

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

**CONDENSED FINANCIAL STATEMENTS**  
**AUDITED INCOME STATEMENTS**  
**FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2009**

<u>Group</u>	Note	4th Quarter Ended		Financial Year Ended	
		30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>Continuing Operations</b>					
Interest income	A15	2,779,795	2,601,784	11,569,863	10,755,867
Interest expense	A16	(1,216,213)	(1,250,768)	(5,650,357)	(5,329,078)
Net interest income		1,563,582	1,351,016	5,919,506	5,426,789
Income from Islamic Banking					
Scheme operations:					
Gross operating income		325,636	279,542	1,204,888	966,176
Profit equalisation reserves		(8,477)	(6,457)	19,433	(1,570)
	A28b	317,159	273,085	1,224,321	964,606
		1,880,741	1,624,101	7,143,827	6,391,395
Non-interest income	A17	1,418,161	1,296,755	3,375,190	3,171,776
Net income		3,298,902	2,920,856	10,519,017	9,563,171
Overhead expenses	A18	(1,524,389)	(1,124,685)	(5,559,165)	(4,248,609)
		1,774,513	1,796,171	4,959,852	5,314,562
Allowance for losses on loans, advances and financing (Impairment losses)/write back on impairment losses, net	A19	(782,494)	(353,581)	(1,698,814)	(810,061)
		(108,980)	60,243	(197,489)	66,235
Operating Profit		883,039	1,502,833	3,063,549	4,570,736
Impairment loss on investment in associates	A30	(111,067)	-	(353,067)	-
Write off and impairment losses on goodwill	A29	(1,619,518)	-	(1,619,518)	-
(Allowance)/ write-back of allowance for non-refundable deposit		-	(483,824)	483,824	(483,824)
		(847,546)	1,019,009	1,574,788	4,086,912
Share of profits/(losses) in associated companies		25,878	(274)	99,504	(842)
<b>Profit/(Loss) before taxation and zakat</b>		(821,668)	1,018,735	1,674,292	4,086,070
Taxation & Zakat	B5	(241,939)	(261,990)	(923,578)	(1,083,730)
<b>Profit/(Loss) for the year</b>		(1,063,607)	756,745	750,714	3,002,340
<b>Attributable to:</b>					
Equity holders of the parent		(1,118,140)	703,213	691,875	2,928,202
Minority Interest		54,533	53,532	58,839	74,138
		(1,063,607)	756,745	750,714	3,002,340
<b>Earnings/(loss) per share attributable to equity holders of the parent</b>					
	B13				
Basic		(17.62) sen	14.41 sen <sup>1</sup>	12.00 sen	53.32 sen <sup>1</sup>
Fully diluted		(17.07) sen	12.78 sen <sup>1</sup>	12.00 sen	53.32 sen <sup>1</sup>

<sup>1</sup> Adjusted for rights issue completed on 30 April 2009 and bonus issue of 1:4 completed on 20 February 2008.

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2008 and the accompanying explanatory notes attached)

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**AUDITED INCOME STATEMENTS**  
**FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2009**

<u>Bank</u>	Note	4th Quarter Ended		Financial Year Ended	
		30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>Continuing Operations</b>					
Interest income	A15	2,182,813	2,500,679	9,534,332	10,201,844
Interest expense	A16	(921,959)	(1,181,648)	(4,528,635)	(5,012,989)
Net interest income		1,260,854	1,319,031	5,005,697	5,188,855
Non-interest income	A17	947,044	903,358	2,705,060	2,208,612
Net income		2,207,898	2,222,389	7,710,757	7,397,467
Overhead expenses	A18	(952,841)	(885,958)	(3,736,643)	(3,208,317)
		1,255,057	1,336,431	3,974,114	4,189,150
Allowance for losses on loans, advances and financing (Impairment Losses)/write-back on impairment losses, net	A19	(563,207)	(269,810)	(1,065,839)	(664,476)
Operating Profit		(96,843)	60,880	(221,103)	106,609
Impairment loss on investment in subsidiaries (Allowance)/ write-back of allowance for non-refundable deposit	A29/A30	595,007	1,127,501	2,687,172	3,631,283
		(2,545,917)	(28,884)	(2,787,917)	(28,884)
	A5	-	(483,824)	483,824	(483,824)
<b>(Loss)/Profit before taxation and zakat</b>		(1,950,910)	614,793	383,079	3,118,575
Taxation & Zakat	B5	(174,417)	(180,644)	(714,244)	(814,610)
(Loss)/Profit for the year from continuing operations		(2,125,327)	434,149	(331,165)	2,303,965
<b>Discontinued Operation</b>					
Profit for the year from transfer of Islamic Banking operations		-	-	-	69,187
<b>(Loss)/Profit for the year</b>		(2,125,327)	434,149	(331,165)	2,373,152

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**MALAYAN BANKING BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**AUDITED BALANCE SHEETS AS AT 30 JUNE 2009**

	Note	GROUP		BANK	
		30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>ASSETS</b>					
Cash and short-term funds		<b>23,607,979</b>	27,644,359	<b>17,448,312</b>	24,069,617
Deposits and placements with financial institutions		<b>6,299,175</b>	8,956,515	<b>7,563,969</b>	8,795,492
Securities purchased under resale agreements		<b>346,462</b>	-	<b>346,462</b>	-
Securities portfolio	A9	<b>57,727,128</b>	36,551,156	<b>47,020,177</b>	29,711,540
Loans, advances and financing	A10	<b>185,783,166</b>	164,614,175	<b>144,431,798</b>	138,855,474
Derivative assets		<b>973,685</b>	830,150	<b>929,904</b>	828,182
Other assets	A11	<b>5,249,290</b>	4,101,178	<b>3,818,866</b>	3,176,790
Investment properties		<b>26,578</b>	3,885	-	-
Statutory deposits with Central Banks		<b>4,050,932</b>	5,872,414	<b>2,110,143</b>	4,939,701
Investment in subsidiaries		-	-	<b>11,786,293</b>	6,414,844
Interests in associates		<b>2,630,123</b>	2,218,847	<b>343,049</b>	13,869
Property, plant and equipment		<b>1,395,562</b>	1,210,833	<b>1,115,140</b>	1,062,383
Intangible assets	A29	<b>4,374,010</b>	189,729	<b>168,132</b>	182,455
Deferred tax assets		<b>1,493,132</b>	1,217,490	<b>1,194,897</b>	1,122,138
Life, general takaful and family takaful fund assets		<b>16,781,901</b>	15,689,969	-	-
<b>TOTAL ASSETS</b>		<b>310,739,123</b>	269,100,700	<b>238,277,142</b>	219,172,485
<b>LIABILITIES</b>					
Deposits from customers	A12	<b>212,598,589</b>	187,112,077	<b>163,452,930</b>	156,322,564
Deposits and placements of banks and other financial institutions	A13	<b>28,781,863</b>	23,136,879	<b>30,121,916</b>	24,430,070
Obligations on securities sold under repurchase agreements		-	322,371	-	322,371
Bills and acceptances payable		<b>1,470,063</b>	4,792,302	<b>1,328,279</b>	4,396,381
Derivative liabilities		<b>1,459,068</b>	1,055,097	<b>1,381,860</b>	1,027,048
Other liabilities	A14	<b>6,986,000</b>	5,248,563	<b>3,253,358</b>	3,919,074
Recourse obligation on loans sold to Cagamas		<b>516,265</b>	1,274,069	<b>516,265</b>	1,274,069
Provision for taxation and zakat		<b>87,743</b>	435,483	-	390,327
Deferred tax liabilities		<b>57,430</b>	51,862	-	-
Borrowings	A13	<b>1,512,310</b>	1,417,227	<b>1,512,310</b>	1,417,227
Subordinated obligations	A13	<b>8,672,373</b>	4,975,723	<b>8,152,239</b>	4,975,723
Capital Securities	A13	<b>6,047,541</b>	3,497,316	<b>6,047,541</b>	3,497,316
Life, general takaful and family takaful fund liabilities		<b>4,529,995</b>	4,032,822	-	-
Life, general takaful and family takaful policy holders' funds		<b>12,251,906</b>	11,657,147	-	-
<b>TOTAL LIABILITIES</b>		<b>284,971,146</b>	249,008,938	<b>215,766,698</b>	201,972,170

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**CONDENSED FINANCIAL STATEMENTS**  
**AUDITED BALANCE SHEETS AS AT 30 JUNE 2009**

	Note	GROUP		BANK	
		30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>SHAREHOLDERS' EQUITY</b>					
Share capital		7,077,663	4,881,123	7,077,663	4,881,123
Reserves		17,821,083	14,421,370	15,432,781	12,319,192
		<b>24,898,746</b>	19,302,493	<b>22,510,444</b>	17,200,315
Minority Interest		869,231	789,269	-	-
Total equity		<b>25,767,977</b>	20,091,762	<b>22,510,444</b>	17,200,315
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		<b>310,739,123</b>	269,100,700	<b>238,277,142</b>	219,172,485
<b>COMMITMENTS AND CONTINGENCIES</b>	A24	<b>221,586,702</b>	204,216,762	<b>201,853,878</b>	192,079,393
<b>CAPITAL ADEQUACY</b>					
	A26				
Based on credit and market risks:					
<b><u>Without deducting dividend payable *</u></b>					
Core capital ratio		11.00%	10.44%	14.29%	11.47%
Risk-weighted capital ratio		14.99%	13.09%	14.29%	12.71%
<b><u>After deducting dividend payable</u></b>					
Core capital ratio:		10.81%	10.08%	14.06%	11.06%
Risk-weighted capital ratio:		14.81%	12.72%	14.06%	12.30%
Net assets per share attributable to equity holders of the parent		RM3.52	RM3.95	RM3.18	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**  
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**CONDENSED FINANCIAL STATEMENTS**  
**AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009**

GROUP	<===== Non Distributable =====>											
	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	Share Option Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Total Shareholders' Equity RM'000	Minority Interests RM'000	Total Equity RM'000
<b>At 1 July 2008</b>	4,881,123	2,097,011	4,573,636	15,250	(416,340)	(41,752)	63,069	-	8,130,496	<b>19,302,493</b>	789,269	<b>20,091,762</b>
Currency translation differences	-	-	-	-	-	(625,133)	-	-	-	<b>(625,133)</b>	(2,825)	<b>(627,958)</b>
Share of movement in reserves of associates	-	-	-	-	(22,129)	-	-	-	-	<b>(22,129)</b>	-	<b>(22,129)</b>
Effects of acquisition/disposal of interests from/to minority interests	-	-	-	-	-	-	-	-	(20,116)	<b>(20,116)</b>	34,129	<b>14,013</b>
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	290,081	-	-	-	-	<b>290,081</b>	(8,938)	<b>281,143</b>
Net gain/(loss) not recognised in the income statement	-	-	-	-	267,952	(625,133)	-	-	(20,116)	<b>(377,297)</b>	22,366	<b>(354,931)</b>
Net profit for the period	-	-	-	-	-	-	-	-	691,875	<b>691,875</b>	58,839	<b>750,714</b>
Total recognised income/(expense) for the year	-	-	-	-	267,952	(625,133)	-	-	671,759	<b>314,578</b>	81,205	<b>395,783</b>
Share-based payment under ESOS	-	-	-	-	-	-	122	-	-	<b>122</b>	-	<b>122</b>
Issue of ordinary shares pursuant to rights issue exercise	2,196,516	3,804,527	-	-	-	-	-	-	-	<b>6,001,043</b>	-	<b>6,001,043</b>
Issue of ordinary shares pursuant to ESOS	24	154	-	-	-	-	-	-	-	<b>178</b>	-	<b>178</b>
Transfer to/from statutory reserves	-	-	91,347	-	-	-	-	-	(91,347)	-	-	-
Revaluation reserve from investment properties	-	-	-	-	-	-	-	2,742	-	<b>2,742</b>	-	<b>2,742</b>
Dividend paid	-	-	-	-	-	-	-	-	(722,410)	<b>(722,410)</b>	(1,243)	<b>(723,653)</b>
<b>At 31 June 2009</b>	<b>7,077,663</b>	<b>5,901,692</b>	<b>4,664,983</b>	<b>15,250</b>	<b>(148,388)</b>	<b>(666,885)</b>	<b>63,191</b>	<b>2,742</b>	<b>7,988,498</b>	<b>24,898,746</b>	<b>869,231</b>	<b>25,767,977</b>

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**AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009**

<u>GROUP</u>	<===== Non Distributable =====>						Share Option Reserves 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					
<b>At 1 July 2007</b>	3,889,225	2,935,570	3,921,988	15,250	405,588	(83,994)	61,228	8,052,801	<b>19,197,656</b>	670,492	<b>19,868,148</b>
Currency translation differences	-	-	-	-	-	42,242	-	-	<b>42,242</b>	(877)	<b>41,365</b>
Acquisition of an Interest by Minority Interest	-	-	-	-	-	-	-	-	-	48,500	<b>48,500</b>
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	(821,928)	-	-	-	<b>(821,928)</b>	(17,935)	<b>(839,863)</b>
Net accretion from decreased interest in subsidiaries	-	-	-	-	-	-	-	(14,951)	<b>(14,951)</b>	14,951	-
Net gain/(loss) not recognised in the income statement	-	-	-	-	(821,928)	42,242	-	(14,951)	<b>(794,637)</b>	44,639	<b>(749,998)</b>
Net profit for the period	-	-	-	-	-	-	-	2,928,202	<b>2,928,202</b>	74,138	<b>3,002,340</b>
Total recognised income/(expense) for the period	-	-	-	-	(821,928)	42,242	-	2,913,251	<b>2,133,565</b>	118,777	<b>2,252,342</b>
Share-based payment under ESOS	-	-	-	-	-	-	1,841	-	<b>1,841</b>	-	<b>1,841</b>
Transfer to/from statutory reserves	-	-	651,648	-	-	-	-	(651,648)	-	-	-
Issue of ordinary shares pursuant to ESOS	15,841	137,498	-	-	-	-	-	-	<b>153,339</b>	-	<b>153,339</b>
Bonus issue	976,057	(976,057)	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(2,183,908)	<b>(2,183,908)</b>	-	<b>(2,183,908)</b>
<b>At 31 June 2008</b>	<b>4,881,123</b>	<b>2,097,011</b>	<b>4,573,636</b>	<b>15,250</b>	<b>(416,340)</b>	<b>(41,752)</b>	<b>63,069</b>	<b>8,130,496</b>	<b>19,302,493</b>	<b>789,269</b>	<b>20,091,762</b>

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**AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 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	
<b>At 1 July 2008</b>	4,881,123	2,097,011	4,483,770	(400,753)	94,730	63,069	5,981,365	<b>17,200,315</b>
Currency translation differences	-	-	-	-	45,041	-	-	<b>45,041</b>
Unrealised net gain on revaluation of securities available for sale	-	-	-	317,320	-	-	-	<b>317,320</b>
Net gain/(loss) not recognised in the income statement	-	-	-	317,320	45,041	-	-	<b>362,361</b>
Net profit for the period	-	-	-	-	-	-	(331,165)	<b>(331,165)</b>
Total recognised income/(expense) for the year	-	-	-	317,320	45,041	-	(331,165)	<b>31,196</b>
Share-based payment under ESOS	-	-	-	-	-	122	-	<b>122</b>
Issue of ordinary shares pursuant to rights issue exercise	2,196,516	3,804,527	-	-	-	-	-	<b>6,001,043</b>
Transfer to statutory reserve	-	-	-	-	-	-	-	<b>-</b>
Issue of ordinary shares pursuant to ESOS	24	154	-	-	-	-	-	<b>178</b>
Dividend paid	-	-	-	-	-	-	(722,410)	<b>(722,410)</b>
<b>At 31 June 2009</b>	<b>7,077,663</b>	<b>5,901,692</b>	<b>4,483,770</b>	<b>(83,433)</b>	<b>139,771</b>	<b>63,191</b>	<b>4,927,790</b>	<b>22,510,444</b>

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**FOR THE FINANCIAL YEAR ENDED 30 JUNE 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		
<b>At 1 July 2007</b>	3,889,225	2,935,570	3,889,770	283,264	8,660	61,228	6,386,121	<b>17,453,838</b>
Currency translation differences	-	-	-	-	86,070	-	-	<b>86,070</b>
Unrealised net gain on revaluation of securities available for sale	-	-	-	(684,017)	-	-	-	<b>(684,017)</b>
Net gain/(loss) not recognised in the income statement	-	-	-	(684,017)	86,070	-	-	<b>(597,947)</b>
Net profit for the year	-	-	-	-	-	-	2,373,152	<b>2,373,152</b>
Total recognised income/(expense) for the year	-	-	-	(684,017)	86,070	-	2,373,152	<b>1,775,205</b>
Share-based payment under ESOS	-	-	-	-	-	1,841	-	<b>1,841</b>
Transfer to statutory reserve	-	-	594,000	-	-	-	(594,000)	-
Issue of ordinary shares pursuant to ESOS	15,841	137,498	-	-	-	-	-	<b>153,339</b>
Bonus issue	976,057	(976,057)	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(2,183,908)	<b>(2,183,908)</b>
<b>At 31 June 2008</b>	<b>4,881,123</b>	<b>2,097,011</b>	<b>4,483,770</b>	<b>(400,753)</b>	<b>94,730</b>	<b>63,069</b>	<b>5,981,365</b>	<b>17,200,315</b>

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**CONDENSED FINANCIAL STATEMENTS**  
**AUDITED CONDENSED CASH FLOW STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2009**

	GROUP		BANK	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Profit before taxation				
Continuing operations	1,674,292	4,086,070	383,079	3,118,575
Discontinued operation	-	-	-	102,882
Adjustments for non-operating and non-cash items	3,920,438	1,850,906	3,514,848	1,815,568
Operating profit before working capital changes	<u>5,594,730</u>	<u>5,936,976</u>	<u>3,897,927</u>	<u>5,037,025</u>
Changes in working capital:-				
Net changes in operating assets	(10,896,457)	1,531,141	(12,797,329)	1,212,221
Net changes in operating liabilities	(644,126)	(11,083,172)	691,601	(8,718,177)
Tax expense and zakat paid	(1,429,820)	(1,632,714)	(1,272,735)	(1,320,281)
Net cash used in operations	<u>(7,375,673)</u>	<u>(5,247,769)</u>	<u>(9,480,536)</u>	<u>(3,789,212)</u>
Net cash used in investing activities	(8,057,254)	(2,358,068)	(8,466,415)	(2,353,817)
Net cash (used in)/generated from financing activities	10,284,996	(976,473)	10,275,050	(1,024,972)
	<u>2,227,742</u>	<u>(3,334,541)</u>	<u>1,808,635</u>	<u>(3,378,789)</u>
Net change in cash and cash equivalents	(5,147,931)	(8,582,310)	(7,671,901)	(7,168,001)
Cash and cash equivalents at beginning of year *	28,755,910	36,226,669	25,120,213	31,237,618
	<u>23,607,979</u>	<u>27,644,359</u>	<u>17,448,312</u>	<u>24,069,617</u>
Cash and cash equivalents at end of year	<u>23,607,979</u>	<u>27,644,359</u>	<u>17,448,312</u>	<u>24,069,617</u>
* Cash and cash equivalents at beginning of year				
Cash and short term funds as previously reported	27,644,359	35,597,422	24,069,617	32,567,349
Effects of foreign exchange rate changes	1,111,551	(1,370,753)	1,050,596	(1,329,731)
As restated	<u>28,755,910</u>	<u>34,226,669</u>	<u>25,120,213</u>	<u>31,237,618</u>

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2008 and the accompanying explanatory notes attached)

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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 audited condensed financial statements for the 4<sup>th</sup> quarter and the financial year ended 30 June 2009 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 audited condensed financial statements 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 audited condensed 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 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.

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 reclassification 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 A9(i)), Securities Available-for-sale (Note A9(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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**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.

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**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 4<sup>th</sup> financial quarter ended 30 June 2009.

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

During the quarter ended 30 June 2009, save as disclosed below and in Note A7, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank.

During the quarter ended 30 June 2009, the Group had made an impairment charge of RM1,617 million on the goodwill of the Group arising from PT Bank Internasional Indonesia Tbk's banking business operations and an additional impairment charge of RM111 million for the investment in MCB Bank. (Note 29 & 30).

**A6. Changes in Estimates**

There were no material changes in estimates during the quarter ended 30 June 2009.

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**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 RM7,077,663,368 as at 30 June 2009, from the issuance of 2,196,539,967 new ordinary as follows:

- (i) Rights Issue of 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 for every twenty (20) existing ordinary shares of RM1.00 each held in Maybank.
- (ii) 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.

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**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 (10<sup>th</sup>) anniversary from the Drawdown date or any semi annual Interest Payment date thereafter.

The Facility bears a fixed interest rate payment, payable semi annually in arrears. 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 at 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.

**A8. Dividends Paid**

The Bank paid a final dividend of 20.0 sen per share less 26% tax for the financial year ended 30 June 2008, amounting to RM722,409,591.80 on 21 October 2008.

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A9. Securities Portfolio	Note	Group		Bank	
		30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Securities held-for-trading	(i)	1,489,272	880,794	838,721	418,170
Securities available-for-sale	(ii)	47,877,105	34,484,135	39,349,558	28,620,398
Securities held-to-maturity	(iii)	8,360,751	1,186,227	6,831,898	672,972
		<b>57,727,128</b>	<b>36,551,156</b>	<b>47,020,177</b>	<b>29,711,540</b>

**A9. (i) Securities Held-for-trading**

**At Fair value**

**Money Market Instruments:-**

Malaysian Government Securities	63,813	38,947	4,940	38,947
Malaysian Government Treasury Bills	73,227	19,917	73,227	19,917
Malaysian Government Investment Issues	29,946	9,536	-	9,536
Khazanah Bonds	4,978	-	-	-
Bank Negara Malaysia Monetary Notes	444,031	4,112	444,031	4,112
Foreign Government Securities	4,738	268	-	-
Foreign Certificates of Deposits	219,426	-	-	-
<b>Total Money Market Instruments</b>	<b>840,159</b>	<b>72,780</b>	<b>522,198</b>	<b>72,512</b>

**Quoted securities:**

Shares	27,939	23,689	27,939	23,689
	<b>27,939</b>	<b>23,689</b>	<b>27,939</b>	<b>23,689</b>

**Unquoted securities:**

Malaysian Government Bonds	-	35,189	-	35,189
Private and Islamic Debt Securities in Malaysia	332,590	462,356	-	-
Foreign Private Debt Securities	288,584	286,780	288,584	286,780
	<b>621,174</b>	<b>784,325</b>	<b>288,584</b>	<b>321,969</b>

<b>Total securities held-for-trading</b>	<b>1,489,272</b>	<b>880,794</b>	<b>838,721</b>	<b>418,170</b>
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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 30 June 2009.

	Group RM'000
Securities HFT reclassified to HTM category	
Carrying amount	73,093
Fair Value	77,199

(c) The fair value gain/(loss) recognised in respect of the securities HFT reclassified to HTM category for the financial year ended 30 June 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 30 June 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.

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**A9. Securities Portfolio (contd)**

**A9. (ii) Securities Available-for-sale**

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>At Fair value, or cost less impairment losses for certain unquoted equity instruments</b>				
<b>Money market instruments:-</b>				
Malaysian Government Securities	8,000,877	4,779,401	7,462,815	4,339,911
Malaysian Treasury Bills	9,902	29,915	9,902	29,915
Cagamas Bonds	289,075	552,925	289,075	330,348
Foreign Government Securities	7,601,976	3,699,181	4,889,677	3,602,495
Malaysian Government Investment Issues	8,128,186	4,144,204	5,156,329	2,643,988
Bank Negara Malaysia Bills	-	49,962	-	49,962
Foreign Government Treasury Bills	556,106	943,965	405,546	817,769
Negotiable Instruments of Deposits	1,776,469	907,399	4,691,967	2,868,290
Bankers' Acceptances and Islamic Accepted Bills	3,070,391	1,955,570	3,024,272	1,278,786
Khazanah Bonds	828,797	889,737	359,850	345,341
Bank Negara Malaysia Monetary Notes	50,005	787,150	50,005	787,150
Foreign Certificates of Deposits	-	216,237	-	-
Total Money Market Instruments	<b>30,311,784</b>	18,955,646	<b>26,339,438</b>	17,093,955
<b>Quoted Securities: -</b>				
In Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	386,243	508,255	181,936	165,835
Outside Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	97,811	106,536	48,518	58,150
	<b>484,054</b>	614,791	<b>230,454</b>	223,985
<b>Unquoted Securities:-</b>				
Shares, trust units and loan stocks in Malaysia	691,283	777,089	441,733	507,187
Shares, trust units and loan stocks outside Malaysia	39,358	32,152	18,864	15,776
Islamic Private Debt Securities in Malaysia	11,015,939	9,164,822	7,792,927	6,191,994
Malaysian Government Bonds	162,297	314,664	162,297	314,664
Foreign Government Bonds	80,671	73,138	-	-
Foreign Islamic Private Debt Securities	4,865,984	4,306,821	4,138,110	4,027,825
Credit Linked Notes	225,735	245,012	225,735	245,012
	<b>17,081,267</b>	14,913,698	<b>12,779,666</b>	11,302,458
<b>Total securities available-for-sale</b>	<b>47,877,105</b>	34,484,135	<b>39,349,558</b>	28,620,398



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**A9. Securities Portfolio (contd)**

**A9. (iii) Securities Held-To-Maturity**

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>At Amortised cost less impairment losses</b>				
<b>Money market instruments:-</b>				
Malaysian Government Securities	6,263,488	103,635	6,032,944	103,076
Cagamas Bonds	13,390	13,409	1,670	1,670
Foreign Government Securities	443,637	152,962	-	-
Malaysian Government Investment Issues	512,691	80	275,248	-
Total Money Market Instruments	<u>7,233,206</u>	<u>270,086</u>	<u>6,309,862</u>	<u>104,746</u>
<b>Unquoted Securities:-</b>				
Private and Islamic Debt Securities in Malaysia	494,853	355,443	100,262	76,265
Malaysian Government Bonds	7,638	42,559	7,638	42,559
Foreign Government Bonds	-	-	-	-
Foreign Islamic Private Debt Securities	640,842	535,275	424,915	466,523
Others	2,044	2,044	2,044	2,044
	<u>1,145,377</u>	<u>935,321</u>	<u>534,859</u>	<u>587,391</u>
Accumulated impairment losses	(17,832)	(19,180)	(12,823)	(19,165)
<b>Total securities held-to-maturity</b>	<u><b>8,360,751</b></u>	<u><b>1,186,227</b></u>	<u><b>6,831,898</b></u>	<u><b>672,972</b></u>

Included in the held-to-maturity securities are securities transferred from held-for-trading category with carrying value of RM73,093,000 and fair value of RM77,199,000 as at 30 June 2009 (2008: no such reclassification permitted)

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**A10. Loans, Advances and Financing**

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Overdrafts	14,493,359	13,991,901	11,349,807	11,940,566
Term loans				
- Housing loans/financing	33,537,779	30,529,957	26,945,169	25,677,247
- Syndicated loan/financing	12,407,057	11,281,784	9,722,422	8,885,931
- Hire purchase receivables	38,050,669	31,767,458	22,366,959	22,931,317
- Lease receivables	3,381	3,796	3,277	3,796
- Other loans/financing	56,782,224	45,446,862	39,278,820	33,320,876
Credit card receivables	4,283,414	3,459,441	3,796,899	3,459,441
Bills receivable	2,293,815	2,121,855	2,223,077	2,018,427
Trust receipts	2,082,258	2,214,701	1,742,023	1,999,919
Claims on customers under acceptance credits	11,129,121	13,728,112	7,754,168	9,661,171
Loans/financing to banks and other financial institutions	10,170,957	9,580,463	9,967,406	9,580,173
Revolving credits	20,228,361	17,484,607	17,131,926	17,062,932
Staff loans	1,460,468	1,213,644	950,028	954,499
Housing loans to				
- Executive directors of the Bank	193	-	193	-
- Executive directors of subsidiaries	2,104	972	2,104	972
Others	488,514	121,139	-	-
	<u>207,413,674</u>	<u>182,946,692</u>	<u>153,234,278</u>	<u>147,497,267</u>
Unearned interest and income	(14,050,883)	(11,791,230)	(3,018,394)	(3,215,131)
Gross loans, advances and financing	<u>193,362,791</u>	<u>171,155,462</u>	<u>150,215,884</u>	<u>144,282,136</u>
Allowances for bad and doubtful debts and financing:				
- specific	(3,854,026)	(3,353,676)	(2,847,031)	(2,698,146)
- general	(3,725,599)	(3,187,611)	(2,937,055)	(2,728,516)
Net loans, advances and financing	<u>185,783,166</u>	<u>164,614,175</u>	<u>144,431,798</u>	<u>138,855,474</u>

**(ii) By type of customer**

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>Domestic operations:</b>				
Domestic non-bank financial institutions				
- Stockbroking companies	96,725	136,051	96,546	135,869
- Others	11,364,670	10,803,486	9,566,429	9,274,482
Domestic business enterprise				
- Small and medium enterprise	20,725,182	28,377,672	16,956,711	23,564,416
- Others	31,940,124	23,901,554	27,972,236	20,973,016
Government and statutory bodies	2,282,784	176,835	2,213,320	65,322
Individuals	62,811,592	58,022,736	45,902,511	45,539,807
Other domestic entities	148,302	164,331	25,925	31,771
Foreign entities	574,944	483,254	468,954	423,930
Total domestic operations	<u>129,944,323</u>	<u>122,065,919</u>	<u>103,202,632</u>	<u>100,008,613</u>

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**A10. Loans, Advances and Financing (contd)**

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

	Group		Bank	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
<b>Overseas operations:</b>				
Singapore	39,269,681	36,976,691	39,269,681	36,976,691
Hong Kong SAR	2,892,352	2,725,761	2,892,352	2,725,761
United States of America	1,339,147	1,230,560	1,339,147	1,230,560
People's Republic of China	969,266	799,411	969,266	799,411
Vietnam	548,044	547,172	548,044	547,172
United Kingdom	1,280,950	1,291,934	1,280,950	1,291,934
Brunei	130,655	155,298	130,655	155,298
Cambodia	302,508	174,832	302,508	174,832
Bahrain	280,649	371,864	280,649	371,864
Labuan offshore	3,127,625	3,803,615	-	-
Philippines	793,490	766,221	-	-
Indonesia	12,417,737	196,818	-	-
Papua New Guinea	66,364	49,366	-	-
	<b>63,418,468</b>	<b>49,089,543</b>	<b>47,013,252</b>	<b>44,273,523</b>
Gross loans, advances and financing	<b>193,362,791</b>	<b>171,155,462</b>	<b>150,215,884</b>	<b>144,282,136</b>

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

Fixed rate				
- Housing loans/financing	11,235,546	11,058,229	7,724,707	6,905,381
- Hire purchase receivables	29,790,106	26,745,884	19,005,757	19,386,043
- Other fixed rate loans/financing	19,021,173	13,636,046	13,285,625	10,317,152
Variable rate				
- Base lending rate plus	64,648,964	59,256,410	59,291,964	55,873,068
- Cost plus	20,795,087	20,379,761	17,128,290	16,034,765
- Other variable rates	47,871,915	40,079,132	33,779,541	35,765,727
Gross loans, advances and financing	<b>193,362,791</b>	<b>171,155,462</b>	<b>150,215,884</b>	<b>144,282,136</b>

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

	Group		Bank	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
	RM'000	RM'000	RM'000	RM'000
<b>Domestic operations:</b>				
Purchase of securities	11,437,474	10,336,664	9,891,754	10,132,879
Purchase of transport vehicles	19,844,339	17,793,442	8,912,826	9,960,972
- less Islamic loans sold to Cagamas	(268,304)	(611,346)	-	-
Purchase of landed properties				
- residential	24,649,453	24,269,339	19,241,121	18,752,859
- non-residential	6,493,344	6,429,515	5,797,391	5,812,909
- less Islamic housing loans sold to Cagamas	(315,069)	(362,256)	-	-
Purchase of fixed assets (exclude landed properties)	3,264	3,799	3,264	3,799
Personal use	3,782,771	3,326,392	3,348,353	2,982,302
Credit card	3,556,878	3,196,102	3,510,535	3,196,102
Purchase of consumer durables	15,709	12,283	14,838	12,155
Construction	6,300,230	5,456,547	5,426,053	4,590,098
Working capital	51,005,722	51,271,899	43,706,947	43,788,220
Others	3,438,512	943,539	3,349,550	776,318
Total domestic operations	<b>129,944,323</b>	<b>122,065,919</b>	<b>103,202,632</b>	<b>100,008,613</b>

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**A10. Loans, Advances and Financing (contd)**

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

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>Overseas operations:</b>				
Singapore	39,269,681	36,976,691	39,269,681	36,976,691
Hong Kong SAR	2,892,352	2,725,761	2,892,352	2,725,761
United States of America	1,339,147	1,230,560	1,339,147	1,230,560
People's Republic of China	969,266	799,411	969,266	799,411
Vietnam	548,044	547,172	548,044	547,172
United Kingdom	1,280,950	1,291,934	1,280,950	1,291,934
Brunei	130,655	155,298	130,655	155,298
Cambodia	302,508	174,832	302,508	174,832
Bahrain	280,649	371,864	280,649	371,864
Labuan Offshore	3,127,625	3,803,615	-	-
Philippines	793,490	766,221	-	-
Indonesia	12,417,737	196,818	-	-
Papua New Guinea	66,364	49,366	-	-
	<b>63,418,468</b>	<b>49,089,543</b>	<b>47,013,252</b>	<b>44,273,523</b>
Gross loans, advances and financing	<b>193,362,791</b>	<b>171,155,462</b>	<b>150,215,884</b>	<b>144,282,136</b>

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

<b>Domestic operations:</b>				
Purchase of securities	131,940	235,595	74,889	141,008
Purchase of transport vehicles	122,873	113,949	90,420	85,480
Purchase of landed properties				
- residential	1,957,069	2,054,284	1,480,025	1,540,594
- non-residential	332,185	384,991	294,607	341,498
Purchase of fixed assets (exclude landed properties)	-	-	-	-
Personal use	212,615	205,453	174,808	170,885
Credit card	53,267	39,488	52,733	39,488
Purchase of consumer durables	1,571	1,073	1,567	1,069
Construction	462,533	413,657	365,212	277,209
Working capital	2,391,994	2,583,576	2,026,305	2,273,731
Others	19,492	33,895	16,845	28,896
Total domestic operations	<b>5,685,539</b>	<b>6,065,961</b>	<b>4,577,411</b>	<b>4,899,858</b>
<b>Overseas operations:</b>				
Singapore	296,279	237,782	296,279	237,782
Hong Kong SAR	74,170	25,716	74,170	25,716
Brunei	2,789	41,076	2,789	41,076
Vietnam	20,859	9,488	20,859	9,488
United Kingdom	42,629	-	42,629	-
People's Republic of China	22,176	292	22,176	292
Cambodia	-	-	-	-
Labuan Offshore	107,238	61,287	-	-
Papua New Guinea	2,637	3,073	-	-
Philippines	33,922	27,773	-	-
Indonesia	426,994	-	-	-
	<b>1,029,693</b>	<b>406,487</b>	<b>458,902</b>	<b>314,354</b>
	<b>6,715,232</b>	<b>6,472,448</b>	<b>5,036,313</b>	<b>5,214,212</b>

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**A10. Loans, Advances and Financing (contd)**

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

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
At beginning of the year	6,472,448	8,258,214	5,214,212	8,054,673
Non-performing during the year	4,519,887	3,894,201	3,012,997	3,471,106
Reclassified as performing	(1,870,449)	(2,336,020)	(1,513,811)	(2,102,674)
Acquired upon acquisition of a subsidiary	396,688	-	-	-
Recovered during the year	(1,398,790)	(1,740,968)	(959,732)	(1,511,268)
Amount written off	(1,439,402)	(1,537,598)	(797,628)	(1,388,906)
Converted to Securities	(931)	(47,188)	(931)	(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	35,781	85,122	81,206	87,112
At end of the year	<b>6,715,232</b>	6,472,448	<b>5,036,313</b>	5,214,212
Less: Specific allowance	<b>(3,854,026)</b>	(3,353,676)	<b>(2,847,031)</b>	(2,698,146)
- on non-performing loans	<b>(3,589,888)</b>	(3,229,837)	<b>(2,586,136)</b>	(2,574,307)
- performing loans	<b>(264,138)</b>	(123,839)	<b>(260,895)</b>	(123,839)
Net non-performing loans, advances and financing	<b>2,861,206</b>	3,118,772	<b>2,189,282</b>	2,516,066
Ratio of net non-performing loans:				
- Including specific allowance on performing loans	<b>1.51%</b>	1.85%	<b>1.49%</b>	1.78%
- Excluding specific allowance on performing loans	<b>1.64%</b>	1.92%	<b>1.66%</b>	1.86%

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

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<u>Specific Allowance</u>				
At beginning of the year	3,353,676	4,016,704	2,698,146	3,837,843
Allowance made during the year	2,088,853	1,649,562	1,337,489	1,451,779
Amount written back in respect of recoveries	(475,569)	(766,333)	(396,612)	(628,319)
Acquired upon acquisition of a subsidiary	356,983	-	-	-
Amount written off	(1,439,402)	(1,537,598)	(797,628)	(1,388,906)
Transfer to general allowance	(143)	(7,366)	-	(4,302)
Transferred to impairment losses in value of securities	(931)	(8,651)	(931)	(8,651)
Amount transferred to Maybank Islamic Bhd	-	-	-	(579,816)
Exchange differences	(29,441)	7,358	6,567	18,518
At end of the year	<b>3,854,026</b>	3,353,676	<b>2,847,031</b>	2,698,146

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

<u>General Allowance</u>				
At beginning of the year	3,187,611	2,757,315	2,728,516	2,613,274
Allowance made during the year	358,818	437,587	202,599	407,326
Amount written back	(41,574)	(22,418)	-	-
Amount transferred to Maybank Islamic Bhd	-	-	-	(307,891)
Acquired upon acquisition of a subsidiary	240,660	-	-	-
Transfer from specific allowance	143	7,366	-	4,302
Exchange differences	(20,059)	7,761	5,940	11,505
At end of the year	<b>3,725,599</b>	3,187,611	<b>2,937,055</b>	2,728,516
As % of gross loans, advances and financing (including Islamic loans sold to Cagamas) less specific allowance)	<b>1.96%</b>	1.89%	<b>1.99%</b>	1.93%

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**A11. Other Assets**

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Interest receivables	1,274,972	925,031	945,287	759,031
Prepayments and deposits	462,836	335,980	352,005	328,790
Other debtors	2,959,679	2,481,359	2,349,390	1,885,723
Amount due from related parties	-	-	57	54,327
Tax Recoverable	194,935	117,874	24,222	-
Foreclosed Properties	147,186	124,377	62,568	62,561
Prepaid land lease payment	209,682	116,557	85,337	86,358
	<b>5,249,290</b>	<b>4,101,178</b>	<b>3,818,866</b>	<b>3,176,790</b>

**A12. Deposits from Customers**

Fixed deposits and negotiable instruments of deposits				
- One year or less	115,657,191	102,661,282	86,308,707	84,064,822
- More than one year	3,075,955	3,073,899	1,585,090	1,571,969
Money Market deposits	11,118,846	10,964,912	11,118,846	10,964,912
Savings deposits	35,290,821	29,425,896	26,554,841	25,027,773
Demand deposits	44,730,963	38,634,568	35,708,559	32,721,668
Structured deposits *	2,724,813	2,351,520	2,176,887	1,971,420
	<b>212,598,589</b>	<b>187,112,077</b>	<b>163,452,930</b>	<b>156,322,564</b>

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

Business enterprises	76,884,016	68,428,468	55,882,422	52,832,804
Individuals	105,075,231	90,243,156	87,758,655	83,229,457
Government and statutory bodies	8,263,553	7,703,001	3,845,947	5,028,237
Others	22,375,789	20,737,452	15,965,906	15,232,066
	<b>212,598,589</b>	<b>187,112,077</b>	<b>163,452,930</b>	<b>156,322,564</b>

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

Licensed banks	21,450,131	18,922,751	23,327,742	20,415,169
Licensed finance companies	368,538	733	368,538	733
Licensed investment banks	650,255	451,206	650,255	451,206
Other financial institutions	6,312,939	3,762,189	5,775,381	3,562,962
	<b>28,781,863</b>	<b>23,136,879</b>	<b>30,121,916</b>	<b>24,430,070</b>

Maturity structure of deposits and placements of banks and other financial institutions				
- One year or less	26,704,881	22,677,951	28,280,565	24,088,222
- More than one year	2,076,982	458,928	1,841,351	341,848
	<b>28,781,863</b>	<b>23,136,879</b>	<b>30,121,916</b>	<b>24,430,070</b>

Borrowings				
Unsecured				
- less than one year	281,360	274,302	281,360	274,302
- more than one year	1,230,950	1,142,925	1,230,950	1,142,925

Subordinated obligations				
Unsecured				
- less than one year	-	-	-	-
- more than one year	<sup>1</sup> 8,672,373	<sup>1</sup> 4,975,723	<sup>1</sup> 8,152,239	<sup>1</sup> 4,975,723

<sup>1</sup> Includes Subordinated Notes of USD450 million (Group) and USD300 million (Bank).

(30 June 2008: Group and Bank USD300 million)

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

	Group		Bank	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Capital Securities				
Unsecured				
- less than one year	-	-	-	-
- more than one year	1,604,541	1,349,316	1,604,541	1,349,316

<sup>1</sup> Includes Capital Securities of SGD600 million. (30 June 2008: Nil)

**A14. Other Liabilities**

Interest/Profit payable	1,120,462	1,009,605	893,331	947,456
Provision for outstanding claims	441,712	421,234	-	-
Unearned premium reserves	286,294	273,755	-	-
Profit Equalisation Reserves	46,477	65,623	-	-
Provisions and accruals	1,598,404	1,252,134	1,265,610	926,011
Due to brokers and clients	500,058	234,406	-	-
Deposits and other creditors	2,992,593	1,991,806	1,094,417	2,045,607
	<b>6,986,000</b>	<b>5,248,563</b>	<b>3,253,358</b>	<b>3,919,074</b>

**A15. Interest Income**

	4th Quarter Ended		Financial Year Ended	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
	<b>Group</b>			
Loans, advances and financing				
- Interest income other than recoveries from NPL	2,070,041	1,809,137	8,619,354	7,197,257
- Recoveries from NPL	56,656	86,722	234,581	316,669
Money at call and deposit placements with financial institutions	162,314	344,958	798,125	1,827,402
Securities purchased under resale agreements	1,092	438	4,830	6,466
Securities held-for-trading	5,116	10,742	30,502	53,067
Securities available-for-sale	444,922	333,110	1,771,858	1,289,469
Securities held-to-maturity	75,134	5,224	162,510	85,053
	<b>2,815,275</b>	<b>2,590,331</b>	<b>11,621,760</b>	<b>10,775,383</b>
Amortisation of premium less accretion of discounts	(23,646)	20,557	(2,738)	28,784
Net interest/income clawed back/suspended	(11,834)	(9,104)	(49,159)	(48,300)
	<b>2,779,795</b>	<b>2,601,784</b>	<b>11,569,863</b>	<b>10,755,867</b>

**Bank**

Loans, advances and financing				
- Interest income other than recoveries from NPL	1,572,952	1,743,019	7,002,039	6,920,273
- Recoveries from NPL	56,639	85,386	232,954	309,929
Money at call and deposit placements with financial institutions	167,919	384,924	855,066	1,824,111
Securities purchased under resale agreements	31	282	375	3,355
Securities held-for-trading	2,126	5,180	11,219	27,368
Securities available-for-sale	364,837	271,153	1,427,633	1,094,644
Securities held-to-maturity	44,357	9,463	79,133	72,161
	<b>2,208,861</b>	<b>2,499,407</b>	<b>9,608,419</b>	<b>10,251,841</b>
Amortisation of premium less accretion of discounts	(14,214)	10,376	(24,928)	(1,697)
Net interest/income clawed back/suspended	(11,834)	(9,104)	(49,159)	(48,300)
	<b>2,182,813</b>	<b>2,500,679</b>	<b>9,534,332</b>	<b>10,201,844</b>

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**A16. Interest Expense**

<b>Group</b>	<b>4th Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>30 June 2009</b>	<b>30 June 2008</b>	<b>30 June 2009</b>	<b>30 June 2008</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions	59,920	619,558	816,055	1,047,354
Deposits from customers	868,096	515,206	3,989,735	3,926,808
Loans sold to Cagamas	1,349	13,520	28,584	72,663
Floating rate certificates of deposits	609	2,809	9,364	19,319
Borrowings	89,944	42,265	104,133	63,201
Subordinated obligations	38,918	10,682	110,687	63,442
Subordinated bonds	55,489	44,753	217,027	134,269
Capital Securities	98,732	1,972	371,578	1,972
Others	3,155	3	3,194	50
	<b>1,216,213</b>	<b>1,250,768</b>	<b>5,650,357</b>	<b>5,329,078</b>

**Bank**

Deposits and placements of banks and other financial institutions	101,816	167,797	826,609	1,182,118
Deposits from customers	617,094	897,848	2,969,183	3,475,955
Loans sold to Cagamas	1,349	13,520	28,584	72,663
Floating rate certificates of deposits	609	2,809	9,364	19,319
Borrowings	18,605	42,265	32,794	63,201
Subordinated obligations	38,918	10,682	110,687	63,442
Subordinated bonds	44,839	44,753	179,800	134,269
Capital Securities	98,732	1,972	371,578	1,972
Others	(3)	2	36	50
	<b>921,959</b>	<b>1,181,648</b>	<b>4,528,635</b>	<b>5,012,989</b>

**A17. Non-interest Income**

**Group**

(a) Fee income:				
Commission	222,604	239,814	806,543	769,047
Service charges and fees	348,562	202,186	935,103	721,267
Guarantee fees	30,746	24,684	127,171	110,954
Underwriting fees	34,527	11,564	38,363	19,233
Brokerage income	23,226	17,953	53,974	84,547
Other fee income	42,787	19,847	96,361	70,347
	<b>702,452</b>	<b>516,048</b>	<b>2,057,515</b>	<b>1,775,395</b>
(b) Net gain/(loss) arising from:				
Sale of securities held-for trading	(12,004)	(10,319)	(27,505)	(37,087)
Sale of securities available-for-sale	48,139	68,292	141,743	190,535
Redemption of securities held-to-maturity	142	-	750	(57)
Net loss from sale of associated company	-	-	-	(300)
	<b>36,277</b>	<b>57,973</b>	<b>114,988</b>	<b>153,091</b>
(c) Gross dividend from:				
Securities portfolio	4,129	15,743	29,972	40,495
(d) Unrealised gain/(loss) on revaluation of securities held-for-trading and derivatives	92,118	158,927	(171,880)	(200,434)
(e) Other income:				
Foreign exchange profit	283,240	246,179	437,143	623,155
Net premiums written	124,328	123,195	505,267	479,603
Rental Income	5,643	5,192	24,891	17,678
Gain on disposal of property and equipment (net)	8,123	4,411	16,585	14,608
Gain/(Loss) on disposal of foreclosed properties	12,816	(2,563)	13,285	1,464
Others	149,035	171,650	347,424	266,721
	<b>583,185</b>	<b>548,064</b>	<b>1,344,595</b>	<b>1,403,229</b>
Total non-interest income	<b>1,418,161</b>	<b>1,296,755</b>	<b>3,375,190</b>	<b>3,171,776</b>



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**A17. Non-interest Income (contd)**

<u>Bank</u>	4th Quarter Ended		Financial Year Ended	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
(a) Fee income:				
Commission	195,448	238,749	730,599	762,618
Service charges and fees	176,948	175,677	694,547	627,271
Guarantee fees	28,190	24,623	116,409	110,742
Underwriting fees	10,210	3,904	12,953	5,051
Other fee income	35,609	11,914	79,381	53,561
	<b>446,405</b>	<b>454,867</b>	<b>1,633,889</b>	<b>1,559,243</b>
(b) Net gain/(loss) arising from:				
Sale of securities held-for trading	(4,132)	(7,912)	18,705	(26,502)
Sale of securities available-for-sale	39,212	36,380	133,263	125,343
Redemption of securities held-to-maturity	-	-	612	(273)
Net gain from sale of subsidiary company	-	-	-	5,487
Net loss from sale of associated company	-	-	-	(1,800)
	<b>35,080</b>	<b>28,468</b>	<b>152,580</b>	<b>102,255</b>
(c) Gross dividend income from:				
Securities portfolio	539	10,100	14,781	18,155
Subsidiary companies	85,901	-	647,448	10,065
	<b>86,440</b>	<b>10,100</b>	<b>662,229</b>	<b>28,220</b>
(d) Unrealised (loss)/gain on revaluation of securities held-for-trading and derivatives	40,755	136,836	(206,122)	(167,983)
(e) Other income:				
Foreign exchange profit	258,719	247,520	342,734	604,377
Rental Income	5,621	4,932	24,459	16,708
Gain on disposal of property and equipment (net)	8,654	2,794	8,238	10,020
Others	65,370	17,841	87,053	55,772
	<b>338,364</b>	<b>273,087</b>	<b>462,484</b>	<b>686,877</b>
Total non-interest income	<b>947,044</b>	<b>903,358</b>	<b>2,705,060</b>	<b>2,208,612</b>

**A18. Overhead Expenses**

Group

Personnel costs				
- Salaries, allowances and bonuses	544,135	419,315	2,062,684	1,493,486
- Pension costs	58,131	58,568	242,585	218,178
- Others	77,400	78,812	248,689	234,741
	<b>679,666</b>	<b>556,695</b>	<b>2,553,958</b>	<b>1,946,405</b>
Establishment costs				
- Depreciation	31,865	35,057	146,167	134,281
- Rental of leasehold land and premises	33,463	13,489	131,417	68,186
- Repairs and maintenance of property and equipment	39,410	19,941	108,446	76,573
- Information technology expenses	127,928	110,686	480,027	397,940
- Others	115,029	19,006	176,253	73,310
	<b>347,695</b>	<b>198,179</b>	<b>1,042,310</b>	<b>750,290</b>
Marketing expenses				
- Advertisement and publicity	86,961	79,266	347,211	331,606
- Others	20,722	24,482	85,732	87,656
	<b>107,683</b>	<b>103,748</b>	<b>432,943</b>	<b>419,262</b>
Administration and general expenses				
- Fees and brokerage	160,336	108,456	509,763	429,232
- Administrative expenses	113,548	45,138	358,959	234,278
- General expenses	58,249	43,418	306,004	183,132
- Others	(5,388)	11,016	46,608	35,349
	<b>326,745</b>	<b>208,028</b>	<b>1,221,334</b>	<b>881,991</b>
Insurance claims incurred	62,600	58,035	308,620	250,661
	<b>1,524,389</b>	<b>1,124,685</b>	<b>5,559,165</b>	<b>4,248,609</b>

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**A18. Overhead Expenses (contd)**

	4th Quarter Ended		Financial Year Ended	
	30 June	30 June	30 June	30 June
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b><u>Bank</u></b>				
Personnel costs				
- Salaries, allowances and bonuses	410,824	289,960	1,636,271	1,253,467
- Pension costs	52,243	38,447	222,531	184,547
- Others	52,113	135,094	178,243	171,870
	<b>515,180</b>	<b>463,501</b>	<b>2,037,045</b>	<b>1,609,884</b>
Establishment costs				
- Depreciation	31,306	29,542	103,312	115,668
- Rental of leasehold land and premises	20,051	18,382	76,629	66,570
- Repairs and maintenance of property and equipment	19,758	16,626	68,930	66,686
- Information technology expenses	113,739	47,625	436,449	317,524
- Others	13,096	16,071	56,960	56,355
	<b>197,950</b>	<b>128,246</b>	<b>742,280</b>	<b>622,803</b>
Marketing expenses				
- Advertisement and publicity	58,146	50,282	249,867	245,535
- Others	18,839	17,372	80,257	76,755
	<b>76,985</b>	<b>67,654</b>	<b>330,124</b>	<b>322,290</b>
Administration and general expenses				
- Fees and brokerage	155,268	103,758	491,416	413,347
- Administrative expenses	68,313	29,877	219,991	191,792
- General expenses	45,508	37,765	180,913	170,806
- Others	(2,666)	10,362	41,580	34,876
	<b>266,423</b>	<b>181,762</b>	<b>933,900</b>	<b>810,821</b>
Overhead expenses allocated to subsidiary company	(103,697)	44,795	(306,706)	(157,481)
	<b>952,841</b>	<b>885,958</b>	<b>3,736,643</b>	<b>3,208,317</b>

**A19 Allowance for Losses on Loans, Advances and Financing**

	4th Quarter Ended		Financial Year Ended	
	30 June	30 June	30 June	30 June
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Allowance for bad and doubtful debts and financing:				
- general allowance made (net)	356,447	377,801	317,244	415,169
- specific allowance	538,089	315,379	2,088,853	1,649,562
- specific allowance written back	(139,083)	(100,990)	(475,569)	(766,333)
Bad debts and financing written off	1,284	2,264	5,694	45,169
Bad debts and financing recovered	(151,696)	(240,677)	(517,931)	(532,085)
Provision/(write back) for other debts	177,453	(196)	280,523	(1,421)
	<b>782,494</b>	<b>353,581</b>	<b>1,698,814</b>	<b>810,061</b>
<b><u>Bank</u></b>				
Allowance for bad and doubtful debts and financing:				
- general allowance made/(written back)	226,839	349,206	202,599	398,273
- specific allowance	352,986	217,519	1,337,489	1,298,604
- specific allowance written back	(106,776)	(72,547)	(396,612)	(582,817)
Bad debts and financing written off	1,186	1,935	5,391	44,442
Bad debts and financing recovered	(87,453)	(227,421)	(366,408)	(499,679)
Provision for other debts	176,425	1,118	283,380	5,653
	<b>563,207</b>	<b>269,810</b>	<b>1,065,839</b>	<b>664,476</b>

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

**BUSINESS SEGMENT**

	Banking and Finance		Investment Banking		Insurance and Takaful		Others		Eliminations		Consolidated	
	June 2009 RM'000	June 2008 RM'000	June 2009 RM'000	June 2008 RM'000	June 2009 RM'000	June 2008 RM'000	June 2009 RM'000	June 2008 RM'000	June 2009 RM'000	June 2008 RM'000	June 2009 RM'000	June 2008 RM'000
<b>REVENUE AND EXPENSES</b>												
<b>Revenue</b>												
External revenue	16,305,177	14,876,539	365,598	454,578	884,802	784,783	30,760	38,042	-	-	17,586,337	16,153,942
Dividends from subsidiaries	674,653	10,065	1,124	3,559	178,250	183,948	50,591	1,033	(904,618)	(198,605)	-	-
Other inter-segment revenue	455,575	176,830	46,470	52,221	31,606	30,045	312,034	12,614	(845,685)	(271,710)	-	-
Total inter-segment revenue	1,130,228	186,895	47,594	55,780	209,856	213,993	362,625	13,647	(1,750,303)	(470,315)	-	-
Total operating revenue	17,435,405	15,063,434	413,192	510,358	1,094,658	998,776	393,385	51,689	(1,750,303)	(470,315)	17,586,337	16,153,942
<b>Segment results</b>												
Operating profit	5,241,806	4,845,480	124,589	152,418	473,824	516,240	111,826	(622)	(992,193)	(198,954)	4,959,852	5,314,562
Loan loss and provision (Write-back)/ Allowance for non-refundable deposit	(1,705,055)	(849,008)	2,992	39,364	(124)	(115)	3,373	(302)	-	-	(1,698,814)	(810,061)
Share of results of associates	483,824	(483,824)	-	-	-	-	-	-	-	-	483,824	(483,824)
Impairment (losses)/ write back	99,995	(416)	-	-	-	-	(491)	(426)	-	-	99,504	(842)
Profit before taxation	(2,168,035)	58,699	(7,518)	(21,000)	2,960	(369)	2,519	28,905	-	-	(2,170,074)	66,235
Taxation & Zakat	1,952,535	3,570,931	120,063	170,782	476,660	515,756	117,227	27,555	(992,193)	(198,954)	1,674,292	4,086,070
Profit after taxation and zakat	(905,276)	(892,370)	(12,301)	(47,956)	(118,294)	(155,022)	(11,890)	(9,709)	124,183	21,327	(923,578)	(1,083,730)
Minority interest	1,047,259	2,678,561	107,762	122,826	358,366	360,734	105,337	17,846	(868,010)	(177,627)	750,714	3,002,340
Net profit for the year	-	-	-	-	-	-	-	-	-	-	(58,839)	(74,138)
	1,047,259	2,678,561	107,762	122,826	358,366	360,734	105,337	17,846	(868,010)	(177,627)	691,875	2,928,202
<b>OTHER INFORMATION</b>												
Capital expenditure	230,652	195,898	917	3,998	4,011	5,462	479	93	-	-	236,059	205,451
Depreciation	137,034	121,076	2,773	2,512	5,501	9,057	859	1,636	-	-	146,167	134,281
Amortisation	129,877	45,781	442	1,287	1,890	2,436	158	190	-	-	132,367	49,694
Non-cash expenses/(income) other than depreciation	1,913,160	351,985	(17,488)	16,736	(5,186)	(881)	(19,522)	(63)	-	-	1,870,964	367,777
<b>ASSETS AND LIABILITIES</b>												
Segment assets	315,031,705	255,433,080	5,919,865	9,124,230	21,839,456	20,503,181	6,930,625	4,554,556	(41,612,651)	(22,733,194)	308,109,000	266,881,853
Investments in associates	2,384,679	33,320	-	-	-	-	287,165	2,185,527	(41,721)	-	2,630,123	2,218,847
Total assets	317,416,384	255,466,400	5,919,865	9,124,230	21,839,456	20,503,181	7,217,790	6,740,083	(41,654,372)	(22,733,194)	310,739,123	269,100,700
Total segment liabilities	273,116,999	236,405,562	4,779,673	7,812,240	17,839,112	16,674,852	4,283,006	4,224,649	(15,047,644)	(16,108,365)	284,971,146	249,008,938
<b>GEOGRAPHICAL SEGMENT</b>												
	External Revenue		Profit Before Tax & Zakat		Capital expenditure		Segment assets					
	June 2009 RM'000	June 2008 RM'000	June 2009 RM'000	June 2008 RM'000	June 2009 RM'000	June 2008 RM'000	June 2009 RM'000	June 2008 RM'000	June 2009 RM'000	June 2008 RM'000	June 2009 RM'000	June 2008 RM'000
Malaysia	14,011,354	13,147,416	1,333,067	3,593,692	138,740	164,372	240,835,587	221,821,839				
Singapore	2,045,023	2,200,909	595,532	530,908	24,124	33,883	52,168,306	47,059,587				
Other locations	3,280,263	1,275,932	737,886	160,424	73,195	7,196	59,389,602	22,952,468				
	19,336,640	16,624,257	2,666,485	4,285,024	236,059	205,451	352,393,495	291,833,894				
Eliminations	(1,750,303)	(470,315)	(992,193)	(198,954)	-	-	(41,654,372)	(22,733,194)				
Group	17,586,337	16,153,942	1,674,292	4,086,070	236,059	205,451	310,739,123	269,100,700				

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**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.

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**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:

<u>Group</u>	As at 30 June 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	5,522,375	5,405,725	4,679,210	5,374,494	5,374,494	4,926,774
Certain transaction-related contingent items	10,646,667	5,323,022	4,534,832	9,764,496	4,888,972	4,538,086
Short-term self-liquidating trade-related contingencies	3,872,594	774,517	606,889	5,030,235	1,000,050	616,592
Islamic housing and hire purchase loans sold to Cagamas Berhad	583,373	583,373	425,839	1,013,603	1,013,603	800,474
Obligations under underwriting agreements	173,464	71,732	28,418	377,364	91,182	73,182
Irrevocable commitments to extend credit:						
- maturity within one year	92,604,558	-	-	67,183,070	-	-
- maturity exceeding one year	10,591,443	5,292,850	5,058,822	9,993,821	4,996,911	4,829,304
Foreign exchange related contracts:						
- less than one year	34,706,290	602,904	168,954	55,082,330	668,355	281,824
- one year to less than five years	1,534,291	24,257	7,544	986,785	44,714	4,560
Interest rate related contracts:						
- less than one year	36,831,395	1,304,947	312,414	25,007,333	813,158	226,585
- one year to less than five years	16,002,460	413,918	168,113	16,760,168	431,902	295,928
- five years and above	3,059,040	482,663	136,188	2,679,826	175,229	125,918
Miscellaneous	5,458,752	-	-	4,963,237	-	-
	<b>221,586,702</b>	<b>20,279,908</b>	<b>16,127,223</b>	<b>204,216,762</b>	<b>19,498,570</b>	<b>16,719,227</b>

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

<u>Bank</u>	As at 30 June 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	4,056,691	4,056,691	3,599,815	4,488,159	4,488,159	4,152,957
Certain transaction-related contingent items	9,921,241	4,960,621	4,213,174	9,095,796	4,547,896	4,244,422
Short-term self-liquidating trade-related contingencies	3,687,521	737,504	582,565	4,661,882	932,376	561,818
Islamic housing and hire purchase loans sold to Cagamas Berhad	-	-	-	-	-	-
Obligations under underwriting agreements	143,464	71,732	28,418	182,364	91,182	73,182
Irrevocable commitments to extend credit:						
- maturity within one year	79,615,789	-	-	60,803,246	-	-
- maturity exceeding one year	9,956,770	4,978,385	4,892,330	9,558,044	4,779,022	4,724,882
Foreign exchange related contracts:						
- less than one year	33,188,225	602,904	168,954	55,082,330	667,830	281,824
- one year to less than five years	1,534,292	24,257	7,544	986,785	13,164	4,560
Interest rate related contracts:						
- less than one year	36,511,553	1,294,415	308,835	24,063,151	813,048	226,428
- one year to less than five years	14,926,617	387,938	160,141	15,728,681	404,554	265,918
- five years and above	2,873,570	474,618	132,166	2,571,142	161,917	119,261
Miscellaneous	5,438,145	-	-	4,857,813	-	-
	<b>201,853,878</b>	<b>17,589,065</b>	<b>14,093,942</b>	<b>192,079,393</b>	<b>16,899,148</b>	<b>14,655,252</b>

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

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**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 30 June 2009, the amount of contracts that was not hedged in the Group and the Bank and, hence, exposed to market risk was RM332.8 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 30 June 2009, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM346.6 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.

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**A25. Interest Rate Risk**

Non trading book									
Group As at 30 June 2009	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	Trading books RM'000	Total RM'000	Effective interest rate %
<b>ASSETS</b>									
Cash and short-term funds	16,126,913	-	-	-	-	7,481,066	-	23,607,979	1.20
Deposits and placements with banks and other financial institutions	756,741	4,542,810	541,365	1,759	-	456,500	-	6,299,175	1.43
Securities purchased under resale agreements	346,462	-	-	-	-	-	-	346,462	2.31
Securities held-for-trading	-	-	-	-	-	-	1,489,272	1,489,272	3.09
Securities available-for-sale	150,277	388,816	754,343	1,415,250	1,228,392	-	43,940,027	47,877,105	4.06
Securities held-to-maturity	20,315	34,058	16,445	5,061,416	3,026,923	201,594	-	8,360,751	3.96
Loans, advances and financing									
- performing	83,981,576	17,201,450	18,151,503	27,691,100	39,549,897	72,033	-	186,647,559	5.54
- non-performing*	-	-	-	-	-	(864,393)	-	(864,393)	-
Derivative assets	-	-	-	-	-	-	973,685	973,685	-
Other Assets	-	-	-	-	-	5,249,290	-	5,249,290	-
Other non-interest sensitive balances	-	-	-	-	-	13,970,337	-	13,970,337	-
Life, general takaful and family takaful fund assets	-	-	-	-	-	16,781,901	-	16,781,901	-
<b>TOTAL ASSETS</b>	<b>101,382,284</b>	<b>22,167,134</b>	<b>19,463,656</b>	<b>34,169,525</b>	<b>43,805,212</b>	<b>43,348,328</b>	<b>46,402,984</b>	<b>310,739,123</b>	

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



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**A25. Interest Rate Risk (contd)**

Group As at 30 June 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				
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
Deposits from customers	72,586,615	28,362,531	44,823,718	39,277,876	95,651	27,452,198	-	212,598,589	1.25	
Deposits and placements of banks and other financial institutions	15,343,043	5,034,216	1,630,950	1,695,734	3,495,909	1,582,011	-	28,781,863	1.21	
Bills and acceptances payable	451,247	243,942	15,349	-	-	759,525	-	1,470,063	2.32	
Recourse obligations on loans sold to Cagamas	-	-	270,166	246,099	-	-	-	516,265	2.05	
Derivative liabilities	-	-	-	-	-	-	1,459,068	1,459,068	-	
Borrowings	-	-	281,360	1,230,950	-	-	-	1,512,310	1.35	
Subordinated obligations	-	-	1,572,373	4,000,000	3,100,000	-	-	8,672,373	4.44	
Capital Securities	-	-	-	-	-	6,047,541	-	6,047,541	-	
Other liabilities	-	-	-	-	-	6,986,000	-	6,986,000	-	
Other non-interest sensitive balances	-	-	-	-	-	145,173	-	145,173	-	
Life, general takaful and family takaful fund liabilities	-	-	-	-	-	4,529,995	-	4,529,995	-	
Life, general takaful and family takaful policy holders' funds	-	-	-	-	-	12,251,906	-	12,251,906	-	
<b>Total Liabilities</b>	<b>88,380,905</b>	<b>33,640,689</b>	<b>48,593,916</b>	<b>46,450,659</b>	<b>6,691,560</b>	<b>59,754,349</b>	<b>1,459,068</b>	<b>284,971,146</b>		
Shareholders' equity	-	-	-	-	-	24,898,746	-	24,898,746		
Minority interests	-	-	-	-	-	869,231	-	869,231		
<b>Total Liabilities and Shareholders' Equity</b>	<b>88,380,905</b>	<b>33,640,689</b>	<b>48,593,916</b>	<b>46,450,659</b>	<b>6,691,560</b>	<b>85,522,326</b>	<b>1,459,068</b>	<b>310,739,123</b>		
On-balance sheet interest sensitivity gap	13,001,379	(11,473,555)	(29,130,260)	(12,281,134)	37,113,652	(42,173,998)	44,943,916			
Off-balance sheet interest sensitivity gap (interest rate swaps)	2,315,148	853,917	(558,350)	(1,573,887)	(1,036,828)	-	-			
<b>Total interest sensitivity gap</b>	<b>15,316,527</b>	<b>(10,619,638)</b>	<b>(29,688,610)</b>	<b>(13,855,021)</b>	<b>36,076,824</b>	<b>(42,173,998)</b>	<b>44,943,916</b>	<b>-</b>		
<b>Cumulative interest rate sensitivity gap</b>	<b>15,316,527</b>	<b>4,696,889</b>	<b>(24,991,721)</b>	<b>(38,846,742)</b>	<b>(2,769,918)</b>	<b>(44,943,916)</b>	<b>-</b>			

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**A25. Interest Rate Risk (contd)**

Group As at 30 June 2008	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			
<b>ASSETS</b>									
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	72,638,574	18,336,899	16,685,256	20,519,183	36,442,881	60,221	-	164,683,014	6.46
- non-performing*	-	-	-	-	-	(68,839)	-	(68,839)	-
Derivative assets	-	-	-	-	-	-	830,150	830,150	-
Other Assets	-	-	-	-	-	4,101,178	-	4,101,178	-
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	-
<b>TOTAL ASSETS</b>	<b>97,265,167</b>	<b>24,672,150</b>	<b>19,812,670</b>	<b>22,683,710</b>	<b>37,111,915</b>	<b>34,237,254</b>	<b>33,317,834</b>	<b>269,100,700</b>	

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

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**A25. Interest Rate Risk (contd)**

Group As at 30 June 2008	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				
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
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	3,149,073	765,574	1,349,196	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	-	-	274,302	1,142,925	-	-	-	1,417,227	2.83	
Subordinated obligations	-	-	975,723	4,000,000	-	-	-	4,975,723	4.28	
Capital Securities	-	-	-	-	-	3,497,316	-	3,497,316	-	
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	-	
<b>Total Liabilities</b>	<b>88,439,571</b>	<b>28,722,182</b>	<b>41,963,780</b>	<b>40,554,693</b>	<b>316,027</b>	<b>47,957,588</b>	<b>1,055,097</b>	<b>249,008,938</b>		
Shareholders' equity	-	-	-	-	-	19,302,493	-	19,302,493		
Minority interests	-	-	-	-	-	789,269	-	789,269		
<b>Total Liabilities and Shareholders' Equity</b>	<b>88,439,571</b>	<b>28,722,182</b>	<b>41,963,780</b>	<b>40,554,693</b>	<b>316,027</b>	<b>68,049,350</b>	<b>1,055,097</b>	<b>269,100,700</b>		
On-balance sheet interest sensitivity gap	8,825,596	(4,050,032)	(22,151,110)	(17,870,983)	36,795,888	(33,812,096)	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)	-	-			
<b>Total interest sensitivity gap</b>	<b>7,484,972</b>	<b>(1,996,098)</b>	<b>(17,342,001)</b>	<b>(21,919,747)</b>	<b>35,322,233</b>	<b>(33,812,096)</b>	<b>32,262,737</b>	<b>-</b>		
<b>Cumulative interest rate sensitivity gap</b>	<b>7,484,972</b>	<b>5,488,874</b>	<b>(11,853,127)</b>	<b>(33,772,874)</b>	<b>1,549,359</b>	<b>(32,262,737)</b>	<b>-</b>			

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**A25. Interest Rate Risk (contd)**

Bank As at 30 June 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					
<b>ASSETS</b>										
Cash and short-term funds	13,867,437	-	-	-	-	3,580,875	-	17,448,312	1.20	
Deposits and placements with banks and other financial institutions	620,704	5,231,356	1,282,993	1,759	-	427,157	-	7,563,969	1.07	
Securities purchased under resale agreements	346,462	-	-	-	-	-	-	346,462	2.31	
Securities held-for-trading	-	-	-	-	-	-	838,721	838,721	2.95	
Securities available-for-sale	-	-	-	-	-	-	39,349,558	39,349,558	3.59	
Securities held-to-maturity	-	1,670	7,638	4,264,653	2,367,567	190,370	-	6,831,898	3.96	
Loans, advances and financing										
- performing	74,085,596	15,095,318	15,710,080	19,176,418	21,112,159	-	-	145,179,571	5.52	
- non-performing*	-	-	-	-	-	(747,773)	-	(747,773)	-	
Derivative assets	-	-	-	-	-	-	929,904	929,904	-	
Other assets	-	-	-	-	-	3,818,866	-	3,818,866	-	
Other non-interest sensitive balances	-	-	-	-	-	16,717,654	-	16,717,654	-	
<b>TOTAL ASSETS</b>	<b>88,920,199</b>	<b>20,328,344</b>	<b>17,000,711</b>	<b>23,442,830</b>	<b>23,479,726</b>	<b>23,987,149</b>	<b>41,118,183</b>	<b>238,277,142</b>		

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

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**A25. Interest Rate Risk (contd)**

Non trading book									
Bank As at 30 June 2009	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	Trading books RM'000	Total RM'000	Effective interest rate %
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>									
Deposits from customers	55,282,391	26,548,853	43,403,901	34,937,560	87,127	3,193,098	-	163,452,930	1.06
Deposits and placements of banks and other financial institutions	17,315,632	5,252,852	1,280,227	1,637,666	3,538,909	1,096,630	-	30,121,916	1.10
Bills and acceptances payable	235,334	243,942	15,349	-	-	833,654	-	1,328,279	2.32
Recourse obligations on loans sold to Cagamas	-	-	270,166	246,099	-	-	-	516,265	2.05
Derivative liabilities	-	-	-	-	-	-	1,381,860	1,381,860	-
Borrowings	-	-	281,360	1,230,950	-	-	-	1,512,310	1.35
Subordinated obligations	-	-	1,052,239	4,000,000	3,100,000	-	-	8,152,239	4.23
Capital Securities	-	-	-	-	-	6,047,541	-	6,047,541	-
Other liabilities	-	-	-	-	-	3,253,358	-	3,253,358	-
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>72,833,357</b>	<b>32,045,647</b>	<b>46,303,242</b>	<b>42,052,275</b>	<b>6,726,036</b>	<b>14,424,281</b>	<b>1,381,860</b>	<b>215,766,698</b>	
Shareholders' equity	-	-	-	-	-	22,510,444	-	22,510,444	
<b>Total Liabilities and Shareholders' Equity</b>	<b>72,833,357</b>	<b>32,045,647</b>	<b>46,303,242</b>	<b>42,052,275</b>	<b>6,726,036</b>	<b>36,934,725</b>	<b>1,381,860</b>	<b>238,277,142</b>	
On-balance sheet interest sensitivity gap	16,086,842	(11,717,303)	(29,302,531)	(18,609,445)	16,753,690	(12,947,576)	39,736,323	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	2,113,766	796,988	(585,294)	(1,401,188)	(924,272)	-	-	-	
<b>Total interest sensitivity gap</b>	<b>18,200,608</b>	<b>(10,920,315)</b>	<b>(29,887,825)</b>	<b>(20,010,633)</b>	<b>15,829,418</b>	<b>(12,947,576)</b>	<b>39,736,323</b>	<b>-</b>	
<b>Cumulative interest rate sensitivity gap</b>	<b>18,200,608</b>	<b>7,280,293</b>	<b>(22,607,532)</b>	<b>(42,618,165)</b>	<b>(26,788,747)</b>	<b>(39,736,323)</b>	<b>-</b>	<b>-</b>	

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**A25. Interest Rate Risk (contd)**

Non trading book									
Bank As at 30 June 2008	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	Trading books RM'000	Total RM'000	Effective interest rate %
<b>ASSETS</b>									
Cash and short-term funds	20,419,009	-	-	-	-	3,650,608	-	24,069,617	2.92
Deposits and placements with banks and other financial institutions	142,323	5,591,067	2,840,871	-	-	221,231	-	8,795,492	3.11
Securities purchased under resale agreements	-	-	-	-	-	-	-	-	-
Securities held-for-trading	-	-	-	-	-	-	418,170	418,170	4.67
Securities available-for-sale	-	-	-	-	-	-	28,620,398	28,620,398	4.33
Securities held-to-maturity	-	15,022	45,047	350,030	81,635	181,238	-	672,972	6.17
Loans, advances and financing									
- performing	67,062,537	15,799,909	15,254,020	17,505,237	23,446,221	-	-	139,067,924	6.38
- non-performing*	-	-	-	-	-	(212,450)	-	(212,450)	-
Derivative assets	-	-	-	-	-	-	828,182	828,182	-
Other assets	-	-	-	-	-	3,176,790	-	3,176,790	-
Other non-interest sensitive balances	-	-	-	-	-	13,735,390	-	13,735,390	-
<b>TOTAL ASSETS</b>	<b>87,623,869</b>	<b>21,405,998</b>	<b>18,139,938</b>	<b>17,855,267</b>	<b>23,527,856</b>	<b>20,752,807</b>	<b>29,866,750</b>	<b>219,172,485</b>	

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

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**A25. Interest Rate Risk (contd)**

Non trading book									
Bank As at 30 June 2008	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	Trading books RM'000	Total RM'000	Effective interest rate %
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>									
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	3,135,086	760,820	1,348,752	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	-	-	274,302	1,142,925	-	-	-	1,417,227	2.83
Subordinated obligations	-	-	975,723	4,000,000	-	-	-	4,975,723	4.28
Stapled Capital securities	-	-	-	-	-	3,497,316	-	3,497,316	-
Other liabilities	-	-	-	-	-	3,919,074	-	3,919,074	-
Other non-interest sensitive balances	-	-	-	-	-	390,327	-	390,327	-
<b>Total Liabilities</b>	<b>78,235,348</b>	<b>26,814,064</b>	<b>41,660,021</b>	<b>40,384,844</b>	<b>316,027</b>	<b>13,534,818</b>	<b>1,027,048</b>	<b>201,972,170</b>	
Shareholders' equity	-	-	-	-	-	17,200,315	-	17,200,315	
<b>Total Liabilities and Shareholders' Equity</b>	<b>78,235,348</b>	<b>26,814,064</b>	<b>41,660,021</b>	<b>40,384,844</b>	<b>316,027</b>	<b>30,735,133</b>	<b>1,027,048</b>	<b>219,172,485</b>	
On-balance sheet interest sensitivity gap	9,388,521	(5,408,066)	(23,520,083)	(22,529,577)	23,211,829	(9,982,326)	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)	-	-	-	
<b>Total interest sensitivity gap</b>	<b>8,252,657</b>	<b>(3,413,700)</b>	<b>(21,137,665)</b>	<b>(24,380,686)</b>	<b>21,822,018</b>	<b>(9,982,326)</b>	<b>28,839,702</b>	<b>-</b>	
<b>Cumulative interest rate sensitivity gap</b>	<b>8,252,657</b>	<b>4,838,957</b>	<b>(16,298,708)</b>	<b>(40,679,394)</b>	<b>(18,857,376)</b>	<b>(28,839,702)</b>	<b>-</b>	<b>-</b>	

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**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	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>Before deducting proposed dividend:</b>				
Core capital ratio	11.00%	10.44%	14.29%	11.47%
Risk-weighted capital ratio	14.99%	13.09%	14.29%	12.71%
<b>After deducting proposed dividend:</b>				
Core capital ratio	10.81%	10.08%	14.06%	11.06%
Risk-weighted capital ratio	14.81%	12.72%	14.06%	12.30%
<b>Components of Tier I and Tier II capital:</b>				
<u>Tier I capital</u>				
Paid-up share capital	7,077,663	4,881,123	7,077,663	4,881,123
Share premium	5,901,692	2,097,011	5,901,692	2,097,011
Other reserves	11,310,142	11,480,515	10,079,987	11,298,419
Capital Securities	6,047,541	3,497,316	6,047,541	3,497,316
Tier I minority interest	-	-	-	-
Less: Deferred tax assets <sup>1</sup>	(1,493,132)	(1,217,490)	(1,194,897)	(1,122,138)
Less: Goodwill <sup>1</sup>	(3,963,210)	(81,015)	(81,015)	(81,015)
Total Tier I capital	24,880,696	20,657,460	27,830,971	20,570,716
<u>Tier II capital</u>				
Subordinated obligations	8,653,373	4,975,723	8,152,239	4,975,723
General allowance for bad and doubtful debts	3,725,599	3,187,611	3,038,025	2,800,684
Total Tier II capital	12,378,972	8,163,334	11,190,264	7,776,407
Total capital	37,259,668	28,820,794	39,021,235	28,347,123
Less: Investment in subsidiary companies and associates <sup>2</sup>	(3,342,964)	(2,931,688)	(12,067,698)	(5,554,281)
Capital base	33,916,704	25,889,106	26,953,537	22,792,842

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

<sup>2</sup> Excludes the cost of investment in subsidiary companies and associates, except for Myfin Berhad of RM19,993,759 (2008: RM840,000,000), 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.



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**A26. Capital Adequacy (contd.)**

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

	30 June 2009		30 June 2008	
	Principal RM'000	Risk- Weighted RM'000	Principal RM'000	Risk- Weighted RM'000
<b>Group</b>				
0%	35,034,146	-	27,818,940	-
10%	362,633	36,263	385,512	38,551
20%	28,968,131	5,793,626	33,777,022	6,755,404
50%	33,248,708	16,624,354	31,768,097	15,884,049
100%	<u>170,959,552</u>	<u>170,959,552</u>	<u>152,663,244</u>	<u>152,663,244</u>
Total risk-weighted assets for credit risk		<u>193,413,795</u>		175,341,248
Total risk-weighted assets for market risk		<u>32,700,870</u>		<u>22,365,596</u>
Total risk-weighted assets for credit and market risks		<u>226,114,665</u>		<u>197,706,844</u>
<b>Bank</b>				
0%	24,132,473	-	19,006,042	-
10%	15,738	1,574	259,589	25,959
20%	30,769,597	6,153,919	36,482,606	7,296,521
50%	27,005,260	13,502,630	26,741,144	13,370,572
100%	<u>141,015,316</u>	<u>141,015,316</u>	<u>138,196,065</u>	<u>138,196,065</u>
Total risk-weighted assets for credit risk		<u>160,673,439</u>		158,889,117
Total risk-weighted assets for market risk		<u>27,922,999</u>		<u>20,430,101</u>
Total risk-weighted assets for credit and market risks		<u>188,596,438</u>		<u>179,319,218</u>

**A27. Credit Exposure Arising From Credit Transactions With Connected Parties**

	30 June 2009
Outstanding credit exposures with connected parties (RM'000)	<u>1,149,144</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>2.6%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>0.6%</u>

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**A28. The Operations of Islamic Banking**

**A28a. Audited Balance Sheets as at 30 June 2009**

<b>Group</b>	<b>30 June 2009 RM'000</b>	<b>30 June 2008 RM'000</b>
<b>ASSETS</b>		
Cash and short-term funds	4,403,717	3,193,457
Deposits and placements with banks and other financial institutions	49,659	1,261
Securities portfolio	4,324,549	2,877,245
Financing and advances	25,432,558	21,024,816
Deferred tax assets	58,397	27,482
Derivative assets	23,641	45,185
Other assets	209,245	232,636
Statutory deposit with Bank Negara Malaysia	206,000	775,000
<b>Total Assets</b>	<b>34,707,766</b>	<b>28,177,082</b>
<b>LIABILITIES</b>		
Deposits from customers	24,778,718	19,803,980
Deposit and placements of banks and other financial institutions	6,153,166	5,589,635
Bills and acceptances payable	2,931	390,110
Derivatives liabilities	27,138	45,200
Other liabilities	1,020,861	477,604
Provision for taxation and zakat	28,597	49,080
<b>Total Liabilities</b>	<b>32,011,411</b>	<b>26,355,609</b>
<b>ISLAMIC BANKING FUNDS</b>		
Islamic Banking Funds	197,476	111,980
Reserves	2,498,879	1,709,493
	2,696,355	1,821,473
<b>Total Liabilities and Islamic Banking Funds</b>	<b>34,707,766</b>	<b>28,177,082</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	<b>152,234,088</b>	<b>8,728,220</b>

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**A28. The Operations of Islamic Banking (Contd)**

**A28b. Audited Income Statements for the 4th Financial Quarter Ended 30 June 2009**

	4th Quarter Ended		Financial Year Ended	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
<b>Group</b>				
Income derived from investment of depositors' funds	405,301	357,236	1,549,778	1,435,265
Expenses directly attributable to depositors and Islamic Banking Funds	<b>(12,974)</b>	(96,167)	<b>(32,943)</b>	(146,903)
Transfer from profit equalisation reserve	<b>(8,477)</b>	(6,457)	<b>19,433</b>	(1,570)
Gross attributable income	<b>383,850</b>	254,612	<b>1,536,268</b>	1,286,792
Allowance for losses on financing and advances	<b>(58,754)</b>	(64,217)	<b>(198,652)</b>	(222,132)
<b>Total attributable income</b>	<b>325,096</b>	190,395	<b>1,337,616</b>	1,064,660
Income attributable to the depositors	<b>(148,912)</b>	(114,879)	<b>(655,319)</b>	(485,091)
<b>Income attributable to the Group</b>	<b>176,184</b>	75,516	<b>682,297</b>	579,569
Income derived from investment of Islamic Banking Funds				
Gross investment income	<b>32,107</b>	35,365	<b>131,025</b>	104,487
Finance cost	-	-	-	(39,569)
Net income from investment of Islamic Banking Funds	<b>32,107</b>	35,365	<b>131,025</b>	64,918
	<b>208,291</b>	110,881	<b>813,322</b>	644,487
Overhead expenses	<b>(113,903)</b>	(71,406)	<b>(331,218)</b>	(371,273)
<b>Profit before taxation and zakat</b>	<b>94,388</b>	39,475	<b>482,104</b>	273,214
Taxation	<b>(25,906)</b>	(17,250)	<b>(114,959)</b>	(70,832)
Zakat	<b>4,427</b>	(1,018)	<b>(6,055)</b>	(3,592)
<b>Profit for the period</b>	<b>72,909</b>	21,207	<b>361,090</b>	198,790

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**A28. The Operations of Islamic Banking (Contd)**

**A28b. Audited Income Statements for the 4th Financial Quarter Ended 30 June 2009**

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

	Group	
	30 June 2009 RM'000	30 June 2008 RM'000
Gross attributable income	1,536,268	1,286,792
Net income from investment of Islamic Banking Funds	131,025	64,918
Total income before allowances for losses on financing and advances and overhead expenses	1,667,293	1,351,710
Income attributable to the depositors	(655,319)	(485,091)
	1,011,974	866,619
Net of Intercompany income & expenses	212,347	97,987
Income from Islamic Banking Scheme	1,224,321	964,606

**A28c. Financing and Advances**

	Group	
	30 June 2009 RM'000	30 June 2008 RM'000 (Restated)
Overdrafts	2,032,608	1,997,952
Term financing		
- Housing financing	4,967,816	4,671,245
- Syndicated financing	129,795	159,073
- Hire purchase receivables	12,658,514	8,670,953
- Other financing	13,491,187	10,465,222
Bills receivable	47,931	71,263
Trust receipts	137,853	152,488
Claims on customers under acceptance credits	3,374,953	4,064,557
Staff financing	308,966	201,894
Credit card receivables	46,343	-
Revolving credits	263,100	-
	37,459,066	30,454,647
Unearned income	(11,028,542)	(8,546,218)
Gross financing and advances	26,430,524	21,908,429
Allowance for bad and doubtful financing:		
- specific	(561,520)	(549,632)
- general	(436,446)	(333,981)
Net financing and advances	25,432,558	21,024,816

**A28d. (i) Movements in non-performing financing and advances ("NPF") are as follows:**

	Group	
	30 June 2009 RM'000	30 June 2008 RM'000
Balance at beginning of the year	1,106,390	1,306,138
Non-performing during the year	425,269	621,839
NPL of subsidiary acquired		-
Recovered/regularized during the year	(383,655)	(614,967)
Amount written off	(107,801)	(143,660)
Sale of NPF, reported under Head Office	-	(69,448)
Expenses debited to customers' accounts	5,509	6,488
Balance at end of the year	1,045,712	1,106,390
Specific allowance	(561,520)	(549,632)
on non performing loan	(558,277)	(549,632)
on performing loan	(3,243)	-
Net NPF	484,192	556,758
Ratio of net non-performing financing and advances including specific allowance on performing financing	1.87%	2.61%
excluding specific allowance on financing	1.88%	2.61%

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**A28. The Operations of Islamic Banking (Contd)**

**A28d.** (ii) Movements in the allowance for bad and doubtful financing accounts are as follows:

	Group	
	30 June 2009 RM'000	30 June 2008 RM'000
<u>General allowance</u>		
At beginning of the year	333,981	664,196
Allowance made during the year	117,165	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 year	<u>436,446</u>	<u>333,981</u>
As a percentage of gross financing and advances less specific allowance	<u>1.69%</u>	<u>1.56%</u>
<u>Specific allowance</u>		
At beginning of the year	549,632	546,075
Allowance made during the period in respect of recoveries	193,410	299,749
Amount written back	(73,721)	(98,554)
Amount written off	(107,801)	(143,660)
Transfer to Head Office for restructuring/ reschedule of conventional loans	-	(7,267)
Transfer to general allowance	-	(2,617)
Sale of NPL, subsequently transferred to Head Office	-	(44,094)
At end of the year	<u>561,520</u>	<u>549,632</u>

**A28e. Deposits from Customers**

**(i) By type of deposit**

	Group	
	30 June 2009 RM'000	30 June 2008 RM'000
<u>Mudharabah Fund</u>		
Demand deposits	2,530,270	2,187,023
Savings deposits	163,642	108,793
General investment deposits	10,536,150	6,313,712
Negotiable instruments of deposits	1,881,710	3,221,824
	<u>15,111,772</u>	<u>11,831,352</u>
<u>Non-Mudharabah Fund</u>		
Demand deposits	3,831,515	3,667,974
Savings deposits	4,414,806	3,959,324
General investment deposits	872,700	-
Structured deposits	547,925	345,330
	<u>9,666,946</u>	<u>7,972,628</u>
Total deposit from customers	<u>24,778,718</u>	<u>19,803,980</u>

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**A29. 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:

	<b>Group 30 June 2009 RM'000</b>
Fair value of net assets	2,154,567
Less: Minority interests	<u>(53,700)</u>
Group's share of net assets	2,100,867
Goodwill on consolidation	<u>5,802,048</u>
Total cost of acquisition	<u><u>7,902,915</u></u>

The goodwill and intangible assets of RM5.802 billion above represents the excess of the purchase consideration over the book value of BII at the date of acquisition.

**Impairment Testing**

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

**Key Assumptions Used In Value-In-Use Calculations**

The value-in-use calculations apply discounted cash flow model using free cash flow to equity ("FCFE") projections prepared and approved by management, covering a 10-year period. The compounded annual growth rate ("CAGR") of BII's FCFE projections was 21%. The other key assumptions for the computation of value-in-use are as follows:

- a) The Bank expects the BII banking business operations to be a going concern;
- b) The discount rate applied is based on current specific country risks which is estimated to be approximately 16.5% per annum; and
- c) Terminal value whereby cashflow growth rate of 6% consistent with the Gross Domestic Product rates of Indonesia.

Management believes that any reasonably possible changes in any of the above key assumptions would not cause the carrying value of the CGU to exceed its recoverable amount. Based on the above review, there is no evidence of impairment on the Group's and Bank's goodwill, other than an impairment charge of RM1,617,000,000 arising from BII's banking business operations.

### **A30. Impairment Loss on Interest in Associates**

#### **(a) MCB Bank Ltd, Pakistan**

The Group holds a 20% equity stake in a listed associated company in Pakistan, MCB Bank Ltd ("MCB"), as at 30 June 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

**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 value-in-use calculations apply discounted cash flow model using free cash flow to equity ("FCFE") projections prepared and approved by management, covering a 10-year period. The compounded annual growth rate ("CAGR") of MCB's FCFE projections was 18%. The other key assumptions for the computation of value-in-use are as follows:

- a) The Bank expects the MCB banking business operations to be a going concern;
- b) The discount rate applied is based on current specific country risks which is estimated to be approximately 21.5% per annum; and
- c) Terminal value whereby cashflow growth rate of 6% consistent with the Gross Domestic Product rates of Pakistan

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

The Bank had reviewed and finalised the assessment on impairment of the investment in MCB Bank, and had provided an impairment charge of RM353 million for the financial year ended 30 June 2009.

#### **(b) An Binh Commercial Joint Stock Bank (ABBank), Vietnam**

On 24 September 2008, Maybank had successfully completed the acquisition of 15% of the total paid-up Charter Capital of ABBank pursuant to the Subscription Agreement dated 21 March 2008 and Supplemental Agreement dated 9 September 2008 for a cash consideration of approximately RM327 million.

#### **Impairment Testing**

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

#### **Key Assumptions Used In Value-In-Use Calculations**

The value-in-use calculations apply discounted cash flow model using free cash flow to equity ("FCFE") projections prepared and approved by management, covering a 10-year period. The compounded annual growth rate ("CAGR") of ABBank's FCFE projections was 22%. The other key assumptions for the computation of value-in-use are as follows:

- a) The Bank expects the ABBank banking business operations to be a going concern;
- b) The discount rate applied is based on current specific country risks which is estimated to be approximately 17.0% per annum; and
- c) Terminal value whereby cashflow growth rate of 6% consistent with the Gross Domestic Product rates of Vietnam.

Based on the above review, there is no evidence of impairment on the investment in ABBank for the financial year ended 30 June 2009.

### A31. Comparatives

Certain comparative amounts have been reclassified to conform with current year's presentation for balance sheet as at 30 June 2008.

	<b>Increase / (Decrease)</b>	
	<b>Group</b>	<b>Bank</b>
	<b>RM '000</b>	<b>RM '000</b>
<b>Liabilities</b>		
Deposits and placements of banks other financial institutions	(1,417,227)	(1,417,227)
Borrowings	1,417,227	1,417,227



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

**B1. Performance Review**

The Group's net interest income for the financial year ended 30 June 2009 increased by RM492.7 million or 9.1% over that of the corresponding financial year to RM5,919.5 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 RM21,169 million or 12.9% from 30 June 2008.

Non interest income (including marked to market gain/loss on derivatives and securities held for trading) was higher by RM203.4 million or 6.4% compared to that of the previous corresponding financial year. In the year under review, the higher non interest income was contributed by higher fee income and net premium written, which was higher by RM282.1 million and RM25.7 million respectively. However, this was offset by a lower foreign exchange profit of RM437.1 million compared to a profit of RM623.2 million in the corresponding financial year.

Overheads increased by RM1,310.6 million or 30.8% over that of the corresponding year as a result of consolidation of BII overhead costs. Personnel costs increased by RM607.6 million or 31.2% 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 RM292.0 million or 38.9% as a result of higher Information Technology expenses and rental of premises.

Administration and general expenses increased by RM339.3 million or 38.5%, from RM882.0 million to RM1,221.3 million, mainly due to increase in cash processing fees, royalties paid for the increased cards businesses and higher utility bills due to increase in tariff rates.

The Group's operating profit for the year was mainly impacted by higher allowance for impairment of securities of RM197.5 million compared to a write-back of RM66.2 million in prior year, and a higher allowance for losses on loans due mainly to higher specific allowance made, lower recoveries and as a result of consolidation of the loan loss provision of BII for the first time in the current financial year.

As a result, the Group's operating profit for the period decreased from RM4,570.7 million to RM3,063.5 million, or a reduction of 33.0%.

In the year under review, the Group's profit before tax was mainly impacted by impairment charge of RM1,617 million on goodwill of the Group arising from BII's banking business operations and impairment loss of RM353.1 million for the investment in MCB Bank. 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 financial year ended 30 June 2009 registered a decrease of 59.0% or RM2,411.8 million to RM1,674.3 million compared to the previous financial year. Net Profit attributable to equity holders was lower by 76.4% or RM2,236.3 million to RM691.9 million compared to the previous financial year.

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

The Group's net interest income for the quarter ended 30 June 2009 increased marginally by RM20.1 million or 1.3% over that of the preceding quarter to RM1,563.6 million. The marginal growth in net interest income was partly attributable to the negative impact of the three rounds of reduction 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 30 June 2009 was higher by RM791.6 million or an increase of 26.3% compared to that of the preceding quarter. The significant variance was mainly attributable to foreign exchange gain of RM283.2 million and an unrealised gain on revaluation of securities held-for-trading and derivatives of RM92.1 million in the current quarter.

Overheads for the quarter increased marginally by RM114,568 or 8.1% over that of the preceding quarter mainly due to higher establishment costs and administration and general expenses which were higher by RM91.6 million and RM17.6 million respectively..

The better non interest income for the current quarter was partly offset by higher allowance for losses on loans and impairment on securities which were higher by RM370.6 million and RM62.5 million respectively.

As a result, operating profit for the quarter was higher by RM257.6 million to RM883.0 million, or a increase of 41.2%.

In the current quarter under review, the Group had made an impairment charge of RM1,617 million on goodwill arising from BII's banking business operations and an additional impairment loss of RM111 million for the investment in MCB Bank. As a result, the Group registered a pre-tax loss of RM821.7 million for the current quarter.

Net loss attributable to equity holders was RM1,118.1 million as against a net profit attributable to equity holder of RM503.3 million when compared to the preceding quarter.

**B3. Prospects**

The United States and other developed economies have begun to show signs of stabilising following contraction in real GDP in the first quarter of 2009. The economic recovery is anticipated to pick up towards the end of 2009 and record positive growth in 2010. The Malaysian economy is expected to experience a similar recovery pattern. Together with the upturn in the external sector, the recovery in domestic consumer demand and positive impact of the government stimulus plan should bode well in lifting the economy back into positive territory in 2010.

The banking industry in Malaysia is expected to remain resilient despite slower economic growth as banks are supported by strong capitalisation, excess liquidity and healthy asset quality. Loans growth is expected to remain positive, supported by improving domestic demand and higher government spending. However, the industry will remain very competitive especially with the gradual introduction of liberalisation measures but risk of margin compression and asset quality deterioration is expected to be contained.

Maybank's core commercial banking operations will remain the dominant revenue contributor and is expected to be supported by better performance from the investment banking and insurance divisions. The Group's widespread network, trained sales force, superior branding, and competitive product offerings should enable it to enhance loans growth and capture lower cost deposits while prudent risk management practices and stringent asset quality management should restrain risk of deterioration in asset quality.

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**B3. Prospects (contd.)**

The Group will also be focusing on growing its international operations with particular emphasis on Bank International Indonesia, which has identified various initiatives to improve loans growth and fee based income as well as derive synergies to enhance revenue generation.

The initial positive effects of the LEAP30 performance improvement programme is expected to gain traction to deliver further enhancement in the financial and operational performance of the Group, hence strengthening Maybank's core business and franchise.

For financial year 2010, Maybank Group has set its Key Performance Indicators (KPIs) with target revenue growth of 8.0% and with ROE of 11.0%.

Against the backdrop of an improving economic environment towards the end of 2009 and into 2010 and in the absence of the impairment charge which was incurred in the financial year 2009, the Group expects its financial performance for the current financial year ending 30 June 2010 to improve significantly.

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**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 period ended 30 June 2009 are as follows:

<u>Group</u>	4th Quarter Ended		Financial Year Ended	
	30 June	30 June	30 June	30 June
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	410,623	492,321	1,033,630	1,141,589
Foreign income tax	32,482	(73,727)	63,142	6,576
	<u>443,105</u>	<u>418,594</u>	<u>1,096,772</u>	<u>1,148,165</u>
Under/(over) provision in prior years	(28,043)	(44,061)	(27,062)	(131,897)
Deferred tax expense				
- Origination and reversal of temporary differences	(168,210)	(112,540)	(198,462)	23,715
- Due to reduction in statutory rate	(785)	1,221	41,621	41,547
- Under/(over) provision in prior years	(803)	(1,381)	(803)	(1,381)
	<u>(169,798)</u>	<u>(112,700)</u>	<u>(157,644)</u>	<u>63,881</u>
Tax expense for the year	245,264	261,833	912,066	1,080,149
Zakat	(3,325)	157	11,512	3,581
	<u>241,939</u>	<u>261,990</u>	<u>923,578</u>	<u>1,083,730</u>

<u>Bank</u>	4th Quarter Ended		Financial Year Ended	
	30 June	30 June	30 June	30 June
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	297,460	388,019	820,507	899,636
Foreign income tax	(2,322)	(73,524)	(109)	1,850
	<u>295,138</u>	<u>314,495</u>	<u>820,398</u>	<u>901,486</u>
Over provision in prior years	803	(46,889)	-	(189,813)
Deferred tax expense				
- Origination and reversal of temporary differences	(120,721)	(86,182)	(146,187)	64,066
- Due to reduction in statutory rate	-	568	40,836	40,219
- Under/(over) provision in prior years	(803)	(1,348)	(803)	(1,348)
	<u>(121,524)</u>	<u>(86,962)</u>	<u>(106,154)</u>	<u>102,937</u>
Tax expense for the year	174,417	180,644	714,244	814,610

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 RM170.3 million and RM153.0 million respectively, while the profit and loss from sale of properties of the Group and the Bank amounted to RM10.2 million and RM1.2 million respectively.

**B7. Quoted Securities**

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

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

**(a) 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) 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.

**(c) Proposed Issuance Of, Offer For Subscription Or Purchase Of, Or Invitation To Subscribe For, Or Purchase Of Innovative Tier 1 Capital Securities ("IT1CS") Programme Of Up To RM4.0 Billion And/Or Its Foreign Currency Equivalent In Nominal Value ("IT1CS Programme") By Maybank.**

The IT1CS has been structured to comply with Bank Negara Malaysia's ("BNM") Guidelines on Innovative Tier 1 capital instruments. 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 is issued in the form of capital securities via an IT1CS Programme. The IT1CS Programme would have a sixty-five (65) year tenure from the date of the first issuance.

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

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

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

**(c) 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. (Contd.)**

During the year, the following has been issued under the IT1CS Programme:

**(i) SGD600 million IT1CS**

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.

**(ii) RM1.1 billion IT1CS**

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.

**(d) 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.

**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.

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**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 and statement of claim by ten plaintiffs / bondholders for an amount of approximately RM157.8 million. MTB, as the 2<sup>nd</sup> Defendant, 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 1<sup>st</sup>, 4<sup>th</sup> and 6<sup>th</sup> to 12<sup>th</sup> Defendants for the sum of RM149,315,000.00 as well as withdrew the claim against the 5<sup>th</sup> defendant. MTB, as the 2<sup>nd</sup> Defendant, is not a party to the consent judgment and 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 1<sup>st</sup> 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 will defend the Counterclaim and its lawyers are of the opinion that the Counterclaim is without merit as the 1<sup>st</sup> Defendant had failed to perform their obligations under the bonds. Further, the 1<sup>st</sup> 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.

MTB is counterclaiming against and also claiming indemnity, contribution or other relief from the 2<sup>nd</sup> Plaintiff, the 1<sup>st</sup> and 3<sup>rd</sup> to 12<sup>th</sup> Defendants as well as a legal firm.

The matter was partly heard on 20 to 21 July 2009 and the trial resumed on 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 1<sup>st</sup> Defendant’s failure to pay monthly instalments.

The 1<sup>st</sup> 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 1<sup>st</sup> Defendant was unable to carry on its project and therefore suffered loss and damage. ETB are proceeding with their claim and are resisting the 1<sup>st</sup> Defendant’s counter-claim. ETB have filed its defence to the counterclaim and an application to strike out the counterclaim as well.

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

ETB are of the view that they have a good chance of succeeding in the action and in securing a dismissal of the 1<sup>st</sup> Defendant's counter-claim.

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 1<sup>st</sup> Defendant's counter claim against ETB with costs. The Defendants have filed two separate applications to court for stay of execution of the Judgment. The application for stay of execution is now fixed for mention on 27 August 2009.

- (c) A corporate borrower has issued a writ of summon and statement of claim against Maybank Investment Bank Berhad (formerly known as Aseambankers Malaysia Berhad) ("Maybank IB") in 2005 in its capacity as agent bank for three financial institutions as syndicated 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 million which were granted by Maybank IB and the three syndicated lenders. The loan was subsequently restructured to RM38 million with terms for repayment. In 2006, Maybank IB and the three syndicated lenders filed a suit against the corporate borrower for the recovery of the loan. The two suits were then ordered by the court to be heard together.

Out of the estimated claim of RM450 million, Maybank's exposure is RM189 million (inclusive of the assets and liabilities of Kewangan Bersatu Berhad (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).

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, at a 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. Maybank IB had on 24 June 2009 obtained a stay order pending its appeal. The corporate borrower had on 24 June 2009 filed an appeal against the decision on the stay. The date for the hearing of corporate borrower's appeal has yet to be fixed by the court.

Maybank IB's solicitors are of the view that it has a more than even chance of succeeding in its appeal against the said judgement.

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



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**B12. Proposed Final Dividend**

The Board of Directors have proposed a final dividend of 8.0 sen per share less 25% tax for the financial year ended 30 June 2009 (30 June 2008: final dividend of 20.0 sen per share less 26% taxation and interim dividend of 32.5 sen per share less 26% taxation) for the shareholders' approval.

If approved, the final dividend will be paid on 27 October 2009 to Depositors whose names are registered in the Record of Depositors on 15 October 2009.

A depositor shall qualify for entitlement to the dividend only in respect of: -

- a) Shares transferred to the Depositor's Securities Accounts before 4.00 p.m. on 15 October 2009 in respect of transfers.
- b) Shares deposited into the Depositor's Securities Accounts before 12.30 p.m. on 13 October 2009 in respect of shares exempted from mandatory deposit.
- c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

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**B13. Earning Per Share (EPS)**

**Basic**

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

	4th Quarter Ended		Financial Year Ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
Net profit/(loss) for the year (RM'000)	<b>(1,118,140)</b>	703,213	<b>691,875</b>	2,928,202
Weighted average number of ordinary shares in issue ('000)	<b>6,345,491</b>	4,881,116 <sup>1</sup>	<b>5,763,330</b>	5,492,259 <sup>1</sup>
Basic earnings/(loss) per share ('000)	<b>(17.62) sen</b>	14.41 sen <sup>1</sup>	<b>12.00 sen</b>	53.32 sen <sup>1</sup>

**Diluted**

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

	4th Quarter Ended		Financial Year Ended	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
Net profit/(loss) for the year (RM'000)	<b>(1,118,140)</b>	703,213	<b>691,875</b>	2,928,202
Weighted average number of ordinary shares in issue ('000)	<b>6,551,930</b>	5,500,430	<b>5,763,330</b>	5,492,259
Effects of share option ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	<b>6,551,930</b>	5,500,430 <sup>1</sup>	<b>5,763,330</b>	5,492,259 <sup>1</sup>
Diluted earnings/(loss) per share ('000)	<b>(17.07) sen</b>	12.78 sen <sup>1</sup>	<b>12.00 sen</b>	53.32 sen <sup>1</sup>

<sup>1</sup> Adjusted for rights issue completed on 30 April 2009 and bonus issue of 1:4 completed on 20 February 2008.

By Order of the Board

**Mohd Nazlan Mohd Ghazali**  
LS0008977  
Company Secretary  
25 August 2009