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The following comparative amounts have been restated as a result of the transfer of the Islamic Banking operations to its subsidiary, Maybank Islamic Berhad:

<b>As at 30 September 2007</b>	<b>Previously Stated RM'000</b>	<b>Transfer of Islamic Banking operations RM'000</b>	<b>Restated RM'000</b>
<b>Bank</b>			
Interest income	2,729,094	12,499	2,741,593
Interest Expense	(1,500,995)	(10,636)	(1,511,631)
Net Interest Income	1,228,099	1,863	1,229,962
Income from Islamic Banking operations	206,445	(206,445)	-
Other operating income	1,434,544	(204,582)	1,229,962
Total non-interest income	430,313	-	430,313
Overhead expenses	(849,201)	91,289	(757,912)
Operating profit	1,015,656	(113,293)	902,363
Allowance for losses on loans, advances	(145,243)	43,381	(101,862)
Profit before taxation and zakat	870,413	(69,912)	800,501
Taxation and zakat	(226,487)	26,861	(199,626)
Profit for the year from continuing operations	643,926	(43,051)	600,875
Profit for the year from transfer of Islamic Banking operations	-	43,051	43,051





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**B3. Prospects (contd)**

Against the backdrop of a worsening economic scenario, the operating environment for the domestic banking sector is expected to become more challenging with moderate prospects for increasing loans growth and heightened risk of greater non-performing loans. The Group is implementing its LEAP 30 performance improvement programme, which was announced in August, to contend with the more competitive environment ahead. This will include initiatives to upgrade commercial banking model, strengthen domestic corporate and investment banking products and reduce procurement costs. Despite the challenging external environment, the Group expects continued growth from its existing foreign branches and subsidiaries while working to create value from its recent overseas acquisitions.

Nevertheless, with more difficult operating and economic conditions and with the recent acquisitions yet to be earnings accretive, the Group expects net profit for the current financial year ending 30 June 2009 to be lower than the previous financial year.











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

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

On 21 October 2008, Mayban Offshore has announced a tender offer to acquire all the remaining shares of BII, being owned by the public shareholders, which are not sold by the public shareholders through open market, and any new ordinary shares in BII that may be issued pursuant to the exercise of options under BII’s Employee Share Option Plan, at a tender offer price of Rp.510 per share (the “Offer”). The Offer will expire at 4.00 p.m., Indonesian Western time, on 19 November 2008.

- (d) Maybank and the Islamic Corporation for the Development of the Private Sector (“ICD”) sign Memorandum of Understanding (“MOU”) in relation to Global Takaful Business**

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

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

- (e) Family Takaful Business Joint Venture in Pakistan**

On 23 June 2008, Maybank has received approval from Bank Negara Malaysia to establish or acquire a subsidiary to be used as a Special Purpose Vehicle (“SPV”) for the purpose of acquiring 30% of the issued and paid-up capital of Pak-Kuwait Takaful Company Limited.

Maybank had on 8 July 2008 acquired Pelangi Amanmaz Sdn Bhd (“PASB”) as a subsidiary to be used as the SPV for the joint venture. PASB has an authorised capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each and issue and paid-up capital of RM2.00 comprising 2 ordinary shares of RM1.00 each.

Through the acquisition, Maybank intends to venture into the Family Takaful business in Pakistan. Pak-Kuwait Family Takaful Company Limited is a newly incorporated company and it is the process of applying for license from the authorities in Pakistan to operate the family Takaful business. It is a joint venture between Pak-Kuwait Investment Company Private Limited, Allied Bank Limited and Saudi Pak Industrial and Agriculture Investment Company Limited. The issue and paid-up capital of the company is Pakistan Rupees 500 million.

All parties are currently negotiating and finalizing the terms of the joint venture.

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

**(f) Acquisition of New Subsidiary – BinaFikir Sdn Bhd (“BinaFikir”)**

On 27 August 2008, Maybank entered into a share sale agreement (“Share Sale Agreement”) with En Mohammed Rashdan Mohd Yusof and En Amirul Feisal Wan Zahir for the purchase of the entire issued and paid-up capital of BinaFikir (“Proposed Acquisition”).

The Proposed Acquisition shall be executed at an initial purchase consideration based on net book value and an additional final purchase consideration dependent on net earnings of BinaFikir from their existing mandates as at 31 August 2008, to be determined based on actual results as at 30 June 2009 (the total consideration of purchase consideration is expected to be approximately RM8 million).

The Proposed Acquisition is subject to regulatory approval from Bank Negara Malaysia and the Securities Commission. The Share Sale Agreement is expected to be completed once the necessary approvals have been obtained.

BinaFikir is holder of a Capital Markets Services Licence and is licensed to conduct investment advisory business. It has an authorised share capital of RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each and issued and paid-up share capital of RM650,000 comprising 650,000 ordinary shares of RM1.00 each.

**(g) Proposed Issuance of, Offer for Subscription or Purchase of, or Invitation to Subscribe for, or Purchase of Innovative Tier 1 Capital Securities (“IT1CS”) Programme of up to RM4.0 Billion and/or its Foreign Currency Equivalent in Nominal Value (“IT1CS Programme”) by Maybank.**

The IT1CS has been structured to comply with Bank Negara Malaysia’s (“BNM”) Guidelines on Innovative Tier 1 capital instruments.

The IT1CS will be issued in the form of capital securities via an IT1CS Programme. The IT1CS Programme would have a sixty five (65)-year tenure from the date of the first issuance.

Maybank shall have the option to redeem, in whole and not in part, any IT1CS issued on the First Optional Redemption Date of each IT1CS issued, which is a date falling no less than 10 years or no more than 15 years from the respective IT1CS date of first issuance, and every interest payment date thereafter, subject to prior approval of BNM.

The proceeds of the IT1CS Programme shall be used for Maybank’s working capital, general banking and other corporate purposes.

Maybank has obtained approvals from BNM and the Securities Commission vide their letters dated 28 May 2008 and 4 June 2008 respectively to issue the IT1CS Programme.

On 11 August 2008, Maybank issued SGD600 million IT1CS. The SGD IT1CS has a principal stock settlement mechanism to redeem the IT1CS on the 60th year from the date of issuance. The Bank, however, has the option to redeem the IT1CS on the 10th anniversary of the issue date and on any interest payment date thereafter. On the 10th anniversary of the issue date, there will be a step-up in the interest rate.

On 25 September 2008, Maybank issued RM1.10 billion of IT1CS, which forms part of the overall IT1CS Programme. The RM IT1CS matures on 25 September 2068, and is callable on 25 September 2018 and on every interest payment date thereafter.

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

**(h) Proposed Issuance of Tier 2 Subordinate Bonds of up to USD1.0 Billion and/or its Equivalent in Other Foreign Currencies in Nominal Value (the “Subordinated Bonds”)**

The Subordinated Bonds will constitute direct and unsecured obligations of the Bank, subordinated in right and priority of payment to all deposit liabilities and other liabilities except present and future unsecured and subordinated obligations which by their terms rank pari-passu in right of payment with or which are subordinated to the Subordinated Bonds.

The Subordinated Bonds issuance has been approved by Bank Negara Malaysia on 27 June 2008 to qualify as Tier 2 capital for purposes of Malaysian capital adequacy regulation.

The Subordinated Bonds issuance has also been approved by the Securities Commission on 9 July 2008.

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

Please refer to note A12 and A13.

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

Please refer to note A24.

**B11. Changes in Material Litigation**

- (a) In 2005, a subsidiary, Mayban Trustees Berhad (“MTB”) and eleven other defendants were served with a writ of summons by ten plaintiffs / bondholders for an amount of approximately RM157.8 million. MTB was alleged to have acted in breach of trust and negligently in its capacity as Trustee for the bonds issued. MTB does not admit any liability to the claim and is defending the suit. The suit is pending determination at trial.

On 7 July 2008, the plaintiffs entered judgement by consent against the 1st, 4th and 6th to 12th defendants for the sum of RM149,315,000.00 as well as withdrew the claim against the 5th defendant. The entering of the said judgement by consent is not in any way an implication of liability on the part of MTB and MTB shall continue to defend the suit.

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

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

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**B11. Changes in Material Litigation (Contd.)**

The 1st Defendant has on 4 August 2008 served a counterclaim on MTB for almost RM535 million being loss of profit, expenses and damages stated to have been incurred by it which allegedly arises as a result of MTB unlawfully declaring an Event Of Default ("EOD") on the bonds. MTB's solicitors shall defend the Counterclaim and their opinion is that the Counterclaim is without merit as the 1st Defendant had failed to perform their obligations under the bonds. Further, the 1st Defendant had on 7 July 2008 consented to judgement, thereby admitting the EOD and liability for the sum of RM149,315,000. MTB is of the view that the EOD was declared lawfully and MTB is in any event entitled under the trust deed to be indemnified by the bondholders for the Counterclaim.

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

The 1st Defendant counter-claimed for loss and damage amounting to approximately RM284 million as a result of ETB's failure to release the balance of the facility of RM7.5 million. It is alleged that the 1st Defendant was unable to carry on its project and therefore suffered loss and damage, ETB are proceeding with their claim and are resisting the 1st Defendant's counter-claim. ETB have filed its defence to the counterclaim and an application to strike out the counterclaim as well.

ETB are of the view that they have a good chance of succeeding in the action and in securing a dismissal of the 1st Defendant's counterclaim.

- (c) A corporate borrower has issued a writ of summon against Aseambankers in 2005 in its capacity as agent bank for the syndicate lenders claiming general, special and exemplary damages arising from alleged breach of duty owed by Aseambankers. Although it has not been quantified, the claim value is estimated at approximately RM450 million.

The credit facilities consist of a bridging loan of RM58.5 million and a revolving credit facility of RM4.0 million which were granted by Aseambankers and three other financial institutions as the syndicated lenders. The loan was restructured in 2002 to RM38 million with terms for repayment. In 2006, Aseambankers and three other syndicated lenders filed a suit against the corporate borrower for the recovery of the loan. The two suits were then ordered by the court to be heard together.

Out of the estimated claim of RM450.0 million, Maybank's exposure is RM189.0 million. (inclusive of the assets and liabilities of KBB (one of the syndicated lenders) and from Aseambankers which had been vested to the Bank in respective of this account pursuant to a vesting order dated 28 September 2006 and 21 May 2007 respectively).

Based on advice from its solicitors, Aseambankers are of the view that it has a more than even chance of succeeding in defending the corporate borrower's claim.

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>1st Quarter Ended</b>		<b>Cumulative 3 Months Ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Net profit for the period (RM'000)	<b>572,173</b>	<b>735,429</b>	<b>572,173</b>	735,429
Weighted average number of ordinary shares in issue ('000)	<b>4,881,138</b>	4,864,389 <sup>1</sup>	<b>4,881,138</b>	4,864,389 <sup>1</sup>
Basic earnings per share ('000)	<b>11.72 sen</b>	15.12 sen <sup>1</sup>	<b>11.72 sen</b>	15.12 sen <sup>1</sup>

**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>1st Quarter Ended</b>		<b>Cumulative 3 Months Ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Net profit for the period (RM'000)	<b>572,173</b>	735,429	<b>572,173</b>	735,429
Weighted average number of ordinary shares in issue ('000)	<b>4,881,138</b>	4,864,389	<b>4,881,138</b>	4,864,389
Effects of share option ('000)	<b>11</b>	6,398	<b>11</b>	6,398
Adjusted weighted average number of ordinary shares in issue ('000)	<b>4,881,149</b>	4,870,787 <sup>1</sup>	<b>4,881,149</b>	4,870,787 <sup>1</sup>
Diluted earnings per share ('000)	<b>11.72 sen</b>	15.10 sen <sup>1</sup>	<b>11.72 sen</b>	15.10 sen <sup>1</sup>

<sup>1</sup> Adjusted for bonus issue of 1:4

By Order of the Board

**Mohd Nazlan Mohd Ghazali**  
LS0008977  
Company Secretary  
11 November 2008