Rental income	6,967	6,242	20,402	17,142
(Loss)/gain on disposal of property, plant and equipment	(3,575)	(804)	1,282	(1,025)
Others	7,626	396	37,275	33,252
	<b>191,060</b>	<b>828,052</b>	<b>344,062</b>	<b>1,429,856</b>
Total non-interest income	<b>1,110,933</b>	<b>1,408,983</b>	<b>3,858,237</b>	<b>3,333,681</b>

**A21. Overhead Expenses**

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Group	RM'000	RM'000	RM'000	RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	999,324	926,256	2,811,120	2,792,415
Pension costs - defined contribution plan	115,603	100,910	300,922	319,234
ESS expenses	18,980	29,881	56,910	79,600
Other staff related expenses	153,545	173,627	498,584	543,989
	<b>1,287,452</b>	<b>1,230,674</b>	<b>3,667,536</b>	<b>3,735,238</b>

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

Group (cont'd.)	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
(b) Establishment costs				
Depreciation of property, plant and equipment	83,799	68,116	240,766	198,446
Amortisation of intangible assets	58,281	46,256	166,409	141,788
Rental of leasehold land and premises	67,637	66,263	198,448	185,639
Repairs and maintenance of property, plant and equipment	36,189	41,475	102,462	113,333
Information technology expenses	116,142	188,677	376,426	485,588
Others	13,138	8,399	52,175	20,031
	<b>375,186</b>	<b>419,186</b>	<b>1,136,686</b>	<b>1,144,825</b>
(c) Marketing expenses				
Advertisement and publicity	24,668	74,203	237,125	343,138
Others	59,372	63,206	174,853	155,695
	<b>84,040</b>	<b>137,409</b>	<b>411,978</b>	<b>498,833</b>
(d) Administration and general expenses				
Fees and brokerage	199,858	157,853	518,759	456,827
Administrative expenses	167,143	168,645	442,646	458,829
General expenses	132,347	100,420	321,699	280,548
Cost of development property	2,047	554	4,593	1,505
Others	35,510	9,087	34,490	17,073
	<b>536,905</b>	<b>436,559</b>	<b>1,322,187</b>	<b>1,214,782</b>
Total overhead expenses	<b>2,283,583</b>	<b>2,223,828</b>	<b>6,538,387</b>	<b>6,593,678</b>
<b>Cost to income ratio ("CIR")<sup>1</sup></b>	<b>50.1%</b>	<b>45.8%</b>	<b>48.3%</b>	<b>47.2%</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	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	612,264	541,252	1,698,576	1,704,193
Pension costs - defined contribution plan	88,310	76,432	219,957	246,480
ESS expenses	12,615	24,126	39,860	62,996
Other staff related expenses	87,843	82,394	280,193	249,960
	<b>801,032</b>	<b>724,204</b>	<b>2,238,586</b>	<b>2,263,629</b>
(b) Establishment costs				
Depreciation of property, plant and equipment	45,821	34,703	129,698	101,908
Amortisation of intangible assets	25,365	22,467	76,550	67,397
Rental of leasehold land and premises	29,901	27,810	89,144	78,466
Repairs and maintenance of property, plant and equipment	19,969	19,511	54,788	52,249
Information technology expenses	173,683	209,990	509,149	443,165
Others	2,255	1,495	6,412	4,200
	<b>296,994</b>	<b>315,976</b>	<b>865,741</b>	<b>747,385</b>

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

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
<b>Bank (cont'd.)</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(c) Marketing expenses				
Advertisement and publicity	41,789	47,020	138,812	153,636
Others	47,486	54,304	146,221	131,614
	<b>89,275</b>	<b>101,324</b>	<b>285,033</b>	<b>285,250</b>
(d) Administration and general expenses				
Fees and brokerage	131,331	105,413	342,241	327,106
Administrative expenses	70,133	57,925	154,869	180,243
General expenses	45,859	30,944	69,698	115,129
Others	35,331	4,098	36,597	11,153
	<b>282,654</b>	<b>198,380</b>	<b>603,405</b>	<b>633,631</b>
(e) Overhead expenses allocated to subsidiaries	(208,410)	(202,698)	(699,336)	(587,803)
Total overhead expenses	<b>1,261,545</b>	<b>1,137,186</b>	<b>3,293,429</b>	<b>3,342,092</b>
<b>Cost to income ratio ("CIR")<sup>2</sup></b>	<b>42.6%</b>	<b>36.8%</b>	<b>35.6%</b>	<b>40.6%</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**

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowances for loans, advances and financing:				
- collective allowance made, net	136,938	321,264	617,794	789,164
- individual allowance made	301,187	137,945	649,106	665,292
- individual allowance written back	(54,673)	(28,266)	(199,448)	(128,460)
Bad debts and financing written off	25,452	27,977	89,980	81,919
Bad debts and financing recovered	(321,624)	(196,572)	(711,078)	(612,758)
Allowance for other debts	(16,743)	8,170	(11,362)	(11,036)
	<b>70,537</b>	<b>270,518</b>	<b>434,992</b>	<b>784,121</b>
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowances for loans, advances and financing:				
- collective allowance made, net	33,095	218,039	346,745	553,092
- individual allowance made	122,075	110,932	335,932	538,685
- individual allowance written back	(46,936)	(44,109)	(166,523)	(103,732)
Bad debts and financing written off	16,003	24,623	62,530	71,610
Bad debts and financing recovered	(289,127)	(139,876)	(614,589)	(460,767)
Allowance for other debts	(1,545)	950	299	2,285
	<b>(166,435)</b>	<b>170,559</b>	<b>(35,606)</b>	<b>601,173</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**

Nine Months Ended 30 September 2014	<----- Business Segments ----->							Total RM'000
	<----- GB ----->							
	Community Financial Services RM'000	Corporate Banking RM'000	Global Markets RM'000	Investment Banking RM'000	International Banking RM'000	Insurance, Takaful and Asset Management RM'000	Head Office and Others RM'000	
Net interest income and income from IBS								
- External	4,443,632	1,233,533	574,900	138,919	3,088,548	651,073	(437,574)	9,693,031
- Inter-segment	-	-	-	(2,248)	(18,315)	55,070	-	34,507
	<b>4,443,632</b>	<b>1,233,533</b>	<b>574,900</b>	<b>136,671</b>	<b>3,070,233</b>	<b>706,143</b>	<b>(437,574)</b>	<b>9,727,538</b>
Net interest income and income from IBS	4,443,632	1,233,533	574,900	136,671	3,070,233	706,143	(437,574)	9,727,538
Net income from insurance and takaful business	-	-	-	-	-	(268,581)	-	(268,581)
Non-interest income	1,121,583	518,336	667,215	820,256	1,138,670	671,339	(944,263)	3,993,136
Net income	5,565,215	1,751,869	1,242,115	956,927	4,208,903	1,108,901	(1,381,837)	13,452,093
Overhead expenses	(2,647,528)	(362,375)	(149,404)	(758,792)	(2,107,510)	(512,778)	-	(6,538,387)
Operating profit before impairment losses	2,917,687	1,389,494	1,092,711	198,135	2,101,393	596,123	(1,381,837)	6,913,706
Writeback of/(allowances for) impairment losses on loans, advances and financing, net	274,499	(223,134)	-	11,723	(513,327)	15,247	-	(434,992)
Writeback of/(allowances for) impairment losses on financial investments, net	-	-	43,210	4,443	65,235	(29,266)	-	83,622
Operating profit	3,192,186	1,166,360	1,135,921	214,301	1,653,301	582,104	(1,381,837)	6,562,336
Share of profits in associates and joint ventures	-	-	-	236	117,765	260	-	118,261
<b>Profit before taxation and zakat</b>	<b>3,192,186</b>	<b>1,166,360</b>	<b>1,135,921</b>	<b>214,537</b>	<b>1,771,066</b>	<b>582,364</b>	<b>(1,381,837)</b>	<b>6,680,597</b>
Taxation and zakat								(1,779,906)
<b>Profit after taxation and zakat</b>								<b>4,900,691</b>
Non-controlling interests								(115,469)
<b>Profit for the period</b>								<b>4,785,222</b>
<b>Included in overhead expenses are:</b>								
Depreciation of property, plant and equipment	(84,013)	(14,360)	(7,835)	(33,874)	(88,001)	(12,683)	-	(240,766)
Amortisation of intangible assets	(56,463)	(10,270)	(5,733)	(30,109)	(49,565)	(14,269)	-	(166,409)

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

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

Nine Months Ended 30 September 2013	<----- Business Segments ----->							Total RM'000
	<----- GB ----->							
	Community Financial Services RM'000	Corporate Banking RM'000	Global Markets RM'000	Investment Banking RM'000	International Banking RM'000	Insurance, Takaful and Asset Management RM'000	Head Office and Others RM'000	
Net interest income and income from IBS								
- External	4,292,582	1,223,904	611,336	152,454	2,779,681	647,442	(485,259)	9,222,140
- Inter-segment	-	-	-	(40)	(20,528)	31,768	(11,200)	-
	<b>4,292,582</b>	<b>1,223,904</b>	<b>611,336</b>	<b>152,414</b>	<b>2,759,153</b>	<b>679,210</b>	<b>(496,459)</b>	<b>9,222,140</b>
Net interest income and income from IBS	4,292,582	1,223,904	611,336	152,414	2,759,153	679,210	(496,459)	9,222,140
Net income from insurance and takaful business	-	-	-	-	-	76,077	-	76,077
Non-interest income	1,108,693	450,671	642,127	892,711	1,215,579	367,570	(122,666)	4,554,685
Net income	5,401,275	1,674,575	1,253,463	1,045,125	3,974,732	1,122,857	(619,125)	13,852,902
Overhead expenses	(2,716,401)	(291,734)	(173,368)	(776,672)	(2,109,764)	(525,739)	-	(6,593,678)
Operating profit before impairment losses	2,684,874	1,382,841	1,080,095	268,453	1,864,968	597,118	(619,125)	7,259,224
(Allowances for)/writeback of impairment losses on loans, advances and financing, net	(474,910)	(192,016)	-	1,172	(128,050)	9,683	-	(784,121)
Writeback of/(allowances for) impairment losses on financial investments, net	-	-	29,449	(14,502)	(29,916)	(13,742)	-	(28,711)
Operating profit	2,209,964	1,190,825	1,109,544	255,123	1,707,002	593,059	(619,125)	6,446,392
Share of profits in associates and joint ventures	-	-	-	795	120,335	473	-	121,603
<b>Profit before taxation and zakat</b>	<b>2,209,964</b>	<b>1,190,825</b>	<b>1,109,544</b>	<b>255,918</b>	<b>1,827,337</b>	<b>593,532</b>	<b>(619,125)</b>	<b>6,567,995</b>
Taxation and zakat								(1,592,973)
<b>Profit after taxation and zakat</b>								<b>4,975,022</b>
Non-controlling interests								(154,731)
<b>Profit for the period</b>								<b>4,820,291</b>
<b>Included in overhead expenses are:</b>								
Depreciation of property, plant and equipment	(71,362)	(5,917)	(4,015)	(32,722)	(73,605)	(10,825)	-	(198,446)
Amortisation of intangible assets	(42,444)	(8,495)	(5,281)	(30,243)	(42,092)	(13,233)	-	(141,788)

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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(iii) and B6.

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

There were no changes to the composition of the Group during the 9 months financial period ended 30 September 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 30 September 2014			As at 31 December 2013		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b>Contingent liabilities</b>						
Direct credit substitutes	11,633,897	8,394,807	5,215,426	12,294,758	11,889,416	7,616,259
Certain transaction-related contingent items	15,529,897	7,499,154	5,048,054	14,849,519	7,341,034	4,687,252
Short-term self-liquidating trade-related contingencies	5,512,211	1,007,046	764,447	4,133,782	939,225	653,222
Obligations under underwriting agreements	332,895	15,000	3,000	30,000	15,000	3,000
	<b>33,008,900</b>	<b>16,916,007</b>	<b>11,030,927</b>	<b>31,308,059</b>	<b>20,184,675</b>	<b>12,959,733</b>
<b>Commitments</b>						
Irrevocable commitments to extend credit:						
- Maturity within one year	97,544,991	8,764,442	5,497,115	102,118,957	15,282,805	10,240,767
- Maturity exceeding one year	32,179,370	22,489,298	11,832,896	26,685,600	22,230,898	9,877,562
	<b>129,724,361</b>	<b>31,253,740</b>	<b>17,330,011</b>	<b>128,804,557</b>	<b>37,513,703</b>	<b>20,118,329</b>
Miscellaneous commitments and contingencies	11,401,625	535,953	290,758	10,429,751	438,052	211,879
Total credit-related commitments and contingencies	<b>174,134,886</b>	<b>48,705,700</b>	<b>28,651,696</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	184,644,613	2,869,482	867,266	131,531,710	3,256,512	867,241
- One year to less than five years	21,617,077	3,176,558	1,280,461	16,198,153	3,033,341	1,072,652
- Five years and above	3,054,782	5,261	4,598	1,959,984	15,189	11,113
	<b>209,316,472</b>	<b>6,051,301</b>	<b>2,152,325</b>	<b>149,689,847</b>	<b>6,305,042</b>	<b>1,951,006</b>
Interest rate related contracts:						
- Less than one year	51,190,369	464,306	236,447	22,432,115	735,818	277,530
- One year to less than five years	87,854,012	1,339,488	420,373	70,825,618	2,162,852	748,432
- Five years and above	22,887,613	2,017,167	738,012	18,581,046	2,191,070	871,753
	<b>161,931,994</b>	<b>3,820,961</b>	<b>1,394,832</b>	<b>111,838,779</b>	<b>5,089,740</b>	<b>1,897,715</b>
Equity and commodity related contracts:						
- Less than one year	1,241,613	102,336	60,979	801,936	-	-
- One year to less than five years	1,421,088	-	-	922,441	14,011	7,219
- Five years and above	33,663	-	-	33,663	-	-
	<b>2,696,364</b>	<b>102,336</b>	<b>60,979</b>	<b>1,758,040</b>	<b>14,011</b>	<b>7,219</b>
Total treasury-related commitments and contingencies	<b>373,944,830</b>	<b>9,974,598</b>	<b>3,608,136</b>	<b>263,286,666</b>	<b>11,408,793</b>	<b>3,855,940</b>
Total commitments and contingencies	<b>548,079,716</b>	<b>58,680,298</b>	<b>32,259,832</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 30 September 2014			As at 31 December 2013		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<b><u>Contingent liabilities</u></b>						
Direct credit substitutes	9,871,002	7,682,030	4,485,913	10,344,133	9,957,772	5,799,117
Certain transaction-related contingent items	13,715,593	6,358,234	3,905,542	12,775,293	6,322,016	3,754,051
Short-term self-liquidating trade-related contingencies	5,110,191	863,961	612,188	3,739,333	777,478	494,551
	<b>28,696,786</b>	<b>14,904,225</b>	<b>9,003,643</b>	<b>26,858,759</b>	<b>17,057,266</b>	<b>10,047,719</b>
<b><u>Commitments</u></b>						
Irrevocable commitments to extend credit:						
- Maturity within one year	83,445,702	6,361,634	3,821,107	84,328,505	12,991,311	8,569,659
- Maturity exceeding one year	24,816,967	18,607,911	10,167,417	19,612,994	18,532,016	8,112,467
	<b>108,262,669</b>	<b>24,969,545</b>	<b>13,988,524</b>	<b>103,941,499</b>	<b>31,523,327</b>	<b>16,682,126</b>
Miscellaneous commitments and contingencies	10,721,158	330,073	139,237	10,261,298	246,154	89,410
Total credit-related commitments and contingencies	<b>147,680,613</b>	<b>40,203,843</b>	<b>23,131,404</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	180,937,880	2,644,422	746,999	128,323,975	3,154,265	792,147
- One year to less than five years	22,459,824	2,909,738	1,223,144	15,139,124	2,874,342	968,379
- Five years and above	3,100,569	5,261	4,598	3,201,700	15,189	11,113
	<b>206,498,273</b>	<b>5,559,421</b>	<b>1,974,741</b>	<b>146,664,799</b>	<b>6,043,796</b>	<b>1,771,639</b>
Interest rate related contracts:						
- Less than one year	51,290,369	420,308	184,439	23,397,950	620,364	261,083
- One year to less than five years	86,249,211	1,244,884	383,641	69,313,334	2,034,705	660,798
- Five years and above	22,812,613	2,017,167	738,012	18,506,046	2,191,070	871,753
	<b>160,352,193</b>	<b>3,682,359</b>	<b>1,306,092</b>	<b>111,217,330</b>	<b>4,846,139</b>	<b>1,793,634</b>
Equity and commodity related contracts:						
- Less than one year	1,020,573	102,336	60,979	705,972	-	-
- One year to less than five years	638,645	-	-	136,575	14,011	7,219
	<b>1,659,218</b>	<b>102,336</b>	<b>60,979</b>	<b>842,547</b>	<b>14,011</b>	<b>7,219</b>
Total treasury-related commitments and contingencies	<b>368,509,684</b>	<b>9,344,116</b>	<b>3,341,812</b>	<b>258,724,676</b>	<b>10,903,946</b>	<b>3,572,492</b>
Total commitments and contingencies	<b>516,190,297</b>	<b>49,547,959</b>	<b>26,473,216</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 30 September 2014, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM3,407.9 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 30 September 2014, the Group and the Bank have posted cash collateral of RM933.9 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 subject to transitional arrangements as set out in paragraph 36 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 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 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 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 interim dividend, upon declaration will be deducted in the calculation of CET1 Capital.

During the financial half year ended 30 June 2014, the Bank has declared a single-tier interim dividend of 24 sen, which consists of a cash portion of 4 sen and an electable portion of 20 sen per ordinary share of RM1.00 each. The electable portion can be elected to be reinvested in new ordinary shares in accordance with the DRP.

Pursuant to Note A9(b), in arriving the capital adequacy ratios for the 9 months financial period ended 30 September 2014, the cash portion and a portion of the electable portion of declared dividend which assumed to be paid in cash have been deducted from the calculation of CET1 Capital.

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2014</b>	<b>31 December 2013</b>	<b>30 September 2014</b>	<b>31 December 2013</b>
CET1 Capital Ratio	<b>11.265%</b>	11.253%	<b>16.208%</b>	15.925%
Tier 1 Capital Ratio	<b>13.137%</b>	13.059%	<b>16.243%</b>	15.925%
Total Capital Ratio	<b>16.017%</b>	15.664%	<b>16.243%</b>	15.925%

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

(d) Components of capital:	Group		Bank	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
<b>CET1 Capital</b>				
Paid-up share capital	9,150,719	8,862,079	9,150,719	8,862,079
Share premium	21,351,162	19,030,227	21,351,162	19,030,227
Retained profits	7,249,907	8,908,590	2,679,375	4,257,076
Other reserves	7,479,759	6,382,362	10,432,670	9,268,717
Qualifying non-controlling interests	124,167	112,628	-	-
Less: Shares held-in-trust	(110,925)	(107,248)	(110,925)	(107,248)
CET1 capital before regulatory adjustments	45,244,789	43,188,638	43,503,001	41,310,851
Less: Regulatory adjustments applied on CET1 Capital:				
Capital:	(7,473,044)	(8,449,692)	(4,798,965)	(5,364,790)
Deferred tax assets	(564,651)	(1,623,489)	(296,429)	(1,053,598)
Goodwill	(4,888,117)	(4,924,662)	(81,015)	(81,015)
Other intangibles	(997,466)	(1,088,882)	(366,016)	(446,805)
Profit equalisation reserve	(34,456)	(34,456)	-	-
Shortfall of total eligible provision over total expected loss	(400,744)	(778,203)	-	(39,421)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities <sup>2</sup>	(587,610)	-	(4,055,505)	-
Regulatory adjustments due to insufficient Additional Tier 1 and Tier 2 Capital	-	-	-	(3,743,951)
<b>Total CET1 Capital</b>	<b>37,771,745</b>	34,738,946	<b>38,704,036</b>	35,946,061
<b>Additional Tier 1 Capital</b>				
Capital securities	6,200,515	5,490,972	6,200,515	5,490,972
Qualifying CET1 and Additional Tier 1 capital instruments held by third parties	74,650	82,848	-	-
Less: Regulatory adjustment due to insufficient Tier 2 Capital	-	-	(6,116,556)	(5,490,972)
<b>Total Tier 1 Capital</b>	<b>44,046,910</b>	40,312,766	<b>38,787,995</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	538,602	12,099	-	-
Collective allowance <sup>1</sup>	631,356	535,331	260,883	247,746
Surplus of total eligible provision over total expected loss	-	-	187,245	-
Less: Regulatory adjustment not deducted from CET1 Capital or Additional Tier 1 Capital provided under the transitional arrangements <sup>2</sup>	(2,350,441)	(2,824,682)	(11,287,008)	(10,567,364)
<b>Total Tier 2 Capital</b>	<b>9,658,397</b>	8,042,366	<b>-</b>	<b>-</b>
<b>Total Capital</b>	<b>53,705,307</b>	48,355,132	<b>38,787,995</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 deduction for 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 carrying amount of associates and deduction for cost of investment in insurance/takaful entities.

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 Berhad	Maybank Investment Bank Berhad	PT Bank Internasional Indonesia Tbk
<b><u>At 30 September 2014</u></b>			
CET1 Capital Ratio	11.076%	31.686%	-
Tier 1 Capital Ratio	11.076%	31.686%	-
Total Capital Ratio	<u>15.271%</u>	<u>31.686%</u>	<u>14.074%</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>

# With effect from 30 June 2014, the credit RWA for margin and non-margin exposures were computed to include credit risk mitigation and unsettled trades respectively. Comparatives were restated without the impact of credit risk mitigation and unsettled trades.

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

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

**At 30 September 2014**

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Internasional Indonesia Tbk RM'000
Standardised Approach exposure	49,726,941	23,775,438	4,493,206	321,298	27,489,513
Internal Ratings-Based Approach exposure after scaling factor	<u>241,167,371</u>	<u>186,620,250</u>	<u>47,955,192</u>	-	-
Total RWA for credit risk	290,894,312	210,395,688	52,448,398	321,298	27,489,513
Total RWA for credit risk absorbed by Malayan Banking Berhad*	-	-	(1,390,057)	-	-
Total RWA for market risk	12,359,396	8,534,028	569,254	252,451	282,795
Total RWA for operational risk	32,040,174	19,868,794	3,969,375	1,002,079	3,612,692
Total RWA	<u>335,293,882</u>	<u>238,798,510</u>	<u>55,596,970</u>	<u>1,575,828</u>	<u>31,385,000</u>

**At 31 December 2013**

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Internasional Indonesia Tbk RM'000
Standardised Approach exposure	43,834,264	22,077,993	3,902,334	765,298 #	27,053,526
Internal Ratings-Based Approach exposure after scaling factor	<u>226,139,730</u>	<u>178,911,435</u>	<u>42,043,918</u>	-	-
Total RWA for credit risk	269,973,994	200,989,428	45,946,252	765,298	27,053,526
Total RWA for credit risk 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	30,801,508	19,400,252	3,619,234	876,244	3,227,265
Total RWA	<u>308,703,651</u>	<u>225,727,875</u>	<u>49,084,768</u>	<u>1,838,501</u>	<u>30,513,680</u>

\* 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.

# With effect from 30 June 2014, the credit RWA for margin and non-margin exposures were computed to include credit risk mitigation and unsettled trades respectively. Comparatives were restated without the impact of credit risk mitigation and unsettled trades.



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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 <---- Fair Value ---->			Bank <---- Fair Value ---->		
	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
<b>At 30 September 2014</b>						
<b>Trading derivatives</b>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	45,061,688	615,105	(456,490)	40,467,115	576,375	(415,178)
- One year to three years	481,557	10,177	(4,950)	457,000	10,177	(4,686)
- More than three years	172,470	1,136	(6,726)	172,470	1,136	(6,726)
	<u>45,715,715</u>	<u>626,418</u>	<u>(468,166)</u>	<u>41,096,585</u>	<u>587,688</u>	<u>(426,590)</u>
Currency swaps:						
- Less than one year	112,625,129	794,709	(1,071,100)	112,626,770	776,616	(1,080,211)
- One year to three years	613,621	5,301	(1,031)	613,621	5,301	(1,031)
- More than three years	149,552	7,220	-	149,552	7,220	-
	<u>113,388,302</u>	<u>807,230</u>	<u>(1,072,131)</u>	<u>113,389,943</u>	<u>789,137</u>	<u>(1,081,242)</u>
Currency spots:						
- Less than one year	15,007,055	6,768	(12,270)	15,093,309	6,769	(12,313)
Currency options:						
- Less than one year	5,273,582	46,134	(17,891)	5,273,582	46,134	(17,891)
- One year to three years	22,632	706	(255)	22,632	706	(255)
	<u>5,296,214</u>	<u>46,840</u>	<u>(18,146)</u>	<u>5,296,214</u>	<u>46,840</u>	<u>(18,146)</u>
Cross currency interest rate swaps:						
- Less than one year	5,620,689	104,194	(191,051)	6,561,604	128,398	(181,831)
- One year to three years	8,491,076	974,522	(180,250)	8,207,116	948,038	(152,782)
- More than three years	10,917,226	135,977	(204,178)	12,114,277	181,263	(204,178)
	<u>25,028,991</u>	<u>1,214,693</u>	<u>(575,479)</u>	<u>26,882,997</u>	<u>1,257,699</u>	<u>(538,791)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	27,743,429	23,389	(50,821)	27,743,429	24,764	(50,821)
- One year to three years	39,875,129	153,290	(170,580)	39,956,313	145,136	(174,604)
- More than three years	59,906,320	384,931	(563,497)	60,184,313	397,555	(584,928)
	<u>127,524,878</u>	<u>561,610</u>	<u>(784,898)</u>	<u>127,884,055</u>	<u>567,455</u>	<u>(810,353)</u>
Interest rate futures:						
- Less than one year	22,546,474	1,566	(51)	22,646,474	1,566	(51)
- One year to three years	4,415,175	-	-	4,415,175	-	-
	<u>26,961,649</u>	<u>1,566</u>	<u>(51)</u>	<u>27,061,649</u>	<u>1,566</u>	<u>(51)</u>
Interest rate options:						
- Less than one year	785,998	1,009	(427)	785,998	1,009	(427)
- One year to three years	2,338,649	5,666	(52,119)	2,138,649	5,666	(31,425)
- More than three years	1,712,130	11,276	(185,894)	1,252,134	11,276	(118,442)
	<u>4,836,777</u>	<u>17,951</u>	<u>(238,440)</u>	<u>4,176,781</u>	<u>17,951</u>	<u>(150,294)</u>

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

	Group <---- Fair Value ---->			Bank <---- Fair Value ---->		
	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
<b>At 30 September 2014 (cont'd.)</b>						
<b>Trading derivatives (cont'd.)</b>						
<u>Equity related derivatives</u>						
Index futures:						
- Less than one year	15,594	-	(68)	-	-	-
- More than three years	33,662	4,252	-	-	-	-
	<u>49,256</u>	<u>4,252</u>	<u>(68)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	239,256	1,092	(44,020)	33,810	1,092	(1,092)
- One year to three years	695,568	20,050	(9,650)	143,623	9,581	(9,581)
- More than three years	9,570	921	-	-	-	-
	<u>944,394</u>	<u>22,063</u>	<u>(53,670)</u>	<u>177,433</u>	<u>10,673</u>	<u>(10,673)</u>
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	240,652	3,451	(3,451)	240,652	3,451	(3,451)
- One year to three years	220,929	-	-	-	-	-
	<u>461,581</u>	<u>3,451</u>	<u>(3,451)</u>	<u>240,652</u>	<u>3,451</u>	<u>(3,451)</u>
Commodity swaps:						
- Less than one year	746,111	15,332	(16,261)	746,111	15,332	(16,261)
- One year to three years	495,022	10,047	(9,906)	495,022	10,047	(9,906)
	<u>1,241,133</u>	<u>25,379</u>	<u>(26,167)</u>	<u>1,241,133</u>	<u>25,379</u>	<u>(26,167)</u>
<b>Hedging derivatives</b>						
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	114,468	1,842	(10,760)	114,468	1,842	(10,760)
- One year to three years	2,069,057	9,321	(18,924)	935,363	943	(12,455)
- More than three years	425,165	6,626	(2,832)	179,877	3,959	(2,812)
	<u>2,608,690</u>	<u>17,789</u>	<u>(32,516)</u>	<u>1,229,708</u>	<u>6,744</u>	<u>(26,027)</u>
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	1,056,470	47,302	(18,865)	915,500	18,158	(18,865)
- One year to three years	2,502,383	2,172	(196,422)	2,502,383	2,172	(196,422)
- More than three years	1,321,342	2,464	(68,323)	1,321,342	2,464	(68,323)
	<u>4,880,195</u>	<u>51,938</u>	<u>(283,610)</u>	<u>4,739,225</u>	<u>22,794</u>	<u>(283,610)</u>
Total derivative assets / (liabilities)	<u>373,944,830</u>	<u>3,407,948</u>	<u>(3,569,063)</u>	<u>368,509,684</u>	<u>3,344,146</u>	<u>(3,387,708)</u>

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

	Group <---- Fair Value ---->			Bank <---- Fair Value ---->		
	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
<b>At 31 December 2013</b>						
<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 <---- Fair Value ---->			Bank <---- Fair Value ---->		
	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
<b>At 31 December 2013 (cont'd.)</b>						
<b><u>Trading derivatives (cont'd.)</u></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><u>Hedging derivatives</u></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 30 September 2014 and 31 December 2013.

Group	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
<b>At 30 September 2014</b>				
Financial assets measured at fair value:				
<b>Financial assets held-for-trading</b>	<b>1,142,601</b>	<b>10,299,815</b>	<b>382,068</b>	<b>11,824,484</b>
Money market instruments	-	6,571,569	-	6,571,569
Non-money market instruments	1,142,601	3,728,246	382,068	5,252,915
<b>Financial assets designated at fair value through profit or loss</b>	-	11,173,442	-	11,173,442
Money market instruments	-	1,017,037	-	1,017,037
Non-money market instruments	-	10,156,405	-	10,156,405
<b>Financial investments available-for-sale</b>	<b>3,290,837</b>	<b>82,619,958</b>	<b>440,655</b>	<b>86,351,450</b>
Money market instruments	-	44,628,990	-	44,628,990
Non-money market instruments	3,290,837	37,990,968	440,655	41,722,460
<b>Derivative assets</b>	-	3,377,654	30,294	3,407,948
Foreign exchange related contracts	-	2,753,878	9	2,753,887
Interest rate related contracts	-	597,475	1,441	598,916
Equity and commodity related contracts	-	26,301	28,844	55,145
	<b>4,433,438</b>	<b>107,470,869</b>	<b>853,017</b>	<b>112,757,324</b>
Financial liabilities measured at fair value:				
<b>Derivative liabilities</b>	<b>26,345</b>	<b>3,296,295</b>	<b>246,423</b>	<b>3,569,063</b>
Foreign exchange related contracts	-	2,429,793	9	2,429,802
Interest rate related contracts	-	823,614	232,291	1,055,905
Equity and commodity related contracts	26,345	42,888	14,123	83,356

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

Group	Quoted Market Price (Level 1) RM'000	Valuation technique using		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) 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 At 30 September 2014	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
<b>Financial assets held-for-trading</b>	-	8,877,113	-	8,877,113
Money market instruments	-	5,226,082	-	5,226,082
Non-money market instruments	-	3,651,031	-	3,651,031
<b>Financial investments available-for-sale</b>	76,814	75,849,270	239,755	76,165,839
Money market instruments	-	45,098,314	-	45,098,314
Non-money market instruments	76,814	30,750,956	239,755	31,067,525
<b>Derivative assets</b>	-	3,330,014	14,132	3,344,146
Foreign exchange related contracts	-	2,710,918	9	2,710,927
Interest rate related contracts	-	593,716	-	593,716
Equity and commodity related contracts	-	25,380	14,123	39,503
	<b>76,814</b>	<b>88,056,397</b>	<b>253,887</b>	<b>88,387,098</b>

Financial liabilities measured at fair value:

<b>Derivative liabilities</b>	-	3,229,431	158,277	3,387,708
Foreign exchange related contracts	-	2,360,683	9	2,360,692
Interest rate related contracts	-	842,580	144,145	986,725
Equity and commodity related contracts	-	26,168	14,123	40,291

Bank At 31 December 2013	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
<b>Financial assets 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 2014 RM'000</b>	<b>Total realised gains/(losses) recognised in income statements* RM'000</b>	<b>Total unrealised gains/(losses) recognised in income statements* RM'000</b>	<b>Total unrealised gains/(losses) recognised in other comprehensive income RM'000</b>	<b>Purchases RM'000</b>	<b>Sales RM'000</b>	<b>Settlements** RM'000</b>	<b>Exchange differences RM'000</b>	<b>Transfer in to Level 3 RM'000</b>	<b>Transfer out of Level 3 RM'000</b>	<b>At 30 September 2014 RM'000</b>
<b>Financial assets held-for-trading</b>											
Non-money market instruments	576,574	(138)	5,295	-	-	(10,043)	-	-	-	(189,620)	382,068
	576,574	(138)	5,295	-	-	(10,043)	-	-	-	(189,620)	382,068
<b>Financial assets designated at fair value through profit or loss</b>											
Non-money market instruments	156,937	-	-	-	-	-	-	-	-	(156,937)	-
	156,937	-	-	-	-	-	-	-	-	(156,937)	-
<b>Financial investments available-for-sale</b>											
Non-money market instruments	666,340	108,063	-	586	121,553	(13,946)	(359,757)	157	2,991	(85,332)	440,655
	666,340	108,063	-	586	121,553	(13,946)	(359,757)	157	2,991	(85,332)	440,655
<b>Derivative assets</b>											
Foreign exchange related contracts	1,754	(2,421)	438	-	1,565	-	(1,327)	-	-	-	9
Interest rate related contracts	-	-	5,242	-	-	-	-	-	-	(3,801)	1,441
Equity and commodity related contracts	30,097	(3,620)	2,169	-	5,210	-	(5,012)	-	-	-	28,844
	31,851	(6,041)	7,849	-	6,775	-	(6,339)	-	-	(3,801)	30,294
<b>Total Level 3 financial assets</b>	<b>1,431,702</b>	<b>101,884</b>	<b>13,144</b>	<b>586</b>	<b>128,328</b>	<b>(23,989)</b>	<b>(366,096)</b>	<b>157</b>	<b>2,991</b>	<b>(435,690)</b>	<b>853,017</b>
<b>Derivative liabilities</b>											
Foreign exchange related contracts	(2,033)	2,557	(438)	-	(1,565)	-	1,470	-	-	-	(9)
Interest rate related contracts	(302,074)	8,925	53,533	-	(13,886)	-	21,211	-	-	-	(232,291)
Equity and commodity related contracts	(12,087)	3,600	(5,418)	-	(5,210)	-	4,992	-	-	-	(14,123)
<b>Total Level 3 financial liabilities</b>	<b>(316,194)</b>	<b>15,082</b>	<b>47,677</b>	<b>-</b>	<b>(20,661)</b>	<b>-</b>	<b>27,673</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(246,423)</b>
<b>Total net Level 3 financial assets/ (liabilities)</b>	<b>1,115,508</b>	<b>116,966</b>	<b>60,821</b>	<b>586</b>	<b>107,667</b>	<b>(23,989)</b>	<b>(338,423)</b>	<b>157</b>	<b>2,991</b>	<b>(435,690)</b>	<b>606,594</b>

\* Included within 'Non-interest income'.

\*\* The settlement amount of financial investments available-for-sale for the 9 months financial period ended 30 September 2014 was mainly comprised of redemption of loan stocks of RM342.1million.

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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 2013 RM'000</b>	<b>Total realised gains/(losses) recognised in income statements* RM'000</b>	<b>Total unrealised gains/(losses) recognised in income statements* RM'000</b>	<b>Total unrealised gains/(losses) recognised in other comprehensive income RM'000</b>	<b>Purchases RM'000</b>	<b>Sales RM'000</b>	<b>Settlements^ RM'000</b>	<b>Exchange differences RM'000</b>	<b>Transfer in to Level 3 RM'000</b>	<b>Transfer out of Level 3 RM'000</b>	<b>At 31 December 2013 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/ (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 30 September 2014</b>
<b>At 30 September 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>income</b>	<b>income</b>	<b>income</b>							<b>RM'000</b>
<b>Financial investments available-for-sale</b>											
Non-money market instruments	332,271	34,031	-	-	28,957	-	(155,367)	144	-	(281)	239,755
	332,271	34,031	-	-	28,957	-	(155,367)	144	-	(281)	239,755
<b>Derivative assets</b>											
Foreign exchange related contracts	1,729	(2,466)	438	-	1,565	-	(1,257)	-	-	-	9
Interest rate related contracts	-	-	3,801	-	-	-	-	-	-	(3,801)	-
Equity and commodity related contracts	12,087	(3,600)	5,418	-	5,210	-	(4,992)	-	-	-	14,123
	13,816	(6,066)	9,657	-	6,775	-	(6,249)	-	-	(3,801)	14,132
<b>Total Level 3 financial assets</b>	<b>346,087</b>	<b>27,965</b>	<b>9,657</b>	<b>-</b>	<b>35,732</b>	<b>-</b>	<b>(161,616)</b>	<b>144</b>	<b>-</b>	<b>(4,082)</b>	<b>253,887</b>
<b>Derivative liabilities</b>											
Foreign exchange related contracts	(1,729)	2,466	(438)	-	(1,565)	-	1,257	-	-	-	(9)
Interest rate related contracts	(212,726)	8,925	38,445	-	-	-	21,211	-	-	-	(144,145)
Equity and commodity related contracts	(12,087)	3,600	(5,418)	-	(5,210)	-	4,992	-	-	-	(14,123)
<b>Total Level 3 financial liabilities</b>	<b>(226,542)</b>	<b>14,991</b>	<b>32,589</b>	<b>-</b>	<b>(6,775)</b>	<b>-</b>	<b>27,460</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(158,277)</b>
<b>Total net Level 3 financial assets/ (liabilities)</b>	<b>119,545</b>	<b>42,956</b>	<b>42,246</b>	<b>-</b>	<b>28,957</b>	<b>-</b>	<b>(134,156)</b>	<b>144</b>	<b>-</b>	<b>(4,082)</b>	<b>95,610</b>

\* Included within 'Non-interest income'.

\*\* The settlement amount of financial investments available-for-sale for the 9 months financial period ended 30 September 2014 was mainly comprised of redemption of loan stocks of RM137.7 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 2013</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 9 months financial period ended 30 September 2014.

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

During the 9 months financial period ended 30 September 2014, the Group transferred certain financial investments available-for-sale from Level 2 into Level 3 of the fair value hierarchy. The reason for the transfer is that inputs to the valuation models ceased to be observable. Prior to the transfer, the fair value of the instruments was determined using observable 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 unobservable market inputs.

The Group has transferred certain financial assets held-for-trading, financial assets designated at fair value through profit or loss, financial investments available-for-sale and derivatives out from Level 3 due to the market for some instruments 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 9 Month Financial Period Ended 30 September 2014**

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	326,872	312,529	228,987	233,522	42,141	32,472	125,706	103,601	723,706	682,124
Interest expense	-	-	-	-	-	-	(20,052)	(4,979)	(20,052)	(4,979)
Net interest income	326,872	312,529	228,987	233,522	42,141	32,472	105,654	98,622	703,654	677,145
Net income from insurance and takaful business	(491,658)	(347,187)	(406,540)	(240,703)	(49,538)	(71,056)	606,524	669,121	(341,212)	10,175
	(164,786)	(34,658)	(177,553)	(7,181)	(7,397)	(38,584)	712,178	767,743	362,442	687,320
Non-interest income	277,192	142,728	211,080	12,516	6,992	40,321	119,445	119,308	614,709	314,873
Net income	112,406	108,070	33,527	5,335	(405)	1,737	831,623	887,051	977,151	1,002,193
Overhead expenses	(103,910)	(105,486)	(29,486)	(344)	(844)	(845)	(319,414)	(319,251)	(453,654)	(425,926)
Operating profit before impairment losses	8,496	2,584	4,041	4,991	(1,249)	892	512,209	567,800	523,497	576,267
Allowances for impairment losses on loans, advances and financing, net	2,237	(386)	10,665	2,534	1,377	(284)	790	8,005	15,069	9,869
Impairment losses on financial investments, net	(10,733)	(2,198)	(14,706)	(7,525)	(128)	(608)	(3,699)	(3,412)	(29,266)	(13,743)
Operating profit	-	-	-	-	-	-	509,300	572,393	509,300	572,393
Share of profits in associates	-	-	-	-	-	-	260	473	260	473
<b>Profit before taxation and zakat</b>	-	-	-	-	-	-	509,560	572,866	509,560	572,866
Taxation and zakat	-	-	-	-	-	-	(158,731)	(150,513)	(158,731)	(150,513)
<b>Profit for the period</b>	-	-	-	-	-	-	350,829	422,353	350,829	422,353

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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 30 September 2014**

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2014	2013	2014	2013	2014	2013	2014	2013	2014	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	47,611	55,313	43,729	90,009	62,991	53,033	123,308	140,250	277,639	338,605
Deposits and placements with financial institutions	571,166	902,179	482,228	493,643	191,277	319,559	1,088,967	1,379,348	2,333,638	3,094,729
Financial assets at fair value through profit or loss	9,068,350	8,546,946	4,378,872	4,571,735	-	-	-	-	13,447,222	13,118,681
Financial investments available-for-sale	1,120,034	1,190,548	3,367,081	2,781,462	1,221,593	1,039,781	4,008,214	3,165,842	9,716,922	8,177,633
Loans, advances and financing	278,093	276,629	8,300	7,309	-	-	31,133	33,181	317,526	317,119
Derivative assets	14,756	18,035	-	-	-	-	-	-	14,756	18,035
Reinsurance/retakaful assets and other insurance receivables	70,988	66,498	185,213	155,836	329,162	282,157	4,334,396	1,845,504	4,919,759	2,349,995
Other assets	84,121	33,576	23,635	4,216	1,625	7,671	190,329	89,232	299,710	134,695
Investment properties	535,938	524,392	-	-	-	-	51,058	51,062	586,996	575,454
Interest in associates and joint ventures	-	-	-	-	-	-	9,862	9,110	9,862	9,110
Property, plant and equipment	73,183	61,007	-	-	-	-	72,861	74,364	146,044	135,371
Intangible assets	13,194	15,961	-	67	-	3	19,034	11,482	32,228	27,513
Deferred tax assets	3,983	1,692	5,495	5,544	7,339	10,303	23,828	20,903	40,645	38,442
<b>TOTAL ASSETS</b>	<b>11,881,417</b>	<b>11,692,776</b>	<b>8,494,553</b>	<b>8,109,821</b>	<b>1,813,987</b>	<b>1,712,507</b>	<b>9,952,990</b>	<b>6,820,278</b>	<b>32,142,947</b>	<b>28,335,382</b>
<b>LIABILITIES</b>										
Derivative liabilities	4,353	2,961	-	-	-	-	-	-	4,353	2,961
Insurance/takaful contract liabilities and other insurance payables	9,762,502	9,811,717	8,344,497	7,779,115	1,616,887	1,485,201	5,245,981	2,724,106	24,969,867	21,800,139
Other liabilities #	2,039,077	1,822,276	148,349	326,024	183,517	222,254	(1,518,010)	(1,369,185)	852,933	1,001,369
Provision for taxation and zakat	33,372	12,054	(897)	(1,805)	8,744	(318)	(63,470)	21,934	(22,251)	31,865
Deferred tax liabilities	42,113	43,768	2,604	6,487	4,839	5,370	438,894	359,345	488,450	414,970
Subordinated obligations	-	-	-	-	-	-	809,472	510,184	809,472	510,184
<b>TOTAL LIABILITIES</b>	<b>11,881,417</b>	<b>11,692,776</b>	<b>8,494,553</b>	<b>8,109,821</b>	<b>1,813,987</b>	<b>1,712,507</b>	<b>4,912,867</b>	<b>2,246,384</b>	<b>27,102,824</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	-	-	-	-	-	-	4,788,118	4,321,889	4,788,118	4,321,889
	-	-	-	-	-	-	5,040,123	4,573,894	5,040,123	4,573,894
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>11,881,417</b>	<b>11,692,776</b>	<b>8,494,553</b>	<b>8,109,821</b>	<b>1,813,987</b>	<b>1,712,507</b>	<b>9,952,990</b>	<b>6,820,278</b>	<b>32,142,947</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 Third Quarter Ended 30 September 2014**

<b>Group</b>	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>30 September 2014</b>	<b>30 September 2013</b>	<b>30 September 2014</b>	<b>30 September 2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds	1,414,117	1,152,880	3,980,185	3,278,850
Income derived from investment of Islamic Banking Funds	81,921	65,970	245,657	202,005
Allowance for impairment losses on financing and advances	(36,262)	(40,957)	(93,782)	(59,068)
<b>Total distributable income</b>	<b>1,459,776</b>	<b>1,177,893</b>	<b>4,132,060</b>	<b>3,421,787</b>
Income attributable to the depositors	(774,010)	(620,491)	(2,190,833)	(1,661,634)
<b>Total net income</b>	<b>685,766</b>	<b>557,402</b>	<b>1,941,227</b>	<b>1,760,153</b>
Finance cost	(25,468)	(10,608)	(62,971)	(31,534)
Overhead expenses	(239,120)	(237,792)	(790,494)	(678,080)
<b>Profit before taxation and zakat</b>	<b>421,178</b>	<b>309,002</b>	<b>1,087,762</b>	<b>1,050,539</b>
Taxation	(119,118)	(61,397)	(277,899)	(237,250)
Zakat	(3,346)	(5,378)	(14,100)	(12,657)
<b>Profit for the period</b>	<b>298,714</b>	<b>242,227</b>	<b>795,763</b>	<b>800,632</b>

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

<b>Group</b>	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>30 September 2014</b>	<b>30 September 2013</b>	<b>30 September 2014</b>	<b>30 September 2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds	1,414,117	1,152,880	3,980,185	3,278,850
Income derived from investment of Islamic Banking Funds	81,921	65,970	245,657	202,005
Total income before allowance for impairment losses on financing and advances and overhead expenses	1,496,038	1,218,850	4,225,842	3,480,855
Income attributable to the depositors	(774,010)	(620,491)	(2,190,833)	(1,661,634)
	722,028	598,359	2,035,009	1,819,221
Finance cost	(25,468)	(10,608)	(62,971)	(31,534)
Net of intercompany income and expenses	151,485	147,128	493,658	232,641
Income from Islamic Banking Scheme	848,045	734,879	2,465,696	2,020,328

**A32b. Unaudited Statements of Comprehensive Income for the Third Quarter Ended 30 September 2014**

<b>Group</b>	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>30 September 2014</b>	<b>30 September 2013</b>	<b>30 September 2014</b>	<b>30 September 2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit for the period</b>	<b>298,714</b>	<b>242,227</b>	<b>795,763</b>	<b>800,632</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	37,622	(60,111)	54,980	(131,356)
Foreign currency translation	14,503	(19,521)	6,385	27,159
Income tax effect	(9,405)	14,963	(14,492)	32,314
Other comprehensive income/(loss) for the period, net of tax	42,720	(64,669)	46,873	(71,883)
<b>Total comprehensive income for the period</b>	<b>341,434</b>	<b>177,558</b>	<b>842,636</b>	<b>728,749</b>



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

**A32c. Unaudited Statements of Financial Position as at 30 September 2014**

<u>Group</u>	Note	30 September 2014 RM'000	31 December 2013 RM'000
<b>ASSETS</b>			
Cash and short-term funds		16,582,595	17,763,716
Deposits and placements with financial institutions		13,811	63,380
Financial investments portfolio		8,701,977	9,193,509
Financing and advances	A32e	100,224,726	87,395,117
Derivative assets		141,607	134,141
Other assets		8,060,360	9,101,475
Statutory deposit with central banks		3,587,000	3,084,000
Property, plant and equipment		948	1,203
Intangible assets		850	1,520
Deferred tax assets		38,100	268,231
<b>Total Assets</b>		<b>137,351,974</b>	<b>127,006,292</b>
<b>LIABILITIES</b>			
Deposits from customers	A32f	93,956,542	83,376,255
Deposits and placements from financial institutions		31,927,844	33,431,855
Bills and acceptances payable		36,026	62,124
Derivatives liabilities		223,995	247,952
Other liabilities		408,004	278,481
Recourse obligation on financing sold to Cagamas		-	620,976
Provision for taxation and zakat		58,555	206,479
Subordinated sukuk	A32g	2,534,668	1,010,782
<b>Total Liabilities</b>		<b>129,145,634</b>	<b>119,234,904</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>			
Islamic Banking Funds		1,372,344	1,278,853
Share premium		4,099,343	3,725,969
Retained profits		2,373,709	2,445,492
Other reserves		360,944	321,074
		<b>8,206,340</b>	<b>7,771,388</b>
<b>Total Liabilities and Islamic Banking Capital Funds</b>		<b>137,351,974</b>	<b>127,006,292</b>
<b>COMMITMENTS AND CONTINGENCIES</b>			
		<b>33,177,343</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 Funds for the Third Quarter Ended 30 September 2014**

<u>Group</u>	----- Non-distributable ----->									<u>Total</u> RM'000
	<u>Islamic Banking Funds</u> RM'000	<u>Share Premium</u> RM'000	<u>Unrealised Holding Reserve</u> RM'000	<u>Exchange Fluctuation Reserve</u> RM'000	<u>Statutory Reserve</u> RM'000	<u>*Equity contribution from the holding company</u> RM'000	<u>Profit Equalisation Reserve</u> RM'000	<u>Defined Benefit Reserve</u> RM'000	<u>Distributable Retained Profits</u> 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	-	-	-	-	-	-	-	-	795,763	795,763
Other comprehensive income	-	-	40,488	6,385	-	-	-	-	-	46,873
<b>Total comprehensive income for the period</b>	-	-	40,488	6,385	-	-	-	-	795,763	842,636
Transfer from/(to) Head Office	66,117	-	-	(7,003)	-	-	-	-	(194)	58,920
Issue of ordinary shares	27,374	373,374	-	-	-	-	-	-	-	400,748
Dividends paid	-	-	-	-	-	-	-	-	(867,352)	(867,352)
<b>At 30 September 2014</b>	<b>1,372,344</b>	<b>4,099,343</b>	<b>(84,401)</b>	<b>(290)</b>	<b>409,672</b>	<b>1,697</b>	<b>34,456</b>	<b>(190)</b>	<b>2,373,709</b>	<b>8,206,340</b>

<u>Group</u>	----- Non-distributable ----->									<u>Total</u> RM'000
	<u>Islamic Banking Funds</u> RM'000	<u>Share Premium</u> RM'000	<u>Unrealised Holding Reserve</u> RM'000	<u>Exchange Fluctuation Reserve</u> RM'000	<u>Statutory Reserve</u> RM'000	<u>*Equity contribution from the holding company</u> RM'000	<u>Profit Equalisation Reserve</u> RM'000	<u>Defined Benefit Reserve</u> RM'000	<u>Distributable Retained Profits</u> 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	-	-	-	-	-	-	-	-	800,632	800,632
Other comprehensive (loss)/income	-	-	(99,042)	27,159	-	-	-	-	-	(71,883)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(99,042)	27,159	-	-	-	-	800,632	728,749
Transfer from/(to) Head Office	258,309	-	-	(25,736)	-	-	-	-	3,224	235,797
Issue of ordinary shares	13,272	111,485	-	-	-	-	-	-	-	124,757
Dividends paid	-	-	-	-	-	-	-	-	(124,757)	(124,757)
<b>At 30 September 2013</b>	<b>1,135,300</b>	<b>2,798,965</b>	<b>(62,291)</b>	<b>390</b>	<b>147,338</b>	<b>1,697</b>	<b>34,456</b>	<b>(190)</b>	<b>2,394,076</b>	<b>6,449,741</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 Thummah</b>	<b>Ijarah</b>	<b>Istisna'</b>	<b>Others</b>	<b>Total Financing and Advances</b>
<b>As at 30 September 2014</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Al-Bai (AITAB) RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cashline	-	2,752,953	-	-	-	-	-	2,752,953
Term financing								
- Housing financing	22,863,164	36,648,272	2,814,325	-	-	-	-	62,325,761
- Syndicated financing	-	50,118	7,731	-	-	-	-	57,849
- Hire purchase receivables	-	-	-	30,880,515	-	-	-	30,880,515
- Other term financing	44,935,993	34,370,861	1,843,343	-	173,882	179,923	115	81,504,117
Bills receivables	-	323	-	-	-	-	-	323
Trust receipts	-	159,363	-	-	-	-	-	159,363
Claims on customers under acceptance credits	-	4,027,700	-	-	-	-	-	4,027,700
Staff financing	994,259	446,625	9,462	123,947	-	-	38,350	1,612,643
Credit card receivables	-	-	-	-	-	-	416,867	416,867
Revolving credit	-	6,505,339	-	-	-	-	-	6,505,339
	<b>68,793,416</b>	<b>84,961,554</b>	<b>4,674,861</b>	<b>31,004,462</b>	<b>173,882</b>	<b>179,923</b>	<b>455,332</b>	<b>190,243,430</b>
Unearned income								<b>(89,183,173)</b>
Gross financing and advances*								<b>101,060,257</b>
Allowances for impaired financing and advances:								
- Individual allowance								<b>(195,961)</b>
- Collective allowance								<b>(639,570)</b>
Net financing and advances								<b>100,224,726</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</b>	<b>Ijarah</b>	<b>Istisna'</b>	<b>Others</b>	<b>Total</b>
<b>As at 31 December 2013</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Al-Bai (AITAB)</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Financing</b>
				<b>RM'000</b>				<b>and</b>
								<b>Advances</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 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 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 RM5,671.7 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>30 September 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Gross impaired financing and advances at 1 January 2014/2013	531,627	531,048
Newly impaired	573,775	533,271
Reclassified as non-impaired	(211,829)	(218,605)
Amount recovered	(132,882)	(245,716)
Amount written off	(62,442)	(73,313)
Expenses debited to customers' accounts	3,915	4,942
Gross impaired financing and advances at 30 September 2014/ 31 December 2013	<u>702,164</u>	<u>531,627</u>
Less: Individual allowance	(195,961)	(172,880)
Net impaired financing and advances at 30 September 2014/ 31 December 2013	<u>506,203</u>	<u>358,747</u>
Gross financing and advances (excluding RPSIA financing)	95,388,535	79,830,300
Less: Individual allowance	(195,961)	(172,880)
Net financing and advances	<u>95,192,574</u>	<u>79,657,420</u>
Net impaired financing and advances as a percentage of net financing and advances	<u>0.53%</u>	<u>0.45%</u>

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

<u>Group</u>	<b>30 September 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
<u>Individual allowance</u>		
At 1 January 2014/2013	172,880	95,836
Allowance made	74,046	97,931
Amount written back in respect of recoveries	(10,064)	(19,419)
Amount written off	(38,504)	-
Transferred to collective allowance	(2,356)	(74)
Exchange differences	(41)	(1,394)
At 30 September 2014/31 December 2013	<u>195,961</u>	<u>172,880</u>
<u>Collective allowance</u>		
At 1 January 2014/2013	591,146	607,837
Allowance made *	81,603	56,839
Amount written off	(34,385)	(73,313)
Transferred from individual allowance	2,356	74
Transferred to holding company	(1,145)	-
Exchange differences	(5)	(291)
At 30 September 2014/31 December 2013	<u>639,570</u>	<u>591,146</u>
As a percentage of gross financing and advances (excluding RPSIA financing) less individual allowance	<u>0.67%</u>	<u>0.74%</u>

\* As at 30 September 2014, the gross exposures to RPSIA financing of RM5,671.7 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 RM23.4 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.

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

**A32f. Deposits from Customers**

<u>Group</u>	<b>30 September 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
<b>Savings deposit</b>		
Wadiah	9,628,590	8,878,413
Mudharabah	<u>858,970</u>	<u>741,952</u>
	<u>10,487,560</u>	<u>9,620,365</u>
<b>Demand deposit</b>		
Wadiah	7,866,150	8,178,609
Mudharabah	<u>11,219,933</u>	<u>9,221,790</u>
	<u>19,086,083</u>	<u>17,400,399</u>
<b>Term deposit</b>		
Murabahah	37,138,108	40,652,099
Negotiable Islamic Debt Certificated (NIDC)		
- Mudharabah	149,377	143,345
Hybrid (Bai' Bithaman Ajil and Murabahah)	759,084	505,255
General investment account		
- Mudharabah	<u>26,336,330</u>	<u>15,054,792</u>
	<u>64,382,899</u>	<u>56,355,491</u>
Total deposits from customers	<u>93,956,542</u>	<u>83,376,255</u>

**A32g. Subordinated Sukuk**

<u>Group</u>	<b>30 September 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
RM1.0 billion Islamic subordinated Sukuk due in 2021	1,000,117	1,010,782
RM1.5 billion Islamic subordinated Sukuk Murabahah due in 2024	<u>1,534,551</u>	<u>-</u>
	<u>2,534,668</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**

**(i) Current Period-to-Date vs Previous Corresponding Period-to-Date**

The Group posted profit after tax attributable to equity holders of RM4,785.2 million for the 9 months financial period ended 30 September 2014, a decrease of RM35.1 million or 0.7% over the corresponding 9 months financial period ended 30 September 2013.

The Group's net interest income and Islamic Banking income for the 9 months financial period ended 30 September 2014 increased by RM505.4 million or 5.5% to RM9,727.5 million compared to the corresponding 9 months financial period ended 30 September 2013. This was largely due to the growth in the Group's net loans, advances and financing, mainly contributed from Islamic Banking operations.

The Group's insurance and takaful business recorded a net loss of RM268.6 million for the 9 months financial period ended 30 September 2014 compared to a net income from insurance and takaful business of RM76.1 million in the corresponding 9 months financial period ended 30 September 2013. The net loss was mainly attributable to higher net benefits and claims incurred, lower net earned premiums and higher tax expense of RM218.8 million, RM156.1 million and RM27.8 million respectively. However, this was mitigated by lower net fee and commission expenses of RM57.0 million.

Non-interest income of the Group for the 9 months financial period ended 30 September 2014 recorded a decrease of RM561.5 million or 12.3% to RM3,993.1 million. The decrease was mainly due to lower foreign exchange gain of RM1,206.8 million, lower gain on disposal of financial investments available-for-sale of RM310.0 million and lower gain on disposal of financial assets at fair value through profit or loss ("FVTPL") of RM91.5 million. The decrease was, however, mitigated by unrealised gain on revaluation of financial assets at FVTPL and derivatives of RM180.2 million as compared to unrealised loss on revaluation of financial assets at FVTPL and derivatives of RM806.1 million in the corresponding 9 months financial period ended 30 September 2013 and higher fee income of RM69.3 million.

The Group's overhead expenses for the 9 months financial period ended 30 September 2014 recorded a decrease of RM55.3 million or 0.8% to RM6,538.4 million compared to the corresponding 9 months financial period ended 30 September 2013. The decrease in overhead expenses was mainly due to lower marketing expenses of RM86.9 million, lower personnel expenses of RM67.7 million and lower establishment costs of RM8.1 million. The decrease was, however, offset by higher administration and general expenses of RM107.4 million.

The Group's allowance for impairment losses on loans, advances and financing decreased by RM349.1 million to RM435.0 million for the 9 months financial period ended 30 September 2014. The decrease was mainly due to lower collective allowance ("CA") made, higher individual allowance ("IA") written back and higher bad debt and financing recovered for the 9 months financial period ended 30 September 2014. The Group's CA ratio was 1.05% as at 30 September 2014 compared to 1.06% as at 31 December 2013.

The Group had written back impairment losses on financial investments of RM83.6 million for the 9 months financial period ended 30 September 2014 due to recoveries from impaired loan stocks, compared to allowance made for impairment losses on financial investments of RM28.7 million in the corresponding 9 months financial period ended 30 September 2013.

The improvement in the Group's profit before tax for the 9 months financial period ended 30 September 2014 as compared to the corresponding 9 months financial period ended 30 September 2013 is further segmented based on the operating segments of the Group as follows:

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

CFS' profit before tax increased by RM982.2 million or 44.4% to RM3,192.2 million for the 9 months financial period ended 30 September 2014 from RM2,210.0 million in the corresponding 9 months financial period ended 30 September 2013. The increase was driven by writeback of impairment losses on loans, advances and financing of RM274.5 million compared to allowance made for impairment losses on loan, advances and financing of RM474.9 million in the corresponding 9 months financial period ended 30 September 2013, higher net interest income and Islamic Banking income of RM151.1 million arising from strong year-on-year loan growth in mortgage of 12.2%, auto finance of 11.2% and unit trust loans of 10.7%, lower overhead expenses of RM68.9 million and higher non-interest income of RM12.9 million.

**Global Banking**

**a) Corporate Banking, Malaysia**

Corporate Banking's profit before tax decreased by RM24.4 million or 2.1% to RM1,166.4 million for the 9 months financial period ended 30 September 2014 from RM1,190.8 million in the corresponding 9 months financial period ended 30 September 2013. The decrease was due to higher overhead expenses of RM70.6 million and higher allowance made for impairment losses on loans, advances and financing of RM31.1 million. The decrease was, however, mitigated by higher non-interest income of RM67.7 million and higher net interest income of RM9.6 million.

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

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

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

**b) Global Markets, Malaysia**

Global Markets' profit before tax increased by RM26.4 million or 2.4% to RM1,135.9 million for the 9 months financial period ended 30 September 2014 from RM1,109.5 million in the corresponding 9 months financial period ended 30 September 2013. The increase was driven by higher non-interest income of RM25.1 million, lower overhead expenses of RM24.0 million and writeback of impairment losses on financial investments of RM13.8 million. The increase was, however, offset by lower net interest income of RM36.4 million.

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

Investment Banking's profit before tax decreased by RM41.4 million or 16.2% to RM214.5 million for the 9 months financial period ended 30 September 2014 from RM255.9 million in the corresponding 9 months financial period ended 30 September 2013. The decrease was due to lower non-interest income of RM72.5 million primarily from lower brokerage income and lower net interest income of RM15.7 million. The decrease was, however, mitigated by writeback of impairment losses on financial investments of RM4.4 million, compared to allowance made for impairment losses on financial investments of RM14.5 million in the corresponding 9 months financial period ended 30 September 2013, lower overhead expenses of RM17.9 million and higher writeback of impairment losses on loans, advances and financing of RM10.6 million.

**International Banking**

International Banking's profit before tax decreased by RM56.2 million or 3.1% to RM1,771.1 million for the 9 months financial period ended 30 September 2014 from RM1,827.3 million in the corresponding 9 months financial period ended 30 September 2013. The decrease was driven by higher allowance made for impairment losses on loans, advances and financing of RM385.3 million and lower non-interest income of RM76.9 million. This decrease was, however, mitigated by higher net interest income of RM311.1 million, writeback of impairment losses on financial investments of RM65.2 million compared to allowance made for impairment losses on financial investments of RM29.9 million in the corresponding 9 months financial period ended 30 September 2013 and lower overhead expenses of RM2.3 million.

Higher net interest income was contributed by strong year-on-year loan growth of 35.2% at Greater China, 33.9% at New York and 19.9% at Singapore.

**Insurance, Takaful and Asset Management**

Insurance, Takaful and Asset Management registered a decrease in profit before tax of RM11.1 million or 1.9% to RM582.4 million for the 9 months financial period ended 30 September 2014 from RM593.5 million in the corresponding 9 months financial period ended 30 September 2013. The decrease was mainly due to net loss from insurance and takaful business of RM268.6 million compared to net income from insurance and takaful business of RM76.1 million in the corresponding 9 months financial period ended 30 September 2013 and higher allowance made for impairment losses on financial investments of RM15.5 million. The decrease was, however, mitigated by higher non-interest income of RM303.8 million, higher net interest income of RM26.9 million, lower overhead expenses by RM13.0 million and higher writeback of impairment losses on loans, advances and financing of RM5.6 million.

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

The Group posted profit after tax attributable to equity holders of RM1,608.1 million for the quarter ended 30 September 2014, a decrease of RM138.2 million or 7.9% over the previous period corresponding quarter ended 30 September 2013.

The Group's net interest income and Islamic Banking income for the quarter ended 30 September 2014 increased by RM181.8 million or 5.8% compared to the previous period corresponding quarter ended 30 September 2013. This was largely due to the growth in the Group's net loans, advances and financing, mainly contributed from Islamic Banking operations.

The Group's insurance and takaful business recorded a net loss of RM168.2 million for the quarter ended 30 September 2014 compared to a net income from insurance and takaful business of RM209.3 million in the previous period corresponding quarter ended 30 September 2013. The net loss was mainly attributable to higher net benefits and claims incurred of RM515.6 million. However, this was mitigated by higher net earned premiums of RM154.8 million.



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

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

The Group's non-interest income for the quarter ended 30 September 2014 decreased by RM91.4 million or 6.1% compared to the previous period corresponding quarter ended 30 September 2013. The decrease were contributed by lower net foreign exchange gain of RM717.6 million and lower gain on disposal of financial investments available-for-sale of RM24.2 million. The decrease were, however, mitigated by higher unrealised gain on revaluation of financial assets at FVTPL and derivatives of RM487.8 million and higher fee income of RM147.8 million.

The Group's overhead expenses for the quarter ended 30 September 2014 increased by RM59.8 million or 2.7% compared to the previous period corresponding quarter ended 30 September 2013. The increase were contributed by the increase in administration and general expenses of RM100.3 million and personnel expenses of RM56.8 million. The increase was mitigated by decrease in marketing expenses and establishment cost of RM53.4 million and RM44.0 million respectively.

The Group's allowance for impairment losses on loans, advances and financing for the quarter ended 30 September 2014 decreased by RM200.0 million compared to the previous period corresponding quarter ended 30 September 2013. The decrease were mainly due to lower net CA made and higher bad debt and financing recovered of RM184.3 million and RM125.1 million respectively. The decrease was, however, offset by higher net IA made of RM136.8 million.

The decrease in the Group's profit before tax for the quarter ended 30 September 2014 as compared to the previous period corresponding quarter ended 30 September 2013 is further segmented based on the operating segments of the Group as follows:

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

CFS' profit before tax increased by RM614.8 million or 104.1% to RM1,205.4 million for the quarter ended 30 September 2014 from RM590.6 million in the previous period corresponding quarter ended 30 September 2013. The increase was driven by writeback of impairment losses on loans, advances and financing of RM207.6 million compared to allowance made for impairment losses on loans, advances and financing of RM346.6 million in the previous period corresponding quarter ended 30 September 2013, higher net interest income and Islamic Banking income of RM68.2 million arising from strong year-on-year loan growth in mortgage of 12.2%, auto finance of 11.2% and unit trust loans of 10.7% and lower overhead expenses of RM10.1 million. The increase was, however, offset by lower non-interest income of RM17.8 million.

**Global Banking**

**a) Corporate Banking, Malaysia**

Corporate Banking's profit before tax decreased by RM117.6 million or 19.3% to RM491.7 million for the quarter ended 30 September 2014 from RM609.3 million in the previous period corresponding quarter ended 30 September 2013. The decrease was due to lower writeback of impairment losses on loans, advances and financing of RM121.5 million, higher overhead expenses of RM43.8 million and lower net interest income and Islamic Banking income of RM10.2 million. The decrease was, however, mitigated by higher non-interest income of RM58.0 million.

**b) Global Markets, Malaysia**

Global Markets' profit before tax increased by RM88.9 million or 29.1% to RM394.4 million for the quarter ended 30 September 2014 from RM305.5 million in the previous period corresponding quarter ended 30 September 2013. The increase was due to higher non-interest income of RM151.5 million due to primarily from higher gains on trading activities (securities portfolio, interest rate derivatives and rates trading). The increase was, however, offset by lower net interest income of RM39.5 million, lower writeback of impairment losses on financial investments of RM12.7 million and higher overhead expenses of RM10.4 million.

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

Investment Banking's profit before tax increased by RM93.3 million to RM99.9 million for the quarter ended 30 September 2014 from RM6.6 million in the corresponding quarter ended 30 September 2013. The increase was mainly due to higher non-interest income of RM102.8 million, higher writeback of impairment losses on financial investments of RM13.3 million, writeback of impairment losses on loans, advances and financing of RM8.7 million compared to allowance made for impairment losses on loans, advances and financing of RM4.6 million in the previous period corresponding quarter ended 30 September 2013. This increase was, however, offset by higher overhead expenses of RM29.8 million.

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

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

**International Banking**

International Banking's profit before tax decreased by RM191.1 million or 30.3% to RM439.5 million for the quarter ended 30 September 2014 from RM630.6 million in the previous period corresponding quarter ended 30 September 2013. The decrease was due to higher allowance made for impairment losses on loans, advances and financing of RM266.8 million and lower non-interest income of RM60.0 million. The decrease was, however, mitigated by higher net interest income of RM91.2 million, lower allowance made for impairment losses on financial investments of RM29.8 million and lower overhead expenses of RM14.7 million.

Higher net interest income was contributed by strong year-on-year loan growth of 35.2% at Greater China, 33.9% at New York and 19.9% at Singapore.

**Insurance, Takaful and Asset Management**

Insurance, Takaful and Asset Management registered an increase in profit before tax of RM34.4 million or 21.6% to RM193.8 million for the quarter ended 30 September 2014 from RM159.4 million in the previous period corresponding quarter ended 30 September 2013. The increase was mainly due to higher non-interest income of RM389.4 million, writeback of impairment losses on loans, advances and financing of RM13.0 million compared to allowance made for impairment losses on loans, advances and financing of RM15.7 million in the previous period corresponding quarter ended 30 September 2013 and higher net interest income of RM4.5 million. This increase was, however, offset by net loss from insurance and takaful business of RM168.2 million compared to net income of RM209.3 million in the previous period corresponding quarter ended 30 September 2013 and higher allowance made for impairment losses on financial investments of RM10.1 million.

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

The Group's profit after tax attributable to equity holders in this quarter ended 30 September 2014 increased by RM32.6 million or 2.1% to RM1,608.1 million against the preceding quarter ended 30 June 2014.

The Group's net interest income for the quarter ended 30 September 2014 increased by RM54.2 million or 2.3% to RM2,461.6 million against the preceding quarter of RM2,407.4 million. Income from Islamic Banking Scheme operations increased by RM38.8 million to RM848.0 million for the quarter ended 30 September 2014.

The Group's net loss from insurance and takaful business for the quarter ended 30 September 2014 increased by RM66.0 million to a net loss of RM168.2 million compared to a net loss of RM102.2 million in the preceding quarter ended 30 June 2014.

Non-interest income of the Group for the quarter ended 30 September 2014 increased by RM31.2 million or 2.3% to RM1,396.1 million compared to RM1,364.9 million in the preceding quarter ended 30 June 2014. The increase were due to higher net foreign exchange gain of RM252.5 million, higher fee income of RM55.9 million and higher gain on disposal of financial investments available-for-sale of RM24.4 million for the quarter ended 30 September 2014. This increase was, however, offset by unrealised loss on revaluation of financial assets at FVTPL and derivatives of RM18.2 million for the quarter ended 30 September 2014 compared to unrealised gain of RM256.9 million in the preceding quarter ended 30 June 2014.

The Group posted an increase of RM197.2 million or 9.5% in overhead expenses to RM2,283.6 million for the quarter ended 30 September 2014 compared to RM2,086.4 million in the preceding quarter ended 30 June 2014. The increase was mainly due to higher administration and general expenses and personnel expenses of RM186.0 million and RM144.6 million respectively. This increase was, however, mitigated by lower marketing expenses and establishment costs of RM108.6 million and RM24.9 million respectively.

The Group's allowance for impairment losses on loans, advances and financing for the quarter ended 30 September 2014 decreased by RM83.8 million over the preceding quarter ended 30 June 2014. The decrease were due to higher bad debts and financing recovered and lower CA made of RM125.5 million and RM45.9 million respectively. The decrease was, however, offset by higher net IA made of RM116.2 million.

The Group's allowance for impairment losses on financial investments decreased by RM27.1 million to RM2.0 million for the quarter ended 30 September 2014.

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**B3. Prospects**

The global economy is expected to grow by 3.3% in 2014, similar to the growth in 2013. The US economy is experiencing a steady expansion, China is at sub-8% growth, while the Euro Zone and Japan remains in stagnation. Closer to home, the economic growth trend in ASEAN is mixed, mainly reflecting domestic-specific factors that include structural challenges, macroeconomic policy adjustments and political uncertainty.

Malaysia's macro performance improved (GDP 2014E: 5.9%; 2013: 4.7%) on the back of investment-driven domestic demand and supported by recovery in external demand which is offset by the impact of budget deficit control and fuel and energy subsidy reforms. However, government cash assistance for the lower income group in the form of BR1M is expected to mitigate the impact. At the same time, Bank Negara Malaysia's decision to keep the Overnight Policy Rate (OPR) at 3.25% in September and November 2014 after the 25bps hike in July 2014 is to sustain the growth momentum as the risk of financial imbalances is seen to be under control.

One of the Group's strategic priorities is to derive greater benefits from our regional presence. An enhanced organisation structure was introduced on 1 January 2014, which was designed to improve synergies throughout the Maybank Group. A new matrix structure was introduced within the organisation to ensure that greater value and collaboration is achieved in the markets that we operate in. It was also supported by greater alignment of information technology, operating policies and processes.

In Malaysia, the loans growth of the banking system came in at 8.6% year-on-year ("YoY") in August 2014. Household loan growth was 11.0% YoY while non-household loan growth expanded at a slower pace of 5.6% YoY. Total industry loans are expected to grow at 8%-9% in 2014, moderating from a pace of 10.6% YoY in 2013, with a decline in both household and non-household loan demand. Maybank expects to perform in line with the industry on the back of continued loans growth momentum in Consumer, SME and Business Banking segments.

In Singapore, the economy expanded by 3.2% in January to September 2014, consistent with the forecast of 3.3% full-year GDP growth in 2014 (2013: 4.1%). The slower growth this year reflects challenges arising from structural and cyclical factors such as demography, costs, competitiveness and property downturn that affect domestic demand and exports. 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 mitigated by stronger 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, full-year GDP growth is expected to be slower at 5.1% (2013: 5.8%). With both the Parliament and Presidential elections concluded, we expect the new administration to focus on rejuvenating growth in Indonesia through structural reforms and strategic policies as the newly elected President Jokowi has pledged to improve the country's infrastructure and boost the manufacturing sector. The Group will continue to realise opportunities from an expanded network and drive loan and deposit growth across its key business segments, namely retail banking and business banking.

The deepening of Maybank's business portfolio in the region is another near-term priority for the Group in 2014. It includes 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 continues to focus on controlling cost and improving productivity to enhance profit.

The Group has remained proactive in capital management to support the planned strategic objectives and will continue to maintain capital levels sufficiently 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 proactive capital management, 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 expects its financial performance for the financial year ending 31 December 2014 to be in line with industry.

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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 third quarter and 9 months financial period ended 30 September 2014.

**B5. Tax Expense and Zakat**

The analysis of the tax expense for the third quarter and 9 months financial period ended 30 September 2014 are as follows:

<b>Group</b>	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>30 September 2014</b>	<b>30 September 2013</b>	<b>30 September 2014</b>	<b>30 September 2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	670,858	494,541	1,404,302	1,388,730
Foreign income tax	(10,958)	55,591	75,991	186,942
	<b>659,900</b>	<b>550,132</b>	<b>1,480,293</b>	<b>1,575,672</b>
Over provision in respect of prior period:				
Malaysian income tax	(551,567)	(71,701)	(686,751)	(196,105)
Foreign income tax	(1,357)	(654)	(197)	(6,283)
	<b>106,976</b>	<b>477,777</b>	<b>793,345</b>	<b>1,373,284</b>
Deferred tax expense				
- Origination and reversal of temporary differences	468,224	75,447	968,884	207,032
	<b>468,224</b>	<b>75,447</b>	<b>968,884</b>	<b>207,032</b>
Tax expense for the period	<b>575,200</b>	<b>553,224</b>	<b>1,762,229</b>	<b>1,580,316</b>
Zakat	3,429	5,378	17,677	12,657
	<b>578,629</b>	<b>558,602</b>	<b>1,779,906</b>	<b>1,592,973</b>

The Group's effective tax rate for the third quarter and 9 months financial period ended 30 September 2014 was higher than the statutory tax rate due to the effects of certain non-deductible expenses.

<b>Bank</b>	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>30 September 2014</b>	<b>30 September 2013</b>	<b>30 September 2014</b>	<b>30 September 2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	507,521	397,412	1,054,005	979,127
Foreign income tax	377	492	1,838	3,047
	<b>507,898</b>	<b>397,904</b>	<b>1,055,843</b>	<b>982,174</b>
Over provision in respect of prior period:				
Malaysian income tax	(562,738)	(59,946)	(496,258)	(178,293)
	<b>(54,840)</b>	<b>337,958</b>	<b>559,585</b>	<b>803,881</b>
Deferred tax expense				
- Origination and reversal of temporary differences	400,989	50,325	613,006	133,083
	<b>400,989</b>	<b>50,325</b>	<b>613,006</b>	<b>133,083</b>
Tax expense for the period	<b>346,149</b>	<b>388,283</b>	<b>1,172,591</b>	<b>936,964</b>
Zakat	-	-	-	-
	<b>346,149</b>	<b>388,283</b>	<b>1,172,591</b>	<b>936,964</b>

The Bank's effective tax rate for the third quarter and 9 months financial period ended 30 September 2014 was lower than the statutory tax rate due to certain income not subject to tax and reversal of over provision of tax expense in respect of prior period.

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 third quarter and 9 months financial period ended 30 September 2014.

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

The proceeds raised from the issuance of subordinated obligations and capital securities 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 Review Application was withdrawn on 29 September 2014 as the said Review Application cannot be heard by the Federal Court until the court order in respect of the Decision is sealed. The Federal Court allowed the withdrawal of the Review Application.

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>30 September 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
Retained profits of the Group:		
- Realised	<b>10,319,144</b>	8,266,525
- Unrealised	<b>610,597</b>	2,251,983
	<b>10,929,741</b>	10,518,508
Share of retained profits from associates:		
- Realised	<b>424,047</b>	349,817
Consolidation adjustments	<b>733,334</b>	879,159
Total Group's retained profits	<b>12,087,122</b>	11,747,484

**B12. Proposed Interim Dividend**

No interim dividend has been recommended during the third quarter ended 30 September 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.

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Net profit for the quarter/period (RM'000)	<b>1,608,106</b>	1,746,343	<b>4,785,222</b>	4,820,291
Weighted average number of ordinary shares in issue ('000)	<b>9,128,329</b>	8,710,306	<b>9,000,429</b>	8,578,975
Basic earnings per share	<b>17.62 sen</b>	20.05 sen	<b>53.17 sen</b>	56.19 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 30 September 2014 and 30 September 2013) based on the electable portion of the dividends 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.

	3rd Quarter Ended		Cumulative 9 Months Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Net profit for the quarter/period (RM'000)	<b>1,608,106</b>	1,746,343	<b>4,785,222</b>	4,820,291
Weighted average number of ordinary shares in issue ('000)	<b>9,128,329</b>	8,710,306	<b>9,000,429</b>	8,578,975
Effects of dilution ('000)	<b>20,540</b>	12,662	<b>20,574</b>	13,180
Adjusted weighted average number of ordinary shares in issue ('000)	<b>9,148,869</b>	8,722,968	<b>9,021,003</b>	8,592,155
Diluted earnings per share	<b>17.58 sen</b>	20.02 sen	<b>53.05 sen</b>	56.10 sen

By Order of the Board

**Mohd Nazlan Mohd Ghazali**  
LS0008977  
Company Secretary  
26 November 2014