

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENT**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2007**

<u>Group</u>	Note	3rd Quarter Ended		Cumulative 9 Months Ended	
		31 March 2007 RM'000	31 March 2006 RM'000 (Restated)	31 March 2007 RM'000	31 March 2006 RM'000 (Restated)
<b>Continuing Operations</b>					
Interest income	A14	2,686,457	2,198,785	7,951,251	6,343,946
Interest expense	A15	(1,397,097)	(1,067,239)	(4,115,280)	(3,015,353)
Net interest income		1,289,360	1,131,546	3,835,971	3,328,593
Income from Islamic Banking					
Scheme operations:					
Gross operating income		188,036	202,201	567,240	607,268
Profit equalisation reserves		(800)	34,236	90,392	65,569
	A26b	187,236	236,437	657,632	672,837
		1,476,596	1,367,983	4,493,603	4,001,430
Non-interest income	A16	685,643	704,583	2,027,845	2,043,181
Net income		2,162,239	2,072,566	6,521,448	6,044,611
Overhead expenses	A17	(935,824)	(828,417)	(2,809,901)	(2,335,901)
Operating Profit		1,226,415	1,244,149	3,711,547	3,708,710
Allowance for losses on loans, advances and financing	A18	(208,713)	(297,662)	(686,446)	(895,694)
		1,017,702	946,487	3,025,101	2,813,016
Share of profits in associated companies		(1,183)	(7)	402	(52)
<b>Profit before taxation</b>		1,016,519	946,480	3,025,503	2,812,964
Taxation & Zakat		(256,053)	(276,596)	(846,486)	(822,598)
<b>Profit for the period</b>		760,466	669,884	2,179,017	1,990,366
<b>Attributable to:</b>					
Equity holders of the parent		754,618	639,370	2,119,706	1,946,394
Minority Interest		5,848	30,514	59,311	43,972
		760,466	669,884	2,179,017	1,990,366
<b>Earnings per share attributable to   equity holders of the parent</b>					
Basic	B12	19.50 sen	16.88 sen	55.26 sen	51.77 sen
Fully diluted		19.34 sen	16.82 sen	54.94 sen	51.55 sen

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements)

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**UNAUDITED INCOME STATEMENT**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2007**

<u>Bank</u>	Note	3rd Quarter Ended		Cumulative 9 Months Ended	
		31 March 2007 RM'000	31 March 2006 RM'000 (Restated)	31 March 2007 RM'000	31 March 2006 RM'000 (Restated)
<b>Continuing Operations</b>					
Interest income	A14	2,534,873	2,033,764	7,373,367	5,886,462
Interest expense	A15	(1,309,363)	(964,131)	(3,772,635)	(2,743,259)
Net interest income		1,225,510	1,069,633	3,600,732	3,143,203
Income from Islamic Banking Scheme operations:					
Gross operating income		185,541	197,761	556,754	589,618
Profit equalisation reserves		-	27,792	91,290	55,057
	A26b	185,541	225,553	648,044	644,675
		1,411,051	1,295,186	4,248,776	3,787,878
Non-interest income	A16	740,538	513,831	1,845,746	1,709,955
Net income		2,151,589	1,809,017	6,094,522	5,497,833
Overhead expenses	A17	(789,330)	(702,373)	(2,360,951)	(2,047,680)
Operating Profit		1,362,259	1,106,644	3,733,571	3,450,153
Allowance for losses on loans, advances and financing	A18	(218,476)	(327,511)	(709,051)	(874,803)
<b>Profit before taxation</b>		1,143,783	779,133	3,024,520	2,575,350
Taxation & Zakat		(305,960)	(227,397)	(876,402)	(733,790)
<b>Profit for the period</b>		837,823	551,736	2,148,118	1,841,560

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**MALAYAN BANKING BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2007**

	Note	GROUP		BANK	
		31 March 2007 RM'000	30 June 2006 RM'000 (Restated)	31 March 2007 RM'000	30 June 2006 RM'000 (Restated)
<b>ASSETS</b>					
Cash and short-term funds		34,336,264	32,035,395	33,910,164	27,542,452
Deposits and placements with financial institutions		18,390,868	4,051,409	14,750,906	3,010,830
Securities purchased under resale agreements		263,179	1,503,957	263,179	1,503,957
Securities held-for-trading	A8(i)	1,868,708	477,698	1,320,641	476,976
Securities available-for-sale	A8(ii)	29,163,998	27,445,865	25,365,190	23,143,904
Securities held-to-maturity	A8(iii)	2,831,043	5,798,259	2,150,343	3,268,867
Loans, advances and financing	A9	133,063,054	131,453,654	129,039,250	127,848,395
Other assets	A10	3,909,861	3,025,581	3,073,160	1,723,904
Statutory deposits with Central Banks		5,136,513	3,701,824	4,900,478	3,515,995
Investment in subsidiary companies		-	-	2,557,151	2,713,793
Investment in associated companies		11,701	9,620	7,940	7,940
Intangible assets		81,015	-	81,015	-
Property, plant and equipment		1,398,173	1,403,808	1,171,761	1,179,498
Deferred tax assets		979,349	1,177,568	957,903	1,120,495
Life, general takaful and family takaful fund assets		14,415,932	12,120,688	-	-
<b>TOTAL ASSETS</b>		<b>245,849,658</b>	<b>224,205,326</b>	<b>219,549,081</b>	<b>197,057,006</b>
<b>LIABILITIES</b>					
Deposits from customers	A11	154,086,605	136,217,976	142,343,214	125,137,436
Deposits and placements of banks and other financial institutions	A12	26,435,437	28,707,575	30,398,348	28,037,862
Obligations on securities sold under repurchase agreements		15,201,304	12,276,138	14,252,636	11,217,285
Bills and acceptances payable		2,450,414	4,818,215	2,428,534	5,168,544
Other liabilities	A13	5,780,877	3,865,111	4,924,395	3,563,137
Recourse obligation on loans sold to Cagamas		2,878,422	3,727,458	2,878,422	3,727,458
Provision for taxation and zakat		926,012	1,074,402	983,109	1,034,310
Deferred tax liabilities		32,399	26,582	-	-
Subordinated obligations	A12	3,813,850	3,896,880	3,813,850	3,896,880
Life, general takaful and family takaful fund liabilities		1,070,083	684,536	-	-
Life, general takaful and family takaful policy holders' funds		13,345,849	11,436,152	-	-
<b>TOTAL LIABILITIES</b>		<b>226,021,252</b>	<b>206,731,025</b>	<b>202,022,508</b>	<b>181,782,912</b>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2007**

	Note	GROUP		BANK	
		31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<b>SHAREHOLDERS' EQUITY</b>					
Share capital		3,880,428	3,796,947	3,880,428	3,796,947
Reserves		15,180,601	12,968,879	13,646,145	11,477,147
		<b>19,061,029</b>	16,765,826	<b>17,526,573</b>	15,274,094
Minority Interest		767,377	708,475	-	-
Total equity		<b>19,828,406</b>	17,474,301	<b>17,526,573</b>	15,274,094
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>245,849,658</b>	224,205,326	<b>219,549,081</b>	197,057,006
<b>COMMITMENTS AND CONTINGENCIES</b>	A23	<b>158,143,527</b>	130,383,443	<b>154,303,816</b>	128,296,116
<b><u>CAPITAL ADEQUACY</u></b>			A25		
Based on credit and market risks:					
<b><u>Without deducting dividend payable *</u></b>					
Core capital ratio		8.82%	9.91%	9.57%	9.61%
Risk-weighted capital ratio		12.47%	13.88%	12.41%	12.54%
<b><u>After deducting dividend payable</u></b>					
Core capital ratio:		8.18%	9.31%	8.87%	8.96%
Risk-weighted capital ratio:		11.82%	13.28%	11.71%	11.89%
Net assets per share attributable to equity holders of the parent		<b>RM4.91</b>	RM4.42	<b>RM4.52</b>	RM4.02

\* In arriving at the capital base used in the ratio calculations of the Group and the Bank, the dividends proposed or declared but remain unpaid at the balance sheet date were not deducted.

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MALAYAN BANKING BERHAD

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CONDENSED FINANCIAL STATEMENTS

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2007

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

GROUP	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	Other Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
<b>At 1 July 2006</b>											
As previously stated	3,796,947	2,137,807	3,973,917	15,250	(27,479)	58,136	-	6,811,248	16,765,826	708,475	17,474,301
Prior year adjustments											
- Effects of adopting FRS 2	-	-	-	-	-	-	3,038	(3,038)	-	-	-
- Effects of adopting FRS 140	-	-	-	-	-	-	-	(2,044)	(2,044)	-	(2,044)
<b>At 1 July 2006 (restated)</b>	<b>3,796,947</b>	<b>2,137,807</b>	<b>3,973,917</b>	<b>15,250</b>	<b>(27,479)</b>	<b>58,136</b>	<b>3,038</b>	<b>6,806,166</b>	<b>16,763,782</b>	<b>708,475</b>	<b>17,472,257</b>
Currency translation differences	-	-	400	-	-	(175,085)	-	-	(174,685)	-	(174,685)
Net increase in fair value of securities	-	-	-	-	456,486	-	-	-	456,486	-	456,486
Net gain/(loss) not recognised in the income statement	-	-	400	-	456,486	(175,085)	-	-	281,801	-	281,801
Net profit for the period	-	-	-	-	-	-	-	2,119,706	2,119,706	59,311	2,179,017
Share-based payment under ESOS	-	-	-	-	-	-	56,309	-	56,309	-	56,309
Net write back from statutory reserve	-	-	(69,953)	-	-	-	-	69,953	-	-	-
Issue of ordinary shares pursuant to ESOS	83,481	720,620	-	-	-	-	-	-	804,101	-	804,101
Dividends paid	-	-	-	-	-	-	-	(964,670)	(964,670)	(409)	(965,079)
<b>At 31 March 2007</b>	<b>3,880,428</b>	<b>2,858,427</b>	<b>3,904,364</b>	<b>15,250</b>	<b>429,007</b>	<b>(116,949)</b>	<b>59,347</b>	<b>8,031,155</b>	<b>19,061,029</b>	<b>767,377</b>	<b>19,828,406</b>
<b>At 1 July 2005</b>											
As previously stated	3,721,053	1,501,117	3,965,468	15,250	-	49,238	-	7,149,183	16,401,309	452,444	16,853,753
Transitional adjustments	-	-	-	-	347,170	-	-	(143,148)	204,022	-	204,022
As restated	<b>3,721,053</b>	<b>1,501,117</b>	<b>3,965,468</b>	<b>15,250</b>	<b>347,170</b>	<b>49,238</b>	<b>-</b>	<b>7,006,035</b>	<b>16,605,331</b>	<b>452,444</b>	<b>17,057,775</b>
Currency translation differences	-	-	-	-	-	29,906	-	-	29,906	-	29,906
Net decrease in fair value of securities	-	-	-	-	(134,588)	-	-	-	(134,588)	-	(134,588)
Net accretion from increased interest in subsidiaries	-	-	-	5,791	-	-	-	5,243	11,034	307,789	318,823
Net gain/(loss) not recognised in the income statement	-	-	-	5,791	(134,588)	29,906	-	5,243	(93,648)	307,789	214,141
Net profit for the period	-	-	-	-	-	-	-	1,946,394	1,946,394	43,972	1,990,366
Share-based payment under ESOS	-	-	-	-	-	-	1,823	-	1,823	-	1,823
Transfer to statutory reserve	-	-	2,681	-	-	-	-	(2,681)	-	-	-
Issue of ordinary shares pursuant to ESOS	68,647	575,097	-	-	-	-	-	-	643,744	-	643,744
Dividends	-	-	-	-	-	-	-	(2,983,726)	(2,983,726)	-	(2,983,726)
<b>At 31 March 2006</b>	<b>3,789,700</b>	<b>2,076,214</b>	<b>3,968,149</b>	<b>21,041</b>	<b>212,582</b>	<b>79,144</b>	<b>1,823</b>	<b>5,971,265</b>	<b>16,119,918</b>	<b>804,205</b>	<b>16,924,123</b>

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(Incorporated in Malaysia)

**CONDENSED FINANCIAL STATEMENTS  
UNAUDITED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2007**

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

<b>BANK</b>	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Statutory Reserve RM'000</b>	<b>Capital Reserve RM'000</b>	<b>Unrealised Holding Reserve/(Deficit) RM'000</b>	<b>Exchange Fluctuation Reserve RM'000</b>	<b>Other Reserves RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>Total Equity RM'000</b>
<b>At 1 July 2006</b>									
As previously stated	3,796,947	2,137,807	3,871,493	-	(21,206)	112,690	-	5,376,363	15,274,094
Prior year adjustments									
- Effects of adopting FRS 2	-	-	-	-	-	-	3,038	(3,038)	-
<b>At 1 July 2006 (restated)</b>	3,796,947	2,137,807	3,871,493	-	(21,206)	112,690	3,038	5,373,325	15,274,094
Currency translation differences	-	-	273	-	-	(110,360)	-	-	(110,087)
Net increase in fair value of securities	-	-	-	-	318,701	-	-	-	318,701
Net gain/(loss) not recognised in the income statement	-	-	273	-	318,701	(110,360)	-	-	208,614
Net profit for the period	-	-	-	-	-	-	-	2,148,118	2,148,118
Share-based payment under ESOS	-	-	-	-	-	-	56,309	-	56,309
Transfer to statutory reserve	-	-	504	-	-	-	-	(504)	-
Issue of ordinary shares pursuant to ESOS	83,481	720,620	-	-	-	-	-	-	804,101
Dividends paid	-	-	-	-	-	-	-	(964,663)	(964,663)
<b>At 31 March 2007</b>	3,880,428	2,858,427	3,872,270	-	297,495	2,330	59,347	6,556,276	17,526,573
<b>At 1 July 2005</b>									
As previously stated	3,721,053	1,501,117	3,871,038	-	-	89,419	-	5,996,652	15,179,279
Transitional Adjustments	-	-	-	-	338,219	-	-	(138,138)	200,081
<b>At 1 July 2005 (restated)</b>	3,721,053	1,501,117	3,871,038	-	338,219	89,419	-	5,858,514	15,379,360
Currency translation differences	-	-	(57)	-	-	(3,689)	-	-	(3,746)
Net decrease in fair value of securities	-	-	-	-	(188,678)	-	-	-	(188,678)
Net gain not recognised in the income statement	-	-	(57)	-	(188,678)	(3,689)	-	-	(192,424)
Net profit for the period	-	-	-	-	-	-	-	1,841,560	1,841,560
Share-based payment under ESOS	-	-	-	-	-	-	1,191	-	1,191
Issue of ordinary shares pursuant to ESOS	68,647	575,097	-	-	-	-	-	-	643,744
Dividends paid	-	-	-	-	-	-	-	(2,983,726)	(2,983,726)
<b>At 31 March 2006</b>	3,789,700	2,076,214	3,870,981	-	149,541	85,730	1,191	4,716,348	14,689,705

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CASH FLOW STATEMENTS**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2007**

	GROUP		BANK	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
Profit before taxation	<b>3,025,503</b>	2,812,964	<b>3,024,520</b>	2,575,350
Adjustments for non-operating and non-cash items	<b>1,330,690</b>	1,635,877	<b>787,199</b>	1,416,385
Operating profit before working capital changes	<b>4,356,193</b>	4,448,841	<b>3,811,719</b>	3,991,735
Changes in working capital:-				
Net changes in operating assets	<b>(17,868,714)</b>	(15,545,200)	<b>(15,178,440)</b>	(10,076,146)
Net changes in operating liabilities	<b>18,499,650</b>	12,540,082	<b>19,685,419</b>	10,714,251
Tax expense and zakat paid	<b>(790,840)</b>	(699,056)	<b>(765,011)</b>	(647,025)
Net cash generated from operations	<b>4,196,289</b>	744,667	<b>7,553,687</b>	3,982,815
Net cash (used in)/generated from investing activities	<b>(190,349)</b>	(139,235)	<b>443,446</b>	(807,731)
Net cash (used in)/generated from financing activities	<b>(1,009,605)</b>	(2,015,809)	<b>(1,009,598)</b>	(3,018,713)
	<b>(1,199,954)</b>	(2,155,044)	<b>(566,152)</b>	(3,826,444)
Net change in cash and cash equivalents	<b>2,996,335</b>	(1,410,377)	<b>6,987,535</b>	156,371
Cash and cash equivalents at beginning of the period, as restated	<b>31,339,929</b>	22,275,641	<b>26,922,629</b>	18,293,517
Cash and cash equivalents at end of the period	<b>34,336,264</b>	20,865,264	<b>33,910,164</b>	18,449,888
Cash and cash equivalents at beginning of the period comprise :				
Cash and short term funds as previously reported	<b>32,035,395</b>	22,596,444	<b>27,542,452</b>	18,479,404
Foreign exchange differences on opening balances	<b>(695,466)</b>	(320,803)	<b>(619,823)</b>	(185,887)
As restated	<b>31,339,929</b>	22,275,641	<b>26,922,629</b>	18,293,517

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

**A1. Basis of Preparation**

The interim financial statements have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: securities held-for-trading and available-for-sale, and derivative financial instruments. The interim financial statements are not audited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2006. These explanatory notes attached to the 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 since the year ended 30 June 2006.

The significant accounting policies' adopted are consistent with those of the audited financial statements for the year ended 30 June 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 July 2006:

FRS 2	Share-based Payment
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136 and 138 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRS's are discussed below.

The allowance for bad and doubtful debts and financing of the Group are computed based on the requirements of BNM/GP3, which is consistent with the adoption made in the previous audited annual financial statements.

**(a) FRS 2: Share-based Payments**

This FRS requires an entity to recognise share-based payment transactions in its financial statements including transactions with employees or other parties to be settled in cash, other assets or equity instruments of the entity.

The Company operates an equity-settled share-based compensation plan for the employees of the Group, the Maybank Group Employee Share Options Scheme ("ESOS"). Prior to 1 July 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognised in profit or loss over the vesting periods of the grants with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by the vesting date. The fair value of the share option is computed using a trinomial model.



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**A1. Basis of Preparation (contd)**

**(a) FRS 2: Share-based Payments (contd)**

At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

Under the transitional provisions of FRS 2, this FRS must be applied to share options that were granted after 31 December 2004 and had not yet vested at the effective date of this FRS to the Group i.e. 1 July 2006. The application is retrospective and accordingly, the comparative amounts as at 30 June 2006 are restated and the opening balance of retained earnings as at 1 July 2006 has been adjusted. The financial impact to the Group and the Bank arising from this change in accounting policy is as follows:

<u>Group</u>	<b>As at 1 July 2006 RM'000</b>
Decrease in retained earnings	3,038
Increase in equity compensation reserve (included in other reserve)	<u>3,038</u>

	<b>3<sup>rd</sup> Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>
Decrease in profit for the period	<u>2,173</u>	<u>1,215</u>	<u>56,309</u>	<u>1,823</u>

<u>Bank</u>	<b>As at 1 July 2006 RM'000</b>
Decrease in retained earnings	3,038
Increase in equity compensation reserve (included in other reserve)	<u>3,038</u>

	<b>3<sup>rd</sup> Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>
Decrease in profit for the period	<u>1,426</u>	<u>794</u>	<u>49,102</u>	<u>1,191</u>

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**A1. Basis of Preparation (contd)**

**(b) FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

**(c) FRS 140: Investment Property**

The adoption of this new FRS has resulted in a change in the classification of land and buildings owned by the life insurance business. Previously, in line with FRS 203 Life Insurance Business (formerly known as MASB Standard 18), land and buildings owned by the life insurance business are classified as investment properties, notwithstanding that they are substantially occupied for use by, or in the operations of the Group.

With the adoption of FRS 140 and the consequent change to FRS 203, owner-occupied property cannot be classified as investment property. Accordingly, land and buildings previously classified as investment properties have been reclassified as and accounted for as property, plant and equipment. This change in classification does not have significant financial impact to the Group.

**A2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2006 was not qualified.

**A3. Seasonal or Cyclical Factors**

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the 3<sup>rd</sup> quarter ended 31 March 2007.

**A4. Unusual Items Due to Their Nature, Size or Incidence**

During the nine-month period ended 31 March 2007, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank, other than the following:

- i) The inclusion of the assets and liabilities of Kewangan Bersatu Berhad ("KBB"), which was acquired on 30 September 2006. The acquisition of KBB resulted in an excess of the Group's interest in the net fair value of KBB's identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, of RM36.5 million. In accordance with FRS 3, this excess was recognised immediately in the income statement.
- ii) The granting of 42.2 million options to employees under the Maybank Group Employee Share Option Scheme ("ESOS"), that necessitate an additional charge of RM56.3 million and RM49.1 million to the income statement the Group and the Bank respectively, as ESOS compensation cost on the total options that have vested and become exercisable as of 31 March 2007 and options vested over a period including the nine months ended 31 March 2007.

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**A5. Changes in Estimates**

There were no material changes in estimates during the quarter ended 31 March 2007.

**A6. Changes in Debt and Equity Securities**

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

The issued and paid-up share capital of the Bank was increased from RM3,796,947,321 as at 30 June 2006 to RM3,880,428,321 as at 31 March 2007, from the issuance of 83,481,000 new ordinary shares of RM1.00 each to eligible persons who have exercised their options under the Maybank Group Employee Share Option Scheme (ESOS) at the following option prices:

<u>Number of shares issued:</u>	<u>Option price per share</u>
41,894,000	RM 9.23
7,233,600	RM 9.87
14,953,000	RM 9.92
19,400,400	RM10.19

**A7. Dividends Paid**

The bank paid the following dividends:

- a) A final dividend of 35.0 sen per share less 28% income tax for the financial year ended 30 June 2006, amounting to RM964,662,910 was paid on 14 November 2006.
- b) An interim dividend of 40.0 sen per share less 27% income tax for the financial year ending 30 June 2007, amounting to RM1,134,267,436 was paid on 26 April 2007.

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**A8 (i) Securities Held-for-trading**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<b>At Fair value</b>				
<b>Money Market Instruments:-</b>				
Malaysian Government Treasury Bills	148,798	21,800	148,798	21,800
Malaysian Government Securities	167,128	-	167,128	-
Malaysian Government Investment Issues	87,558	-	67,385	-
Bank Negara Malaysia Bills and Notes	397,663	225,343	397,663	225,343
Bankers' Acceptances and Islamic Accepted Bills	847	722	-	-
<b>Total Money Market Instruments</b>	<b>801,994</b>	<b>247,865</b>	<b>780,974</b>	<b>247,143</b>
<b>Unquoted securities:</b>				
Private and Islamic Debt Securities in Malaysia	527,047	-	-	-
Foreign Private Debt Securities	539,667	229,833	539,667	229,833
	<b>1,066,714</b>	<b>229,833</b>	<b>539,667</b>	<b>229,833</b>
<b>Total securities held-for-trading</b>	<b>1,868,708</b>	<b>477,698</b>	<b>1,320,641</b>	<b>476,976</b>

**A8 (ii) Securities Available-for-sale**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<b>At Fair value, or cost less impairment losses for certain unquoted equity instruments</b>				
<b>Money market instruments:-</b>				
Malaysian Government Securities	3,063,541	3,264,639	2,344,279	2,452,659
Cagamas Bonds	912,791	2,012,688	616,734	1,600,531
Foreign Government Securities	2,479,921	2,257,642	2,376,873	2,208,481
Malaysian Government Treasury Bills	9,962	127,500	9,962	127,500
Malaysian Government Investment Issues	2,857,772	1,822,126	2,769,931	1,695,199
Bank Negara Malaysia Bills	35,273	-	35,273	-
Foreign Government Treasury Bills	1,107,540	759,497	985,516	667,404
Negotiable Instruments of Deposits	3,741,466	1,005,152	4,308,681	1,495,850
Bankers' Acceptances and Islamic Accepted Bills	3,121,544	4,106,895	3,193,474	4,106,895
Khazanah Bonds	925,242	733,163	731,488	555,579
Bank Negara Malaysia Sukuk Ijarah Bonds	40,040	199,403	40,040	199,403
Foreign Certificates of Deposits	253,624	77,572	-	-
<b>Total Money Market Instruments</b>	<b>18,548,716</b>	<b>16,366,277</b>	<b>17,412,251</b>	<b>15,109,501</b>
<b>Quoted Securities: -</b>				
<b>In Malaysia:</b>				
Shares, Warrants, Trust Units and Loan Stocks	585,788	553,152	231,864	162,952
<b>Outside Malaysia:</b>				
Shares, Warrants, Trust Units and Loan Stocks	112,891	56,744	73,289	25,580
	<b>698,679</b>	<b>609,896</b>	<b>305,153</b>	<b>188,532</b>

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**A8. Securities Portfolio (contd)**

**A8 (ii) Securities Available-for-sale (contd)**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<b>Unquoted Securities:-</b>				
Shares, trust units and loan stocks in Malaysia	839,330	808,353	539,603	509,549
Shares, trust units and loan stocks outside Malaysia	13,397	10,084	7,372	6,219
Private and Islamic Debt Securities in Malaysia	4,292,411	4,557,044	2,722,459	2,576,144
Malaysian Government Bonds	302,024	317,446	302,024	317,446
Foreign Islamic and Private Debt Securities	3,986,716	4,254,122	3,649,698	3,982,741
Credit Link Notes	426,630	453,772	426,630	453,772
Malaysia Global Sukuk	86,671	92,137	-	-
Others	-	10	-	-
	<b>9,947,179</b>	<b>10,492,968</b>	<b>7,647,786</b>	<b>7,845,871</b>
Accumulated impairment losses	(30,576)	(23,276)	-	-
<b>Total securities available-for-sale</b>	<b>29,163,998</b>	<b>27,445,865</b>	<b>25,365,190</b>	<b>23,143,904</b>

**A8 (iii) Securities Held-To-Maturity**

**At Amortised cost less impairment losses**

**Money market instruments:-**

Malaysian Government Securities	1,035,317	2,201,298	1,034,758	2,088,881
Cagamas Bonds	224,068	504,342	212,312	222,347
Foreign Government Securities	312,936	273,674	-	1,286
Malaysian Government Investment Issues	188,752	183,904	188,672	183,904
Khazanah Bonds	-	4,925	-	2,496
Bankers' acceptances and Islamic accepted bills	-	920,427	-	-
Negotiable Instruments of Deposits	-	70,000	-	-
<b>Total Money Market Instruments</b>	<b>1,761,073</b>	<b>4,158,570</b>	<b>1,435,742</b>	<b>2,498,914</b>

**Unquoted Securities:-**

Private and Islamic Debt Securities in Malaysia	530,125	1,067,618	174,765	197,900
Malaysian Government Bonds	45,449	48,150	45,449	48,150
Foreign Government Bonds	9	18	-	-
Foreign Islamic and Private Debt Securities	338,634	359,994	338,634	359,994
Credit Linked Note	172,875	183,800	172,875	183,800
Others	2,044	2,044	2,044	2,044
	<b>1,089,136</b>	<b>1,661,624</b>	<b>733,767</b>	<b>791,888</b>
Accumulated impairment losses	(19,166)	(21,935)	(19,166)	(21,935)
<b>Total securities held-to-maturity</b>	<b>2,831,043</b>	<b>5,798,259</b>	<b>2,150,343</b>	<b>3,268,867</b>

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**A9. Loans, Advances and Financing**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
Overdrafts	13,532,623	13,566,214	13,496,036	13,533,809
Term loans				
- Housing loans/financing	25,507,043	25,906,418	25,388,380	25,556,944
- Syndicated term loan/financing	7,577,562	6,497,354	5,668,425	5,058,608
- Hire purchase receivables	24,905,978	22,926,152	24,721,785	22,924,768
- Lease receivables	9,364	22,697	9,364	14,477
- Other term loans/financing	42,000,923	39,380,762	40,341,689	37,900,942
Credit card receivables	2,727,754	2,300,567	2,727,754	2,300,567
Bills receivables	1,452,198	1,174,201	1,438,028	1,159,709
Trust receipts	2,751,343	2,704,954	2,721,019	2,703,879
Claims on customers under acceptance credits	7,960,275	7,846,537	7,942,119	7,815,683
Loans/financing to banks and other financial institutions	9,602,564	11,410,876	9,602,238	11,409,931
Revolving credits	12,470,762	14,811,275	12,305,549	14,456,194
Staff loans	979,956	954,673	925,321	899,137
Housing loans to				
- Executive directors of the Bank	134	374	134	374
- Executive directors of subsidiaries	1,173	960	1,173	960
Others	216,107	236,154	-	-
	<u>151,695,759</u>	<u>149,740,168</u>	<u>147,289,014</u>	<u>145,735,982</u>
Unearned interest and income	(11,690,968)	(11,861,142)	(11,658,811)	(11,823,254)
Gross loans, advances and financing	<u>140,004,791</u>	<u>137,879,026</u>	<u>135,630,203</u>	<u>133,912,728</u>
Allowances for bad and doubtful debts and financing:				
- specific	(4,338,154)	(4,010,299)	(4,138,421)	(3,805,936)
- general	(2,603,583)	(2,415,073)	(2,452,532)	(2,258,397)
Net loans, advances and financing	<u>133,063,054</u>	<u>131,453,654</u>	<u>129,039,250</u>	<u>127,848,395</u>

**(i) By type of customer**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<b>Domestic operations:</b>				
Domestic banking institutions	-	-	-	-
Domestic non-bank financial institutions				
- Stockbroking companies	181,460	131,896	181,460	131,896
- Others	9,352,970	10,820,402	9,339,417	10,823,065
Domestic business enterprise				
- Small and medium enterprise	23,732,153	23,321,481	23,731,974	23,292,469
- Others	19,980,317	19,733,316	19,837,367	19,563,712
Government and statutory bodies	935,741	1,050,597	933,076	1,047,931
Individuals	51,452,159	50,252,687	51,342,633	50,048,025
Other domestic entities	214,285	215,094	47,377	212,128
Foreign entities	363,255	314,546	313,647	261,178
Total domestic operations	<u>106,212,340</u>	<u>105,840,019</u>	<u>105,726,951</u>	<u>105,380,404</u>

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**A9. Loans, Advances and Financing (contd)**

**(i) By type of customer (contd)**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<b>Overseas operations:</b>				
Singapore	25,306,408	24,283,980	25,306,408	24,283,980
Hong Kong SAR	1,838,020	1,528,711	1,838,020	1,528,711
United States of America	790,723	874,081	790,723	874,081
People's Republic of China	532,090	518,916	532,090	518,916
Vietnam	332,288	338,886	332,288	338,886
United Kingdom	659,655	566,768	659,655	566,768
Brunei	166,608	197,275	166,608	197,275
Cambodia	59,305	51,236	59,305	51,236
Bahrain	218,155	172,471	218,155	172,471
Labuan offshore	3,310,460	2,932,332	-	-
Philippines	478,612	506,555	-	-
Indonesia	73,289	40,204	-	-
Papua New Guinea	26,838	27,592	-	-
	<b>33,792,451</b>	<b>32,039,007</b>	<b>29,903,252</b>	<b>28,532,324</b>
Gross loans, advances and financing	<b>140,004,791</b>	<b>137,879,026</b>	<b>135,630,203</b>	<b>133,912,728</b>

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

Fixed rate				
- Housing loans/financing	11,526,547	12,991,134	11,374,693	12,847,935
- Hire purchase receivables	20,770,457	19,992,510	20,609,473	19,980,718
- Other fixed rate loans/financing	15,250,108	16,510,789	15,111,601	16,267,590
Variable rate				
- Base lending rate plus	53,644,496	46,576,057	53,484,488	46,302,114
- Cost plus	13,451,129	12,216,671	13,227,276	12,152,482
- Other variable rates	25,362,054	29,591,865	21,822,672	26,361,889
Gross loans, advances and financing	<b>140,004,791</b>	<b>137,879,026</b>	<b>135,630,203</b>	<b>133,912,728</b>

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

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<b>Domestic operations:</b>				
Purchase of securities	8,885,471	8,605,303	8,707,899	8,444,064
Purchase of transport vehicles	13,236,917	12,549,834	13,231,444	12,545,752
- Less Islamic loans sold to Cagamas	(936,352)	(1,127,571)	(936,352)	(1,127,571)
Purchase of landed properties				
- residential	24,348,385	24,462,017	24,316,496	24,429,998
- non-residential	6,343,406	6,774,708	6,337,051	6,773,961
- Less Islamic housing loans sold to Cagamas	(419,123)	(448,185)	(419,123)	(448,185)
Purchase of fixed assets (exclude landed properties)	215,166	176,229	215,166	174,356
Personal use	3,035,121	3,030,492	3,035,063	3,030,331
Credit card	2,190,360	1,774,126	2,190,360	1,774,126
Purchase of consumer durables	33,028	22,008	33,009	21,979
Construction	5,751,008	5,885,779	5,728,073	5,788,199
Working capital	42,401,366	43,307,742	42,401,367	43,305,810
Others	1,127,587	827,537	886,498	667,584
Total domestic operations	<b>106,212,340</b>	<b>105,840,019</b>	<b>105,726,951</b>	<b>105,380,404</b>

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**A9. Loans, Advances and Financing (contd)**

**(ii) Total loans by economic purpose (contd)**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<b>Overseas operations:</b>				
Singapore	25,306,408	24,283,980	25,306,408	24,283,980
Hong Kong SAR	1,838,020	1,528,711	1,838,020	1,528,711
United States of America	790,723	874,081	790,723	874,081
People's Republic of China	532,090	518,916	532,090	518,916
Vietnam	332,288	338,886	332,288	338,886
United Kingdom	659,655	566,768	659,655	566,768
Brunei	166,608	197,275	166,608	197,275
Cambodia	59,305	51,236	59,305	51,236
Bahrain	218,155	172,471	218,155	172,471
Labuan Offshore	3,310,460	2,932,332	-	-
Philippines	478,612	506,555	-	-
Indonesia	73,289	40,204	-	-
Papua New Guinea	26,838	27,592	-	-
	<b>33,792,451</b>	<b>32,039,007</b>	<b>29,903,252</b>	<b>28,532,324</b>
Gross loans, advances and financing	<b>140,004,791</b>	<b>137,879,026</b>	<b>135,630,203</b>	<b>133,912,728</b>

**(iii) Non-performing loans by economic purpose**

<b>Domestic operations:</b>				
Purchase of securities	330,281	366,021	274,949	308,215
Purchase of transport vehicles	217,103	182,675	216,728	182,498
Purchase of landed properties				
- residential	2,815,939	2,768,097	2,814,760	2,766,863
- non-residential	576,459	588,347	576,459	588,347
Purchase of fixed assets (exclude landed properties)	14,401	12,855	14,401	12,855
Personal use	273,127	276,576	273,127	276,576
Credit card	42,229	33,937	42,229	33,937
Purchase of consumer durables	1,382	1,275	1,382	1,275
Construction	541,670	907,956	541,670	890,152
Working capital	3,237,362	2,715,483	3,237,182	2,697,411
Others	450,545	341,802	399,472	323,182
Total domestic operations	<b>8,500,498</b>	<b>8,195,024</b>	<b>8,392,359</b>	<b>8,081,311</b>
<b>Overseas operations:</b>				
Singapore	469,537	574,548	469,537	574,548
Hong Kong SAR	29,766	31,341	29,766	31,341
Brunei	38,640	36,644	38,640	36,644
Vietnam	22,734	17,806	22,734	17,806
People's Republic of China	9,992	12,133	9,992	12,133
Cambodia	3,587	3,814	3,587	3,814
Labuan Offshore	66,870	274,683	-	-
Papua New Guinea	5,607	5,006	-	-
Philippines	60,150	58,566	-	-
Indonesia	2,964	2,373	-	-
	<b>709,847</b>	<b>1,016,914</b>	<b>574,256</b>	<b>676,286</b>
	<b>9,210,345</b>	<b>9,211,938</b>	<b>8,966,615</b>	<b>8,757,597</b>



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**A9. Loans, Advances and Financing (contd)**

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

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
At beginning of the period	9,211,938	9,609,580	8,757,597	8,991,886
Non-performing during the period	3,492,028	5,495,459	3,459,195	5,452,229
Reclassified as performing	<b>(2,003,258)</b>	(2,850,207)	<b>(2,002,686)</b>	(2,808,657)
Acquired upon business acquisition	77,008	1,051	77,008	-
Transfer from a subsidiary	-	-	-	1,119
Recovered	<b>(1,052,627)</b>	(2,010,281)	<b>(842,075)</b>	(1,945,499)
Amount written off	<b>(492,601)</b>	(1,069,806)	<b>(475,976)</b>	(980,528)
Converted to securities	<b>(28,294)</b>	(18,824)	<b>(28,294)</b>	(17,827)
Exchange differences and expenses debited	6,151	54,966	21,846	64,874
At end of the period	<b>9,210,345</b>	9,211,938	<b>8,966,615</b>	8,757,597
Specific allowance	<b>(4,338,154)</b>	(4,010,299)	<b>(4,138,421)</b>	(3,805,936)
Net non-performing loans, advances and financing	<b>4,872,191</b>	5,201,639	<b>4,828,194</b>	4,951,661
Net NPL as a% of gross loans, advances and financing (including Islamic loans sold to Cagamas) less specific allowance	<b>3.56%</b>	3.84%	<b>3.63%</b>	3.76%

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

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<u>Specific Allowance</u>				
At beginning of the period	4,010,299	3,541,718	3,805,936	3,249,740
Allowance made during the period	1,270,329	2,203,167	1,236,319	2,121,737
Amount written back in respect of recoveries	<b>(457,249)</b>	(640,065)	<b>(451,614)</b>	(557,170)
Acquired upon business acquisition	50,709	548	50,709	-
Transfer from a subsidiary	-	-	-	1,119
Amount written off	<b>(492,601)</b>	(1,054,184)	<b>(475,976)</b>	(979,826)
Transfer to general allowance	<b>(11,880)</b>	(12,683)	<b>(3,289)</b>	(5,114)
Transferred to impairment losses in value of securities	<b>(8,576)</b>	(12,769)	<b>(8,576)</b>	(12,536)
Transfer to restructured/rescheduled loans	<b>(5,117)</b>	(21,390)	<b>(5,117)</b>	(21,390)
Exchange differences	<b>(17,760)</b>	5,957	<b>(9,971)</b>	9,376
At end of the period	<b>4,338,154</b>	4,010,299	<b>4,138,421</b>	3,805,936

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

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<u>General Allowance</u>				
At beginning of the period	2,415,073	2,810,356	2,258,397	2,596,076
Allowance made during the period	210,654	18,015	193,053	-
Amount written back	<b>(25,336)</b>	(425,182)	-	(345,278)
Acquired upon business acquisition	3,419	-	3,419	-
Transfer from specific allowance	11,880	12,683	3,289	5,114
Exchange differences	<b>(12,107)</b>	(799)	<b>(5,626)</b>	2,485
At end of the period	<b>2,603,583</b>	2,415,073	<b>2,452,532</b>	2,258,397
As % of gross loans, advances and financing (including Islamic loans sold to Cagamas) less specific allowance	<b>1.90%</b>	1.78%	<b>1.85%</b>	1.72%

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**A10. Other Assets**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
Interest/Income receivable	742,262	731,940	669,609	614,254
Prepayments and deposits	274,069	185,997	259,078	182,604
Other debtors	1,920,740	1,644,187	1,233,972	544,177
Properties acquired/foreclosed	85,936	98,302	24,735	39,502
Investment properties	-	21,788	-	-
Derivative assets	886,854	343,367	885,766	343,367
	<b>3,909,861</b>	<b>3,025,581</b>	<b>3,073,160</b>	<b>1,723,904</b>

**A11. Deposits from Customers**

Fixed deposits and negotiable instruments of deposits				
- One year or less	95,321,822	86,141,042	84,289,641	73,210,413
- More than one year	3,196,533	1,727,567	2,913,599	1,652,856
Savings deposits	26,803,088	24,021,246	26,508,963	23,746,361
Demand deposits	28,765,162	24,310,544	28,631,011	26,510,229
Structured deposits*	-	17,577	-	17,577
	<b>154,086,605</b>	<b>136,217,976</b>	<b>142,343,214</b>	<b>125,137,436</b>

\* Structured deposits represent foreign currency time deposits with embedded foreign exchange option.

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
Business enterprise	60,264,690	52,621,269	50,650,990	43,459,322
Individuals	77,316,926	69,438,413	76,709,695	68,952,814
Government and statutory bodies	7,878,711	7,050,900	7,617,583	6,774,985
Others	8,626,278	7,107,394	7,364,946	5,950,315
	<b>154,086,605</b>	<b>136,217,976</b>	<b>142,343,214</b>	<b>125,137,436</b>

**A12. Deposits and Placement of Banks and Other Financial Institutions and Debt Securities**

Licensed banks	19,356,315	21,382,459	23,319,226	21,186,629
Licensed finance companies	638,181	544,973	638,181	544,973
Licensed merchant banks	2,001,094	606,775	2,001,094	606,775
Other financial institutions	4,439,847	6,173,368	4,439,847	5,699,485
	<b>26,435,437</b>	<b>28,707,575</b>	<b>30,398,348</b>	<b>28,037,862</b>

Maturity structure of deposits and placements of banks and other financial institutions				
- One year or less	20,501,945	26,193,939	24,465,982	25,530,042
- More than one year	5,933,492	2,513,636	5,932,366	2,507,820
	<b>26,435,437</b>	<b>28,707,575</b>	<b>30,398,348</b>	<b>28,037,862</b>

Subordinated obligations				
Unsecured				
- less than one year	-	-	-	-
- more than one year	<sup>1</sup> 3,813,850	<sup>1</sup> 3,896,880	<sup>1</sup> 3,813,850	<sup>1</sup> 3,896,880

<sup>1</sup> Includes Subordinated Notes of USD380 million.

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**A13. Other Liabilities**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
Interest/Profit payable	1,092,699	845,150	1,076,617	823,098
Provision for outstanding claims	429,820	412,667	-	-
Unearned premium reserves	264,682	284,766	-	-
Profit Equalisation Reserves	53,625	144,111	50,538	141,828
Provisions and accruals	921,218	730,316	753,165	664,800
Due to brokers and clients	269,188	156,236	-	-
Deposits and other creditors	1,855,826	1,058,457	2,152,674	1,698,851
Derivative liabilities	893,819	233,408	891,401	234,560
	<b>5,780,877</b>	<b>3,865,111</b>	<b>4,924,395</b>	<b>3,563,137</b>

**A14. Interest Income**

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
<b>Group</b>				
Loans, advances and financing				
- Interest income other than recoveries from NPL	1,690,582	1,515,408	5,093,476	4,358,892
- Recoveries from NPLs	75,431	86,397	269,063	262,067
Money at call and deposit placements with financial institutions	482,684	259,622	1,354,098	811,494
Securities purchased under resale agreements	2,444	3,090	14,952	16,206
Securities held-for-trading	112,115	46,040	265,429	122,792
Securities available-for-sale	302,734	258,711	880,249	780,784
Securities held-to-maturity	38,018	61,508	163,731	77,517
	<b>2,704,008</b>	<b>2,230,776</b>	<b>8,040,998</b>	<b>6,429,752</b>
Amortisation of premium less accretion of discount	(8,042)	(17,318)	(44,250)	(38,028)
Interest income suspended	(9,509)	(14,673)	(45,497)	(47,778)
	<b>2,686,457</b>	<b>2,198,785</b>	<b>7,951,251</b>	<b>6,343,946</b>

**Bank**

Loans, advances and financing				
- Interest income other than recoveries from NPL	1,621,216	1,456,574	4,876,644	4,175,335
- Recoveries from NPLs	70,012	85,384	261,590	258,196
Money at call and deposit placements with financial institutions	481,575	221,815	1,238,858	739,178
Securities purchased under resale agreements	1,894	2,369	13,709	14,962
Securities held-for-trading	103,961	43,338	250,591	110,775
Securities available-for-sale	248,497	251,063	703,251	665,476
Securities held-to-maturity	34,206	3,562	122,244	9,698
	<b>2,561,361</b>	<b>2,064,105</b>	<b>7,466,887</b>	<b>5,973,620</b>
Amortisation of premium less accretion of discount	(13,713)	(15,073)	(48,023)	(39,475)
Interest income suspended	(12,775)	(15,268)	(45,497)	(47,683)
	<b>2,534,873</b>	<b>2,033,764</b>	<b>7,373,367</b>	<b>5,886,462</b>

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**A15. Interest Expense**

<b>Group</b>	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>
Deposits and placements of banks and other financial institutions	226,953	250,913	894,292	695,405
Deposits from customers	1,112,527	738,612	3,035,577	2,068,306
Loans sold to Cagamas	31,520	45,639	102,795	140,495
Floating rate certificates of deposits	6,059	1,806	19,074	5,158
Subordinated notes	20,504	21,771	63,265	80,038
Subordinated bonds	-	8,498	-	25,872
Others	(466)	-	277	79
	<b>1,397,097</b>	<b>1,067,239</b>	<b>4,115,280</b>	<b>3,015,353</b>

**Bank**

Deposits and placements of banks and other financial institutions	285,832	205,633	871,073	581,088
Deposits from customers	965,914	680,784	2,716,151	1,910,529
Loans sold to Cagamas	31,520	45,639	102,795	140,495
Floating rate certificates of deposits	6,059	1,806	19,074	5,158
Subordinated notes	20,504	21,771	63,265	80,038
Subordinated bonds	-	8,498	-	25,872
Others	(466)	-	277	79
	<b>1,309,363</b>	<b>964,131</b>	<b>3,772,635</b>	<b>2,743,259</b>

**A16. Non-interest Income**

**Group**

(a) Fee income:

Commissions	169,428	163,657	487,685	395,069
Service charges and fees	165,127	124,432	452,013	384,659
Guarantee fees	25,975	21,991	70,444	64,400
Underwriting fees	7,516	-	8,952	-
Brokerage income	31,856	11,424	58,285	32,581
Other fee income	6,616	10,830	25,616	43,139
	<b>406,518</b>	<b>332,334</b>	<b>1,102,995</b>	<b>919,848</b>

(b) Gain/loss arising from sale of securities:

Net gain from securities held-for-trading	(5,974)	1,255	8,693	11,163
Net gain from securities available-for-sale	61,925	40,112	191,741	219,978
Net loss from redemption of securities held-to-maturity	(93)	-	(269)	-
Net gain from sale of subsidiary company	-	-	456	-
	<b>55,858</b>	<b>41,367</b>	<b>200,621</b>	<b>231,141</b>

(c) Gross dividend from:

Securities portfolio	9,591	10,264	22,093	16,834
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(d) Unrealised losses on revaluation of securities held-for-trading and derivatives

Write back of impairment losses on securities	(10,334)	79,551	(108,309)	228,471
	<b>1,299</b>	<b>2,118</b>	<b>17,959</b>	<b>24,356</b>
	<b>(9,035)</b>	<b>81,669</b>	<b>(90,350)</b>	<b>252,827</b>

(e) Other income:

Foreign exchange profit	79,453	83,626	246,398	280,502
Net premiums written	121,490	120,313	368,658	252,978
Rental Income	3,346	4,527	12,277	14,352
Gains on disposal of property, plant and equipment	356	18,963	870	19,063
Gain on disposal of foreclosed properties	486	514	889	15,861
Others	17,580	11,006	163,394	39,775
	<b>222,711</b>	<b>238,949</b>	<b>792,486</b>	<b>622,531</b>

Total non-interest income	<b>685,643</b>	<b>704,583</b>	<b>2,027,845</b>	<b>2,043,181</b>
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**A16. Non-interest Income (contd)**

<b>Bank</b>	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>
(a) Fee income:				
Commissions	168,425	130,134	481,811	389,018
Service charges and fees	143,093	108,945	405,027	336,868
Guarantee fees	25,719	21,904	69,889	63,992
Underwriting fees	1,443	-	1,794	-
Other fee income	4,190	4,584	15,357	17,730
	<b>342,870</b>	<b>265,567</b>	<b>973,878</b>	<b>807,608</b>
(b) Gain/(loss) arising from sale of securities:				
Net (loss)/gain from securities held-for trading	(10,494)	4,283	(6,992)	(5,264)
Net gain from securities available-for-sale	50,914	29,476	146,427	166,146
Net loss from redemption of securities held-to-maturity	(81)	-	(238)	-
Net gain from sale of subsidiary company	24,017	-	82,376	-
Net gain from sale of associated company	-	-	-	4,320
	<b>64,356</b>	<b>33,759</b>	<b>221,573</b>	<b>165,202</b>
(c) Gross dividend income from:				
Securities portfolio	6,061	6,089	8,922	9,173
Subsidiary companies	227,922	600	375,721	75,363
	<b>233,983</b>	<b>6,689</b>	<b>384,643</b>	<b>84,536</b>
(d) Unrealised losses on revaluation of securities held-for-trading and derivatives	(16,723)	78,003	(114,871)	241,925
Write back of impairment losses on securities	8,112	3,674	22,689	36,338
	<b>(8,611)</b>	<b>81,677</b>	<b>(92,182)</b>	<b>278,263</b>
(e) Other income:				
Foreign exchange profit	77,919	74,681	234,849	266,322
Rental Income	3,225	3,761	11,622	12,220
Gain on disposal of property and equipment (net)	223	18,336	152	17,829
Gain on disposal of foreclosed properties	-	-	-	14,905
Others	26,573	29,361	111,211	63,070
	<b>107,940</b>	<b>126,139</b>	<b>357,834</b>	<b>374,346</b>
<b>Total non-interest income</b>	<b>740,538</b>	<b>513,831</b>	<b>1,845,746</b>	<b>1,709,955</b>

**A17. Overhead Expenses**

<b>Group</b>				
Personnel costs	420,832	406,470	1,308,799	1,131,040
- Salaries, allowances and bonuses	325,039	316,188	973,613	874,691
- Pension costs	47,046	46,754	142,904	128,679
- Others	48,747	43,528	192,282	127,670
Establishment costs	182,100	142,573	492,899	421,616
- Depreciation	41,845	44,212	127,329	131,900
- Rental of leasehold land and premises	14,646	15,662	47,635	44,278
- Repairs and maintenance of property and equipment	19,097	12,887	52,946	45,088
- Information technology expenses	79,032	58,306	228,452	180,752
- Others	27,480	11,506	36,537	19,598
Marketing expenses	90,545	67,608	249,969	206,271
- Advertisement and publicity	67,027	36,901	193,839	158,992
- Others	23,518	30,707	56,130	47,279
Administration and general expenses	242,347	211,766	758,234	576,974
- Fees and brokerage	89,731	61,276	249,061	193,254
- Administrative expenses	48,213	54,750	159,803	153,041
- General expenses	32,330	28,206	128,069	93,590
- Claims incurred	62,696	52,617	193,583	102,317
- Others	9,377	14,917	27,718	34,772
	<b>935,824</b>	<b>828,417</b>	<b>2,809,901</b>	<b>2,335,901</b>

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**A17. Overhead Expenses (contd)**

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
<b><u>Bank</u></b>				
Personnel costs	378,863	365,776	1,174,766	1,033,056
- Salaries, allowances and bonuses	294,560	287,415	879,713	805,791
- Pension costs	43,206	42,973	130,623	119,633
- Others	41,097	35,388	164,430	107,632
Establishment costs	168,123	127,335	449,796	381,872
- Depreciation	37,739	38,605	114,296	117,009
- Rental of leasehold land and premises	14,834	14,280	44,250	42,749
- Repairs and maintenance of property and equipment	16,706	11,221	45,880	38,718
- Information technology expenses	74,571	56,980	215,929	171,681
- Others	24,273	6,249	29,441	11,715
Marketing expenses	76,817	54,801	208,557	177,183
- Advertisement and publicity	54,418	41,739	155,185	137,795
- Others	22,399	13,062	53,372	39,388
Administration and general expenses	165,527	154,461	527,832	455,569
- Fees and brokerage	86,156	57,106	234,407	184,871
- Administrative expenses	44,960	34,696	145,524	147,412
- General expenses	29,030	53,981	125,981	94,672
- Others	5,381	8,678	21,920	28,614
	<b>789,330</b>	<b>702,373</b>	<b>2,360,951</b>	<b>2,047,680</b>

**A18. Allowance for Losses on Loans, Advances and Financing**

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
<b><u>Group</u></b>				
Allowance for bad and doubtful debts and financing:				
- general allowance made (net)	52,502	59,908	185,318	92,746
- specific allowance	336,342	409,710	1,270,329	1,489,860
- specific allowance written back	(96,862)	(111,689)	(457,249)	(489,213)
Bad debts and financing written off	1,362	52,597	4,683	144,506
Bad debts and financing recovered	(76,288)	(112,864)	(308,535)	(342,205)
Provision/(write back) for other debts	(8,343)	-	(8,100)	-
	<b>208,713</b>	<b>297,662</b>	<b>686,446</b>	<b>895,694</b>
<b><u>Bank</u></b>				
Allowance for bad and doubtful debts and financing:				
- general allowance made/(written back)	51,468	70,379	193,053	90,145
- specific allowance	332,006	393,511	1,236,319	1,407,984
- specific allowance written back	(92,321)	(76,113)	(451,614)	(435,844)
Bad debts and financing written off	1,312	37,943	4,582	130,446
Bad debts and financing recovered	(73,989)	(98,209)	(273,289)	(317,928)
	<b>218,476</b>	<b>327,511</b>	<b>709,051</b>	<b>874,803</b>

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**A19. SEGMENT INFORMATION ON REVENUES, RESULTS, ASSETS AND LIABILITIES**

**BUSINESS SEGMENT**

REVENUE AND EXPENSES	Banking and Finance		Investment Banking		Insurance and Takaful		Others		Eliminations		Consolidated	
	March 2007 RM'000	March 2006 RM'000	March 2007 RM'000	March 2006 RM'000	March 2007 RM'000	March 2006 RM'000	March 2007 RM'000	March 2006 RM'000	March 2007 RM'000	March 2006 RM'000	March 2007 RM'000	March 2006 RM'000
<b>Revenue</b>												
External revenue	10,044,556	9,073,502	410,183	348,808	519,073	326,470	27,279	38,522	-	-	11,001,091	9,787,302
Inter-segment revenue	475,739	283,124	267,244	45,196	4,432	139,024	7,119	11,081	(754,534)	(478,425)	-	-
<b>Total revenue</b>	<b>10,520,295</b>	<b>9,356,626</b>	<b>677,427</b>	<b>394,004</b>	<b>523,505</b>	<b>465,494</b>	<b>34,398</b>	<b>49,603</b>	<b>(754,534)</b>	<b>(478,425)</b>	<b>11,001,091</b>	<b>9,787,302</b>
<b>Segment results</b>												
Operating profit	3,843,534	3,559,083	432,822	144,334	171,678	240,402	10,465	(7,438)	(746,952)	(225,848)	3,711,547	3,708,710
Loan loss and provision	(718,281)	(901,085)	31,917	3,608	(94)	2,695	12	(912)	-	-	(686,446)	(895,694)
Share of results of associates	-	-	-	-	-	(50)	402	(2)	-	-	402	(52)
Profit before taxation	3,125,253	2,657,998	464,739	147,942	171,584	243,047	10,879	(8,352)	(746,952)	(225,848)	3,025,503	2,812,964
Taxation & Zakat	(867,830)	(738,741)	(92,214)	(48,958)	(44,844)	(78,794)	(5,429)	(7,339)	163,831	51,234	(846,486)	(822,598)
Profit after taxation and zakat	2,257,423	1,919,257	372,525	98,984	126,740	164,253	5,450	(15,691)	(583,121)	(174,614)	2,179,017	1,990,366
Minority interest	-	-	-	-	-	-	-	-	-	-	(59,311)	(43,972)
<b>Net profit for the year</b>	<b>2,257,423</b>	<b>1,919,257</b>	<b>372,525</b>	<b>98,984</b>	<b>126,740</b>	<b>164,253</b>	<b>5,450</b>	<b>(15,691)</b>	<b>(583,121)</b>	<b>(174,614)</b>	<b>2,119,706</b>	<b>1,946,394</b>
<b>OTHER INFORMATION</b>												
Capital expenditure	187,083	105,869	691	556	1,737	3,921	759	114	-	-	190,270	110,460
Depreciation	116,882	119,270	3,215	4,513	5,838	6,230	1,394	1,887	-	-	127,329	131,900
Non-cash expenses/(income) other than depreciation	74,371	514,834	2,763	(3,230)	4,872	(7,739)	(7,300)	18,884	-	-	74,706	522,749

ASSETS AND LIABILITIES	March 2007	June 2006	March 2007	June 2006	March 2007	June 2006	March 2007	June 2006	March 2007	June 2006	March 2007	June 2006
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment assets	229,804,571	207,993,082	9,276,857	11,186,034	17,048,336	16,750,624	634,356	1,058,700	(10,926,163)	(12,792,734)	245,837,957	224,195,706
Investment in associates companies	8,481	6,635	-	-	-	-	3,220	2,985	-	-	11,701	9,620
<b>Total assets</b>	<b>229,813,052</b>	<b>207,999,717</b>	<b>9,276,857</b>	<b>11,186,034</b>	<b>17,048,336</b>	<b>16,750,624</b>	<b>637,576</b>	<b>1,061,685</b>	<b>(10,926,163)</b>	<b>(12,792,734)</b>	<b>245,849,658</b>	<b>224,205,326</b>
Total segment liabilities	211,550,480	190,799,796	8,763,798	9,910,161	15,431,750	13,181,623	1,101,386	424,018	(10,826,162)	(7,584,573)	226,021,252	206,731,025

**GEOGRAPHICAL SEGMENT**

	External Revenue		Profit Before Tax & Zakat		Capital expenditure		Segment assets	
	March 2007 RM'000	March 2006 RM'000	March 2007 RM'000	March 2006 RM'000	March 2007 RM'000	March 2006 RM'000	March 2007 RM'000	June 2006 RM'000
Malaysia	9,352,360	8,564,740	3,275,246	2,674,564	179,514	95,767	201,183,603	185,489,415
Singapore	1,367,897	1,085,464	270,392	250,807	7,942	14,014	35,615,862	31,899,678
Other locations	1,035,368	615,523	206,767	113,441	2,814	679	19,976,356	19,608,967
	11,755,625	10,265,727	3,752,405	3,038,812	190,270	110,460	256,775,821	236,998,060
Eliminations	(754,534)	(478,425)	(726,902)	(225,848)	-	-	(10,926,163)	(12,792,734)
<b>Group</b>	<b>11,001,091</b>	<b>9,787,302</b>	<b>3,025,503</b>	<b>2,812,964</b>	<b>190,270</b>	<b>110,460</b>	<b>245,849,658</b>	<b>224,205,326</b>

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**A20. Carrying Amount of Revalued Assets**

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the year ended 30 June 2006.

**A21. Subsequent Events**

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

**A22. Changes in the Composition of the Group**

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



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**A23. Commitments and Contingencies and Off-Balance Sheet Financial Instruments**

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

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

<u>Group</u>	As at 31 March 2007			As at 30 June 2006		
	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
Direct credit substitutes	5,228,254	5,228,254	4,804,699	5,719,998	5,719,998	5,397,695
Certain transaction-related contingent items	6,615,607	3,307,803	2,994,586	6,367,217	3,183,608	3,128,665
Short-term self-liquidating trade-related contingencies	6,552,146	1,310,429	573,385	7,707,012	1,541,403	843,044
Islamic housing and hire purchase loans sold to Cagamas Berhad	1,355,475	1,355,475	1,415,914	1,575,756	1,575,756	1,351,664
Obligations under underwriting agreements	1,601,604	800,802	800,802	742,550	371,275	371,275
Irrevocable commitments to extend credit:						
- maturity within one year	57,585,388	-	-	49,755,601	-	-
- maturity exceeding one year	9,578,432	4,518,844	4,323,935	5,984,817	2,992,409	1,803,568
Foreign exchange related contracts:						
- less than one year	41,460,504	530,891	157,398	26,879,050	249,199	129,920
- one year to less than five years	516,247	6,610	1,960	59,036	492	257
Interest rate related contracts:						
- less than one year	23,864,127	857,649	229,737	13,096,416	141,387	40,039
- one year to less than five years	744,220	26,746	7,165	8,519,746	363,913	102,824
- five years and above	531,586	19,105	5,118	1,709,211	137,204	38,180
Miscellaneous	2,509,937	-	-	2,267,033	-	-
	<b>158,143,527</b>	<b>17,962,608</b>	<b>15,314,699</b>	<b>130,383,443</b>	<b>16,276,644</b>	<b>13,207,131</b>

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**A23. Commitments and Contingencies and Off-Balance Sheet Financial Instruments (continued)**

	As at 31 March 2007			As at 30 June 2006		
	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
<b>Bank</b>						
Direct credit substitutes	4,389,069	4,389,069	3,972,077	4,862,567	4,862,567	4,694,976
Certain transaction-related contingent items	6,582,960	3,281,480	2,971,479	6,343,749	3,171,874	3,115,506
Short-term self-liquidating trade-related contingencies	6,458,270	1,291,654	569,639	7,677,606	1,535,521	842,675
Islamic housing and hire purchase loans sold to Cagamas Berhad	1,355,475	1,355,475	1,145,914	1,575,756	1,575,756	1,351,664
Obligations under underwriting agreements	301,104	150,552	150,552	273,550	136,775	136,775
Irrevocable commitments to extend credit:						
- maturity within one year	57,528,066	-	-	49,703,408	-	-
- maturity exceeding one year	8,774,800	4,387,400	4,317,549	5,933,909	2,966,955	1,778,112
Foreign exchange related contracts:						
- less than one year	41,341,028	520,655	152,286	26,718,442	247,240	128,939
- one year to less than five years	514,759	6,483	1,896	59,036	492	257
Interest rate related contracts:						
- less than one year	23,308,481	848,757	225,702	12,900,804	136,741	37,566
- one year to less than five years	726,892	26,469	7,039	8,303,651	359,383	98,730
- five years and above	519,209	18,907	5,028	1,688,163	136,152	37,404
Miscellaneous	2,503,703	-	-	2,255,475	-	-
	<b>154,303,816</b>	<b>16,276,901</b>	<b>13,519,161</b>	<b>128,296,116</b>	<b>15,129,456</b>	<b>12,222,604</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.

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**A23. Commitments and Contingencies and Off-Balance Sheet Financial Instruments (continued)**

**Market Risk**

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 31 March 2007, the amount of contracts that was not hedged in the Group and the Bank and, hence, exposed to market risk was RM244.6 million (30 June 2006: RM68.78 million).

**Credit Risk**

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 31 March 2007, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM692.8 million (30 June 2006: RM160.56 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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**A24. Interest/Profit Rate Risk**

Group As at 31 March 2007	← Non trading book →					Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 RM'000				
<b>ASSETS</b>									
Cash and short-term funds	27,983,244	-	-	-	-	6,353,020	-	34,336,264	4.45
Deposits and placements with banks and other financial institutions	1,393,897	13,633,664	2,603,605	-	15,000	744,702	-	18,390,868	4.67
Securities purchased under resale agreements	101,740	124,224	37,215	-	-	-	-	263,179	3.38
Securities held-for-trading	-	-	-	-	-	-	1,868,708	1,868,708	4.25
Securities available-for-sale	-	-	-	-	-	-	29,163,998	29,163,998	4.11
Securities held-to-maturity	771,833	149,755	322,138	1,013,577	518,096	55,644	-	2,831,043	4.37
Loans, advances and financing									
- performing	43,051,161	12,154,079	10,085,003	15,118,591	34,153,670	16,231,942	-	130,794,446	6.51
- non-performing*	-	-	-	-	-	2,268,608	-	2,268,608	-
Life, general takaful and family takaful fund assets	-	-	-	-	-	14,415,932	-	14,415,932	-
Other non-interest sensitive balances	-	-	-	-	-	11,516,612	-	11,516,612	-
<b>TOTAL ASSETS</b>	<b>73,301,875</b>	<b>26,061,722</b>	<b>13,047,961</b>	<b>16,132,168</b>	<b>34,686,766</b>	<b>51,586,460</b>	<b>31,032,706</b>	<b>245,849,658</b>	

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**A24. Interest/Profit Rate Risk (contd)**

Group As at 31 March 2007	← Non trading book →					Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 RM'000				
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>									
Deposits from customers	62,437,715	17,137,699	32,661,065	1,171,523	22,409	40,656,194	-	154,086,605	2.64
Deposits and placements of banks and other financial institutions	11,173,597	5,213,376	1,486,452	1,536,719	525,240	6,500,053	-	26,435,437	3.60
Obligations on securities sold under repurchase agreements	13,937,096	1,257,659	6,549	-	-	-	-	15,201,304	3.14
Bills and acceptances payable	372,402	474,939	129,666	-	-	1,473,407	-	2,450,414	3.68
Recourse obligations on loans sold to Cagamas	72,352	223,778	892,443	-	1,689,849	-	-	2,878,422	4.13
Subordinated notes	-	-	-	-	3,813,850	-	-	3,813,850	5.43
Life, general takaful and family takaful fund liabilities	-	-	-	-	-	1,070,083	-	1,070,083	-
Life, general takaful and family takaful policy holders' funds	-	-	-	-	-	13,345,849	-	13,345,849	-
Other non-interest sensitive balances	-	-	-	-	-	6,739,288	-	6,739,288	-
<b>Total Liabilities</b>	<b>87,993,162</b>	<b>24,307,451</b>	<b>35,176,175</b>	<b>2,708,242</b>	<b>6,051,348</b>	<b>69,784,874</b>	<b>-</b>	<b>226,021,252</b>	
Shareholders' equity	-	-	-	-	-	19,061,029	-	19,061,029	
Minority interests	-	-	-	-	-	767,377	-	767,377	
<b>Total Liabilities and Shareholders' Equity</b>	<b>87,993,162</b>	<b>24,307,451</b>	<b>35,176,175</b>	<b>2,708,242</b>	<b>6,051,348</b>	<b>89,613,280</b>	<b>-</b>	<b>245,849,658</b>	
On-balance sheet interest sensitivity gap	(14,691,287)	1,754,271	(22,128,214)	13,423,926	28,635,418	(38,026,820)	31,032,706	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	17,676,038	10,555,468	(18,752,161)	(8,079,775)	(1,399,570)	-	-	-	
<b>Total interest sensitivity gap</b>	<b>2,984,751</b>	<b>12,309,739</b>	<b>(40,880,375)</b>	<b>5,344,151</b>	<b>27,235,848</b>	<b>(38,026,820)</b>	<b>31,032,706</b>	<b>-</b>	
<b>Cumulative interest rate sensitivity gap</b>	<b>2,984,751</b>	<b>15,294,490</b>	<b>(25,585,885)</b>	<b>(20,241,734)</b>	<b>6,994,114</b>	<b>(31,032,706)</b>	<b>-</b>	<b>-</b>	

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

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**A24. Interest/Profit Rate Risk (contd)**

Group As at 30 June 2006	← Non trading book →					Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 RM'000				
<b>ASSETS</b>									
Cash and short-term funds	25,549,788	-	-	-	-	6,485,607	-	32,035,395	4.22
Deposits and placements with banks and other financial institutions	950,805	1,674,904	1,009,897	63,311	-	352,492	-	4,051,409	4.75
Securities purchased under resale agreements	1,004,367	499,590	-	-	-	-	-	1,503,957	3.72
Securities held-for-trading	-	-	-	-	-	-	477,699	477,699	3.90
Securities available-for-sale	-	-	-	-	-	-	27,445,865	27,445,865	4.50
Securities held-to-maturity	505,649	1,206,571	1,522,903	1,547,495	1,015,640	-	-	5,798,258	3.68
Loans, advances and financing									
- performing	20,926,650	18,802,228	11,021,215	16,913,687	42,243,522	18,759,786	-	128,667,088	6.40
- non-performing*	-	-	-	-	-	2,786,566	-	2,786,566	-
Life, general takaful and family takaful fund assets	-	-	-	-	-	12,120,688	-	12,120,688	-
balances	-	-	-	-	-	9,318,401	-	9,318,401	-
<b>TOTAL ASSETS</b>	<b>48,937,259</b>	<b>22,183,293</b>	<b>13,554,015</b>	<b>18,524,493</b>	<b>43,259,162</b>	<b>49,823,540</b>	<b>27,923,564</b>	<b>224,205,326</b>	

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**A24. Interest/Profit Rate Risk (contd)**

Group As at 30 June 2006	← Non trading book →						Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 RM'000					
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
Deposits from customers	62,150,164	12,695,799	23,813,415	1,089,939	15,992	36,452,667	-	136,217,976	2.25	
Deposits and placements of banks and other financial institutions	16,310,509	5,203,985	1,566,087	1,729,072	659,104	3,238,818	-	28,707,575	3.68	
Obligations on securities sold under repurchase agreements	9,825,474	2,203,376	247,288	-	-	-	-	12,276,138	3.39	
Bills and acceptances payable	643,126	980,409	366,906	-	-	2,827,774	-	4,818,215	3.67	
Recourse obligations on loans sold to Cagamas	-	22,936	712,593	2,981,133	10,796	-	-	3,727,458	4.15	
Subordinated notes	-	-	-	-	3,896,880	-	-	3,896,880	5.27	
Life, general takaful and family takaful fund liabilities	-	-	-	-	-	684,536	-	684,536	-	
Life, general takaful and family takaful policy holders' funds	-	-	-	-	-	11,436,152	-	11,436,152	-	
Other non-interest sensitive balances	-	-	-	-	-	4,966,095	-	4,966,095	-	
<b>Total Liabilities</b>	<b>88,929,273</b>	<b>21,106,505</b>	<b>26,706,289</b>	<b>5,800,144</b>	<b>4,582,772</b>	<b>59,606,042</b>	<b>-</b>	<b>206,731,025</b>		
Shareholders' equity	-	-	-	-	-	16,765,826	-	16,765,826		
Minority interests	-	-	-	-	-	708,475	-	708,475		
<b>Total Liabilities and Shareholders' Equity</b>	<b>88,929,273</b>	<b>21,106,505</b>	<b>26,706,289</b>	<b>5,800,144</b>	<b>4,582,772</b>	<b>77,080,343</b>	<b>-</b>	<b>224,205,326</b>		
On-balance sheet interest sensitivity gap	(39,992,014)	1,076,788	(13,152,274)	12,724,349	38,676,390	(27,256,803)	27,923,564	-		
Off-balance sheet interest sensitivity gap (interest rate swaps)	799,135	(328,505)	(161,651)	(338,979)	30,000	-	-	-		
<b>Total interest sensitivity gap</b>	<b>(39,192,879)</b>	<b>748,283</b>	<b>(13,313,925)</b>	<b>12,385,370</b>	<b>38,706,390</b>	<b>(27,256,803)</b>	<b>27,923,564</b>	<b>-</b>		
<b>Cumulative interest rate sensitivity gap</b>	<b>(39,192,879)</b>	<b>(38,444,596)</b>	<b>(51,758,521)</b>	<b>(39,373,151)</b>	<b>(666,761)</b>	<b>(27,923,564)</b>	<b>-</b>			

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

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**A24. Interest/Profit Rate Risk (contd)**

Bank As at 31 March 2007	← Non trading book →					Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 RM'000				
<b>ASSETS</b>									
Cash and short-term funds	27,898,193	-	-	-	-	6,011,971	-	33,910,164	4.41
Deposits and placements with banks and other financial institutions	360,721	11,161,579	2,506,039	-	-	722,567	-	14,750,906	4.69
Securities purchased under resale agreements	101,740	124,224	37,215	-	-	-	-	263,179	3.38
Securities held-for-trading	-	-	-	-	-	-	1,320,641	1,320,641	3.94
Securities available-for-sale	-	-	-	-	-	-	25,365,190	25,365,190	3.96
Securities held-to-maturity	10,373	188,672	1,227,393	184,902	536,959	2,044	-	2,150,343	4.42
Loans, advances and financing									
- performing	41,342,337	10,607,254	9,481,280	14,898,274	34,073,054	16,261,389	-	126,663,588	6.50
- non-performing*	-	-	-	-	-	2,375,662	-	2,375,662	-
Other non-interest sensitive balances	-	-	-	-	-	12,749,408	-	12,749,408	-
<b>TOTAL ASSETS</b>	<b>69,713,364</b>	<b>22,081,729</b>	<b>13,251,927</b>	<b>15,083,176</b>	<b>34,610,013</b>	<b>38,123,041</b>	<b>26,685,831</b>	<b>219,549,081</b>	



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**A24. Interest/Profit Rate Risk (contd)**

Bank As at 31 March 2007	← Non trading book →					Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 RM'000				
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>									
Deposits from customers	53,499,530	15,639,187	31,853,707	1,054,548	16,300	40,279,942	-	142,343,214	2.45
Deposits and placements of banks and other financial institutions	15,159,618	5,193,490	1,483,228	1,536,719	525,240	6,500,053	-	30,398,348	3.60
Obligations on securities sold under repurchase agreements	13,003,364	1,242,723	6,549	-	-	-	-	14,252,636	3.16
Bills and acceptances payable	365,361	463,824	129,666	-	-	1,469,683	-	2,428,534	3.68
Recourse obligations on loans sold to Cagamas	72,352	223,778	892,443	-	1,689,849	-	-	2,878,422	4.13
Subordinated notes	-	-	-	-	3,813,850	-	-	3,813,850	5.43
Other non-interest sensitive balances	-	-	-	-	-	5,907,504	-	5,907,504	-
<b>Total Liabilities</b>	<b>82,100,225</b>	<b>22,763,002</b>	<b>34,365,593</b>	<b>2,591,267</b>	<b>6,045,239</b>	<b>54,157,182</b>	<b>-</b>	<b>202,022,508</b>	
Shareholders' equity	-	-	-	-	-	17,526,573	-	17,526,573	
<b>Total Liabilities and Shareholders' Equity</b>	<b>82,100,225</b>	<b>22,763,002</b>	<b>34,365,593</b>	<b>2,591,267</b>	<b>6,045,239</b>	<b>71,683,755</b>	<b>-</b>	<b>219,549,081</b>	
On-balance sheet interest sensitivity gap	(12,386,861)	(681,273)	(21,113,666)	12,491,909	28,564,774	(33,560,714)	26,685,831	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	17,654,515	672,893	(17,765,069)	(473,119)	(89,220)	-	-	-	
<b>Total interest sensitivity gap</b>	<b>5,267,654</b>	<b>(8,380)</b>	<b>(38,878,735)</b>	<b>12,018,790</b>	<b>28,475,554</b>	<b>(33,560,714)</b>	<b>26,685,831</b>	<b>-</b>	
<b>Cumulative interest rate sensitivity gap</b>	<b>5,267,654</b>	<b>5,259,274</b>	<b>(33,619,461)</b>	<b>(21,600,671)</b>	<b>6,874,883</b>	<b>(26,685,831)</b>	<b>-</b>		

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

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**A24. Interest/Profit Rate Risk (contd)**

Bank As at 30 June 2006	← Non trading book →					Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 RM'000				
<b>ASSETS</b>									
Cash and short-term funds	20,816,434	-	-	-	-	6,726,018	-	27,542,452	4.27
Deposits and placements with banks and other financial institutions	409,801	1,076,617	1,084,195	58,826	-	381,391	-	3,010,830	5.02
Securities purchased under resale agreements	1,004,367	499,590	-	-	-	-	-	1,503,957	3.72
Securities held-for-trading	-	-	-	-	-	-	476,976	476,976	3.89
Securities available-for-sale	-	-	-	-	-	-	23,143,904	23,143,904	4.38
Securities held-to-maturity	10,705	368,238	1,028,329	1,222,043	639,552	-	-	3,268,867	3.64
Loans, advances and financing									
- performing	21,909,493	17,877,272	10,341,792	16,604,479	42,155,002	16,267,093	-	125,155,131	6.42
- non-performing*	-	-	-	-	-	2,693,264	-	2,693,264	-
Other non-interest sensitive balances	-	-	-	-	-	10,261,625	-	10,261,625	-
<b>TOTAL ASSETS</b>	<b>44,150,800</b>	<b>19,821,717</b>	<b>12,454,316</b>	<b>17,885,348</b>	<b>42,794,554</b>	<b>36,329,391</b>	<b>23,620,880</b>	<b>197,057,006</b>	

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**A24. Interest/Profit Rate Risk (contd)**

Bank As at 30 June 2006	← Non trading book →					Non- interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 RM'000				
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>									
Deposits from customers	51,482,140	11,888,849	24,032,612	940,212	16,300	36,777,323	-	125,137,436	2.09
Deposits and placements of banks and other financial institutions	15,446,567	5,296,512	1,563,282	1,761,232	671,363	3,298,906	-	28,037,862	3.66
Obligations on securities sold under repurchase agreements	8,766,994	2,203,003	247,288	-	-	-	-	11,217,285	3.39
Bills and acceptances payable	687,490	1,041,326	395,412	-	-	3,044,316	-	5,168,544	3.67
Recourse obligations on loans sold to Cagamas	-	22,936	712,593	2,981,133	10,796	-	-	3,727,458	4.15
Subordinated notes	-	-	-	-	3,896,880	-	-	3,896,880	5.27
Other non-interest sensitive balances	-	-	-	-	-	4,597,447	-	4,597,447	-
<b>Total Liabilities</b>	<b>76,383,191</b>	<b>20,452,626</b>	<b>26,951,187</b>	<b>5,682,577</b>	<b>4,595,339</b>	<b>47,717,992</b>	<b>-</b>	<b>181,782,912</b>	
Shareholders' equity	-	-	-	-	-	15,274,094	-	15,274,094	
<b>Total Liabilities and Shareholders' Equity</b>	<b>76,383,191</b>	<b>20,452,626</b>	<b>26,951,187</b>	<b>5,682,577</b>	<b>4,595,339</b>	<b>62,992,086</b>	<b>-</b>	<b>197,057,006</b>	
On-balance sheet interest sensitivity gap	(32,232,391)	(630,909)	(14,496,871)	12,202,771	38,199,215	(26,662,695)	23,620,880	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	799,135	(328,505)	(161,651)	(338,979)	30,000	-	-	-	
<b>Total interest sensitivity gap</b>	<b>(31,433,256)</b>	<b>(959,414)</b>	<b>(14,658,522)</b>	<b>11,863,792</b>	<b>38,229,215</b>	<b>(26,662,695)</b>	<b>23,620,880</b>	<b>-</b>	
<b>Cumulative interest rate sensitivity gap</b>	<b>(31,433,256)</b>	<b>(32,392,670)</b>	<b>(47,051,192)</b>	<b>(35,187,400)</b>	<b>3,041,815</b>	<b>(23,620,880)</b>	<b>-</b>		

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

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**A25. Capital Adequacy**

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

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<b>Before deduction of interim dividend:</b>				
Core capital ratio	8.82%	9.91%	9.57%	9.61%
Risk-weighted capital ratio	<u>12.47%</u>	<u>13.88%</u>	<u>12.41%</u>	<u>12.54%</u>
<b>After deduction of interim dividend:</b>				
Core capital ratio	8.18%	9.31%	8.87%	8.96%
Risk-weighted capital ratio	<u>11.82%</u>	<u>13.28%</u>	<u>11.71%</u>	<u>11.89%</u>
<b>Components of Tier I and Tier II capital:</b>				
<u>Tier I capital</u>				
Paid-up share capital	3,880,428	3,796,947	3,880,428	3,796,947
Share premium	2,858,427	2,137,807	2,858,427	2,137,807
Other reserves <sup>1</sup>	9,750,949	10,785,165	9,590,723	9,247,856
Tier I minority interest	217,385	217,385	-	-
Less: Deferred tax assets <sup>1</sup>	<u>(1,177,568)</u>	<u>(1,177,568)</u>	<u>(985,076)</u>	<u>(1,120,495)</u>
Total Tier I capital	<u>15,529,621</u>	<u>15,759,736</u>	<u>15,344,502</u>	<u>14,062,115</u>
<u>Tier II capital</u>				
Subordinated obligations	3,813,850	3,896,880	3,813,850	3,896,880
General allowance for bad and doubtful debts	<u>2,603,583</u>	<u>2,415,073</u>	<u>2,452,532</u>	<u>2,258,397</u>
Total Tier II capital	<u>6,417,433</u>	<u>6,311,953</u>	<u>6,266,382</u>	<u>6,155,277</u>
Total capital	<u>21,947,054</u>	<u>22,071,689</u>	<u>21,610,884</u>	<u>20,217,392</u>
Less: Investment in subsidiary companies <sup>2</sup>	-	-	<u>(1,717,151)</u>	<u>(1,873,793)</u>
Capital base	<u>21,947,054</u>	<u>22,071,689</u>	<u>19,893,733</u>	<u>18,343,599</u>

<sup>1</sup> Under Bank Negara Guidelines, deferred tax are not allowed for computation of capital adequacy ratios.

<sup>2</sup> Excludes the cost of investment in a subsidiary, Myfin Berhad (formerly known as Mayban Finance Berhad) of RM840.0 million as its business, assets and liabilities have been transferred to the Bank.

<sup>3</sup> The net profit of the Bank for the half year ended 31 December 2006 was subject to a limited review in accordance with Bank Negara Malaysia's Guidelines and accordingly, has been included in the total capital for the purpose of computing the capital adequacy ratio.

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**A26. Operations of Islamic Banking**

**A26a. Unaudited Balance Sheets as at 31 March 2007**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<b>ASSETS</b>				
Cash and short-term funds	2,173,493	3,274,879	1,977,316	3,055,980
Deposits and placements with banks and other financial institutions	590,418	340,069	590,418	340,069
Securities available-for-sale	3,224,883	2,418,341	2,954,396	2,187,434
Securities held-to-maturity	188,672	224,731	188,672	186,400
Financing, advances and other loans	17,605,344	16,677,354	17,606,236	16,677,354
Deferred tax assets	187,872	235,560	187,480	234,063
Other assets	121,288	19,369	113,339	15,937
Statutory deposit with Bank Negara Malaysia	478,000	421,000	478,000	421,000
<b>Total Assets</b>	<b>24,569,970</b>	23,611,303	<b>24,095,857</b>	23,118,237
<b>LIABILITIES</b>				
Deposits from customers	16,394,733	13,593,658	16,065,024	13,366,701
Deposit and placements of banks and other financial institutions	1,999,004	1,523,222	1,999,004	1,477,797
Bills and acceptances payable	591,222	2,213,344	591,222	2,213,344
Other liabilities	903,580	1,732,792	814,070	1,729,914
Provision for tax expense and zakat	233,614	171,671	232,592	171,385
Subordinated bonds	2,500,000	2,500,000	2,500,000	2,500,000
<b>Total Liabilities</b>	<b>22,622,153</b>	21,734,687	<b>22,201,912</b>	21,459,141
<b>ISLAMIC BANKING FUNDS</b>				
Islamic Banking Funds	521,003	599,880	516,002	516,002
Reserves	1,426,814	1,276,736	1,377,943	1,143,094
	<b>1,947,817</b>	1,876,616	<b>1,893,945</b>	1,659,096
<b>Total Liabilities and Islamic Banking Funds</b>	<b>24,569,970</b>	23,611,303	<b>24,095,857</b>	23,118,237
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>8,419,049</b>	8,541,037	<b>8,419,049</b>	8,541,037

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**A26. Operations of Islamic Banking (contd)**

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**A26b. Unaudited Income Statements for the 3rd Financial Quarter Ended 31 March 2007**

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
<b>Group</b>				
Income derived from investment of depositors' funds	343,594	307,194	1,006,666	915,500
Expenses directly attributable to depositors and Islamic Banking Funds	(10,529)	(8,766)	(31,104)	(21,352)
Impairment loss from securities held-to-maturity	-	-	-	-
Transfer from/(to) profit equalisation reserve	(800)	34,236	90,392	65,569
Gross attributable income	332,265	332,664	1,065,954	959,717
Allowance for losses on financing, advances and other loans	(8,180)	(62,538)	(121,565)	(141,850)
<b>Total attributable income</b>	<b>324,085</b>	<b>270,126</b>	<b>944,389</b>	<b>817,867</b>
Income attributable to the depositors	(144,921)	(107,228)	(395,936)	(331,019)
<b>Income attributable to the Group</b>	<b>179,164</b>	<b>162,898</b>	<b>548,453</b>	<b>486,848</b>
Income derived from investment of Islamic Banking Funds				
Gross investment income	17,215	17,511	53,780	50,649
Finance cost	(17,323)	(6,510)	(66,166)	(6,510)
Net (loss)/income from investment of Islamic Banking Funds	(108)	11,001	(12,386)	44,139
Overhead expenses	(74,671)	(6,059)	(230,756)	(17,626)
<b>Profit before zakat and tax expense</b>	<b>104,385</b>	<b>167,840</b>	<b>305,311</b>	<b>513,361</b>
Taxation	(32,008)	(51,216)	(94,197)	(139,851)
Zakat	(1,252)	(40)	(3,664)	(126)
<b>Profit after taxation</b>	<b>71,125</b>	<b>116,584</b>	<b>207,450</b>	<b>373,384</b>
<b>Bank</b>				
Income derived from investment of depositors' funds	338,405	299,508	988,211	893,932
Expenses directly attributable to depositors and Islamic Banking Funds	(9,494)	(6,378)	(27,677)	(21,056)
Transfer from/(to) profit equalisation reserve	-	27,792	91,290	55,057
Gross attributable income	328,911	320,922	1,051,824	927,933
Allowance for losses on financing, advances and other loans	(7,445)	(58,537)	(121,668)	(139,850)
<b>Total attributable income</b>	<b>321,466</b>	<b>262,385</b>	<b>930,156</b>	<b>788,083</b>
Income attributable to the depositors	(143,261)	(106,371)	(391,391)	(327,316)
<b>Income attributable to the reporting institution</b>	<b>178,205</b>	<b>156,014</b>	<b>538,765</b>	<b>460,767</b>
Income derived from investment of Islamic Banking Funds				
Gross investment income	17,214	17,512	53,777	50,568
Finance cost	(17,323)	(6,510)	(66,166)	(6,510)
Net (loss)/income from investment of Islamic Banking Funds	(109)	11,002	(12,389)	44,058
Overhead expenses	(74,550)	(5,962)	(230,434)	(17,312)
<b>Profit before zakat and tax expense</b>	<b>103,546</b>	<b>161,054</b>	<b>295,942</b>	<b>487,513</b>
Taxation	(32,060)	(49,992)	(92,950)	(136,022)
Zakat	(1,252)	-	(3,624)	-
<b>Profit after taxation</b>	<b>70,234</b>	<b>111,062</b>	<b>199,368</b>	<b>351,491</b>

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**A26b. Unaudited Income Statements for the 3rd Financial Quarter Ended 31 March 2007 (Contd)**

Reconciliation of net income amalgamated with the conventional banking operations:

	Group		Bank	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
Gross attributable income	1,065,954	959,717	1,051,824	927,933
Net income from investment of Islamic Banking Fund:	<b>(12,386)</b>	44,139	<b>(12,389)</b>	44,058
Total income before allowances for loan losses and overheads	<b>1,053,568</b>	1,003,856	<b>1,039,435</b>	971,991
Income attributable to the depositors	<b>(395,936)</b>	(331,019)	<b>(391,391)</b>	(327,316)
Income from Islamic Banking scheme	<b>657,632</b>	672,837	<b>648,044</b>	644,675

**A26c. Financing, Advances and Other Loans**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
Overdrafts	1,648,796	1,425,584	1,648,796	1,425,584
Term financing				
- House financing	5,189,643	5,322,322	5,189,643	5,322,322
- Syndicated financing	193,503	173,389	193,503	173,389
- Hire purchase receivables	4,659,330	3,730,523	4,659,330	3,730,523
- Other term financing	11,408,287	12,244,460	11,408,287	12,244,460
Trust receipts	132,433	166,766	132,433	166,766
Other financing	<b>4,243,022</b>	3,684,397	<b>4,243,022</b>	3,684,397
	<b>27,475,014</b>	26,747,441	<b>27,475,014</b>	26,747,441
Unearned income	<b>(8,757,169)</b>	(9,055,236)	<b>(8,757,169)</b>	(9,055,236)
Gross loans and financing	<b>18,717,845</b>	17,692,205	<b>18,717,845</b>	17,692,205
Allowance for bad and doubtful debts and financing:				
- specific	(495,137)	(390,937)	(495,137)	(390,937)
- general	<b>(617,364)</b>	(623,914)	<b>(616,472)</b>	(623,914)
Net financing, advances and other loans	<b>17,605,344</b>	16,677,354	<b>17,606,236</b>	16,677,354

**A26d.** (i) Movements in non-performing financing, advances and other loans ("NPL") are as follows:

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
Balance at beginning of the period	1,363,941	1,291,218	1,363,941	1,291,218
Non-performing during the period	662,255	915,069	662,255	915,069
Transfer from the finance subsidiary	8,859	-	8,859	-
Reclassified as performing	(110,036)	(521,462)	(110,036)	(521,462)
Recoveries	(516,322)	(238,946)	(516,322)	(238,946)
Amount written off	(41,027)	(88,740)	(41,027)	(88,740)
Expenses debited to customers' accounts	4,409	6,802	4,409	6,802
Balance at end of the period	<b>1,372,079</b>	1,363,941	<b>1,372,079</b>	1,363,941
Specific allowance	<b>(495,137)</b>	(390,937)	<b>(495,137)</b>	(390,937)
Net non-performing financing, advances and other loans	<b>876,942</b>	973,004	<b>876,942</b>	973,004
Net NPL as % of gross financing, advances and other loans less specific allowance	<b>4.48%</b>	5.15%	<b>4.48%</b>	5.15%

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**A26. Operations of Islamic Banking (contd)**

A26d. (ii) Movements in the allowance for bad and doubtful debts and financing accounts are as follows:

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<u>General allowance</u>				
At beginning of the period	623,914	609,375	623,914	609,375
Allowance made during the period	22,309	12,871	21,417	12,871
Allowance written back	(29,051)		(29,051)	
Transferred upon business acquisition	192	-	192	-
Transfer from specific allowance	-	1,668	-	1,668
At end of the period	<u>617,364</u>	<u>623,914</u>	<u>616,472</u>	<u>623,914</u>
As % gross loans, financing and other loans less specific allowance	<u>3.15%</u>	<u>3.31%</u>	<u>3.15%</u>	<u>3.31%</u>
<u>Specific allowance</u>				
At beginning of the period	390,937	277,770	390,937	277,770
Allowance made during the year	182,716	257,678	182,716	257,678
Transferred upon business acquisition	7,957	-	7,957	-
Amount written back	(45,446)	(54,187)	(45,446)	(54,187)
Amount written off	(41,027)	(88,656)	(41,027)	(88,656)
Transfer to general allowance	-	(1,668)	-	(1,668)
At end of the period	<u>495,137</u>	<u>390,937</u>	<u>495,137</u>	<u>390,937</u>

**A26e. Deposits from Customers**

**(i) By type of deposit**

	Group		Bank	
	31 March 2007 RM'000	30 June 2006 RM'000	31 March 2007 RM'000	30 June 2006 RM'000
<u>Mudharabah Fund</u>				
Demand deposits	1,801,926	1,553,036	1,801,926	1,553,036
Savings deposits	80,382	-	80,382	-
General investment deposits	6,226,558	4,331,794	5,979,209	4,150,301
Special investment deposits	446,707	632,524	446,707	632,524
	<u>8,555,573</u>	<u>6,517,354</u>	<u>8,308,224</u>	<u>6,335,861</u>
<u>Non-Mudharabah Fund</u>				
Demand deposits	2,774,189	2,557,927	2,691,829	2,512,463
Savings deposits	3,097,220	2,647,960	3,097,220	2,647,960
Negotiable instruments of deposits	1,967,751	1,870,417	1,967,751	1,870,417
	<u>7,839,160</u>	<u>7,076,304</u>	<u>7,756,800</u>	<u>7,030,840</u>
Deposit from Customers	<u>16,394,733</u>	<u>13,593,658</u>	<u>16,065,024</u>	<u>13,366,701</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**

The Group's pre-tax profit for the nine months ended 31 March 2007 before revaluation of derivatives and securities held for trading but after loan loss provision increased by 21.7% compared to the corresponding period. The growth was largely driven by improvements in net interest income supported by expansion in the insurance and credit card businesses as a result of the acquisition of Malaysia National Insurance Berhad (MNI) and the Malaysian cards business of American Express.

For the nine months ended 31 March 2007, the Group recorded an unrealized mark to market loss of its derivatives and securities held for trading amounting to RM90.4 million whereas an unrealized gain amounting to RM252.8 million was recorded in the corresponding period. Consequently, profit after tax of the Group for the nine months ended 31 March 2007 increased by 9.5% or RM188.7 million compared to the corresponding period.

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

The Group registered a decrease in attributable profit after tax from RM789.1 million for the preceding quarter to RM760.5 million for the quarter just ended. The lower profit was due mainly to higher provisioning and lower non-interest income caused by the unrealised mark to market loss of derivatives and securities held for trading for the quarter just ended as compared to lower provisioning and a net unrealised gain on derivatives and securities held for trading recognised for the preceding quarter.

**B3. Prospects**

Although the environment within which the Group operates has become increasingly competitive and challenging, the Group remains confident that the strategic and business initiatives being pursued will allow it to record better results for the current financial year.

**B4. Profit Forecast or Profit Guarantee**

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

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**B5. Tax Expense and Zakat**

The analysis of the tax expense for the period ended 31 March 2007 are as follows:

<b>Group</b>	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>
Malaysian income tax	266,266	408,171	775,291	944,692
Foreign income tax	(4,237)	2,061	3,361	7,838
	<b>262,029</b>	<b>410,232</b>	<b>778,652</b>	<b>952,530</b>
Underprovision in prior years	-	(3,054)	-	-
Deferred tax expense				
- Origination and reversal of temporary differences	(6,719)	(130,622)	23,525	(130,058)
- Due to reduction in statutory rate	889	-	40,645	-
	<b>(5,830)</b>	<b>(130,622)</b>	<b>64,170</b>	<b>(130,058)</b>
Share of tax expense in associated companies	-	-	-	-
	<b>256,199</b>	<b>276,556</b>	<b>842,822</b>	<b>822,472</b>
Zakat	(146)	40	3,664	126
	<b>256,053</b>	<b>276,596</b>	<b>846,486</b>	<b>822,598</b>

<b>Bank</b>	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>31 March 2006 RM'000</b>
Malaysian income tax	302,494	350,054	807,252	854,513
Foreign income tax	872	287	3,306	1,436
	<b>303,366</b>	<b>350,341</b>	<b>810,558</b>	<b>855,949</b>
Deferred tax expense				
- Origination and reversal of temporary differences	1,342	(122,944)	22,497	(122,159)
- Due to reduction in statutory rate	-	-	39,723	-
	<b>1,342</b>	<b>(122,944)</b>	<b>62,220</b>	<b>(122,159)</b>
Zakat	1,252	-	3,624	-
	<b>305,960</b>	<b>227,397</b>	<b>876,402</b>	<b>733,790</b>

The effective tax rate for the period is much higher than the statutory rate due mainly to the transfer of deferred tax to the income statement arising from a change in statutory tax rate from 28% to 27%.

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

The profits from the sale of unquoted investments of the Group and Bank amounted to RM160.5 million and RM118.9 million respectively while the profit from sale of properties amounted to RM248,158 for both the Group and the Bank.

**B7. Quoted Securities**

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

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

**(a) Disposal of Mayban Unit Trust Berhad ("MUTB")**

The disposal of Maybank's entire 100% stake in MUTB to Amanah Saham Nasional Berhad was completed on 30 November 2006 for a final consideration of RM38.3 million.

**(b) Transformation of Aseambankers Malaysia Berhad into an Investment Bank**

Aseambankers Malaysia Berhad ("Aseambankers"), a 94.69% owned subsidiary of Maybank, had on 30 December 2006 completed its transformation into an investment bank by completing the following acquisitions:

- i) The assets and liabilities of Mayban Discount Berhad on 11 November 2006;
- ii) 100% equity interest in Mayban Securities (Holdings) Sendirian Berhad on 30 December 2006; and
- iii) The assets and liabilities of Mayban Securities Sendirian Berhad on 30 December 2006.

As such, with effect from 3 January 2007, Aseambankers as a Participating Organisation of Bursa Malaysia Securities Berhad will be able to undertake stockbroking businesses.

**(c) Acquisition of Kewangan Bersatu Berhad ("KBB")**

The business of KBB was transferred to Maybank on 30 September 2006, pursuant to a vesting order issued by the High Court of Malaya dated 28 September 2006.

The fair values of the assets and liabilities of KBB acquired are as follows:

	RM'000
Total deposits and cash	23,504
Loans and advances and securities	113,968
Other assets	880
Total assets	138,352
Total deposits received	519,211
Other liabilities	96,050
Total liabilities	615,261
Estimated fair value of net liabilities acquired	(476,909)
Consideration received in cash	513,390
Excess of Group's interest over the net fair value of identifiable assets, liabilities and contingent liabilities	36,481
Cash inflow arising from acquisition	
Consideration received in cash	513,390
Add: Cash and cash equivalents received	988
Net cash inflow	514,378

**d) Acquisition of Trade Related Assets of American Express ("AMEX")**

On 10 October 2006, the acquisition of the trade related assets of AMEX was completed with a payment of RM124.3 million.

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

**(e) Sale of Non-Performing Loans ("NPL")**

On 17 January 2007, Maybank entered into two conditional Sale and Purchase Agreements ("SPAs") for the sale of two tranches of long standing corporate non-performing loans ("NPLs") ("Sale"). One tranche of the NPLs will be sold to Gale Force Sdn Bhd, which is a special purpose vehicle ("SPV"). SBIC Investments SA, which is part of Standard Bank of South Africa Group, is a substantial shareholder of the SPV. The other tranche of the NPLs will be sold to Popular Ambience Sdn Bhd, also an SPV, to be jointly owned by Standard Chartered Bank (Hong Kong) Limited and Standard Chartered Bank Malaysia Berhad.

The 2 tranches of the NPLs will be sold for a total cash consideration of about RM424.8 million. At the date of this report, a 20% deposit amounting to RM84.96 million has been received. Bank Negara Malaysia has approved the sale of both tranches via its letter dated 9 May 2007. Accordingly, all conditions precedent as set out in the SPAs have been satisfied and the SPAs now become unconditional. The parties will proceed to effect the transfer of the NPLs and the payment of the balance purchase price shall be paid upon such transfer.

**(f) Establishment of an Islamic Bank**

On 20 March 2007 Maybank obtained approval in principle from Bank Negara Malaysia to incorporate a 100% owned Islamic subsidiary. Subject to approval from the Ministry of Finance and issuance of the license, the subsidiary is tentatively scheduled to commence operation in October 2007.

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

Please refer to note A11 and A12.

**B10. Off-Balance Sheet Financial Instruments**

Please refer to note A23.

**B11. Changes in Material Litigation**

As disclosed during the quarter ended 30 June 2006, a subsidiary, Mayban Trustee Berhad ("MTB") and eleven other defendants were served with a writ summon by ten bondholders for an amount of approximately RM157.8 million. MTB was alleged to have acted in breach of trust and negligence in its capacity as Trustee for the bonds issued. The legal suit is pending court hearing and the liability amount, if any, is subject to the court's decision.

The contingent liability is covered by an existing Banker Blanket Bond Policy between the Bank and a subsidiary, Mayban General Assurance Berhad ("MGAB"), which had entered into a facultative reinsurance contract for an insured sum of RM150 million with three other re-insurers. No provision is made in the Group's financial statements.

As at the date of this report, there were no material changes to the status of this litigation.

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

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**B12. Earning Per Share (EPS)**

**Basic**

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

	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>31 March 2007</b>	<b>31 March 2006</b>	<b>31 March 2007</b>	<b>31 March 2006</b>
Net profit for the period (RM'000)	<b>754,618</b>	639,370	<b>2,119,706</b>	1,946,394
Weighted average number of ordinary shares in issue ('000)	<b>3,870,755</b>	3,786,692	<b>3,835,687</b>	3,759,335
Basic earnings per share (sen)	<b>19.50 sen</b>	16.88 sen	<b>55.26 sen</b>	51.77 sen

**Diluted**

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

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

	<b>3rd Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>31 March 2007</b>	<b>31 March 2006</b>	<b>31 March 2007</b>	<b>31 March 2006</b>
Net profit for the period (RM'000)	<b>754,618</b>	639,370	<b>2,119,706</b>	1,946,394
Weighted average number of ordinary shares in issue ('000)	<b>3,870,755</b>	3,786,692	<b>3,835,687</b>	3,759,335
Effects of share option ('000)	<b>28,280</b>	14,278	<b>22,393</b>	16,666
Adjusted weighted average number of ordinary shares in issue or issuable ('000)	<b>3,899,035</b>	3,800,970	<b>3,858,080</b>	3,776,001
Diluted earnings per share (sen)	<b>19.34 sen</b>	16.82 sen	<b>54.94 sen</b>	51.55 sen

By Order of the Board

**Mohd Nazlan bin Mohd Ghazali**  
LS0008977  
Company Secretary  
11 May 2007