

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 31 MARCH 2009

Group	Note	3rd Quarter Ended		Cumulative 9 Months Ended	
		31 March 2009 RM'000	31 March 2008 RM'000 (Restated)	31 March 2009 RM'000	31 March 2008 RM'000 (Restated)
Continuing Operations					
Interest income	A15	3,196,177	2,754,681	9,531,898	8,659,835
Interest expense	A16	(1,652,684)	(1,405,136)	(5,175,974)	(4,584,062)
Net interest income		1,543,493	1,349,545	4,355,924	4,075,773
Income from Islamic Banking					
Scheme operations:					
Gross operating income		309,017	251,590	879,252	686,634
Profit equalisation reserves		14,497	16,225	27,910	4,887
	A27b	323,514	267,815	907,162	691,521
Non-interest income	A17	1,867,007	1,617,360	5,263,086	4,767,294
Net income		629,847	617,917	1,957,029	1,875,021
Overhead expenses	A18	(1,409,821)	(1,065,425)	(4,034,776)	(3,128,459)
Operating Profit		1,087,033	1,169,852	3,185,339	3,513,856
Allowance for losses on loans, advances and financing	A19	(411,916)	(166,324)	(916,320)	(451,945)
Write-back of allowance for non-refundable deposit	A5	-	-	483,824	-
Allowance/ (write-back) for impairment of securities		(49,700)	16,538	(88,509)	5,992
		625,417	1,020,066	2,664,334	3,067,903
Share of profits in associated companies		28,484	(62)	73,626	(568)
Impairment of investment in an associate	A29	-	-	(242,000)	-
Profit before taxation and zakat		653,901	1,020,004	2,495,960	3,067,335
Taxation & Zakat	B5	(145,004)	(252,551)	(681,639)	(821,740)
Profit for the period		508,897	767,453	1,814,321	2,245,595
Attributable to:					
Equity holders of the parent		503,282	758,606	1,810,015	2,224,989
Minority Interest		5,615	8,847	4,306	20,606
		508,897	767,453	1,814,321	2,245,595
Earnings per share attributable to equity holders of the parent					
Basic	B12	10.31 sen	15.54 sen	37.08 sen	45.65 sen
Fully diluted		10.31 sen	15.51 sen	37.08 sen	45.60 sen

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FOR THE THIRD QUARTER ENDED 31 MARCH 2009

Bank	Note	3rd Quarter Ended		Cumulative 9 Months Ended	
		31 March 2009 RM'000	31 March 2008 RM'000 (Restated)	31 March 2009 RM'000	31 March 2008 RM'000 (Restated)
Continuing Operations					
Interest income	A15	2,556,454	2,634,394	8,093,349	8,206,917
Interest expense	A16	(1,306,223)	(1,331,323)	(4,348,506)	(4,337,093)
Net interest income		1,250,231	1,303,071	3,744,843	3,869,824
Non-interest income	A17	939,042	471,987	1,758,016	1,305,254
Net income		2,189,273	1,775,058	5,502,859	5,175,078
Overhead expenses	A18	(938,826)	(802,236)	(2,783,802)	(2,326,894)
Operating Profit		1,250,447	972,822	2,719,057	2,848,184
Allowance for losses on loans, advances and financing	A19	(227,578)	(115,896)	(502,632)	(390,131)
Write-back of allowance for non-refundable deposit	A5	-	-	483,824	-
Allowance/ (write-back) for impairment of securities		(82,187)	14,749	(124,260)	45,729
Impairment of investment in an associate	A29	-	-	(242,000)	-
Profit before taxation and zakat		940,682	871,675	2,333,989	2,503,782
Taxation & Zakat	B5	(186,666)	(209,814)	(539,827)	(633,966)
Profit for the period from continuing operations		754,016	661,861	1,794,162	1,869,816
Discontinued Operation					
Profit for the period from transfer of Islamic Banking operations	A30 (a)	-	-	-	69,187
Profit for the period		754,016	661,861	1,794,162	1,939,003

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MALAYAN BANKING BERHAD
(3813-K)
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2009

	Note	GROUP		BANK	
		31 March 2009 RM'000	30 June 2008 RM'000 (Restated)	31 March 2009 RM'000	30 June 2008 RM'000 (Restated)
ASSETS					
Cash and short-term funds		23,368,108	27,644,359	19,333,479	24,069,617
Deposits and placements with financial institutions		6,778,148	8,956,515	6,946,706	8,795,492
Securities purchased under resale agreements		268,139	0	268,139	-
Securities portfolio	A9	53,736,938	36,551,156	42,749,144	29,711,540
Loans, advances and financing	A10	185,938,688	164,799,666	146,133,661	138,985,721
Derivative assets		1,505,896	830,150	1,415,291	828,182
Other assets	A11	5,291,573	3,915,687	4,683,285	3,040,046
Investment properties		3,973	3,885	-	-
Statutory deposits with Central Banks		3,488,672	5,872,414	2,024,930	4,939,701
Investment in subsidiaries		-	-	14,986,348	6,423,155
Interests in associates		3,054,565	2,218,847	343,049	12,055
Property, plant and equipment		1,481,222	1,210,833	1,095,004	1,062,383
Intangible assets	A28	6,256,060	189,729	169,346	182,455
Deferred tax assets		1,300,563	1,217,490	1,060,948	1,122,138
Life, general takaful and family takaful fund assets		16,296,474	15,689,969	-	-
TOTAL ASSETS		308,769,019	269,100,700	241,209,330	219,172,485
LIABILITIES					
Deposits from customers	A12	211,724,180	187,112,077	165,461,327	156,322,564
Deposits and placements of banks and other financial institutions	A13	30,906,254	23,136,879	32,473,677	24,430,070
Obligations on securities sold under repurchase agreements		-	322,371	-	322,371
Bills and acceptances payable		2,634,934	4,792,302	2,514,524	4,396,381
Derivative liabilities		1,958,045	1,055,097	1,834,490	1,027,048
Other liabilities	A14	7,174,003	5,248,563	4,195,533	3,919,074
Recourse obligation on loans sold to Cagamas		291,049	1,274,069	291,049	1,274,069
Provision for taxation and zakat		199,030	435,483	119,341	390,327
Deferred tax liabilities		52,008	51,862	-	-
Borrowings	A13	1,349,205	1,417,227	1,349,205	1,417,227
Subordinated obligations	A13	8,728,934	4,975,723	8,189,998	4,975,723
Capital Securities	A13	6,022,423	3,497,316	6,022,423	3,497,316
Life, general takaful and family takaful fund liabilities		4,009,444	4,032,822	-	-
Life, general takaful and family takaful policy holders' funds		12,287,030	11,657,147	-	-
TOTAL LIABILITIES		287,336,539	249,008,938	222,451,567	201,972,170

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2009

	Note	GROUP		BANK	
		31 March 2009 RM'000	30 June 2008 RM'000 (Restated)	31 March 2009 RM'000	30 June 2008 RM'000 (Restated)
SHAREHOLDERS' EQUITY					
Share capital		4,881,147	4,881,123	4,881,147	4,881,123
Reserves		15,700,512	14,421,370	13,876,616	12,319,192
		20,581,659	19,302,493	18,757,763	17,200,315
Minority Interest		850,821	789,269	-	-
Total equity		21,432,480	20,091,762	18,757,763	17,200,315
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		308,769,019	269,100,700	241,209,330	219,172,485
COMMITMENTS AND CONTINGENCIES	A24	233,861,173	204,216,762	216,704,014	192,079,393
<u>CAPITAL ADEQUACY</u>	A26				
Based on credit and market risks:					
<u>Without deducting dividend payable *</u>					
Core capital ratio		8.26%	10.36%	11.10%	11.47%
Risk-weighted capital ratio		12.10%	14.10%	11.10%	12.70%
<u>After deducting dividend payable</u>					
Core capital ratio:		8.26%	10.00%	11.10%	11.06%
Risk-weighted capital ratio:		12.10%	13.73%	11.10%	12.30%
Net assets per share attributable to equity holders of the parent		RM4.22	RM3.95	RM3.84	RM3.52

* In arriving at the capital base used in the ratio calculations of the Group and the Bank, the proposed dividends for respective financial years were not deducted.

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MALAYAN BANKING BERHAD
(3813-K)
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2009

<u>GROUP</u>	<===== Non Distributable =====>						Share Option Reserve RM'000	Distributable Retained Profits RM'000	Total Shareholders' Equity RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000					
At 1 July 2008	4,881,123	2,097,011	4,573,636	15,250	(416,340)	(41,752)	63,069	8,130,496	19,302,493	789,269	20,091,762
Currency translation differences	-	-	-	-	-	(81,565)	-	-	(81,565)	-	(81,565)
Acquisition of an Interest by Minority Interest	-	-	-	-	-	-	-	-	-	93,119	93,119
Effects of acquisition/disposal of interests from/to minority interests	-	-	-	-	-	-	-	37,163	37,163	(19,593)	17,570
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	262,852	-	-	-	262,852	(16,280)	246,572
Net gain/(loss) not recognised in the income statement	-	-	-	-	262,852	(81,565)	-	37,163	218,450	57,246	275,696
Net profit for the period	-	-	-	-	-	-	-	1,810,015	1,810,015	4,306	1,814,321
Total recognised income/(expense) for the period	-	-	-	-	262,852	(81,565)	-	1,847,178	2,028,465	61,552	2,090,017
Share-based payment under ESOS	-	-	-	-	-	-	(27,067)	-	(27,067)	-	(27,067)
Transfer to/from statutory reserves	-	-	591,174	-	-	-	-	(591,174)	-	-	-
Issue of ordinary shares pursuant to ESOS	24	154	-	-	-	-	-	-	178	-	178
Dividend paid	-	-	-	-	-	-	-	(722,410)	(722,410)	-	(722,410)
At 31 March 2009	4,881,147	2,097,165	5,164,810	15,250	(153,488)	(123,317)	36,002	8,664,090	20,581,659	850,821	21,432,480

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(3813-K)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2009

GROUP	<===== Non Distributable =====>										
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	Share Option Reserves RM'000	Distributable Retained Profits RM'000	Total Shareholders' Equity RM'000	Minority Interests RM'000	Total Equity RM'000
At 1 July 2007	3,889,225	2,935,570	3,921,988	15,250	405,588	(83,994)	61,228	8,052,801	19,197,656	670,492	19,868,148
Currency translation differences	-	-	628	-	-	(122,247)	-	-	(121,619)	-	(121,619)
Acquisition of an Interest by Minority Interest	-	-	-	-	-	-	-	-	-	12,575	12,575
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	(187,713)	-	-	-	(187,713)	-	(187,713)
Net accretion from decreased interest in subsidiaries	-	-	-	-	-	-	-	22,380	22,380	(22,380)	-
Net gain/(loss) not recognised in the income statement	-	-	628	-	(187,713)	(122,247)	-	22,380	(286,952)	(9,805)	(296,757)
Net profit for the period	-	-	-	-	-	-	-	2,224,989	2,224,989	20,606	2,245,595
Total recognised income/(expense) for the period	-	-	628	-	(187,713)	(122,247)	-	2,247,369	1,938,037	10,801	1,948,838
Share-based payment under ESOS	-	-	-	-	-	-	1,581	-	1,581	-	1,581
Transfer to/from statutory reserves	-	-	485,000	-	-	-	-	(485,000)	-	-	-
Issue of ordinary shares pursuant to ESOS	15,735	240,231	-	-	-	-	-	-	255,966	-	255,966
Bonus issue	976,058	(976,058)	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(1,642,115)	(1,642,115)	-	(1,642,115)
At 31 March 2008	4,881,018	2,199,743	4,407,616	15,250	217,875	(206,241)	62,809	8,173,055	19,751,125	681,293	20,432,418

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(3813-K)
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2009

	<=====Non Distributable=====>							Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	Share Option Reserves RM'000	Distributable Retained Profits RM'000	
BANK								
At 1 July 2008	4,881,123	2,097,011	4,483,770	(400,753)	94,730	63,069	5,981,365	17,200,315
Currency translation differences	-	-	-	-	128,395	-	-	128,395
Unrealised net gain on revaluation of securities available for sale	-	-	-	357,001	-	-	-	357,001
Net gain/(loss) not recognised in the income statement	-	-	-	357,001	128,395	-	-	485,396
Net profit for the period	-	-	-	-	-	-	1,794,162	1,794,162
Total recognised income/(expense) for the period	-	-	-	357,001	128,395	-	1,794,162	2,279,558
Share-based payment under ESOS	-	-	-	-	-	122	-	122
Transfer to statutory reserve	-	-	449,000	-	-	-	(449,000)	-
Issue of ordinary shares pursuant to ESOS	24	154	-	-	-	-	-	178
Dividend paid	-	-	-	-	-	-	(722,410)	(722,410)
At 31 March 2009	4,881,147	2,097,165	4,932,770	(43,752)	223,125	63,191	6,604,117	18,757,763

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(3813-K)
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2009

	<=====Non Distributable=====>						Distributable Retained Profits RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	Other Reserves RM'000		
BANK								
At 1 July 2007	3,889,225	2,935,570	3,889,770	283,264	8,660	61,228	6,386,121	17,453,838
Currency translation differences	-	-	(231)	-	6,243	-	-	6,012
Unrealised net gain on revaluation of securities available for sale	-	-	-	(192,579)	-	-	-	(192,579)
Net gain/(loss) not recognised in the income statement	-	-	(231)	(192,579)	6,243	-	-	(186,567)
Net profit for the period	-	-	-	-	-	-	1,939,003	1,939,003
Total recognised income/(expense) for the period	-	-	(231)	(192,579)	6,243	-	1,939,003	1,752,436
Share-based payment under ESOS	-	-	-	-	-	1,581	-	1,581
Transfer to statutory reserve	-	-	485,000	-	-	-	(485,000)	-
Issue of ordinary shares pursuant to ESOS	15,735	136,805	-	-	-	-	-	152,540
Bonus issue	976,058	(976,058)	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(1,642,115)	(1,642,115)
At 31 March 2008	4,881,018	2,096,317	4,374,539	90,685	14,903	62,809	6,198,009	17,718,280

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2009

	GROUP		BANK	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Profit before taxation				
Continuing operations	2,495,960	3,067,335	2,333,989	2,537,477
Discontinued operation	-	-	-	69,187
Adjustments for non-operating and non-cash items	1,314,242	2,940,970	359,639	2,964,101
Operating profit before working capital changes	3,810,202	6,008,305	2,693,628	5,570,765
Changes in working capital:-				
Net changes in operating assets	(11,270,450)	(7,044,008)	(8,086,216)	14,073,349
Net changes in operating liabilities	5,532,659	4,211,021	4,834,155	(13,899,924)
Tax expense and zakat paid	(1,003,182)	(1,156,041)	(875,842)	(1,005,499)
Net cash generated from operations	(2,930,771)	2,019,277	(1,434,275)	4,738,691
Net cash (used in)/generated from investing activities	(7,465,270)	(146,315)	(8,684,535)	(1,727,192)
Net cash (used in)/generated from financing activities	4,514,552	(3,772,785)	3,864,927	(3,888,785)
	(2,950,718)	(3,919,100)	(4,819,608)	(5,615,977)
Net change in cash and cash equivalents	(5,881,489)	(1,899,823)	(6,253,883)	(877,286)
Cash and cash equivalents at beginning of period *	29,249,597	35,671,158	25,587,362	32,331,059
	23,368,108	33,771,335	19,333,479	31,453,773
Assets transferred to subsidiary pursuant to transfer of Islamic Banking operations	-	-	-	-
Cash and cash equivalents at end of period	23,368,108	33,771,335	19,333,479	31,453,773
* Cash and cash equivalents at beginning of year				
Cash and short term funds as previously reported	27,644,359	37,597,422	24,069,617	34,200,909
Effects of foreign exchange rate changes	1,605,238	(1,926,264)	1,517,745	(1,869,850)
As restated	29,249,597	35,671,158	25,587,362	32,331,059

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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 condensed interim financial statements of the Group and of the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: securities held-for-trading and available-for-sale, derivative financial instruments and investment properties.

The condensed interim financial statements were 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 condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2008. These explanatory notes attached to the audited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 30 June 2008.

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the year ended 30 June 2008.

During the quarter ended 31 March 2009, the Group and Bank had reclassified a portion of their securities in held-for-trading category to held-to-maturity category based on current market prices at the relevant dates of the reclassifications. The market values of the reclassifications are set out under Note A9. The reclassifications is permitted under BNM's circular dated 17 October 2008 on Reclassifications of Securities under Specific Circumstances which is effective from 1 July 2008 to 31 December 2009.

The allowance for doubtful debts and financing of the Group and the Bank are computed based on the requirements of BNM/GP3, which is consistent with the adoption made in the previous audited annual financial statements. Specific allowances are made for doubtful debts which have been individually reviewed and specifically identified as bad and doubtful. Additional allowances are made for long outstanding non-performing loans aged more than five years. In addition, a general allowance based on a certain percentage of total risk-weighted assets for credit risk, which takes into account all balance sheet items and their perceived credit risk levels, is maintained.

A2. Significant Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving higher degree of judgment and complexity, are as follows:

(i) Fair Value Estimation of Securities Held-for-trading (Note 9(i)), Securities Available-for-sale (Note 9(ii)) and Derivative Financial Instruments

The fair value of securities and derivatives that are not traded in an active market are determined using valuation techniques based on assumptions of market conditions existing at the balance sheet date, including reference to quoted market prices and independent dealer quotes for similar securities and discounted cash flows method.

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(3813-K)
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A2. Significant Accounting Estimates and Judgments (contd.)

(ii) Valuation of Investment Properties

The measurement of the fair value for investment properties is arrived at by reference to market evidence of transaction prices for similar properties and is performed by professional independent valuers.

(iii) Impairment of Goodwill

The Group tests annually whether the goodwill that has an indefinite life has suffered any impairment by measuring the recoverable amount of the goodwill based on the value-in-use method, which requires the use of estimates of cash flow projections, growth rates and discount rates. Changes to the assumptions used by management, particularly the discount rate and the terminal growth rate, may significantly affect the results of the impairment.

(iv) Impairment of Other Intangible Assets

The Group's and the Bank's intangible assets that can be separated and sold and have a finite useful life are amortised over their estimated useful life.

The determination of the estimated useful life of these intangible assets requires the Bank's management to analyse the circumstances, the industry and market practice and also to use judgment. At each balance sheet date, or more frequently when events or changes in circumstances dictate, intangible assets are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the assets with its recoverable amount.

(v) Liabilities of Insurance Business

The actuarial estimate of future contingent policy liabilities is computed in accordance with the standards and basis prescribed under the Insurance Act and Regulations, and uses a level net premium methodology with allowances for acquisition costs through the application of a zilmer or full preliminary term adjustments, whichever produces higher reserves.

For general claims, reserve is made upon notification of a new claim where the potential liability will be assessed based on information available. Where little or no information is available, a "blind" reserve will be used. The blind reserves are based on class of business and are reviewed annually in line with Bank Negara Malaysia guidelines. As and when more information becomes available regarding a claim, the reserve is amended accordingly.

(vi) Deferred Tax and Income Taxes

The Group and the Bank is subject to income taxes in many jurisdictions and significant judgment is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognized based on estimates of whether additional taxes will be payable. The estimation process includes seeking expert advice where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax and deferred tax provisions in the period in which the estimate is revised or the final liability is established.

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

A2. Significant Accounting Estimates and Judgments (contd.)

(vii) Allowances for Bad and Doubtful Debts

The Group and Bank review the doubtful loans, advances and financing at each reporting date to assess whether allowances for impairment should be recorded in the financial statements. In particular, judgment is required in the identification of doubtful loans and the estimation of realisation amount from the doubtful loans when determining the level of allowance required.

The Group and Bank have adopted certain criteria in the identification of doubtful loans, which include classifying loans as non-performing when repayments are in arrears for more than three (3) months. Specific allowances for doubtful loans are provided after taking into consideration of the values assigned to collateral. The values assigned to collateral are estimated based on market value and/or forced sales value, as appropriate and conforms to BNM guidelines. In addition to the specific allowances made, the Group and Bank also make general allowance against exposure not specifically identified based on a certain percentage of total risk-weighted assets for credit risk. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2008 was not qualified.

A4. Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the third financial quarter ended 31 March 2009.

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

During the quarter ended 31 March 2009, save as disclosed under Note A7 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank.

A6. Changes in Estimates

There were no material changes in estimates during the quarter ended 31 March 2009.

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

A7. Changes in Debt and Equity Securities

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

(a) Issuance of Shares

The issued and paid-up share capital of the Bank was increased from RM4,881,123,401 as at 30 June 2008 to RM4,881,147,151 as at 31 March 2009, from the issuance of 23,750 new ordinary as follows:

Issuance of 23,750 new ordinary shares of RM1.00 each to eligible persons who have exercised their options under the Maybank Group Employee Share Option Scheme (ESOS), plus 4,750 bonus shares granted upon exercise of the options after bonus declaration, at the following option prices:

<u>Number of shares issued</u>	<u>Option price per share</u>	<u>No. of bonus shares issued:</u>
16,100	RM 9.23	4,025
1,100	RM 9.87	275
800	RM 9.92	200
1,000	RM10.19	250

(b) Innovative Tier 1 Capital Securities (IT1CS)

On 11 August 2008, Maybank issued SGD600 million IT1CS Callable with Step-up in 2018 under its RM4.0 billion Innovative Tier 1 Capital Securities Programme. The SGD IT1CS bear a fixed interest rate payment from and including 11 August 2008 to (but excluding) 11 August 2018 (the First Reset Date), payable semi annually in arrear on 11 February and 11 August in each year commencing on 11 February 2009. 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 to a floating rate, reset quarterly, at the initial credit spread plus 100 basis points above the three month SGD Swap Offer Rate.

As part of its overall IT1CS Programme, Maybank had also on 25 September 2008 issued RM1.10 billion of IT1CS. The RM IT1CS which matures on 25 September 2068 also bear a fixed interest rate and is callable on 25 September 2018 and on every interest payment date thereafter. On the 10th anniversary of the issue date, there will be a step-up in the interest rate to a floating rate, reset quarterly, at the initial credit spread plus 100 basis points above the Kuala Lumpur Inter-Bank Offer Rate for 3-months RM deposits.

The IT1CS will constitute direct, unsecured and subordinated obligations of the Bank and will rank pari passu and without any preference among themselves, and will rank pari passu with other Tier 1 securities.

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

A7. Changes in Debt and Equity Securities (contd.)

(c) Tier 2 Capital Subordinated Term Loan Facility

On 28 November 2008, Maybank ("Borrower") has secured a RM3.1 billion Tier 2 Capital Subordinated Term Loan Facility (the "Facility") for a term of fifteen (15) years from the drawdown date, with an option by the Borrower to redeem the Facility on the Optional Redemption Date or such other period as may be agreed between the Lender and Borrower. The Optional Redemption Date is the tenth (10th) anniversary from the Drawdown date or any semi annual Interest Payment date thereafter.

The Facility bear a fixed interest rate payment, payable semi annually in arrear. On the 10th anniversary of the issue date, there will be a one-time step-up in the interest rate which shall be equivalent to the aggregate of one hundred (100) basis points and the then prevailing market rate to be agreed between the Lender and the Borrower based on the then Borrower's prevailing credit rating for a tier 2 subordinated bond and upon having considered amongst others, the yield for a five (5) year bond maturity and last traded yields for Tier 2 subordinated bonds and other comparables of equivalent ratings.

The Facility shall qualify as Tier 2 Capital of the Bank in accordance with the capital adequacy requirements issued by BNM.

(d) Rights Issue On The Basis Of Nine (9) Ordinary Shares Of RM1.00 Each In Maybank ("Rights Shares") For Every Twenty (20) Existing Ordinary Shares of RM1.00 Each Held In Maybank ("Shares")

On 27 February 2009, Maybank announced the proposed renounceable rights issue on the basis of nine (9) Rights Shares for every twenty (20) existing Shares held ("Proposed Rights Issue").

The Proposed Rights Issue entails the issuance of up to 2,196,516,217 new ordinary shares of RM1.00 each in Maybank ("Rights Shares") at an issue price of RM2.74 per Rights Shares on the basis of nine (9) Rights Shares, payable in full upon acceptance, on the basis of nine (9) rights shares for every twenty (20) existing ordinary shares of RM1.00 each held in Maybank.

The Rights Issue has been completed with the listing of the Rights Shares on Bursa Malaysia Securities Berhad on 30 April 2009.

A8. Dividends Paid

There was no dividend paid during the quarter ended 31 March 2009.

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

A9. Securities Portfolio	Note	Group		Bank	
		31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
Securities held-for-trading	(i)	1,539,249	880,794	869,301	418,170
Securities available-for-sale	(ii)	47,780,305	34,484,135	38,925,092	28,620,398
Securities held-to-maturity	(iii)	4,417,384	1,186,227	2,954,751	672,972
		53,736,938	36,551,156	42,749,144	29,711,540

A9. (i) Securities Held-for-trading		Group		Bank	
		31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
At Fair value					
Money Market Instruments:-					
	Malaysian Government Securities	302,832	38,947	134,249	38,947
	Malaysian Government Treasury Bills	-	19,917	-	19,917
	Malaysian Government Investment Issues	92,919	9,536	92,919	9,536
	Khazanah Bonds	4,954	-	-	-
	Bank Negara Malaysia Monetary Notes	244,046	4,112	244,046	4,112
	Foreign Government Securities	145	268	-	-
	Foreign Certificates of Deposits	186,255	-	-	-
	Total Money Market Instruments	831,151	72,780	471,214	72,512
Quoted securities:					
	Shares	15,738	23,689	15,738	23,689
		15,738	23,689	15,738	23,689
Unquoted securities:					
	Malaysian Government Bonds	42,068	35,189	42,068	35,189
	Private and Islamic Debt Securities in Malaysia	310,011	462,356	-	-
	Foreign Private Debt Securities	340,281	286,780	340,281	286,780
		692,360	784,325	382,349	321,969
	Total securities held-for-trading	1,539,249	880,794	869,301	418,170

Disclosures of the reclassification from securities held-for-trading ("HFT") to securities held-to-maturity ("HTM") category in the financial statements of the Group are as follows:

(a) Amount reclassified from securities HFT to HTM category with effect from 23 January 2009.

	Group RM'000
Fair value of securities HFT reclassified to HTM	78,092

(b) Carrying value and fair value of securities HFT reclassified to HTM category as at 31 March 2009.

	Group RM'000
Securities HFT reclassified to HTM category	
Carrying amount	78,091
Fair Value	77,743

(c) The fair value gain/(loss) recognised in respect of the securities HFT reclassified to HTM category for the third quarter ended 31 March 2009.

	Group RM'000
Losses recognised in income statement	(63)

(d) The effective interest rate of the securities HFT reclassified to HTM category as at 23 January 2009 is at 5.97% per annum.

As at 31 March 2009, there is no significant change in the estimated amount of cashflows that the Bank expects to recover from the securities HFT reclassified to HTM category.

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

A9. Securities Portfolio (contd)

A9. (ii) Securities Available-for-sale

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
At Fair value, or cost less impairment losses for certain unquoted equity instruments				
Money market instruments:-				
Malaysian Government Securities	8,208,762	4,779,401	7,515,635	4,339,911
Malaysian Treasury Bills	33,856	29,915	33,856	29,915
Cagamas Bonds	302,779	552,925	302,779	330,348
Foreign Government Securities	6,867,889	3,699,181	4,484,127	3,602,495
Malaysian Government Investment Issues	8,495,141	4,144,204	5,609,935	2,643,988
Bank Negara Malaysia Bills	-	49,962	-	49,962
Foreign Government Treasury Bills	647,232	943,965	521,707	817,769
Negotiable Instruments of Deposits	1,241,903	907,399	3,737,728	2,868,290
Bankers' Acceptances and Islamic Accepted Bills	3,524,824	1,955,570	3,263,241	1,278,786
Khazanah Bonds	837,611	889,737	369,450	345,341
Bank Negara Malaysia Sukuk Ijarah Bonds	-	-	-	-
Bank Negara Malaysia Monetary Notes	200,280	787,150	200,280	787,150
Foreign Certificates of Deposits	-	216,237	-	-
Total Money Market Instruments	30,360,277	18,955,646	26,038,738	17,093,955
Quoted Securities: -				
In Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	282,594	508,255	149,256	165,835
Outside Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	57,332	106,536	26,128	58,150
	339,926	614,791	175,384	223,985
Unquoted Securities:-				
Shares, trust units and loan stocks in Malaysia	732,718	777,089	485,445	507,187
Shares, trust units and loan stocks outside Malaysia	35,278	32,152	16,784	15,776
Islamic Private Debt Securities in Malaysia	10,818,936	9,164,822	7,476,853	6,191,994
Malaysian Government Bonds	346,209	314,664	346,209	314,664
Foreign Government Bonds	82,092	73,138	-	-
Foreign Islamic Private Debt Securities	4,895,392	4,306,821	4,216,202	4,027,825
Credit Linked Notes	169,477	245,012	169,477	245,012
Malaysia Global Sukuk	-	-	-	-
	17,080,102	14,913,698	12,710,970	11,302,458
Total securities available-for-sale	47,780,305	34,484,135	38,925,092	28,620,398

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

A9. Securities Portfolio (contd)

A9. (iii) Securities Held-To-Maturity

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
At Amortised cost less impairment losses				
Money market instruments:-				
Malaysian Government Securities	2,615,321	103,635	2,384,585	103,076
Cagamas Bonds	13,394	13,409	1,670	1,670
Foreign Government Securities	392,029	152,962	-	-
Malaysian Government Investment Issues	187,528	80	-	-
Total Money Market Instruments	<u>3,208,272</u>	<u>270,086</u>	<u>2,386,255</u>	<u>104,746</u>
Unquoted Securities:-				
Private and Islamic Debt Securities in Malaysia	517,683	355,443	113,166	76,265
Malaysian Government Bonds	47,424	42,559	47,424	42,559
Foreign Government Bonds	-	-	-	-
Foreign Islamic Private Debt Securities	673,052	535,275	431,939	466,523
Credit Linked Note	-	-	-	-
Others	2,044	2,044	2,044	2,044
	<u>1,240,203</u>	<u>935,321</u>	<u>594,573</u>	<u>587,391</u>
Accumulated impairment losses	(31,091)	(19,180)	(26,077)	(19,165)
Total securities held-to-maturity	<u>4,417,384</u>	<u>1,186,227</u>	<u>2,954,751</u>	<u>672,972</u>

Included in the held-to-maturity securities are securities transferred from held-for-trading category in the third quarter of 2009, with carrying value of RM78,091,000 and fair value of RM77,743,000 as at 31 March 2009 (2008: no such reclassification permitted)

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

A10. Loans, Advances and Financing

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
Overdrafts	14,039,712	13,991,903	11,091,674	11,940,569
Term loans				
- Housing loans/financing	33,087,621	30,529,958	26,610,909	25,677,249
- Syndicated loan/financing	12,826,227	11,307,954	10,183,305	8,899,119
- Hire purchase receivables	36,767,231	31,767,799	22,328,740	22,931,657
- Lease receivables	3,455	3,796	3,292	3,796
- Other loans/financing	55,430,768	45,469,560	39,427,341	33,302,664
Credit card receivables	4,205,508	3,459,441	3,797,604	3,459,441
Bills receivable	1,986,490	2,130,068	1,868,883	2,026,654
Trust receipts	2,286,170	2,216,693	1,934,725	2,001,697
Claims on customers under acceptance credits	12,050,714	13,728,112	8,634,453	9,661,171
Loans/financing to banks and other financial institutions	10,271,701	9,580,463	10,055,575	9,580,173
Revolving credits	20,947,498	17,486,917	17,605,280	17,064,091
Staff loans	1,406,176	1,213,646	956,237	954,499
Housing loans to				
- Executive directors of subsidiaries	476	972	476	972
Others	530,696	121,139	-	-
	205,840,443	183,008,421	154,498,494	147,503,752
Unearned interest and income	(12,963,191)	(11,791,307)	(3,034,490)	(3,215,208)
Gross loans, advances and financing	192,877,252	171,217,114	151,464,004	144,288,544
Allowances for bad and doubtful debts and financing:				
- specific	(3,575,080)	(3,229,837)	(2,621,438)	(2,574,307)
- general	(3,363,484)	(3,187,611)	(2,708,905)	(2,728,516)
Net loans, advances and financing	185,938,688	164,799,666	146,133,661	138,985,721

(ii) By type of customer

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
Domestic operations:				
Domestic non-bank financial institutions				
- Stockbroking companies	159,491	136,032	159,312	135,853
- Others	11,536,943	10,802,344	9,666,760	9,273,341
Domestic business enterprise				
- Small and medium enterprise	21,328,821	28,374,741	17,923,298	23,561,485
- Others	32,441,393	23,931,302	28,421,200	20,970,409
Government and statutory bodies	2,359,806	176,827	2,246,867	65,314
Individuals	60,865,172	58,017,124	45,584,893	45,534,182
Other domestic entities	128,052	164,327	22,208	31,767
Foreign entities	557,372	483,202	465,023	423,877
Total domestic operations	129,377,050	122,085,899	104,489,561	99,996,228

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

A10. Loans, Advances and Financing (contd)

(i) By type of customer (contd)

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
Overseas operations:				
Singapore	38,842,996	36,976,691	38,842,996	36,976,691
Hong Kong SAR	3,132,406	2,734,133	3,132,406	2,734,133
United States of America	1,452,894	1,230,560	1,452,894	1,230,560
People's Republic of China	851,535	799,411	851,535	799,411
Vietnam	561,462	549,621	561,462	549,621
United Kingdom	1,309,312	1,299,853	1,309,312	1,299,853
Brunei	127,818	155,298	127,819	155,298
Cambodia	256,205	174,885	256,205	174,885
Bahrain	439,814	371,864	439,814	371,864
Labuan offshore	3,601,291	3,825,321	-	-
Philippines	903,810	766,221	-	-
Indonesia	11,955,723	197,991	-	-
Papua New Guinea	64,936	49,366	-	-
	63,500,202	49,131,215	46,974,443	44,292,316
Gross loans, advances and financing	192,877,252	171,217,114	151,464,004	144,288,544

(ii) By interest/profit rate sensitivity

Fixed rate				
- Housing loans/financing	10,582,408	11,057,861	6,930,885	6,905,007
- Hire purchase receivables	28,813,706	26,744,656	18,935,368	19,384,816
- Other fixed rate loans/financing	19,011,212	13,673,676	13,476,731	10,316,056
Variable rate				
- Base lending rate plus	64,016,843	59,250,264	59,590,079	55,866,545
- Cost plus	21,005,025	20,383,788	17,276,459	16,038,791
- Other variable rates	49,448,058	40,106,869	35,254,482	35,777,329
Gross loans, advances and financing	192,877,252	171,217,114	151,464,004	144,288,544

(ii) Total loans by economic purpose

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
Domestic operations:				
Purchase of securities	10,491,961	10,336,662	9,636,565	10,132,879
Purchase of transport vehicles	19,076,040	17,791,196	9,104,314	9,958,723
- less Islamic loans sold to Cagamas	(279,477)	(611,346)	-	-
Purchase of landed properties				
- residential	24,569,813	24,269,350	19,163,762	18,752,859
- non-residential	6,518,453	6,429,515	5,832,895	5,812,909
- less Islamic housing loans sold to Cagamas	(327,033)	(362,256)	-	-
Purchase of fixed assets (exclude landed properties)	3,263	3,798	3,263	3,798
Personal use	3,528,546	3,326,392	3,180,077	2,982,302
Credit card	3,570,723	3,196,102	3,525,015	3,196,102
Purchase of consumer durables	16,070	12,283	15,777	12,155
Construction	5,866,491	5,456,547	4,891,543	4,590,098
Working capital	52,901,445	51,294,293	45,834,687	43,778,260
Others	3,440,754	943,363	3,301,663	776,143
Total domestic operations	129,377,049	122,085,899	104,489,561	99,996,228

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

A10. Loans, Advances and Financing (contd)

(ii) Total loans by economic purpose (contd)

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
Overseas operations:				
Singapore	38,842,996	36,976,691	38,842,996	36,976,691
Hong Kong SAR	3,132,406	2,734,133	3,132,406	2,734,133
United States of America	1,452,894	1,230,560	1,452,894	1,230,560
People's Republic of China	851,535	799,411	851,535	799,411
Vietnam	561,462	549,621	561,462	549,621
United Kingdom	1,309,312	1,299,853	1,309,312	1,299,853
Brunei	127,819	155,298	127,819	155,298
Cambodia	256,205	174,885	256,205	174,885
Bahrain	439,814	371,864	439,814	371,864
Labuan Offshore	3,601,291	3,825,321	-	-
Philippines	903,810	766,221	-	-
Indonesia	11,955,723	197,991	-	-
Papua New Guinea	64,936	49,366	-	-
	63,500,203	49,131,215	46,974,443	44,292,316
Gross loans, advances and financing	192,877,252	171,217,114	151,464,004	144,288,544

(iii) Non-performing loans by economic purpose

Domestic operations:				
Purchase of securities	183,107	235,595	85,375	141,008
Purchase of transport vehicles	152,718	113,949	106,134	85,480
Purchase of landed properties				
- residential	2,020,030	2,054,284	1,536,906	1,540,594
- non-residential	343,879	384,991	303,376	341,498
Purchase of fixed assets (exclude landed properties)	-	-	-	-
Personal use	209,131	205,453	168,410	170,885
Credit card	49,658	39,488	49,631	39,488
Purchase of consumer durables	1,590	1,073	1,590	1,069
Construction	452,646	413,657	356,073	277,209
Working capital	2,286,217	2,583,576	1,958,603	2,273,731
Others	21,363	33,895	16,707	28,896
Total domestic operations	5,720,339	6,065,961	4,582,805	4,899,858
Overseas operations:				
Singapore	349,509	237,782	349,509	237,782
Hong Kong SAR	62,212	25,716	62,212	25,716
Brunei	4,116	41,076	4,116	41,076
Vietnam	24,389	9,488	24,389	9,488
United Kingdom	18,181	-	18,181	-
People's Republic of China	23,003	292	23,003	292
Cambodia	-	-	-	-
Labuan Offshore	110,655	61,287	-	-
Papua New Guinea	2,483	3,073	-	-
Philippines	36,016	27,773	-	-
Indonesia	512,568	-	-	-
	1,143,132	406,487	481,410	314,354
	6,863,471	6,472,448	5,064,215	5,214,212

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

A10. Loans, Advances and Financing (contd)

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

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
At beginning of the period	6,472,448	8,258,214	5,214,212	8,054,673
Non-performing during the period	3,663,110	3,894,201	2,003,694	3,471,106
Reclassified as performing	(1,231,730)	(2,304,117)	(987,872)	(2,070,771)
Acquired upon acquisition of a subsidiary	396,688	-	-	-
Recovered during the period	(1,584,837)	(1,740,968)	(698,032)	(1,511,268)
Amount written off	(835,354)	(1,569,501)	(523,321)	(1,420,809)
Converted to Securities	(918)	(47,188)	(918)	(47,188)
Converted to Properties	-	(5,700)	-	(5,700)
Amount transferred to Maybank Islamic Bhd	-	-	-	(1,245,328)
Sale of NPL	-	(97,615)	-	(97,615)
Exchange differences and expenses debited	(15,936)	85,122	56,452	87,112
At end of the period	6,863,471	6,472,448	5,064,215	5,214,212
Less: Specific allowance	(3,575,080)	(3,229,837)	(2,621,438)	(2,574,307)
Net non-performing loans, advances and financing	3,288,391	3,242,611	2,442,777	2,639,905
Net NPL as a% of gross loans, advances and financing (including Islamic loans sold to Cagamas) less specific allowance	1.73%	1.92%	1.64%	1.86%

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

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
<u>Specific Allowance</u>				
At beginning of the period	3,229,837	3,875,219	2,574,307	3,696,358
Allowance made during the period	1,550,764	1,649,562	984,503	1,451,779
Amount written back in respect of recoveries	(313,720)	(701,148)	(267,070)	(563,134)
Acquired upon acquisition of a subsidiary	127,079	-	-	-
Amount written off	(835,354)	(1,569,501)	(523,321)	(1,420,809)
Transfer to general allowance	(147)	(7,366)	-	(4,302)
Transferred to impairment losses in value of securities	(918)	(8,651)	(918)	(8,651)
Transfer to restructured/rescheduled loans	(150,944)	(15,636)	(150,944)	(15,636)
Amount transferred to Maybank Islamic Bhd	-	-	-	(579,816)
Exchange differences	(31,517)	7,358	4,881	18,518
At end of the period	3,575,080	3,229,837	2,621,438	2,574,307

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

<u>General Allowance</u>				
At beginning of the period	3,187,611	2,757,315	2,728,516	2,613,274
Allowance made during the year	78,153	437,587	-	407,326
Amount written back	(117,356)	(22,418)	(24,240)	-
Amount transferred to Maybank Islamic Bhd	-	-	-	(307,891)
Acquired upon acquisition of a subsidiary	244,399	-	-	-
Transfer from specific allowance	147	7,366	-	4,302
Exchange differences	(29,470)	7,761	4,629	11,505
At end of the period	3,363,484	3,187,611	2,708,905	2,728,516
As % of gross loans, advances and financing (including Islamic loans sold to Cagamas) less specific allowance	1.77%	1.89%	1.82%	1.93%

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

A11. Other Assets

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
Interest receivables	1,008,051	825,087	771,258	759,031
Prepayments and deposits	611,745	452,537	449,870	415,148
Other debtors	3,386,152	2,395,812	3,399,599	1,803,306
Tax Recoverable	146,488	117,874	-	-
Properties -Foreclosed & Acquired in satisfaction of Loan	139,137	124,377	62,558	62,561
	5,291,573	3,915,687	4,683,285	3,040,046

A12. Deposits from Customers

Fixed deposits and negotiable instruments of deposits				
- One year or less	116,257,756	102,661,282	89,143,620	84,064,822
- More than one year	3,201,584	3,073,899	1,736,325	1,571,969
Money Market deposits	13,216,763	10,964,912	13,216,763	10,964,912
Savings deposits	34,175,773	29,425,896	25,860,162	25,027,773
Demand deposits	42,076,928	38,634,568	33,232,362	32,721,668
Structured deposits *	2,795,376	2,351,520	2,272,095	1,971,420
	211,724,180	187,112,077	165,461,327	156,322,564

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

	Group		Bank	
	31 March 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
Business enterprises	77,303,130	68,428,468	57,058,862	52,832,804
Individuals	103,202,308	90,243,156	86,666,596	83,229,457
Government and statutory bodies	7,045,756	7,703,001	3,892,813	5,028,237
Others	24,172,986	20,737,452	17,843,056	15,232,066
	211,724,180	187,112,077	165,461,327	156,322,564

A13. Deposits and Placement of Banks and Other Financial Institutions, Borrowings and Debt Securities

Licensed banks	22,100,793	20,339,978	24,215,667	21,832,396
Licensed finance companies	465,890	733	465,890	733
Licensed investment banks	1,370,453	451,206	1,280,453	451,206
Other financial institutions	6,969,118	3,762,189	6,511,667	3,562,962
	30,906,254	24,554,106	32,473,677	25,847,297
Maturity structure of deposits and placements of banks and other financial institutions				
- One year or less	30,156,132	22,750,881	31,914,375	24,229,174
- More than one year	750,122	1,803,225	559,302	1,618,123
	30,906,254	24,554,106	32,473,677	25,847,297
Borrowings				
Unsecured				
- less than one year	72,930	274,302	72,930	274,302
- more than one year	1,276,275	1,142,925	1,276,275	1,142,925
Subordinated obligations				
Unsecured				
- less than one year	-	-	-	-
- more than one year	¹ 8,728,934	¹ 4,975,723	¹ 8,189,998	¹ 4,975,723

¹ Includes Subordinated Notes of USD300 million. (30 June 2008: USD300 million)

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

	Group		Bank	
	31 March 2009	30 June 2008	31 March 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000

**A13. Deposits and Placement of Banks and Other
Financial Institutions, Borrowings and Debt Securities (Contd)**

Capital Securities				
Unsecured				
- less than one year	-	-	-	-
- more than one year	6,022,423	3,497,316	6,022,423	3,497,316
	<u>6,022,423</u>	<u>3,497,316</u>	<u>6,022,423</u>	<u>3,497,316</u>

¹ Includes Capital Securities of SGD600 million. (30 June 2008: Nil)

A14. Other Liabilities

Interest/Profit payable	1,220,952	1,009,604	1,030,598	947,456
Provision for outstanding claims	452,442	421,234	-	-
Unearned premium reserves	278,778	273,755	-	-
Profit Equalisation Reserves	38,173	65,623	-	-
Provisions and accruals	1,326,034	1,252,134	1,060,099	926,011
Due to brokers and clients	1,691,153	234,407	-	-
Deposits and other creditors	2,166,471	1,991,806	2,104,836	2,045,607
	<u>7,174,003</u>	<u>5,248,563</u>	<u>4,195,533</u>	<u>3,919,074</u>

A15. Interest Income

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	RM'000	RM'000	RM'000	RM'000
Group				
Loans, advances and financing				
- Interest income other than recoveries from NPL	2,211,106	1,781,819	6,549,313	5,388,120
- Recoveries from NPL	74,073	65,703	177,925	229,947
Money at call and deposit placements with financial institutions	136,920	422,484	666,589	1,531,530
Securities purchased under resale agreements	702	210	3,738	6,028
Securities held-for-trading	249,266	138,400	713,712	498,991
Securities available-for-sale	485,344	330,217	1,326,936	956,359
Securities held-to-maturity	43,976	18,042	87,376	79,829
Others	11,203	-	22,726	-
	<u>3,212,590</u>	<u>2,756,875</u>	<u>9,548,315</u>	<u>8,690,804</u>
Amortisation of premium less accretion of discounts	(2,777)	8,381	20,908	8,227
Net interest/income clawed back/suspended	(13,636)	(10,575)	(37,325)	(39,196)
	<u>3,196,177</u>	<u>2,754,681</u>	<u>9,531,898</u>	<u>8,659,835</u>

Bank

Loans, advances and financing				
- Interest income other than recoveries from NPL	1,700,813	1,717,454	5,429,087	5,177,254
- Recoveries from NPL	73,968	64,951	176,315	224,543
Money at call and deposit placements with financial institutions	169,991	434,471	740,651	1,488,273
Securities purchased under resale agreements	193	16	344	3,073
Securities held-for-trading	244,270	132,934	697,419	478,854
Securities available-for-sale	377,141	283,405	1,062,796	823,491
Securities held-to-maturity	15,153	12,988	34,776	62,698
	<u>2,581,529</u>	<u>2,646,219</u>	<u>8,141,388</u>	<u>8,258,186</u>
Amortisation of premium less accretion of discounts	(11,439)	(1,250)	(10,714)	(12,073)
Net interest/income clawed back/suspended	(13,636)	(10,575)	(37,325)	(39,196)
	<u>2,556,454</u>	<u>2,634,394</u>	<u>8,093,349</u>	<u>8,206,917</u>

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

A16. Interest Expense

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	220,200	241,145	789,718	939,829
Deposits from customers	1,196,586	1,085,603	3,803,263	3,426,257
Loans sold to Cagamas	7,514	16,784	27,235	59,143
Floating rate certificates of deposits	2,272	3,750	8,755	16,510
Subordinated obligations	41,212	12,963	71,769	52,760
Subordinated bonds	55,690	44,908	161,538	89,516
Capital Securities	98,149	-	272,846	-
Others	31,061	(17)	40,850	47
	1,652,684	1,405,136	5,175,974	4,584,062

Bank

Deposits and placements of banks and other financial institutions	186,340	741,202	758,377	1,526,354
Deposits from customers	926,142	511,735	3,074,524	2,592,762
Loans sold to Cagamas	7,514	16,784	27,235	59,143
Floating rate certificates of deposits	2,272	3,750	8,755	16,510
Subordinated obligations	41,212	12,963	71,769	52,760
Subordinated bonds	44,579	44,908	134,961	89,516
Capital Securities	98,149	-	272,846	-
Others	15	(19)	39	48
	1,306,223	1,331,323	4,348,506	4,337,093

A17. Non-interest Income

Group

(a) Fee income:				
Commission	190,017	170,781	583,939	529,233
Service charges and fees	191,964	169,897	586,541	519,081
Guarantee fees	32,936	28,498	96,425	86,270
Underwriting fees	1,165	4,595	3,836	7,669
Brokerage income	9,126	22,858	30,748	66,594
Other fee income	9,540	14,331	53,574	50,500
	434,748	410,960	1,355,063	1,259,347
(b) Net gain/(loss) arising from:				
Sale of securities held-for trading	6,051	(3,787)	(15,501)	(26,768)
Sale of securities available-for-sale	45,965	68,582	93,604	122,243
Redemption of securities held-to-maturity	696	(102)	608	(57)
Net loss from sale of associated company	-	-	-	(300)
	52,712	64,693	78,711	95,118
(c) Gross dividend from:				
Securities portfolio	7,522	7,296	25,843	24,752
(d) Unrealised gain/(loss) on revaluation of securities held-for-trading and derivatives	(154,071)	(181,767)	(263,998)	(359,361)
(e) Other income:				
Foreign exchange profit/(loss)	64,808	161,984	153,903	376,976
Net premiums written	129,394	111,695	380,939	356,408
Rental Income	6,970	4,154	19,248	12,486
Gain/(Loss) on disposal of property and equipment (net)	(1,570)	5,113	8,462	10,197
Gain on disposal of foreclosed properties	244	1,326	469	4,027
Others	89,090	32,463	198,389	95,071
	288,936	316,735	761,410	855,165
Total non-interest income	629,847	617,917	1,957,029	1,875,021

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

A17. Non-interest Income (contd)

<u>Bank</u>	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
(a) Fee income:				
Commission	167,993	169,397	535,151	523,869
Service charges and fees	171,482	149,540	517,599	451,594
Guarantee fees	29,943	28,473	88,219	86,119
Underwriting fees	144	494	2,743	1,147
Other fee income	6,698	12,510	43,772	41,647
	376,260	360,414	1,187,484	1,104,376
(b) Net gain/(loss) arising from:				
Sale of securities held-for trading	2,863	(3,190)	22,837	(18,590)
Sale of securities available-for-sale	60,681	63,185	94,051	88,963
Redemption of securities held-to-maturity	695	(89)	612	(273)
Net gain from sale of subsidiary company	-	5,487	-	5,487
Net loss from sale of associated company	-	-	-	(1,800)
	64,239	65,393	117,500	73,787
(c) Gross dividend income from:				
Securities portfolio	5,637	4,439	14,242	8,055
Subsidiary companies	559,747	8,265	561,547	10,065
	565,384	12,704	575,789	18,120
(d) Unrealised (loss)/gain on revaluation of securities held-for-trading and derivatives	(123,227)	(139,059)	(246,877)	(304,819)
(e) Other income:				
Foreign exchange profit	42,481	153,519	84,015	356,857
Rental Income	6,737	4,110	18,838	11,776
Gain/(Loss) on disposal of property and equipment (net)	(838)	4,749	(416)	7,226
Others	8,006	10,157	21,683	37,931
	56,386	172,535	124,120	413,790
Total non-interest income	939,042	471,987	1,758,016	1,305,254

A18. Overhead Expenses

Group

Personnel costs				
- Salaries, allowances and bonuses	563,347	366,572	1,518,549	1,074,171
- Pension costs	60,280	54,513	184,454	159,610
- Others	59,724	54,890	171,289	155,929
	683,351	475,975	1,874,292	1,389,710
Establishment costs				
- Depreciation	44,126	33,014	114,302	99,224
- Rental of leasehold land and premises	37,605	19,220	97,954	54,697
- Repairs and maintenance of property and equipment	22,494	19,108	69,036	56,632
- Information technology expenses	130,116	103,509	352,099	287,254
- Others	20,998	21,134	61,224	54,304
	255,339	195,985	694,615	552,111
Marketing expenses				
- Advertisement and publicity	76,657	83,041	260,250	252,340
- Others	21,897	20,348	65,010	63,174
	98,554	103,389	325,260	315,514
Administration and general expenses				
- Fees and brokerage	118,134	101,786	349,427	320,776
- Administrative expenses	95,990	64,587	245,411	189,140
- General expenses	67,702	57,047	247,755	144,249
- Claims incurred	77,502	60,423	246,020	192,626
- Others	13,249	6,233	51,996	24,333
	372,577	290,076	1,140,609	871,124
	1,409,821	1,065,425	4,034,776	3,128,459

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

A18. Overhead Expenses (contd)

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March	31 March	31 March	31 March
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Bank				
Personnel costs				
- Salaries, allowances and bonuses	433,594	327,987	1,225,447	963,507
- Pension costs	55,025	50,412	170,288	146,100
- Others	38,623	(47,668)	126,130	36,776
	527,242	330,731	1,521,865	1,146,383
Establishment costs				
- Depreciation	25,690	29,635	72,006	86,126
- Rental of leasehold land and premises	19,144	16,259	56,578	48,188
- Repairs and maintenance of property and equipment	15,090	17,168	49,172	50,060
- Information technology expenses	119,468	97,278	322,710	269,899
- Others	14,094	13,095	43,864	40,284
	193,486	173,435	544,330	494,557
Marketing expenses				
- Advertisement and publicity	58,153	63,410	191,721	195,253
- Others	20,863	19,162	61,418	59,383
	79,016	82,572	253,139	254,636
Administration and general expenses				
- Fees and brokerage	111,962	100,691	336,148	309,589
- Administrative expenses	47,794	53,725	151,678	161,915
- General expenses	40,526	52,532	135,405	137,576
- Others	8,060	8,550	44,246	24,514
	208,342	215,498	667,477	633,594
Overhead expenses allocated to subsidiary company	(69,260)	-	(203,009)	(202,276)
	938,826	802,236	2,783,802	2,326,894

A19. Allowance for Losses on Loans, Advances and Financing

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March	31 March	31 March	31 March
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Group				
Allowance for bad and doubtful debts and financing:				
- general allowance made (net)	28,145	3,860	(39,203)	37,368
- specific allowance	493,179	422,486	1,550,764	1,334,183
- specific allowance written back	(70,083)	(134,180)	(313,720)	(594,616)
Bad debts and financing written off	2,143	1,498	4,410	42,905
Bad debts and financing recovered	(100,080)	(127,879)	(389,001)	(362,135)
Provision/(write back) for other debts	58,612	539	103,070	(5,760)
	411,916	166,324	916,320	451,945
Bank				
Allowance for bad and doubtful debts and financing:				
- general allowance made/(written back)	33,056	11,678	(24,240)	49,067
- specific allowance	261,652	335,278	984,503	1,081,085
- specific allowance written back	(61,983)	(108,154)	(267,070)	(441,779)
Bad debts and financing written off	2,133	1,190	4,205	42,507
Bad debts and financing recovered	(66,443)	(124,096)	(301,721)	(340,749)
Provision for other debts	59,163	-	106,955	-
	227,578	115,896	502,632	390,131

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

A20. SEGMENT INFORMATION ON REVENUES, RESULTS, ASSETS AND LIABILITIES

BUSINESS SEGMENT

	Banking and Finance		Investment Banking		Insurance and Takaful		Others		Eliminations		Consolidated	
	Mar 2009	Mar 2008	Mar 2009	Mar 2008	Mar 2009	Mar 2008	Mar 2009	Mar 2008	Mar 2009	Mar 2008	Mar 2009	Mar 2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE AND EXPENSES												
Revenue												
External revenue	11,994,688	10,808,844	237,407	346,563	476,802	482,323	18,571	23,672	-	-	12,727,468	11,661,402
Dividends from subsidiaries	561,547	-	-	-	4,224	-	1,042	-	(566,813)	-	-	-
Inter-segment revenue	176,126	116,774	31,200	30,653	22,947	142,839	1,633	3,307	(231,906)	(293,573)	-	-
Total inter-segment revenue	737,673	116,774	31,200	30,653	27,171	142,839	2,675	3,307	(798,719)	(293,573)	-	-
Total revenue	12,732,361	10,925,618	268,607	377,216	503,973	625,162	21,246	26,979	(798,719)	(293,573)	12,727,468	11,661,402
Segment results												
Operating profit	3,586,509	3,248,527	63,762	110,960	68,706	265,847	20,010	19,858	(553,648)	(131,336)	3,185,339	3,513,856
Loan loss and provision	(905,298)	(486,013)	(14,531)	34,082	10	(13)	3,499	(1)	-	-	(916,320)	(451,945)
Write-back of allowance for non-refundable deposit	483,824	-	-	-	-	-	-	-	-	-	483,824	-
Share of results of associates	74,024	-	-	-	-	-	(398)	(568)	-	-	73,626	(568)
Impairment losses in associates	(242,000)	-	-	-	-	-	-	-	-	-	(242,000)	-
Impairment (loss) / written back	(85,357)	27,003	(5,000)	(21,000)	1,848	(11)	-	-	-	-	(88,509)	5,992
Profit before taxation	2,911,702	2,789,517	44,231	124,042	70,564	265,823	23,111	19,289	(553,648)	(131,336)	2,495,960	3,067,335
Taxation & Zakat	(679,335)	(693,635)	(29,355)	(32,223)	(33,539)	(95,889)	(15,308)	(3,715)	75,898	3,722	(681,639)	(821,740)
Profit after taxation and zakat	2,232,367	2,095,882	14,876	91,819	37,025	169,934	7,803	15,574	(477,750)	(127,614)	1,814,321	2,245,595
Minority interest	-	-	-	-	-	-	-	-	-	-	(4,306)	(20,606)
Net profit for the period	2,232,367	2,095,882	14,876	91,819	37,025	169,934	7,803	15,574	(477,750)	(127,614)	1,810,015	2,224,989
OTHER INFORMATION												
Capital expenditure	185,920	154,670	839	3,130	3,258	3,784	608	59	-	-	190,625	161,643
Depreciation	107,443	91,999	2,006	1,857	4,306	4,615	547	753	-	-	114,302	99,224
Amortisation	34,418	31,909	331	975	1,648	3,940	77	166	-	-	36,474	36,990
Non-cash expenses/(income) other than depreciation	(156,231)	(67,902)	(16,374)	15,736	(3,483)	(45)	-	(149)	-	-	(176,088)	(52,360)
	Mar 2009	June 2008	Mar 2009	June 2008	Mar 2009	June 2008	Mar 2009	June 2008	Mar 2009	June 2008	Mar 2009	June 2008
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS AND LIABILITIES												
Segment assets	311,393,883	255,433,080	7,822,980	9,124,230	21,040,128	20,503,181	12,436,125	4,554,556	(46,978,662)	(22,733,194)	305,714,454	266,881,853
Investments in associates	196,336	33,320	-	-	-	-	2,858,229	2,185,527	-	-	3,054,565	2,218,847
Total assets	311,590,219	255,466,400	7,822,980	9,124,230	21,040,128	20,503,181	15,294,354	6,740,083	(46,978,662)	(22,733,194)	308,769,019	269,100,700
Total segment liabilities	279,788,418	236,405,562	6,667,788	7,812,240	17,271,319	16,674,852	4,260,811	4,224,649	(20,651,797)	(16,108,365)	287,336,539	249,008,938
GEOGRAPHICAL SEGMENT												
	External Revenue		Profit Before Tax & Zakat		Capital expenditure		Segment assets					
	Mar 2009	Mar 2008	Mar 2009	Mar 2008	Mar 2009	Mar 2008	Mar 2009	June 2008				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000				
Malaysia	9,923,134	9,514,547	2,779,322	2,881,285	99,734	134,957	243,078,169	221,821,839				
Singapore	1,535,093	1,612,527	358,012	341,296	20,473	24,933	51,030,053	47,059,587				
Other locations	2,067,960	827,901	(87,726)	(23,910)	70,418	1,753	61,639,459	22,952,468				
	13,526,187	11,954,975	3,049,608	3,198,671	190,625	161,643	355,747,681	291,833,894				
Eliminations	(798,719)	(293,573)	(553,648)	(131,336)	-	-	(46,978,662)	(22,733,194)				
Group	12,727,468	11,661,402	2,495,960	3,067,335	190,625	161,643	308,769,019	269,100,700				

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

A21. 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 2008.

A22. Subsequent Events

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

A23. Changes in the Composition of the Group

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

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

A24. 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:

Group	As at 31 March 2009			As at 30 June 2008		
	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	5,589,557	5,589,557	4,852,509	5,374,494	5,374,494	4,926,774
Certain transaction-related contingent items	10,720,646	5,360,034	4,872,867	9,764,496	4,888,972	4,538,086
Short-term self-liquidating trade-related contingencies	3,711,122	742,224	574,536	5,030,235	1,000,050	616,592
Islamic housing and hire purchase loans sold to Cagamas Berhad	606,511	606,511	442,993	1,013,603	1,013,603	800,474
Obligations under underwriting agreements	170,593	70,296	29,565	377,364	91,182	73,182
Irrevocable commitments to extend credit:						
- maturity within one year	84,640,737	-	-	67,183,070	-	-
- maturity exceeding one year	11,291,440	5,645,720	5,572,517	9,993,821	4,996,911	4,829,304
Foreign exchange related contracts:						
- less than one year	49,644,190	818,846	226,633	55,082,330	668,355	281,824
- one year to less than five years	1,426,399	21,695	6,869	986,785	44,714	4,560
Interest rate related contracts:						
- less than one year	37,420,610	1,553,740	414,953	25,007,333	813,158	226,585
- one year to less than five years	20,307,115	556,108	217,089	16,760,168	431,902	295,928
- five years and above	3,184,429	544,722	132,813	2,679,826	175,229	125,918
Miscellaneous	5,147,824	-	-	4,963,237	-	-
	233,861,173	21,509,453	17,343,344	204,216,762	19,498,570	16,719,227

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

A24. Commitments and Contingencies and Off-Balance Sheet Financial Instruments (continued)

<u>Bank</u>	As at 31 March 2009			As at 30 June 2008		
	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	4,109,958	4,109,958	3,640,939	4,488,159	4,488,159	4,152,957
Certain transaction-related contingent items	9,961,438	4,980,719	4,531,139	9,095,796	4,547,896	4,244,422
Short-term self-liquidating trade-related contingencies	3,560,533	712,107	549,506	4,661,882	932,376	561,818
Islamic housing and hire purchase loans sold to Cagamas Berhad	-	-	-	-	-	-
Obligations under underwriting agreements	140,593	70,296	29,565	182,364	91,182	73,182
Irrevocable commitments to extend credit:						
- maturity within one year	75,170,161	-	-	60,803,246	-	-
- maturity exceeding one year	10,686,294	5,343,148	5,287,932	9,558,044	4,779,022	4,724,882
Foreign exchange related contracts:						
- less than one year	49,331,379	818,846	266,633	55,082,330	667,830	281,824
- one year to less than five years	1,426,399	21,695	6,869	986,785	13,164	4,560
Interest rate related contracts:						
- less than one year	37,046,722	1,548,948	412,710	24,063,151	813,048	226,428
- one year to less than five years	17,181,464	473,978	198,344	15,728,681	404,554	265,918
- five years and above	2,990,968	537,265	129,085	2,571,142	161,917	119,261
Miscellaneous	5,098,105	-	-	4,857,813	-	-
	216,704,014	18,616,960	15,052,722	192,079,393	16,899,148	14,655,252

* 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.

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

A24. Commitments and Contingencies and Off-Balance Sheet Financial Instruments (contd.)

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 2009, the amount of contracts that was not hedged in the Group and the Bank and, hence, exposed to market risk was RM334.6 million (30 June 2008: RM245.6 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 2009, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM555.5 million (30 June 2008: RM302.5 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.

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

A25. Interest Rate Risk

Group As at 31 March 2009	← 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 years RM'000				
ASSETS									
Cash and short-term funds	15,574,530	-	-	-	-	7,793,578	-	23,368,108	2.07
Deposits and placements with banks and other financial institutions	956,042	4,702,084	333,911	262,135	9,000	514,976	-	6,778,148	2.31
Securities purchased under resale agreements	268,139	-	-	-	-	-	-	268,139	2.31
Securities held-for-trading							1,539,249	1,539,249	3.60
Securities available-for-sale	100,938	280,120	863,410	1,246,139	1,268,157	-	44,021,541	47,780,305	3.55
Securities held-to-maturity	211,297	383	90,550	3,357,292	726,534	31,328	-	4,417,384	4.29
Loans, advances and financing									
- performing	79,865,748	15,372,693	18,737,532	25,505,992	23,553,123	22,978,694	-	186,013,782	5.61
- non-performing*	-	-	-	-	-	(75,094)	-	(75,094)	-
Derivative assets							1,505,896	1,505,896	-
Other Assets	-	-	-	-	-	5,291,573	-	5,291,573	-
Other non-interest sensitive balances	-	-	-	-	-	15,585,055	-	15,585,055	-
Life, general takaful and family takaful fund assets	-	-	-	-	-	16,296,474	-	16,296,474	-
TOTAL ASSETS	96,976,694	20,355,280	20,025,403	30,371,558	25,556,814	68,416,584	47,066,686	308,769,019	

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

A25. Interest Rate Risk (contd)

Group As at 31 March 2009	← Non trading book →						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 years RM'000	Non- interest sensitive RM'000			
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	79,297,355	31,903,478	51,450,363	15,005,328	31,138,424	2,929,232	-	211,724,180	1.39
Deposits and placements of banks and other financial institutions	20,459,875	6,673,339	2,943,746	466,452	293,232	69,610	-	30,906,254	1.44
Bills and acceptances payable	949,600	675,338	176,556	-	-	833,440	-	2,634,934	2.84
Recourse obligations on loans sold to Cagamas	-	-	6,636	284,413	-	-	-	291,049	4.19
Derivative liabilities	-	-	-	-	-	-	1,958,045	1,958,045	-
Borrowings	-	72,930	-	1,276,275	-	-	-	1,349,205	1.85
Subordinated obligations	1,089,998	-	-	4,000,000	3,638,936	-	-	8,728,934	4.23
Capital Securities	-	-	-	-	6,022,423	-	-	6,022,423	6.64
Other liabilities	-	-	-	-	-	7,174,003	-	7,174,003	-
Other non-interest sensitive balances	-	-	-	-	-	251,038	-	251,038	-
Life, general takaful and family takaful fund liabilities	-	-	-	-	-	4,009,444	-	4,009,444	-
Life, general takaful and family takaful policy holders' funds	-	-	-	-	-	12,287,030	-	12,287,030	-
Total Liabilities	101,796,828	39,325,085	54,577,301	21,032,468	41,093,015	27,553,797	1,958,045	287,336,539	
Shareholders' equity	-	-	-	-	-	20,581,659	-	20,581,659	
Minority interests	-	-	-	-	-	850,821	-	850,821	
Total Liabilities and Shareholders' Equity	101,796,828	39,325,085	54,577,301	21,032,468	41,093,015	48,986,277	1,958,045	308,769,019	
On-balance sheet interest sensitivity gap	(4,820,134)	(18,969,805)	(34,551,898)	9,339,090	(15,536,201)	19,430,307	45,108,641		
Off-balance sheet interest sensitivity gap (interest rate swaps)	3,423,982	1,685,757	(163,951)	(3,478,165)	(1,467,623)	-	-		
Total interest sensitivity gap	(1,396,152)	(17,284,048)	(34,715,849)	5,860,925	(17,003,824)	19,430,307	45,108,641	-	
Cumulative interest rate sensitivity gap	(1,396,152)	(18,680,200)	(53,396,049)	(47,535,124)	(64,538,948)	(45,108,641)	-		

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

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

A25. Interest Rate Risk (contd)

Group As at 30 June 2008	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 years RM'000				
ASSETS									
Cash and short-term funds	24,159,124	-	-	-	-	3,485,235	-	27,644,359	3.52
Deposits and placements with banks and other financial institutions	142,323	5,855,128	2,889,216	-	19,000	50,848	-	8,956,515	3.21
Securities purchased under resale agreements	-	-	-	-	-	-	-	-	-
Securities held-for-trading	-	-	-	-	-	-	880,794	880,794	4.84
Securities available-for-sale	321,153	464,642	121,117	1,506,902	458,735	4,696	31,606,890	34,484,135	5.03
Securities held-to-maturity	3,993	15,481	117,081	657,625	191,299	200,748	-	1,186,227	6.40
Loans, advances and financing									
- performing	68,847,061	16,972,070	16,410,964	18,146,327	23,765,415	20,602,829	-	164,744,666	6.46
- non-performing*	-	-	-	-	-	55,000	-	55,000	-
Derivative assets	-	-	-	-	-	-	830,150	830,150	-
Other Assets	-	-	-	-	-	3,915,687	-	3,915,687	-
Other non-interest sensitive balances	-	-	-	-	-	10,713,198	-	10,713,198	-
Life, general takaful and family takaful fund assets	-	-	-	-	-	15,689,969	-	15,689,969	-
TOTAL ASSETS	93,473,654	23,307,321	19,538,378	20,310,854	24,434,449	54,718,210	33,317,834	269,100,700	

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

A25. Interest Rate Risk (contd)

Non trading book

Group As at 30 June 2008	←	→						Non- interest sensitive	Trading books	Total	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 years RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
LIABILITIES AND SHAREHOLDERS' EQUITY											
Deposits from customers	69,355,844	23,664,629	39,142,581	33,697,356	66,300	21,185,367	-	187,112,077	1.86		
Deposits and placements of banks and other financial institutions	17,290,526	4,194,033	863,539	206,271	249,727	332,783	-	23,136,879	3.02		
Obligations on securities sold under repurchase agreements	322,371	-	-	-	-	-	-	322,371	2.80		
Bills and acceptances payable	1,470,830	1,514,899	290,328	-	-	1,516,245	-	4,792,302	3.57		
Recourse obligations on loans sold to Cagamas	-	393,581	515,272	365,216	-	-	-	1,274,069	4.38		
Derivative liabilities	-	-	-	-	-	-	1,055,097	1,055,097	-		
Borrowings	-	97,965	176,337	1,142,925	-	-	-	1,417,227	2.72		
Subordinated obligations	-	-	975,723	4,000,000	-	-	-	4,975,723	4.28		
Stapled Capital Securities	-	-	-	-	3,497,316	-	-	3,497,316	6.85		
Other liabilities	-	-	-	-	-	5,248,563	-	5,248,563	-		
Other non-interest sensitive balances	-	-	-	-	-	487,345	-	487,345	-		
Life, general takaful and family takaful fund liabilities	-	-	-	-	-	4,032,822	-	4,032,822	-		
Life, general takaful and family takaful policy holders' funds	-	-	-	-	-	11,657,147	-	11,657,147	-		
Total Liabilities	88,439,571	29,865,107	41,963,780	39,411,768	3,813,343	44,460,272	1,055,097	249,008,938			
Shareholders' equity	-	-	-	-	-	19,302,493	-	19,302,493			
Minority interests	-	-	-	-	-	789,269	-	789,269			
Total Liabilities and Shareholders' Equity	88,439,571	29,865,107	41,963,780	39,411,768	3,813,343	64,552,034	1,055,097	269,100,700			
On-balance sheet interest sensitivity gap	5,034,083	(6,557,786)	(22,425,402)	(19,100,914)	20,621,106	(9,833,824)	32,262,737				
Off-balance sheet interest sensitivity gap (interest rate swaps)	(1,340,624)	2,053,934	4,809,109	(4,048,764)	(1,473,655)	-	-				
Total interest sensitivity gap	3,693,459	(4,503,852)	(17,616,293)	(23,149,678)	19,147,451	(9,833,824)	32,262,737	-			
Cumulative interest rate sensitivity gap	3,693,459	(810,393)	(18,426,686)	(41,576,364)	(22,428,913)	(32,262,737)	-				

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

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

A25. Interest Rate Risk (contd)

Bank As at 31 March 2009	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 years RM'000					
ASSETS										
Cash and short-term funds	16,091,022	-	-	-	-	3,242,457	-	19,333,479	1.63	
Deposits and placements with banks and other financial institutions	651,361	5,800,142	288,112	14,796	-	192,295	-	6,946,706	1.91	
Securities purchased under resale agreements	268,139	-	-	-	-	-	-	268,139	2.31	
Securities held-for-trading	-	-	-	-	-	-	869,301	869,301	3.56	
Securities available-for-sale	-	-	-	-	-	-	38,925,092	38,925,092	3.57	
Securities held-to-maturity	-	-	49,095	2,704,067	-	201,589	-	2,954,751	3.68	
Loans, advances and financing										
- performing	78,000,333	13,947,067	15,889,733	17,182,021	21,380,635	-	-	146,399,789	5.56	
- non-performing*	-	-	-	-	-	(266,128)	-	(266,128)	-	
Derivative assets	-	-	-	-	-	-	1,415,291	1,415,291	-	
Other assets	-	-	-	-	-	4,683,285	-	4,683,285	-	
Other non-interest sensitive balances	-	-	-	-	-	19,679,625	-	19,679,625	-	
TOTAL ASSETS	95,010,855	19,747,209	16,226,940	19,900,884	21,380,635	27,733,123	41,209,684	241,209,330		

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

A25. Interest Rate Risk (contd)

Non trading book

Bank	←-----→						Non-	Trading	Total	Effective
As at 30 June 2008	Up to	>1 - 3	>3 - 12	>1 - 5	over 5	interest	books			
	1 month	months	months	years	years	sensitive	RM'000	RM'000	rate	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%	
LIABILITIES AND										
SHAREHOLDERS' EQUITY										
Deposits from customers	59,664,916	21,770,498	38,843,576	33,527,951	66,300	2,449,323	-	156,322,564	1.71	
Deposits and placements of banks and other financial institutions	16,777,231	4,180,046	858,785	205,827	249,727	2,158,454	-	24,430,070	2.64	
Obligations on securities sold under repurchase agreements	322,371	-	-	-	-	-	-	322,371	2.80	
Bills and acceptances payable	1,470,830	1,514,899	290,328	-	-	1,120,324	-	4,396,381	3.58	
Recourse obligations on loans sold to Cagamas	-	393,581	515,272	365,216	-	-	-	1,274,069	4.38	
Derivative liabilities	-	-	-	-	-	-	1,027,048	1,027,048	-	
Borrowings	-	97,965	176,337	1,142,925	-	-	-	1,417,227	2.72	
Subordinated obligations	-	-	975,723	4,000,000	-	-	-	4,975,723	4.28	
Stapled Capital securities	-	-	-	-	3,497,316	-	-	3,497,316	6.85	
Other liabilities	-	-	-	-	-	3,919,074	-	3,919,074	-	
Other non-interest sensitive balances	-	-	-	-	-	390,327	-	390,327	-	
Total Liabilities	78,235,348	27,956,989	41,660,021	39,241,919	3,813,343	10,037,502	1,027,048	201,972,170		
Shareholders' equity	-	-	-	-	-	17,200,315	-	17,200,315		
Total Liabilities and Shareholders' Equity	78,235,348	27,956,989	41,660,021	39,241,919	3,813,343	27,237,817	1,027,048	219,172,485		
On-balance sheet interest sensitivity gap	9,381,401	(6,550,651)	(23,520,083)	(21,373,464)	19,714,513	(6,491,418)	28,839,702	-		
Off-balance sheet interest sensitivity gap (interest rate swaps)	(1,135,864)	1,994,366	2,382,418	(1,851,109)	(1,389,811)	-	-	-		
Total interest sensitivity gap	8,245,537	(4,556,285)	(21,137,665)	(23,224,573)	18,324,702	(6,491,418)	28,839,702	-		
Cumulative interest rate sensitivity gap	8,245,537	3,689,252	(17,448,413)	(40,672,986)	(22,348,284)	(28,839,702)	-			

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

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

A26. 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 2009 RM'000	30 June 2008 RM'000	31 March 2009 RM'000	30 June 2008 RM'000
Before deducting proposed dividend:				
Core capital ratio	8.26%	10.36%	11.10%	11.47%
Risk-weighted capital ratio	12.10%	14.10%	11.10%	12.70%
After deducting proposed dividend:				
Core capital ratio	8.26%	10.00%	11.10%	11.06%
Risk-weighted capital ratio	12.10%	13.73%	11.10%	12.30%
Components of Tier I and Tier II capital:				
<u>Tier I capital</u>				
Paid-up share capital	4,881,147	4,881,123	4,881,147	4,881,123
Share premium	2,097,165	2,097,011	2,097,165	2,097,011
Other reserves	12,552,982	11,480,515	12,239,026	11,298,419
Capital Securities	6,022,423	3,497,316	6,022,423	3,497,316
Tier I minority interest	-	-	-	-
Less: Deferred tax assets ¹	(1,300,563)	(1,217,490)	(1,060,948)	(1,122,138)
Less: Goodwill ¹	(6,138,077)	(81,015)	(81,015)	(81,015)
Total Tier I capital	18,115,077	20,657,460	24,097,798	20,570,716
<u>Tier II capital</u>				
Subordinated obligations	8,728,934	4,975,724	8,189,998	4,975,724
General allowance for bad and doubtful debts	3,363,484	3,187,611	2,775,264	2,800,684
Total Tier II capital	12,092,418	8,163,335	10,965,262	7,776,408
Total capital	30,207,495	28,820,795	35,063,060	28,347,124
Less: Investment in subsidiary companies and associates ²	(3,677,978)	(712,841)	(14,446,748)	(5,556,095)
Capital base	26,529,517	28,107,954	20,616,312	22,791,029

¹ Under Bank Negara Guidelines, deferred tax and goodwill are not allowed for computation of capital adequacy ratios.

² Excludes the cost of investment in subsidiary companies and associates, except for Myfin Berhad of RM840.0 million, as its business, assets and liabilities have been transferred to the Bank. For the Group, the cost of investments in insurance companies and associates are deducted from capital base.

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

A26. Capital Adequacy (contd.)

The breakdown of risk-weighted assets (excluding deferred tax assets) in the various categories of risk-weights are as follows:

	31 March 2009		30 June 2008	
	Principal RM'000	Risk- Weighted RM'000	Principal RM'000	Risk- Weighted RM'000
Group				
0%	37,095,171	-	27,818,940	-
10%	56,694	5,669	385,512	38,551
20%	23,340,241	4,668,048	33,777,022	6,755,404
50%	32,859,838	16,429,919	31,768,097	15,884,049
100%	<u>174,564,520</u>	<u>174,564,520</u>	<u>154,288,652</u>	<u>154,288,652</u>
Total risk-weighted assets for credit risk		<u>195,668,157</u>		176,966,656
Total risk-weighted assets for market risk		<u>23,408,766</u>		<u>22,365,596</u>
Total risk-weighted assets for credit and market risks		<u>219,076,923</u>		<u>199,332,252</u>
Bank				
0%	23,066,512	-	19,006,042	-
10%	12,610	1,261	259,589	25,959
20%	33,985,084	6,797,017	36,482,606	7,296,521
50%	26,771,714	13,385,857	26,741,144	13,370,572
100%	<u>144,783,091</u>	<u>144,783,091</u>	<u>138,194,251</u>	<u>138,194,251</u>
Total risk-weighted assets for credit risk		<u>164,967,226</u>		158,887,303
Total risk-weighted assets for market risk		<u>20,604,388</u>		<u>20,430,101</u>
Total risk-weighted assets for credit and market risks		<u>185,571,614</u>		<u>179,317,404</u>

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

A27. The Operations of Islamic Banking

A27a. Unaudited Balance Sheets as at 31 March 2009

Group	31 March 2009 RM'000	30 June 2008 RM'000
ASSETS		
Cash and short-term funds	4,122,679	3,193,457
Deposits and placements with banks and other financial institutions	51,913	1,261
Securities portfolio	4,133,812	2,877,245
Financing and advances	23,718,062	21,057,888
Deferred tax assets	28,581	27,482
Derivative assets	28,771	45,185
Other assets	381,185	199,564
Statutory deposit with Bank Negara Malaysia	215,000	775,000
Total Assets	32,680,003	28,177,082
LIABILITIES		
Deposits from customers	20,795,109	19,803,980
Deposit and placements of banks and other financial institutions	9,035,483	5,589,635
Bills and acceptances payable	125,154	390,110
Derivatives liabilities	34,019	45,200
Other liabilities	271,978	477,604
Provision for taxation and zakat	38,300	49,080
Total Liabilities	30,300,043	26,355,609
ISLAMIC BANKING FUNDS		
Islamic Banking Funds	210,566	111,980
Reserves	2,169,394	1,709,493
	2,379,960	1,821,473
Total Liabilities and Islamic Banking Funds	32,680,003	28,177,082
COMMITMENTS AND CONTINGENCIES	11,498,703	8,728,220

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

A27. The Operations of Islamic Banking (Contd)

A27b. Unaudited Income Statements for the Third Financial Quarter Ended 31 March 2009

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March	31 March	31 March	31 March
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Group				
Income derived from investment of depositors' funds	395,442	352,260	1,144,477	1,078,029
Expenses directly attributable to depositors and Islamic Banking Funds	(7,553)	(16,881)	(19,969)	(50,736)
Transfer from profit equalisation reserve	14,497	16,225	27,910	4,887
Gross attributable income	402,386	351,604	1,152,418	1,032,180
Allowance for losses on financing and advances	(62,964)	(49,761)	(139,898)	(157,915)
Total attributable income	339,422	301,843	1,012,520	874,265
Income attributable to the depositors	(161,581)	(107,252)	(506,407)	(370,212)
Income attributable to the Group	177,841	194,591	506,113	504,053
Income derived from investment of Islamic Banking Funds				
Gross investment income	26,230	23,463	98,918	69,122
Finance cost	-	-	-	(39,569)
Net income from investment of Islamic Banking Funds	26,230	23,463	98,918	29,553
Overhead expenses	(72,869)	(97,351)	(217,315)	(299,867)
Profit before taxation and zakat	131,202	120,703	387,716	233,739
Taxation	(29,034)	(20,956)	(89,053)	(53,582)
Zakat	(3,226)	(1,064)	(10,482)	(2,574)
Profit for the period	98,942	98,683	288,181	177,583

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

A27. The Operations of Islamic Banking (Contd)

A27b. Unaudited Income Statements for the Third Financial Quarter Ended 31 March 2009

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

	Group	
	31 March 2009 RM'000	31 March 2008 RM'000
Gross attributable income	1,152,418	1,032,180
Net income from investment of Islamic Banking Funds	98,918	29,553
Total income before allowances for losses on financing and advances and overhead expenses	1,251,336	1,061,733
Income attributable to the depositors	(506,407)	(370,212)
	744,929	691,521
Net of Intercompany income & expenses	162,233	-
Income from Islamic Banking Scheme	907,162	691,521

A27c. Financing and Advances

	Group	
	31 March 2009 RM'000	30 June 2008 RM'000
Cashline	2,000,425	1,997,952
Term financing		
- Housing financing	4,952,997	4,671,245
- Syndicated financing	136,393	159,073
- Hire purchase receivables	11,584,790	8,670,953
- Other financing	11,930,495	10,498,294
Bills receivable	99,426	71,263
Trust receipts	126,203	152,488
Claims on customers under acceptance credits	3,416,261	4,064,557
Staff financing	261,664	201,894
Credit card receivables	21,718	-
Revolving credits	65,000	-
	34,595,372	30,487,719
Unearned income	(9,924,332)	(8,546,218)
Gross financing and advances	24,671,040	21,941,501
Allowance for bad and doubtful financing:		
- specific	(381,075)	(549,632)
- general	(571,903)	(333,981)
Net financing and advances	23,718,062	21,057,888

A27d. (i) Movements in non-performing financing and advances ("NPF") are as follows:

	Group	
	31 March 2009 RM'000	30 June 2008 RM'000
Balance at beginning of the period	1,106,390	1,306,138
Non-performing during the period	297,997	621,839
NPL of subsidiary acquired		-
Recovered/regularized during the period	(248,664)	(614,967)
Amount written off	(87,020)	(143,660)
Sale of NPF, reported		
under Head Office	-	(69,448)
Expenses debited to customers' accounts	3,906	6,488
Balance at end of the period	1,072,609	1,106,390
Specific allowance	(571,903)	(549,632)
Net NPF	500,706	556,758
Net NPF as % of gross financing and advances less specific allowance	2.06%	2.60%

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

A27. The Operations of Islamic Banking (Contd)

A27d. (ii) Movements in the allowance for bad and doubtful financing accounts are as follows:

	Group	
	31 March 2009 RM'000	30 June 2008 RM'000
<u>General allowance</u>		
At beginning of the period	333,981	664,196
Allowance made during the period	61,794	35,144
Allowance written back	(14,700)	(743)
Excess of general allowance transferred to Head Office	-	(367,233)
Transfer from specific allowance	-	2,617
At end of the period	<u>381,075</u>	<u>333,981</u>
As a percentage of gross financing and advances less specific allowance	<u>1.57%</u>	<u>1.56%</u>
<u>Specific allowance</u>		
At beginning of the period	549,632	536,572
Allowance made during the period in respect of recoveries	154,932	299,749
Amount written back	(45,641)	(96,318)
Amount written off	(87,020)	(143,660)
Transfer to general allowance	-	(2,617)
Sale of NPL, subsequently transferred to Head Office	-	(44,094)
At end of the period	<u>571,903</u>	<u>549,632</u>

A27e. Deposits from Customers

(i) By type of deposit

	Group	
	31 March 2009 RM'000	30 June 2008 RM'000
<u>Mudharabah Fund</u>		
Demand deposits	2,430,683	2,179,605
Savings deposits	151,113	108,793
General investment deposits	6,521,164	6,313,712
Special investment deposits	-	-
	<u>9,102,960</u>	<u>8,602,110</u>
<u>Non-Mudharabah Fund</u>		
Demand deposits	4,064,203	3,675,392
Savings deposits	4,374,441	3,959,324
Structured deposits *	523,281	345,330
Negotiable instruments of deposits	2,730,224	3,221,824
	<u>11,692,149</u>	<u>11,201,870</u>
Total deposit from customers	<u>20,795,109</u>	<u>19,803,980</u>

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

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

A28. Intangible Assets

Included in total intangible assets of the Group is the estimated goodwill and intangible assets arising from the acquisition of Bank Internasional Indonesia Tbk (BII) on 30 September 2008. The effects of the acquisition of BII are summarised below:

	Group 31 March 2009 RM'000
Share of net assets acquired	1,847,013
Purchase consideration, net of exchange gains	(7,902,915)
Estimated goodwill/intangible assets	(6,055,902)

The goodwill and intangible assets of RM6.056 billion above represents the excess of the purchase consideration over the book value of BII at the date of acquisition.

The Group is currently in the midst of carrying out a Purchase Price Allocation (PPA) exercise in accordance with FRS 3 - Business Combinations, to allocate fair values to the tangible assets, liabilities, contingent liabilities and identifiable intangible assets of BII. Subject to the results of the PPA exercise, the final value of the goodwill of BII may vary from the value disclosed above. The PPA exercise will provide indications of the recoverable value of the investment. Should the recoverable value of the investments be less than their carrying value, the investment will be written down to its recoverable value. The Group expects to finalise its goodwill impairment analysis during the fourth quarter of financial year period ("FQP") ending 30 June 2009 and anticipates that the results on the full impairment charge will be announced in the FQP ending 30 June 2009.

A29. Impairment Loss on Interest in Associates

The Group holds a 20% equity stake in a listed associated company in Pakistan, MCB Bank Ltd ("MCB"), as at 31 March 2009. The recent global financial crisis has impacted the economic situation in Pakistan, leading to growing inflation rate and a downtrend in the global stock exchanges, including the Karachi stock exchange. This has resulted in substantial decline in the market capitalization of MCB. These are indications that the Group's investment in MCB may be impaired.

Impairment Testing

In accordance with FRS 136: Impairment of Assets, the Group treats MCB as a Cash Generating Unit ("CGU") for impairment testing.

Key Assumptions Used In Value-In-Use Calculations

The recoverable amount of the CGU has been determined based on the value-in-use calculation, using cash flow projections prepared by management, covering a 10-year period. Cash flows beyond the 10-year period are extrapolated at 6%. The calculation for value-in-use is most sensitive to the following assumptions:

Key Assumptions Used In Value-In-Use Calculations (contd.)

- 1) The growth rates used, which are based on the long-term expectation and have been adjusted to take into account the current economic situation.
- 2) The discount rate applied at 21.5%, which reflect the current specific country risks.

The equity stake in MCB is held via Maybank International Trust (Labuan) Berhad, a wholly-owned subsidiary of

The Group also holds 15% equity stake in An Binh Commercial Joint Stock Bank as at 31 March 2009.

The Group will review and finalise the assessment on impairment of the associates, together with the goodwill impairment analysis during the 4th quarter of financial quarter period ending 30 June 2009 and anticipates that the results on the full impairment charge will be announced in the financial quarter period ending 30 June 2009.

A30. Restatement of Comparatives

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

As at 31 March 2008	Previously Stated RM'000	Transfer of Islamic Banking operations RM'000	Restated RM'000
Bank			
Interest income	8,182,144	24,773	8,206,917
Interest Expense	(4,318,035)	(19,058)	(4,337,093)
Net Interest Income	3,864,109	5,715	3,869,824
Income from Islamic Banking operations	417,987	(417,987)	-
Operating income	4,282,096	(412,272)	3,869,824
Total non-interest income	1,350,983	-	1,350,983
Overhead expenses	(2,527,387)	200,493	(2,326,894)
Operating profit	3,105,692	(211,779)	2,893,913
Allowance for losses on loans, advances	(499,028)	108,897	(390,131)
Profit before taxation and zakat	2,606,664	(102,882)	2,503,782
Taxation and zakat	(667,661)	33,695	(633,966)
Profit for the year from continuing operations	1,939,003	(69,187)	1,869,816
Profit for the year from transfer of Islamic Banking operations	-	69,187	69,187

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

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

B1. Performance Review of the Third Quarter of the Financial Year 2009

The Group's net interest income for the nine months ended 31 March 2009 increased by RM280.1 million or 6.9% over that of the corresponding period to RM4,356.0 million. The higher net interest income came mainly from growth in loans, advances and financing, and improved lending margins, as a result of the consolidation of PT Bank Internasional Indonesia Tbk (BII), a 97.5% subsidiary. The Group's loans, advances and financing registered an increase of RM21,139.0 million or 12.8% from 30 June 2008.

Non interest income (including marked to market gain/loss on derivatives and securities held for trading) for the nine months ended 31 March 2009 was higher by RM82 million or 4.4% compared to that of the previous corresponding period. In the period under review, the higher non interest income was contributed by higher fee income and net premium written, which was higher by RM95.8 million and RM24.5 million respectively, and a marked to market gain of RM95.4 million on derivatives and securities held for trading. However, this was offset by a lower foreign exchange profit of RM153.9 million compared to a profit of RM377.0 million in the corresponding period.

Overheads increased by RM906.3 million or 29.0% over that of the corresponding period as a result of consolidation of BII overhead costs. Personnel costs increased by RM484.6 million or 34.9% partly due to incorporation of BII's personnel costs and finalisation of salary revisions, including adjustments for previous quarters, for officers and clericals under the respective collective agreements concluded during the period.

Establishment costs increased by RM142.5 million or 25.8% as a result of higher Information Technology expenses and rental of premises.

Administration and general expenses increased by RM269.5 million or 30.9%, from RM871.1 million to RM1,140.6 million, mainly due to increase in insurance claims incurred and other administrative and general expenses such as cash processing fees, royalties paid for the increased cards businesses and higher utility bills due to increase in tariff rates.

As a result, the Group's operating profit for the period decreased from RM3,513.9 million to RM3,185.3 million, or a reduction of 9.4%.

In the period under review, the Group's profit before tax was impacted by impairment of investment in an associate of RM242.0 million, allowance for impairment of securities of RM88.5 million compared to write-back of RM6 million the corresponding period and higher loan loss provision of RM464.4 million due mainly to the higher specific allowance made. However, this was partly offset by the write-back of allowance for non-refundable deposit of RM483.8 million arising from the reinstatement of approval by Bank Negara Malaysia, and the subsequent completion of the proposed acquisition of Sorak Financial Holdings Pte Ltd, the controlling shareholder of BII.

As a result of the above, the Group's profit before tax profit for the nine months ended 31 March 2009 registered a decrease of 18.6% or RM571.3 million to RM2,496.0 million compared to the corresponding period in the previous financial year. Net Profit attributable to equity holders was lower by 18.7% or RM415.0 million to RM1,810.0 million compared to the previous corresponding period.

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

B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's net interest income for the quarter ended 31 March 2009 decreased marginally by RM3.9 million or 0.3% over that of the preceding quarter to RM1,543.5 million. The lower net interest income was partly due to the negative impact of the 3 recent reductions in Overnight Policy Rate by BNM from 3.5% p.a. to 2.0% p.a.

Non-interest income (including marked to market gain/loss of derivatives and securities held for trading) for the quarter ended 31 March 2009 was lower by RM202.3 million or a decrease of 24.3% compared to that of the preceding quarter. The significant variance was mainly attributable to a lower foreign exchange gain and higher unrealised loss on revaluation of securities held-for-trading and derivatives by RM149.5 million and RM43 million respectively when compared against preceding quarter.

Overheads for the quarter increased marginally by RM1.3 million or 0.1% over that of the preceding quarter mainly due to higher personnel costs and establishment costs which were higher by RM52.3 million and RM12.2 million respectively. This was however compensated by lower administrative and general expenses which was lower by RM48.0 million.

As a result, operating profit for the quarter decrease by RM185.7 million to RM1,087 million, or a decrease of 14.6%.

In the current quarter under review, the Group's profit before tax was also impacted by higher loan loss provision of RM99.7 million from lower bad debts recovered and bad debts written off, which were lower by RM42.9 million and RM90.4 million respectively and higher allowance for impairment of securities by RM27.1 million when compared to preceding quarter.

As a result of the above, the Group's profit before tax profit for the current quarter ended 31 March 2009 registered a decrease by 31.9% or RM306.4 million to RM653.9 million compared to the preceding quarter. Net Profit attributable to equity holders was lower by 31.5% or RM231.3 million to RM503.3 million compared to the preceding quarter.

B3. Prospects

In tandem with the global economic downturn, Malaysia's economy is experiencing a contraction in external demand and decline in consumer and business spending. However, proactive measures by the government to stimulate economic activity through the RM60 billion stimulus plan announced in March should cushion the severity and duration of the downturn. The banking industry, which is well capitalised and supported by healthy asset quality and excess liquidity, is expected to remain resilient despite a decline in credit demand and investment activity. Nevertheless, the highly competitive banking landscape together with an environment of lower interest rates and more challenging business and employment prospects, could lead to pressure on margins and rising non-performing loans.

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

B3. Prospects (contd.)

Maybank is leveraging upon its vast network franchise, trained sales force, superior branding, and competitive product offerings to grow market share in selected sectors so as to ensure an equitable risk-reward balance in order to limit margin compression whilst preserving asset quality. Prudent risk management practices and stringent asset quality management should contain risk of deterioration in asset quality.

The Group will also focus on growing its international business and seek to derive synergies to enhance revenue generation from its overseas acquisitions. Particular emphasis will be placed on growing the Indonesian business through Bank Internasional Indonesia following the appointment of new senior management in March.

As part of the Strategic Transformation Plan with the aspiration to become a top five bank in South and South East Asia whilst maintaining its domestic leadership position, the ongoing LEAP30 performance improvement programme is on track to deliver enhancement in revenue and cost savings in order to strengthen Maybank's core business and franchise. With the completion of its rights issue in April, the Group has now strengthened its capital base and will proceed with putting in place an organisational and corporate structure that provides greater strategic, financial, and operational flexibility across the group.

Given the tougher operating environment and with the recent acquisitions yet to be earnings accretive in addition to the potential for impairment charges, the Group expects net profit for the current financial year ending 30 June 2009 to be lower than the previous financial year.

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

B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense and Zakat

The analysis of the tax expense for the third financial quarter ended 31 March 2009 are as follows:

Group	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Malaysian income tax	146,114	128,458	623,007	649,268
Foreign income tax	18,883	24,926	30,660	80,303
	164,997	153,384	653,667	729,571
Under/(over) provision in prior periods	999	7,447	981	(87,836)
Deferred tax expense				
- Origination and reversal of temporary differences	(28,075)	90,240	(30,252)	136,255
Due to reduction in statutory rate	3,092	1,003	42,406	40,326
	(24,983)	91,243	12,154	176,581
Tax expense for the period	141,013	252,074	666,802	818,316
Zakat	3,991	477	14,837	3,424
	145,004	252,551	681,639	821,740

Bank	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2009 RM'000	31 March 2008 RM'000	31 March 2009 RM'000	31 March 2008 RM'000
Malaysian income tax	214,266	129,462	523,047	511,617
Foreign income tax	1,396	23,737	2,213	75,374
	215,662	153,199	525,260	586,991
Over provision in prior periods	(803)	(47,641)	(803)	(142,924)
Deferred tax expense				
- Origination and reversal of temporary differences	(31,285)	103,253	(25,466)	150,248
Due to reduction in statutory rate	3,092	1,003	40,836	39,651
	(28,193)	104,256	15,370	189,899
Tax expense for the period	186,666	209,814	539,827	633,966

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

B6. Sale of Unquoted Investments and Properties

The gain from the sale of unquoted investments of the Group and the Bank amounted to RM136.4 million and RM118.3 million respectively, while the profit and loss from sale of properties of the Group and the Bank amounted to RM8.37 million and RM0.7 million respectively.

B7. Quoted Securities

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

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

B8. Status of Corporate Proposals Announced but Not Completed

(a) Proposed Acquisition Of Approximately 20% Of The Total Charter Capital Of Vietnam's An Binh Commercial Joint Stock Bank ("ABBank")

On 24 September 2008, Maybank had successfully completed the acquisition of 15% of the total Charter Capital of ABBank pursuant to the Subscription Agreement dated 21 March 2008 and Supplemental Agreement dated 9 September 2008.

Further, subject to the approval of the relevant authorities, Maybank will also subscribe for an additional 5% of the total Charter Capital of ABBank. Pursuant thereto, Maybank will eventually hold 20% of the total Charter Capital of ABBank.

(b) Memorandum Of Understanding ("MOU") In Relation To Global Takaful Business Between Maybank And The Islamic Corporation For The Development Of The Private Sector ("ICD")

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.

After completion of the feasibility study and review of the final report presented by the appointed consultants, both parties have agreed to not proceed with the establishment of the International Takaful holding company. Following the above, Maybank and ICD have mutually agreed that the MOU is hereby terminated.

(c) Family Takaful Business Joint Venture In Pakistan

On 23 June 2008, Maybank received an 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 issued 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 owned by Pak-Kuwait Investment Company and they will submit an application for license from the authorities in Pakistan to operate the family Takaful business. 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.

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

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

(d) 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.

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

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

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.

(e) Proposed Issuance Of Tier 2 Subordinated 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.

In view of the unfavourable prevailing market conditions and sentiment, Maybank has deferred the proposed issuance of the Subordinated Bonds until such time when market conditions improved. The approval from the SC in relation to the proposed issuance of the Subordinated Bonds has since lapsed. Maybank will make an announcement on this matter when there are any further developments.

(f) Proposed Renounceable Rights Issue On The Basis Of Nine (9) Ordinary Shares Of RM1.00 Each In Maybank (“Rights Shares”) For Every Twenty (20) Existing Ordinary Shares of RM1.00 Each Held In Maybank (“Shares”)

On 27 February 2009, Maybank announced that it was proposing to undertake a proposed renounceable rights issue on the basis of nine (9) Rights Shares for every twenty (20) existing Shares held (“Proposed Rights Issue”) as part of its ongoing strategic transformation plan (“Strategic Transformation Plan”).

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

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

(f) Proposed Renounceable Rights Issue On The Basis Of Nine (9) Ordinary Shares Of RM1.00 Each In Maybank (“Rights Shares”) For Every Twenty (20) Existing Ordinary Shares of RM1.00 Each Held In Maybank (“Shares”) (Contd.)

The Strategic Transformation Plan aims to strengthen the Maybank Group’s core business and franchise, further enhance its capital base via the Proposed Rights Issue and to put in place an organisational and corporate structure that provides greater strategic, financial and operational flexibility across the Maybank Group.

Maybank plans to raise approximately RM6.0 billion. The proceeds from the Proposed Rights Issue are proposed to be utilised for working capital and general banking purposes after netting off estimated expenses of RM45.0 million.

The Proposed Rights Issue is undertaken as part of the Strategic Transformation Plan as a pre-emptive move to further optimise its capital structure and strengthen its balance sheet to enhance shareholders’ value. The Proposed Rights Issue would also address market expectations for higher capital levels for financial institutions globally. The Proposed Rights Issue will increase Maybank Group’s core capital ratio and risk weighted capital ratio from 8.1% and 13.5% (based on the unaudited results for the 6-months ended 31 December 2008) to 11.0% and 16.4% respectively.

The Strategic Transformation Plan encompasses several strategic initiatives including the following:

- (i) to strengthen core business and franchise, aimed at achieving globally benchmarked operating metrics, extend leadership domestically, capturing value from new investments and improving synergies across the Maybank Group. To this end, implementation of the LEAP 30 initiatives communicated in September 2008 is underway;
- (ii) to further strengthen Maybank’s capital base via the Proposed Rights Issue as a pre-emptive capital to strengthen Maybank’s capital base and widen Maybank’s competitive positioning; and
- (iii) to put in place an organisational and corporate structure that provides greater strategic, financial and operational flexibility across the Maybank Group which includes the adoption of a financial holding company structure, subject to the regulatory and tax considerations and a final implementation plan.

Maybank-IB is the Principal Adviser, Joint Global Co-ordinator and Joint Lead Manager while Credit Suisse and Goldman Sachs are the Joint Global Co-ordinators and Joint International Lead Managers.

The Proposed Rights Issue entails the issuance of up to 2,212 million Rights Shares on the basis of nine (9) Rights Shares for every twenty (20) existing Shares held on an entitlement date (“Entitlement Date”).

On 5 March 2009, the issue price of the Rights Shares has been fixed at RM2.74 per Rights Share.

The issue price of RM2.74 is arrived at after taking into consideration the price of RM4.82 per Share based on the closing price of Maybank Shares traded on Bursa Malaysia Securities Berhad (“Bursa Securities”) as at 5 March 2009 and represents a discount of 34.4% from the theoretical ex-rights price of RM4.17 per Share and a discount of 43.2% to the closing price of RM4.82 of Maybank Shares as at 5 March 2009.

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

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

(f) Proposed Renounceable Rights Issue On The Basis Of Nine (9) Ordinary Shares Of RM1.00 Each In Maybank (“Rights Shares”) For Every Twenty (20) Existing Ordinary Shares of RM1.00 Each Held In Maybank (“Shares”) (Contd)

On 6 March 2009, Maybank has announced that it has received undertakings from PNB and certain unit trust funds managed by Amanah Saham Nasional Berhad, a wholly owned subsidiary of PNB, to subscribe for their respective entitlements totaling approximately 55.7% of the Proposed Rights Issue. In addition, as part of its undertaking, PNB has agreed to apply for excess allocation of 20% of the Proposed Rights Issue.

Maybank has also received a letter of undertaking from the Employees Provident Fund (“EPF”) to subscribe for its entitlement of approximately 13.7% of the Proposed Rights Issue (“EPF Portion”), provided the traded market price of Maybank shares is not below the issue price of RM2.74 on the date of subscription. With the strong support from EPF, a waiver from the Securities Commission was sought to exempt the EPF Portion from being underwritten. Maybank will still proceed with the Proposed Rights Issue in the unlikely event the EPF Portion is not taken up.

Based on the above, Maybank has significant support from its substantial shareholders for the Proposed Rights Issue of up to approximately 89.4% of the Proposed Rights Issue.

Maybank has further obtained underwriting commitments from MIDF Amanah Investment Bank Berhad and RHB Investment Bank Berhad, the Joint Lead Underwriters, for the balance of the remaining Rights Shares.

The Proposed Rights Issue is subject to the approvals of the following:

- (i) the Securities Commission (“SC”) which had, vide its letter dated 6 March 2009, approved the following:
 - (a) Proposed Rights Issue;
 - (b) Waiver from providing the underwriting arrangement in respect of the Employee Provident Fund Board’s entitlement of the Proposed Rights Issue pursuant to Paragraph 6.10 of the SC’s Guidelines on the Offering of Equity and Equity-linked Securities (“SC Guidelines”); and
 - (c) Waiver from the requirement for Maybank IB to act as an underwriter for the Proposed Rights Issue pursuant to Paragraph 6.13 of the SC’s Guidelines.
- (ii) Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the Rights Shares which was approved in principle on 12 March 2009;
- (iii) Bank Negara Malaysia for the increase in the issued and paid-up capital of Maybank which was approved on 19 March 2009; and
- (iv) the shareholders of Maybank which approved the Proposed Rights Issue at an Extraordinary General Meeting (“EGM”) held on 23 March 2009.

The Rights Issue has been completed with the listing of the Rights Shares on Bursa Malaysia Securities Berhad on 30 April 2009.

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

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 judgment 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 judgment 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.

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 judgment, 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. The trial for the suit is fixed for 13 to 24 July 2009 and 24 to 28 August 2009.

- (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.

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

B11. Changes in Material Litigation (contd.)

- (b) ETB's application to strike out the counter claim and also its application for summary judgment fixed earlier for decision on 27 April 2009 is postponed to 14 May 2009.

On 14 May 2009, the Court allowed ETB's application for summary judgement, but directed that a rebate be given if there is early settlement. The Court has also dismissed the 1st Defendant's counter claim against ETB with costs.

- (c) A corporate borrower has issued a writ of summon against Maybank Investment Bank Berhad (formerly known as Aseambankers Malaysia Berhad) ("Maybank-IB") in 2005 in its own capacity as lender as well as in the capacity as agent bank for the syndicate lenders claiming general, special and exemplary damages arising from alleged breach of duty owed by Maybank-IB. 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 Maybank-IB and three other financial institutions as the syndicated lenders. The loan was restructured in 2002 to RM38 million with terms for repayment. In 2006, Maybank-IB and three other syndicated lenders filed a suit against the corporate borrower for the recovery of the loan. The borrower has filed a counterclaim against all the lenders as well. The two suits were then ordered by the court to be heard together.

Out of the estimated claim of RM450.0 million, Maybank-IB's exposure is RM189.0 million. (inclusive of the assets and liabilities of KBB (one of the syndicated lenders) and from Maybank-IB 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, Maybank-IB are of the view that it has a more than even chance of succeeding in defending the corporate borrower's claim. The trial was completed on 13 November 2008.

The Court on 6 May 2009 entered judgement against Maybank-IB as agent for the syndicated lenders for an estimated RM115.5 million with interest at 6% per annum from date of disbursement to realisation.

The balance of the judgement claim (including for general damages) against Maybank-IB as agent for the syndicated lenders was ordered to be assessed by the Senior Assistant Registrar (SAR), at later date. At this juncture, Maybank as one of the syndicated lenders has an exposure of RM48 million out of the RM115.5 million judgement sum. Maybank-IB has filed a notice of appeal and an application for stay of execution of the judgement sum. The hearing of the stay application was fixed for 13 May 2009, but has been adjourned to June 24 2009, but the Court has ordered an interim stay of execution of the judgement sum until then. Maybank-IB's solicitors are of the view that at this juncture, Maybank-IB have a better than even chance of success on appeal.

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.

MALAYAN BANKING BERHAD
(3818-K)
(Incorporated in Malaysia)

B12. Earning Per Share (EPS)

Basic

The basic 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 during the quarter and the cumulative period respectively.

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Net profit for the period (RM'000)	503,282	758,606	1,810,015	2,224,989
Weighted average number of ordinary shares in issue ('000)	4,881,147	4,881,792	4,881,144	4,873,927
Basic earnings per share ('000)	10.31 sen	15.54 sen	37.08 sen	45.65 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.

	3rd Quarter Ended		Cumulative 9 Months Ended	
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
Net profit for the period (RM'000)	503,282	758,606	1,810,015	2,224,989
Weighted average number of ordinary shares in issue ('000)	4,881,147	4,881,792	4,881,144	4,873,927
Effects of share option ('000)	-	8,279	-	5,714
Adjusted weighted average number of ordinary shares in issue ('000)	4,881,147	4,890,071	4,881,144	4,879,641
Diluted earnings per share ('000)	10.31 sen	15.51 sen	37.08 sen	45.60 sen

By Order of the Board

Mohd Nazlan Mohd Ghazali
LS0008977
Company Secretary
21 May 2009