

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

CONDENSED FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2011

<u>Group</u>	Note	4th Quarter Ended		Cumulative 12 Months Ended	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Interest income	A16	3,160,672	2,783,987	12,037,987	10,955,220
Interest expense	A17	(1,333,934)	(991,781)	(4,852,057)	(4,184,347)
Net interest income		1,826,738	1,792,206	7,185,930	6,770,873
Income from Islamic Banking					
Scheme operations:					
Gross operating income		468,806	352,453	1,653,190	1,393,102
Profit equalisation reserves		(25,784)	3,298	(91,317)	41,642
	A29a	443,022	355,751	1,561,873	1,434,744
		2,269,760	2,147,957	8,747,803	8,205,617
Net income from insurance business:					
Income from insurance business		425,279	248,440	883,153	721,481
Claims incurred		(79,851)	(79,877)	(325,847)	(296,574)
		345,428	168,563	557,306	424,907
		2,615,188	2,316,520	9,305,109	8,630,524
Non-interest income	A18	1,196,660	826,156	4,114,655	3,692,680
Net income		3,811,848	3,142,676	13,419,764	12,323,204
Overhead expenses	A19	(1,962,115)	(1,474,630)	(6,652,184)	(5,825,534)
		1,849,733	1,668,046	6,767,580	6,497,670
Allowance for losses on loans, advances and financing	A20	(47,717)	(320,544)	(502,166)	(1,226,067)
Impairment losses on securities, net		(114,025)	(23,439)	(129,955)	(23,030)
Operating Profit		1,687,991	1,324,063	6,135,459	5,248,573
Share of profits in associates		40,538	35,031	135,008	121,835
Profit before taxation and zakat		1,728,529	1,359,094	6,270,467	5,370,408
Taxation & Zakat	B5	(475,307)	(384,061)	(1,650,709)	(1,401,958)
Profit for the period/year		1,253,222	975,033	4,619,758	3,968,450
Attributable to:					
Equity holders of the Bank		1,154,316	912,474	4,450,278	3,818,167
Non-controlling interest		98,906	62,559	169,480	150,283
		1,253,222	975,033	4,619,758	3,968,450
Earnings per share attributable to equity holders of the Bank	B14				
Basic		15.54 sen	12.89 sen	61.41 sen	53.94 sen
Fully diluted		15.54 sen	12.89 sen	61.41 sen	53.94 sen

(These audited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2011

<u>Group</u>	Note	4th Quarter Ended		Cumulative 12 Months Ended	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Profit for the period/year		1,253,222	975,033	4,619,758	3,968,450
Other comprehensive (loss)/income:					
Net gain on available-for-sale financial assets		296,527	340,013	175,030	702,073
Income tax relating to components of other comprehensive income		(89,745)	(116,721)	(43,297)	(193,595)
Foreign currency translation		272,459	(153,037)	(74,171)	(281,780)
Revaluation reserve from investment properties		-	(650)	-	9,145
Effects on adoption of Risk Based Capital ("RBC") Framework for insurance subsidiaries		-	-	-	(11,470)
Other comprehensive income: for the period/year, net of tax		479,241	69,605	57,562	224,373
Total comprehensive income for the period/year		1,732,463	1,044,638	4,677,320	4,192,823
Total comprehensive income for the period attributable to:					
Equity holders of the Bank		1,636,874	980,433	4,515,785	4,027,965
Non-controlling interest		95,589	64,205	161,535	164,858
		1,732,463	1,044,638	4,677,320	4,192,823

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AUDITED INCOME STATEMENTS
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2011

<u>Bank</u>	Note	4th Quarter Ended		Cumulative 12 Months Ended	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Interest income	A16	2,397,373	2,161,895	9,194,938	8,555,239
Interest expense	A17	(996,673)	(746,287)	(3,654,518)	(3,160,604)
Net interest income		1,400,700	1,415,608	5,540,420	5,394,635
Non-interest income	A18	862,337	799,202	3,066,901	3,470,174
Net income		2,263,037	2,214,810	8,607,321	8,864,809
Overhead expenses	A19	(1,102,894)	(936,730)	(3,933,798)	(3,714,809)
		1,160,143	1,278,080	4,673,523	5,150,000
Allowance for losses on loans, advances and financing	A20	75,238	76,626	(2,196)	(347,956)
Impairment losses on securities, net		(110,803)	(18,782)	(109,898)	(15,500)
Profit before taxation and zakat		1,124,578	1,335,924	4,561,429	4,786,544
Taxation	B5	(319,953)	(300,777)	(1,202,730)	(1,233,859)
Profit for the period/year		804,625	1,035,147	3,358,699	3,552,685

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AUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2011

<u>Bank</u>	Note	4th Quarter Ended		Cumulative 12 Months Ended	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Profit for the period/year		804,625	1,035,147	3,358,699	3,552,685
Other comprehensive (loss)/income:					
Net gain on available-for-sale financial assets		259,669	246,411	67,162	469,292
Income tax relating to components of other comprehensive income		(75,169)	(61,781)	(16,950)	(116,843)
Foreign currency translation		103,102	(21,954)	251,756	(152,266)
Other comprehensive income: for the period/year, net of tax		287,602	162,676	301,968	200,183
Total comprehensive income for the period/year		1,092,227	1,197,823	3,660,667	3,752,868

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	Group		Bank	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
ASSETS					
Cash and short-term funds		38,803,519	28,707,992	25,803,796	19,403,616
Deposits and placements with financial institutions		10,291,513	8,915,375	7,644,471	7,098,198
Securities purchased under resale agreements		-	371,237	-	371,237
Securities portfolio - Held-for-trading	A9(i)	4,141,978	2,651,103	2,884,895	2,241,928
Securities portfolio - Available-for-sale	A9(ii)	47,258,558	42,576,235	40,262,042	37,446,841
Securities portfolio - Held-to-maturity	A9(iii)	9,638,714	8,942,708	8,339,494	7,855,322
Loans, advances and financing	A10	253,976,426	205,555,067	181,572,844	151,469,585
Derivative assets	A27	1,652,182	1,306,769	1,626,415	1,281,682
Other assets	A11	6,735,522	5,111,362	1,420,365	3,749,648
Investment properties		45,051	45,324	-	-
Statutory deposits with Central Banks		7,698,425	4,471,382	4,313,116	1,932,981
Investment in subsidiaries		-	-	17,070,392	12,653,377
Interests in associates		2,439,654	2,471,438	454,412	418,700
Property, plant and equipment		2,168,986	1,568,038	1,170,183	1,160,265
Intangible assets		6,509,048	4,480,714	177,270	160,710
Deferred tax assets		1,402,705	1,564,963	920,837	1,148,176
Life, general takaful and family takaful fund assets		19,196,413	17,960,059	-	-
TOTAL ASSETS		411,958,694	336,699,766	293,660,532	248,392,266
LIABILITIES					
Deposits from customers	A12	281,976,379	236,909,788	201,465,408	175,379,741
Deposits and placements of banks and other financial institutions	A13	33,303,655	23,257,868	31,441,675	22,929,822
Obligations on securities sold under repurchase agreements		373,562	407,056	373,562	-
Bills and acceptances payable		8,513,401	3,061,586	7,115,673	2,898,997
Derivative liabilities	A27	1,533,935	1,346,242	1,446,311	1,291,498
Other liabilities	A15	11,311,853	6,951,520	4,240,156	3,555,869
Recourse obligation on loans sold to Cagamas		528,285	649,977	528,285	649,977
Provision for taxation and zakat		134,620	466,889	-	283,353
Deferred tax liabilities		247,892	151,109	-	-
Borrowings	A14(i)	5,447,120	2,824,864	3,420,499	2,098,317
Subordinated obligations	A14(ii)	10,800,539	8,069,116	9,509,786	8,069,116
Capital Securities	A14(iii)	6,120,774	5,978,752	6,120,774	5,978,752
Life, general takaful and family takaful fund liabilities		5,408,600	5,021,911	-	-
Life, general takaful and family takaful policy holders' funds		13,787,814	12,938,148	-	-
TOTAL LIABILITIES		379,488,429	308,034,826	265,662,129	223,135,442

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AUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	Group		Bank	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
SHAREHOLDERS' EQUITY					
Share capital		7,478,206	7,077,983	7,478,206	7,077,983
Reserves		23,983,293	20,799,193	20,520,197	18,178,841
		31,461,499	27,877,176	27,998,403	25,256,824
Non-controlling interest		1,008,766	787,764	-	-
Total equity		32,470,265	28,664,940	27,998,403	25,256,824
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		411,958,694	336,699,766	293,660,532	248,392,266
COMMITMENTS AND CONTINGENCIES					
	A25	292,201,755	232,273,335	265,846,025	213,216,362
CAPITAL ADEQUACY					
	A26				
Based on credit, market and operational risk:					
Basel II					
Before deducting proposed dividend: *					
Core capital ratio		11.93%	-	13.44%	-
Risk-weighted capital ratio		15.45%	-	13.44%	-
After deducting proposed dividend:					
Core capital ratio, assuming:					
- full electable portion paid in cash		11.21%	-	12.49%	-
- full electable portion reinvested		11.84%	-	13.32%	-
Risk-weighted capital ratio, assuming:					
- full electable portion paid in cash		14.72%	-	12.49%	-
- full electable portion reinvested		15.36%	-	13.32%	-
Basel I					
Before deducting proposed dividend: *					
Core capital ratio		-	11.06%	-	15.02%
Risk-weighted capital ratio		-	14.67%	-	15.02%
After deducting proposed dividend:					
Core capital ratio, assuming:					
- full electable portion paid in cash		-	10.10%	-	13.78%
- full electable portion reinvested		-	10.97%	-	14.91%
Risk-weighted capital ratio, assuming:					
- full electable portion paid in cash		-	13.71%	-	13.78%
- full electable portion reinvested		-	14.58%	-	14.91%
Net assets per share attributable to equity holders of the parent		RM4.21	RM3.94	RM3.74	RM3.57

* 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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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2011

Group	<----- Non Distributable ----->							Revaluation Reserve	Distributable Retained Profits	Distributable Shareholders' Equity	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Statutory Reserve	Capital Reserve	Unrealised Holding Reserve/(Deficit)	Exchange Fluctuation Reserve	Share Option Reserves					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2010												
- as previously stated	7,077,983	5,903,497	5,553,999	15,250	340,936	(949,434)	-	9,057	9,925,888	27,877,176	787,764	28,664,940
- effect of adopting FRS 139	-	-	-	-	(47,921)	-	-	-	(172,088)	(220,009)	(5,786)	(225,795)
- effect of adopting FRS 4	-	-	-	-	-	-	-	-	1,800	1,800	807	2,607
At 1 July 2010, as restated	7,077,983	5,903,497	5,553,999	15,250	293,015	(949,434)	-	9,057	9,755,600	27,658,967	782,785	28,441,752
Profit for the year	-	-	-	-	-	-	-	-	4,450,278	4,450,278	169,480	4,619,758
Other comprehensive (loss)/income	-	-	-	-	124,050	(58,543)	-	-	-	65,507	(7,945)	57,562
Total comprehensive income for the year	-	-	-	-	124,050	(58,543)	-	-	4,450,278	4,515,785	161,535	4,677,320
Share-based payment ESOS	-	-	-	-	-	-	65,000	-	-	65,000	-	65,000
Effect of acquisition/disposal of interests to non-controlling interests	-	-	-	-	-	-	-	-	14,714	14,714	3,415	18,129
Effect of acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	112,741	112,741
Effect of Redemption on Redeemable Convertible Preference Shares ("RCPS")	-	-	-	-	-	-	-	-	-	-	(46,500)	(46,500)
Transfer to/(from) statutory reserves	-	-	855,923	-	-	-	-	-	(855,923)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8)	400,223	2,680,214	-	-	-	-	-	-	-	3,080,437	-	3,080,437
Dividend paid (Note A8)	-	-	-	-	-	-	-	-	(3,873,404)	(3,873,404)	(5,210)	(3,878,614)
Total transactions with shareholders	400,223	2,680,214	855,923	-	-	-	65,000	-	(4,714,613)	(713,253)	64,446	(648,807)
At 30 June 2011	7,478,206	8,583,711	6,409,922	15,250	417,065	(1,007,977)	65,000	9,057	9,491,265	31,461,499	1,008,766	32,470,265

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2011

<u>Group</u>	<===== Non Distributable =====>								Distributable Retained Profits RM'000	Total Shareholders' Equity RM'000	Non-controlling 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	Share Option Reserves RM'000	Revaluation Reserve RM'000				
At 1 July 2009	7,077,663	5,901,692	4,664,983	15,250	(148,388)	(666,885)	63,191	2,742	7,988,498	24,898,746	869,231	25,767,977
Profit for the year	-	-	-	-	-	-	-	-	3,818,167	3,818,167	150,283	3,968,450
Other comprehensive (loss)/income	-	-	-	-	489,324	(282,549)	-	6,315	(3,292)	209,798	14,575	224,373
Total comprehensive income for the year	-	-	-	-	489,324	(282,549)	-	6,315	3,814,875	4,027,965	164,858	4,192,823
Effect of acquisition / disposal from non-controlling interests	-	-	-	-	-	-	-	-	(43,047)	(43,047)	(246,325)	(289,372)
Transfer to/(from) statutory reserves	-	-	889,016	-	-	-	-	-	(889,016)	-	-	-
Issue of ordinary shares pursuant to ESOS 2004/2009	320	1,805	-	-	-	-	-	-	-	2,125	-	2,125
Transfer (from)/to share option reserve	-	-	-	-	-	-	(63,191)	-	63,191	-	-	-
Dividends	-	-	-	-	-	-	-	-	(1,008,613)	(1,008,613)	-	(1,008,613)
Total transactions with shareholders	320	1,805	889,016	-	-	-	(63,191)	-	(1,877,485)	(1,049,535)	(246,325)	(1,295,860)
At 30 June 2010	7,077,983	5,903,497	5,553,999	15,250	340,936	(949,434)	-	9,057	9,925,888	27,877,176	787,764	28,664,940

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FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2011

	<===== 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	Share Option Reserve RM'000			
Bank									
At 1 July 2010									
- as previously stated	7,077,983	5,903,497	5,372,770	269,016	(12,495)	-	6,646,053	25,256,824	
- effect of adopting FRS 139	-	-	-	(40,368)	-	-	(150,753)	(191,121)	
At 1 July 2010, as restated	7,077,983	5,903,497	5,372,770	228,648	(12,495)	-	6,495,300	25,065,703	
Profit for the year	-	-	-	-	-	-	3,358,699	3,358,699	
Other comprehensive income	-	-	-	50,212	251,756	-	-	301,968	
Total comprehensive income for the year	-	-	-	50,212	251,756	-	3,358,699	3,660,667	
Share-based payment under ESOS	-	-	-	-	-	65,000	-	65,000	
Transfer to/(from) statutory reserve	-	-	839,690	-	-	-	(839,690)	-	
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8)	400,223	2,680,214	-	-	-	-	-	3,080,437	
Dividend paid (Note A8)	-	-	-	-	-	-	(3,873,404)	(3,873,404)	
Total transactions with shareholders	400,223	2,680,214	839,690	-	-	65,000	(4,713,094)	(727,967)	
At 30 June 2011	7,478,206	8,583,711	6,212,460	278,860	239,261	65,000	5,140,905	27,998,403	

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AUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2011

	<=====Non Distributable =====>							Distributable Retained Profits RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	Other Reserves RM'000			
Bank									
At 1 July 2009	7,077,663	5,901,692	4,483,770	(83,433)	139,771	63,191	4,927,790	22,510,444	
Profit for the year	-	-	-	-	-	-	3,552,685	3,552,685	
Other comprehensive (loss)/income	-	-	-	352,449	(152,266)	-	-	200,183	
Total comprehensive income for the year	-	-	-	352,449	(152,266)	-	3,552,685	3,752,868	
Transfer to/(from) statutory reserves	-	-	889,000	-	-	-	(889,000)	-	
Transfer (from)/to share option reserve	-	-	-	-	-	(63,191)	63,191	-	
Issue of ordinary shares pursuant to ESOS 2004/2009	320	1,805	-	-	-	-	-	2,125	
Dividend paid	-	-	-	-	-	-	(1,008,613)	(1,008,613)	
Total transactions with shareholders	320	1,805	889,000	-	-	(63,191)	(1,834,422)	(1,006,488)	
At 30 June 2010	7,077,983	5,903,497	5,372,770	269,016	(12,495)	-	6,646,053	25,256,824	

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CONDENSED FINANCIAL STATEMENTS
AUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 30 JUNE 2011

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Profit before taxation	6,270,467	5,370,408	4,561,429	4,786,544
Adjustments for non-operating and non-cash items	691,916	1,224,063	(207,526)	(472,261)
Operating profit before working capital changes	<u>6,962,383</u>	6,594,471	<u>4,353,903</u>	4,314,283
Changes in working capital:-				
Net changes in operating assets	(58,210,204)	(20,357,832)	(34,249,495)	(6,338,752)
Net changes in operating liabilities	58,956,371	23,079,022	40,339,878	7,266,495
Tax expense and zakat paid	(2,166,363)	(1,178,589)	(1,666,114)	(1,020,629)
Net cash generated from operations	<u>5,542,187</u>	8,137,072	<u>8,778,172</u>	4,221,397
Net cash used in investing activities	(2,435,767)	(423,082)	(4,240,308)	(298,985)
Net cash generated from / (used in) financing activities	4,673,285	(988,574)	2,111,944	(183,186)
	<u>2,237,518</u>	(1,411,656)	<u>(2,128,364)</u>	(482,171)
Net change in cash and cash equivalents	7,779,705	6,725,416	6,649,808	3,739,226
Cash and cash equivalents at beginning of year *	<u>29,119,951</u>	22,549,455	<u>19,810,389</u>	16,400,973
Cash and cash equivalents at end of year	<u>36,899,656</u>	29,274,871	<u>26,460,197</u>	20,140,199
Cash and cash equivalents included in the cash flow statements comprise the following amounts in Statements of Financial Position:				
Cash and short-term funds	38,803,519	28,707,992	25,803,796	19,403,616
Deposits maturing within 1 month	954,598	867,258	656,401	736,583
	<u>39,758,117</u>	29,575,250	<u>26,460,197</u>	20,140,199
Less : Monies held in trusts	(2,858,461)	(300,379)	-	-
	<u>36,899,656</u>	29,274,871	<u>26,460,197</u>	20,140,199
* Cash and cash equivalents at beginning of year				
Cash and short term funds as previously reported	29,274,871	23,607,979	20,140,199	17,448,312
Effects of foreign exchange rate changes	(154,920)	(1,058,524)	(329,810)	(1,047,339)
As restated	<u>29,119,951</u>	22,549,455	<u>19,810,389</u>	16,400,973

(These audited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements)

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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 interim financial statements for 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 interim 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 interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2010. These explanatory notes attached to the audited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 30 June 2010.

The audited condensed interim financial statement incorporated those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to the acceptance of deposit and granting of financing under the principles of Shariah.

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 2010 except for adoption of the following Financial Reporting Standard ("FRS"), amendments to FRSs, Interpretations of the Issues Committee ("IC Interpretations") and Technical Release ("TR"):

- (i) FRS 1: First-time Adoption of Financial Reporting Standards
- (ii) FRS 3: Business Combinations (revised)
- (iii) FRS 4: Insurance Contracts
- (iv) FRS 7: Financial Instruments-Disclosures
- (v) FRS 101: Presentation of Financial Statements (revised 2009)
- (vi) FRS 123: Borrowing Costs
- (vii) FRS 127: Consolidated and Separate Financial Statements (amended)
- (viii) FRS 139: Financial Instruments - Recognition and Measurement
- (ix) Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- (x) Amendments to FRS 2: Share-based Payment
- (xi) Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
- (xii) Amendment to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
- (xiii) Amendments to FRS 117: Leases
- (xiv) Amendments to FRS 127: Consolidated and Separate Financial Statements
- (xv) Amendments to FRS 132: Financial Instruments: Presentation
- (xvi) Amendments to FRS 132: Financial Instruments: Presentation (Classification of Rights Issues)
- (xvii) Amendments to FRS 138: Intangible Assets
- (xviii) Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosure and IC Interpretation 9: Reassessment of Embedded Derivatives
- (xix) Amendments to FRSs contained in the document entitled 'Improvements to FRSs (2009)'
- (xx) IC Interpretation 9: Reassessment of Embedded Derivatives
- (xxi) IC Interpretation 10: Interim Financial Reporting and Impairment
- (xxii) IC Interpretation 11: FRS 2 – Group and Treasury Share Transactions
- (xxiii) IC Interpretation 12: Service Concession Arrangements
- (xxiv) IC Interpretation 13: Customer Loyalty Programmes
- (xxv) IC Interpretation 14 FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- (xxvi) IC Interpretation 15: Agreements for the Construction of Real Estate

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A1. Basis of Preparation (cont'd.)

- (xxvii) IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
- (xxviii) IC Interpretation 17: Distributions of Non-cash Assets to Owners
- (xxix) Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
- (xxx) TR - 3: Guidance on Disclosures of Transition to IFRSs
- (xxxi) TR i - 3: Presentation of Financial Statements of Islamic Financial Institutions
- (xxxii) SOP i - 1: Financial Reporting from an Islamic Perspective

In addition to these, the Group and the Bank have also adopted BNM's Revised Guidelines for Financial Reporting for Banking Institutions revised on 10 March 2010 and Revised Guidelines for Classification and Impairment Provision for Loans/Financing revised on 17 December 2010. The effects of adopting these Guidelines are consistent with the application of FRS 139 and are disclosed in Note A30.

The adoption of the above FRSs, amendments to FRSs and IC Interpretations did not have any material impact on the financial statements of the Group and the Bank, except for the following:

- (i) the changes in accounting policies arising from the adoption of FRS 139 and its related amendments to FRSs, IC Interpretations and relevant Bank Negara Malaysia ("BNM") Guidelines, which are disclosed in Note A30;
- (ii) the adoption of FRS 101, FRS 7, TR i - 3 and amendments to FRS 132 which resulted in changes in presentation of the financial statements and its relevant notes, but did not affect the earnings, retained earnings or other reserves; and
- (iii) the adoption of FRS 4.

The following new FRSs, amendments to FRS and IC Interpretations have been issued but are not yet effective, and have not been adopted by the Group and the Bank.

Effective for the financial periods beginning on or after 1 January 2011:

- (i) Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- (ii) Additional Exemptions for First-time Adopters (Amendments to FRS 1)
- (iii) Group Cash-Settled Share-based Payment Transactions (Amendments to FRS 2)
- (iv) Amendments to FRS 7: Improving Disclosures about Financial Instruments
- (v) TR i - 4: Shariah Compliant Sale Contracts
- (vi) Amendments to FRSs [Improvements to FRSs (2010)]

Effective for the financial periods beginning on or after 1 January 2012:

- (i) FRS 124: Related Party Disclosures

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A2. Significant Accounting Estimates and Judgements

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 (Note A27)**

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 reporting date, including reference to quoted market prices and independent dealer quotes for similar securities and discounted cash flows method.

(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 independent professional 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.

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A2. Significant Accounting Estimates and Judgments (cont'd.)

(v) **Liabilities of Insurance Business**

(a) Life Fund

With effect from 1 January 2010, liabilities of the life insurance business are determined in accordance with BNM's Risk-Based Capital Framework for insurers and valued using an actuarial valuation methodology, which is defined by the Framework as the Gross Premium Valuation method. The expected future cash flows are determined using best estimate assumptions with a provision of risk margin for adverse deviation on a 75% confidence level at the overall subsidiary.

(b) Family Takaful Fund

Liabilities of the Family Takaful fund is determined based on annual actuarial valuation whereby estimates are made for future deaths, disabilities, maturities, instruments returns, voluntary terminations and expenses in accordance with contractual and regulatory requirements.

(c) General Insurance and General Takaful Businesses

The establishment of technical provisions for general insurance and general takaful businesses, including unearned premium/contribution reserves, unexpired risk reserves and claim liabilities/provision for outstanding claims, are based on specific methodologies. The eventual developments of premium/contribution and claim liabilities may vary from initial estimates due to uncertainties including but not restricted to inflation, economic conditions, judicial interpretations and legislative changes.

(vi) **Deferred Tax and Income Taxes**

The Group and the Bank are 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.

(vii) **Impairment Losses on Loans, Advances and Financing**

The Group and Bank review its individually significant loans, advances and financing at each statement of financial position date to assess whether an impairment loss should be recorded in the income statement. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. In estimating these cash flows, the Group and the Bank make judgments about the borrower's or the customer's financial situation and the net realisable value of collateral. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowances.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes account of data from the loan portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), concentrations of risks and relevant economic data.

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A2. Significant Accounting Estimates and Judgments (cont'd.)

(viii) Impairment of Investments in Subsidiaries and Interests in Associates

The Group and the Bank assess whether there is any indication that an investment in subsidiaries and interest in associates may be impaired at each reporting date.

If indicators are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the investment and the investment's estimated recoverable amount.

Judgements made by management in the process of applying the Group and Bank's accounting policies in respect of investment in subsidiaries and interest in associates are as follows:

- (i) The Bank determines whether its investments are impaired following certain indications of impairment such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes and fundamentals
- (ii) Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted cash flow, realisable net asset value and sector average price-earning ratio methods.

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. These assumptions and other key sources of estimation uncertainty at the reporting date, may have a significant risk of causing a material adjustment to the carrying amounts of the investments within the next financial year. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

(ix) Impairment of Securities Portfolio

The Group and Bank review the Securities Portfolio and assess at each reporting date whether there is any objective evidence that the investment is impaired. If there are indicators or objective evidence, the assets are subject to impairment review.

The impairment review comprises the following judgement made by Management:

- (i) Determination whether its investment is impaired following certain indicators or triggers such as, among others, prolonged decline in fair value, significant financial difficulties of the issuer or obligors, the disappearance of an active trading market and deterioration of the credit quality of the issuers or obligors.
- (ii) Determination of "significant" or "prolonged" requires judgement and management evaluates various factors, such as historical fair value movement and the significant reduction in fair value.

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A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2010 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 fourth quarter and financial year ended 30 June 2011.

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

During the fourth quarter and financial year ended 30 June 2011, save as disclosed in Note A7, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank.

A6. Changes in Estimates

There were no material changes in estimates during the fourth quarter and financial year ended 30 June 2011.

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 Group and Bank.

(a) **Issuance of Shares**

During the year, the Bank increased its issued and paid up capital from:

- (i) RM7,077,982,768 to RM7,322,240,391 via the issuance of 244,257,623 new ordinary shares of RM1 each arising from the Dividend Reinvestment Plan ("DRP") relating to the final dividend of 44 sen less 25% taxation in respect of financial year ended 30 June 2010. The new ordinary shares was listed on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2010;
- (ii) RM7,322,240,391 to RM7,478,206,067 via the issuance of 155,965,676 new ordinary shares of RM1 each arising from the DRP relating to the interim dividend of 28 sen less 25% taxation in respect of financial year ended 30 June 2011. The new ordinary shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 13 May 2011.

(b) **Redemption of Islamic Subordinated Bonds**

The Bank had on 24 November 2010 fully redeemed the Islamic Subordinated Bonds Facility of RM1.0 Billion with a tenure of 10 years from issue date on a 10 Non-Callable 5 Basis ("Islamic Subordinated Bonds"). The Islamic Subordinated Bonds were issued in November 2005.

(c) **Issuance of USD700 million Syndicated Term Loan Facility**

The Bank had on 14 March 2011 entered into a Syndicated Term Loan Facility agreement of USD700 million. The proceeds of this term loan facility were used by the Bank for its working capital, general banking and corporate purposes.

(d) **Redemption of USD350 million Transferable Term Loan Facility**

The Bank had on 14 March 2011 redeemed the Transferable Term Loan Facility of USD350 million. The Transferable Term Loan Facility agreement was entered in March 2006.

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A7. Changes in Debt and Equity Securities (cont'd)

- (e) **Maybank Islamic Berhad's Issuance of Tier 2 Capital Islamic Subordinated Sukuk of RM1.0 billion in Nominal Value ("Subordinated Sukuk")**

On 31 March 2011, Maybank Islamic Berhad ("MIB"), a wholly owned subsidiary of Maybank, has successfully completed the issuance of RM1.0 billion Tier 2 Capital Islamic Subordinated Sukuk. Details of the issuance are disclosed in Note B8(f).

- (f) **Issuance of bonds, medium term notes and borrowings by PT Wahana Ottomitra Multiartha and PT BII Finance Centre**

During the financial period, PT Wahana Ottomitra Multiartha ("WOM Finance") and PT BII Finance Centre ("BII Finance"), the indirect subsidiaries of Maybank had issued bonds, medium term notes and borrowings amounting to approximately RM722 million. The proceeds of such issuances were used by WOM Finance and BII Finance for its working capital purposes.

- (g) **Issuance of SGD1.0billion Subordinated Notes in nominal value under the USD2.0billion Multicurrency Medium Term Note Programme**

On 21 April 2011, Maybank has successfully completed the issuance of SGD1.0 billion Tier 2 Capital Subordinated Notes. Details of the issuance are disclosed in Note B8(h).

- (h) **PT Bank Internasional Indonesia Tbk ("BII") Issuance of Subordinated Notes of IDR1.5 trillion in Nominal Value**

On 19 May 2011, PT Bank Internasional Indonesia Tbk ("BII"), a subsidiary of Maybank, has successfully completed the issuance of IDR1.5 trillion Subordinated Notes. The proceeds of the issuance were used by BII for its working capital and general banking requirement.

A8. Dividends Paid

Dividend paid for the financial year ended 30 June 2011 are as follows:

- (a) A final dividend in respect of the financial year ended 30 June 2010 of 44 sen per share less 25% taxation, amounting to net dividend paid of RM2,335,734,313 was approved by the shareholders at the Annual General Meeting held on 29 September 2010.

The dividend consists of cash portion of 4 sen (3 sen net) per ordinary share to be paid in cash amounting to RM212,339,483 and an electable portion of 40 sen (30 sen net) per ordinary share amounting to RM2,123,394,830 which can be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The payment date for cash dividends and crediting of shares under the DRP was completed on 20 December 2010.

- (b) A first interim dividend of 28 sen per share less 25% taxation, was declared by the Bank on 21 February 2011.

The dividend consists of 4 sen (3 sen net per ordinary share) to be paid in cash amounting to RM219,667,212 and an electable portion of 24 sen (18 sen net per ordinary share) amounting to RM1,318,003,270 which can be elected to be reinvested in new ordinary shares in accordance with the DRP and subject to the relevant regulatory approvals.

The payment date for cash dividends and crediting of shares under the DRP was completed on 13 May 2011.

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A9. Securities Portfolio

	Note	Group		Bank	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Securities held-for-trading	(i)	4,141,978	2,651,103	2,884,895	2,241,928
Securities available-for-sale	(ii)	47,258,558	42,576,235	40,262,042	37,446,841
Securities held-to-maturity	(iii)	9,638,714	8,942,708	8,339,494	7,855,322
		61,039,250	54,170,046	51,486,431	47,544,091

(i) Securities Held-for-trading

At Fair value

Money market instruments:-

Malaysian Government Securities	311,479	267,762	311,479	267,762
Malaysian Government Treasury Bills	111,888	25,727	111,888	25,727
Malaysian Government Investment Issues	50,537	50,818	20,256	25,453
Bank Negara Malaysia Bills and Notes	3,658	-	3,658	-
Khazanah Bonds	59,953	-	59,953	-
Bank Negara Malaysia Monetary Notes	251,412	605,006	9,060	581,545
Foreign Government Treasury Bills	155,361	509,037	155,360	509,037
Foreign Government Securities	315,915	90,780	-	-
Foreign Certificates of Deposits	240,590	228,598	-	-
Sukuk Ijarah Bonds	-	69,902	-	49,930
	1,500,793	1,847,630	671,654	1,459,454

Quoted securities:

Shares	358,871	22,802	12,104	22,802
	358,871	22,802	12,104	22,802

Unquoted securities:

Private and Islamic Debt Securities in Malaysia	1,109,414	594,816	1,109,414	594,816
Foreign Private Debt Securities	1,172,900	185,855	1,091,723	164,856
	2,282,314	780,671	2,201,137	759,672

Total securities held-for-trading

	4,141,978	2,651,103	2,884,895	2,241,928
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(ii) Securities Available-for-sale

**At Fair value, or cost less impairment losses
for certain unquoted equity instruments**

Money market instruments:-

Malaysian Government Securities	3,750,910	5,284,696	3,679,217	5,195,698
Sukuk BNM Ijarah	11,104	-	-	-
Cagamas Bonds	1,526,312	1,978,555	1,342,316	1,746,559
Foreign Government Securities	9,053,992	7,357,037	6,751,494	5,012,151
Malaysian Government Investment Issues	7,070,669	5,655,221	3,349,048	3,153,796
Foreign Government Treasury Bills	1,157,497	2,489,382	842,567	2,352,420
Negotiable Instruments of Deposits	775,683	1,304,946	4,798,186	5,021,821
Bankers' Acceptances and Islamic Accepted Bills	588,285	1,104,706	367,352	1,026,207
Khazanah Bonds	1,173,829	830,758	867,407	578,002
Bank Negara Malaysia Monetary Notes	-	99,890	-	99,890
	25,108,281	26,105,191	21,997,587	24,186,544

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	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
A9. Securities Portfolio (cont'd.)				
(ii) Securities Available-for-sale (cont'd.)				
Quoted Securities: -				
In Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	406,380	407,559	104,814	182,936
Outside Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	311,845	82,056	18,722	35,387
	718,225	489,615	123,536	218,323
Unquoted Securities:-				
Shares, trust units and loan stocks in Malaysia	571,573	701,289	376,358	447,159
Shares, trust units and loan stocks outside Malaysia	36,112	27,449	13,908	17,024
Private and Islamic Debt Securities in Malaysia	9,791,228	9,925,149	7,633,368	8,156,657
Malaysian Government Bonds	135,336	144,475	135,336	144,475
Foreign Government Bonds	1,329,748	110,006	1,248,718	-
Foreign Islamic Private Debt Securities	9,284,751	4,713,610	8,612,607	4,091,929
Credit Linked Notes	75,439	151,784	75,439	151,784
Malaysia Global Sukuk	162,485	207,667	45,185	32,946
Structured Deposits	45,380	-	-	-
	21,432,052	15,981,429	18,140,919	13,041,974
Total securities available-for-sale	47,258,558	42,576,235	40,262,042	37,446,841
(iii) Securities Held-To-Maturity				
At Amortised cost less impairment losses				
Money market instruments:-				
Malaysian Government Securities	6,275,068	6,237,200	6,274,961	6,237,092
Cagamas Bonds	11,738	11,794	11,738	11,794
Foreign Government Securities	801,772	824,404	-	-
Malaysian Government Investment Issues	495,864	527,466	353,971	377,000
Khazanah Bonds	17,362	16,603	17,362	16,603
	7,601,804	7,617,467	6,658,032	6,642,489
Unquoted Securities:-				
Private and Islamic Debt Securities in Malaysia	1,451,903	953,988	1,421,871	923,955
Malaysian Government Bonds	6,056	6,761	6,056	6,761
Foreign Government Bonds	49,438	-	49,162	-
Foreign Islamic Private Debt Securities	558,757	394,513	233,616	312,135
Others	2,044	2,044	2,044	2,044
	2,068,198	1,357,306	1,712,749	1,244,895
Accumulated impairment losses	(31,288)	(32,065)	(31,287)	(32,062)
Total securities held-to-maturity	9,638,714	8,942,708	8,339,494	7,855,322

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A10. Loans, Advances and Financing

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
At amortised cost				
Overdrafts	15,602,979	15,393,797	11,130,114	11,442,783
Term loans				
- Housing loans/financing	42,588,643	36,293,612	33,710,861	28,805,714
- Syndicated loan/financing	16,156,890	13,053,818	13,020,361	10,487,792
- Hire purchase receivables	46,847,564	40,748,909	23,088,371	21,414,413
- Lease receivables	4,495	3,462	3,264	3,272
- Other loans/financing	107,382,363	74,264,535	62,659,172	44,827,809
Credit card receivables	5,773,326	4,973,369	4,863,738	4,233,074
Bills receivable	4,069,296	2,289,004	4,038,085	2,256,164
Trust receipts	2,394,297	2,250,995	1,976,949	1,826,866
Claims on customers under acceptance credits	12,201,913	10,316,581	8,554,699	7,434,317
Loans/financing to banks and other financial institutions	6,714,542	10,406,605	7,255,622	10,232,000
Revolving credits	25,876,169	20,853,403	18,392,134	15,930,021
Staff loans	1,976,167	1,636,344	1,001,750	959,607
Loans to				
- Executive directors of subsidiaries	3,416	839	123	435
Others	1,764,438	348,403	-	-
	289,356,498	232,833,676	189,695,243	159,854,267
Unearned interest and income	(28,176,735)	(19,575,236)	(2,826,729)	(2,775,394)
Gross loans, advances and financing	261,179,763	213,258,440	186,868,514	157,078,873
Allowances for impaired loans and financing:				
- individual	(2,932,129)	-	(2,115,897)	-
- collective	(4,271,208)	-	(3,179,773)	-
- specific	-	(3,864,832)	-	(2,842,531)
- general	-	(3,838,541)	-	(2,766,757)
Net loans, advances and financing	253,976,426	205,555,067	181,572,844	151,469,585

(i) By type of customer

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Domestic banking institutions	55,754	62,033	55,896	62,033
Domestic non-bank financial institutions				
- Stockbroking companies	662	149,044	664	148,864
- Others	17,649,116	16,228,487	13,026,400	13,102,740
Domestic business enterprise				
- Small and medium enterprise	45,677,647	32,103,764	39,498,099	27,940,298
- Others	57,198,653	51,359,497	38,861,878	35,600,785
Government and statutory bodies	2,973,103	2,470,659	2,638,335	2,403,508
Individuals	119,733,544	97,938,204	79,854,546	68,428,192
Other domestic entities	1,785,113	1,657,466	497,646	281,718
Foreign entities	16,106,171	11,289,286	12,435,050	9,110,735
Gross loans, advances and financing	261,179,763	213,258,440	186,868,514	157,078,873

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A10. Loans, Advances and Financing (cont'd.)

(ii) By geographical distribution

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Malaysia	169,773,543	144,271,765	123,380,078	109,508,669
Singapore	54,830,450	40,588,966	54,283,692	40,588,966
Indonesia	21,328,288	17,102,481	-	-
Hong Kong SAR	4,471,402	3,068,938	4,347,640	3,068,938
Labuan offshore	3,875,185	3,268,810	-	-
Philippines	1,419,000	969,478	-	-
United Kingdom	1,357,952	994,784	1,357,952	994,784
United States of America	1,176,644	753,244	1,176,644	753,244
People's Republic of China	986,362	1,017,861	986,362	1,017,861
Vietnam	524,916	480,568	524,916	480,568
Cambodia	425,790	270,905	425,790	270,905
Bahrain	226,106	236,586	226,106	236,586
Brunei	159,334	158,352	159,334	158,352
Papua New Guinea	115,297	75,702	-	-
Thailand	466,214	-	-	-
Others	43,280	-	-	-
Gross loans, advances and financing	261,179,763	213,258,440	186,868,514	157,078,873

(iii) By interest/profit rate sensitivity

Fixed rate				
- Housing loans/financing	11,855,759	12,681,639	9,147,350	9,534,313
- Hire purchase receivables	35,588,698	30,943,085	19,968,614	18,263,418
- Other fixed rate loans/financing	23,960,007	22,327,061	13,826,800	14,004,422
Variable rate				
- Base lending rate plus	94,310,265	75,881,193	78,337,866	65,916,914
- Cost plus	31,832,925	22,753,403	27,507,286	19,510,888
- Other variable rates	63,632,109	48,672,059	38,080,598	29,848,918
Gross loans, advances and financing	261,179,763	213,258,440	186,868,514	157,078,873

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A10. Loans, Advances and Financing (cont'd.)

(iv) Total loans by economic purpose

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Purchase of securities	20,743,919	14,913,407	11,575,901	10,761,268
Purchase of transport vehicles	39,687,127	34,863,190	19,967,508	17,960,857
- less Islamic loans sold to Cagamas	(682,679)	(1,137,321)	-	-
Purchase of landed properties				
- residential	46,621,777	37,684,964	38,190,785	30,447,644
- non-residential	14,623,280	9,163,803	13,435,251	8,231,420
Purchase of fixed assets (exclude landed properties)	2,966,538	2,543,374	2,963,248	2,543,167
Personal use	6,362,067	5,061,634	5,456,581	4,303,538
Credit card	5,772,335	4,974,295	4,874,082	4,233,084
Purchase of consumer durables	254,111	77,583	254,744	76,463
Construction	13,861,422	12,489,787	11,526,219	11,213,226
Merger and acquisition	52,272	45,229	52,405	45,229
Working capital	96,753,084	79,384,139	71,342,270	59,186,942
Others	14,164,510	13,194,356	7,229,520	8,076,035
Gross loans, advances and financing	261,179,763	213,258,440	186,868,514	157,078,873

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

Maturing within one year	75,170,061	69,370,810	58,385,457	56,025,479
One year to three years	27,181,422	18,691,972	17,817,419	10,608,438
Three years to five years	35,685,924	18,941,903	22,244,753	9,460,481
After five years	123,142,356	106,253,755	88,420,885	80,984,475
Gross loans, advances and financing	261,179,763	213,258,440	186,868,514	157,078,873

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A10. Loans, Advances and Financing (cont'd.)

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

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
At beginning of the year				
- as previously stated	6,186,320	6,715,232	4,639,731	5,036,313
- effect of adopting FRS 139	3,772,543	-	3,189,043	-
At beginning of the year, as restated	9,958,863	6,715,232	7,828,774	5,036,313
Impaired during the year	5,929,985	4,622,381	3,211,874	2,795,711
Reclassified as non-impaired	(2,730,159)	(2,190,759)	(1,677,728)	(1,525,988)
Recovered during the year	(2,004,428)	(1,430,570)	(1,420,027)	(874,761)
Amount written off	(2,610,648)	(1,682,059)	(1,624,278)	(925,144)
Converted to securities	(37,863)	-	(37,863)	-
Transfer from other debts	-	97,095	-	97,095
Exchange differences and expenses debited	89,751	55,000	96,744	36,505
Transfer from newly acquired subsidiaries	161,361	-	-	-
At end of the year	8,756,862	6,186,320	6,377,496	4,639,731
Less: Individual allowance	(2,932,129)	-	(2,115,897)	-
- on impaired loans	(2,932,129)	-	(2,115,897)	-
Less: Specific allowance	-	(3,864,832)	-	(2,842,531)
- on non-performing loans	-	(3,619,792)	-	(2,602,091)
- on performing loans	-	(245,040)	-	(240,440)
Net impaired loans, advances and financing	5,824,733	2,321,488	4,261,599	1,797,200
Ratio of net impaired loans:				
Post FRS 139	2.25%	-	2.31%	-
Pre FRS 139				
- Including specific allowance on non-performing loans	-	1.10%	-	1.17%
- Excluding specific allowance on non-performing loans	-	1.22%	-	1.32%

(vii) Impaired loans, advances and financing by economic purpose

Purchase of securities	116,667	47,268	82,257	39,213
Purchase of transport vehicles	276,671	239,296	111,271	131,263
Purchase of landed properties				
- residential	1,277,777	1,754,048	1,058,965	1,391,121
- non-residential	290,538	331,100	264,828	300,608
Personal use	126,271	168,062	111,542	137,982
Credit card	77,764	68,790	53,642	50,203
Purchase of consumer durables	1,163	1,635	1,159	1,632
Construction	523,361	511,676	433,545	415,140
Working capital	5,575,238	2,824,549	3,996,647	2,057,314
Others	491,412	239,896	263,640	115,255
	8,756,862	6,186,320	6,377,496	4,639,731

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A10. Loans, Advances and Financing (cont'd.)

(viii) Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Malaysia	6,712,570	5,129,136	5,769,484	4,183,641
Singapore	402,468	209,550	242,169	209,550
Indonesia	873,692	483,397	-	-
Labuan Offshore	351,094	79,900	-	-
Hong Kong SAR	84,853	114,136	84,853	114,136
Brunei	2,613	2,056	2,613	2,056
Vietnam	75,692	17,500	75,692	17,500
United Kingdom	141,478	68,511	141,478	68,511
People's Republic of China	-	20,290	-	20,290
Cambodia	12,499	24,047	12,499	24,047
Papua New Guinea	-	1,909	-	-
Philippines	50,733	35,888	-	-
United States of America	-	-	-	-
Bahrain	48,708	-	48,708	-
Thailand	462	-	-	-
	8,756,862	6,186,320	6,377,496	4,639,731

(ix) Movement in the allowance for impaired loans, advances and financing are as follows:

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
<u>Individual Allowance</u>				
At 1 July				
- as previously stated	-	-	-	-
- effect of adopting FRS 139	3,981,073	-	2,909,013	-
At 1 July, as restated	3,981,073	-	2,909,013	-
Allowance made during the year	651,725	-	471,883	-
Amount written back	(291,066)	-	(207,265)	-
Transfer to impairment losses in securities	(51,475)	-	(51,475)	-
Amount written off	(1,185,904)	-	(936,464)	-
Transfer to collective allowance	(173,038)	-	(57,227)	-
Transfer from newly acquired subsidiaries	50,315	-	-	-
Exchange differences	(49,501)	-	(12,568)	-
At end of the year	2,932,129	-	2,115,897	-
<u>Collective Allowance</u>				
At 1 July				
- as previously stated	-	-	-	-
- effect of adopting FRS 139	4,741,229	-	3,665,506	-
At 1 July, as restated	4,741,229	-	3,665,506	-
Allowance made during the year	774,955	-	117,091	-
Amount written back	(42)	-	-	-
Transfer from impairment losses in securities	13,612	-	13,612	-
Amount written off	(1,424,744)	-	(687,814)	-
Transfer from individual allowance	173,038	-	57,227	-
Exchange differences	(6,840)	-	14,151	-
At end of the year	4,271,208	-	3,179,773	-
As % of gross loans, advances and financing (including Islamic Loans sold to Cagamas) less Individual Allowance	1.65%	-	1.72%	-

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A10. Loans, Advances and Financing (cont'd.)

(ix) Movement in the allowance for impaired loans, advances and financing are as follows (cont'd):

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
<u>Specific Allowance</u>				
At 1 July				
- as previously stated	3,864,832	3,854,026	2,842,531	2,847,031
- effect of adopting FRS 139	(3,864,832)	-	(2,842,531)	-
At 1 July, as restated	-	3,854,026	-	2,847,031
Allowance made during the year	-	2,148,300	-	1,307,829
Amount written back in respect of recoveries	-	(516,138)	-	(452,438)
Amount written off	-	(1,682,059)	-	(925,144)
Transfer to general allowance	-	(1,278)	-	-
Amount transfer from other debt	-	97,095	-	97,095
Exchange differences	-	(35,114)	-	(31,842)
At end of the year	-	3,864,832	-	2,842,531
<u>General Allowance</u>				
At 1 July				
- as previously stated	3,838,541	3,725,599	2,766,757	2,937,055
- effect of adopting FRS 139	(3,838,541)	-	(2,766,757)	-
At 1 July, as restated	-	3,725,599	-	2,937,055
Allowance made during the year	-	477,569	-	-
Amount written back	-	(331,891)	-	(155,815)
Transfer from specific allowance	-	1,278	-	-
Exchange differences	-	(34,014)	-	(14,483)
At end of the year	-	3,838,541	-	2,766,757
As % of gross loans, advances and financing (including Islamic loans sold to Cagamas) less specific allowance	-	1.82%	-	1.79%

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A11. Other Assets

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Other debtors	3,643,484	3,064,999	1,146,591	2,494,749
Amount due from brokers and clients	2,016,672	146,372	-	-
Development property for sale	345,616	-	-	-
Prepayments and deposits	330,525	390,089	71,098	250,400
Tax recoverable	274,266	113,029	159,874	-
Foreclosed properties	124,959	131,592	42,802	41,709
Interest receivables	-	1,265,281	-	962,790
	6,735,522	5,111,362	1,420,365	3,749,648

A12. Deposits from Customers

(i) By type of deposit

Fixed deposits and negotiable instruments
of deposits

- One year or less	147,568,388	126,868,356	94,306,204	87,694,148
- More than one year	5,307,137	3,777,611	4,547,863	2,485,808
Money market deposits	24,614,815	16,175,570	24,614,815	16,175,570
Savings deposits	44,128,596	38,779,000	32,024,849	28,860,081
Demand deposits	57,696,718	48,779,470	43,853,536	38,084,642
Structured deposits *	2,660,725	2,529,781	2,118,141	2,079,492
	281,976,379	236,909,788	201,465,408	175,379,741

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

(ii) By type of customer

Business enterprises	125,471,400	102,732,216	88,232,244	74,625,538
Individuals	123,589,127	111,773,287	96,557,071	91,052,361
Government and statutory bodies	10,418,229	10,566,271	3,464,642	3,770,907
Others	22,497,623	11,838,014	13,211,451	5,930,935
	281,976,379	236,909,788	201,465,408	175,379,741

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

Due within six months	121,375,160	102,449,544	70,896,420	65,061,280
Six months to one year	26,193,228	24,418,812	23,409,784	22,632,868
One year to three years	4,876,438	3,298,907	4,414,265	2,377,628
Three years to five years	424,590	343,318	133,598	91,880
After five years	6,109	135,386	-	16,300
	152,875,525	130,645,967	98,854,067	90,179,956

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	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
A13. Deposits and Placement of Banks and Other Financial Institutions				
Licensed banks	23,712,986	13,116,287	24,816,195	14,072,624
Licensed finance companies	41,326	347,957	30,652	214,524
Licensed investment banks	429,662	990,017	429,663	990,017
Other financial institutions	9,119,681	8,803,607	6,165,165	7,652,657
	33,303,655	23,257,868	31,441,675	22,929,822
Maturity structure of deposits and placements of banks and other financial institutions				
- One year or less	27,731,454	17,429,944	26,060,606	17,331,142
- More than one year	5,572,201	5,827,924	5,381,069	5,598,680
	33,303,655	23,257,868	31,441,675	22,929,822
A14. Borrowings, Subordinated Obligations and Capital Securities				
(i) Borrowings				
Secured and Unsecured				
- less than one year	1,357,969	1,461,557	120,920	1,289,192
- more than one year	4,089,151	1,363,307	3,299,579	809,125
	5,447,120	2,824,864	3,420,499	2,098,317
(ii) Subordinated obligations				
Unsecured				
- more than one year	10,800,539	8,069,116	9,509,786	8,069,116
(iii) Capital Securities				
Unsecured				
- more than one year	6,120,774	5,978,752	6,120,774	5,978,752
A15. Other Liabilities				
Due to brokers and clients	4,200,630	511,829	-	-
Deposits and other creditors	3,870,732	2,680,035	2,631,835	1,134,818
Provisions and accruals	2,356,192	2,006,024	1,608,321	1,563,740
Provision for outstanding claims	464,123	437,200	-	-
Unearned premium reserves	324,929	317,570	-	-
Profit equalisation reserves	95,247	4,228	-	-
Interest/Profit payable	-	994,634	-	857,311
	11,311,853	6,951,520	4,240,156	3,555,869

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A16. Interest Income

	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
<u>Group</u>				
Loans, advances and financing	2,492,500	2,205,992	9,538,327	8,599,892
Money at call and deposit placements with financial institutions	131,811	108,930	428,458	411,668
Securities purchased under resale agreements	3,025	1,675	10,695	5,817
Securities held-for-trading	23,692	13,021	88,785	59,930
Securities available-for-sale	406,816	369,559	1,555,760	1,543,461
Securities held-to-maturity	107,289	105,497	432,073	419,378
	3,165,133	2,804,674	12,054,098	11,040,146
Amortisation of premium less accretion of discounts	(4,461)	(11,304)	(16,111)	(46,404)
Net interest income clawed back/suspended	-	(9,383)	-	(38,522)
	3,160,672	2,783,987	12,037,987	10,955,220
<u>Bank</u>				
Loans, advances and financing	1,833,917	1,683,922	7,040,484	6,568,933
Money at call and deposit placements with financial institutions	90,912	84,880	354,306	344,712
Securities purchased under resale agreements	57	161	67	600
Securities held-for-trading	23,036	9,937	76,293	52,671
Securities available-for-sale	362,868	315,565	1,376,684	1,336,057
Securities held-to-maturity	92,478	88,844	368,084	340,988
	2,403,268	2,183,309	9,215,918	8,643,961
Amortisation of premium less accretion of discounts	(5,895)	(12,031)	(20,980)	(50,200)
Net interest income clawed back/suspended	-	(9,383)	-	(38,522)
	2,397,373	2,161,895	9,194,938	8,555,239

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A17. Interest Expense

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	105,024	39,199	357,708	191,008
Deposits from customers	956,199	705,358	3,527,148	2,913,339
Loans sold to Cagamas	-	1,127	1,121	5,100
Floating rate certificates of deposits	539	444	2,017	1,075
Borrowings	65,449	42,419	213,001	164,984
Subordinated obligations	49,562	33,266	149,080	137,995
Subordinated bonds	31,303	49,117	150,423	220,113
Capital Securities	99,583	98,537	397,258	397,927
Net interest on derivative	26,275	22,314	54,301	152,806
	1,333,934	991,781	4,852,057	4,184,347

Bank

Deposits and placements of banks and other financial institutions	107,506	40,466	355,418	193,627
Deposits from customers	681,848	504,440	2,537,891	2,084,960
Loans sold to Cagamas	-	1,127	1,121	5,100
Floating rate certificates of deposits	539	444	2,017	1,075
Borrowings	10,966	4,105	26,723	20,890
Subordinated obligations	49,562	33,266	149,080	137,995
Subordinated bonds	33,654	44,839	152,774	179,800
Capital Securities	99,583	98,537	397,258	397,927
Net interest on derivative	13,015	19,063	32,236	139,230
	996,673	746,287	3,654,518	3,160,604

A18. Non-interest Income

Group

(a) Fee income:				
Commission	181,244	197,825	705,594	663,387
Service charges and fees	296,792	233,790	1,028,009	951,169
Guarantee fees	42,790	34,422	135,734	134,090
Underwriting fees	29,834	11,167	57,094	41,508
Brokerage income	119,473	21,234	219,767	89,060
Other loans related fee income	143,984	137,826	524,313	487,584
	814,117	636,264	2,670,511	2,366,798
(b) Net gain arising from:				
Sale of securities held-for trading	1,126	14,547	1,784	28,612
Sale of securities available-for-sale	28,926	25,423	341,934	191,045
Redemption of securities held-to-maturity	-	-	439	2,267
Net gain from sale of subsidiary company	-	28	-	659
	30,052	39,998	344,157	222,583
(c) Gross dividend from securities portfolio	11,868	11,856	31,205	30,427
(d) Unrealised (loss)/gain on revaluation of:				
- securities held-for-trading	(30,751)	8,668	(47,958)	5,060
- derivatives	(41,609)	(47,858)	283,482	306,237
	(72,360)	(39,190)	235,524	311,297
(e) Other income:				
Foreign exchange profit	284,124	129,128	561,508	517,220
Rental income	5,771	5,155	23,169	24,175
Gain on disposal of property and equipment (net)	12,371	4,458	16,631	19,115
Gain/(Loss) on disposal of foreclosed properties	2,393	(1,133)	3,926	66
Sale of development property	37,929	-	37,929	-
Others	70,395	39,620	190,095	200,999
	412,983	177,228	833,258	761,575
Total non-interest income	1,196,660	826,156	4,114,655	3,692,680

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A18. Non-interest Income (cont'd.)

	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
<u>Bank</u>	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	161,946	177,787	626,850	569,303
Service charges and fees	188,368	171,671	737,584	716,528
Guarantee fees	38,563	28,062	118,160	113,546
Underwriting fees	4,482	9,714	23,492	30,134
Brokerage income	2	52	235	57
Other loans related fee income	39,239	29,734	125,226	135,647
	432,600	417,020	1,631,547	1,565,215
(b) Net (loss)/gain arising from:				
Sale of securities held-for trading	(393)	11,241	11,019	14,320
Sale of securities available-for-sale	17,522	15,279	276,304	123,752
Gain on liquidation of subsidiaries	-	29	595	29
Redemption of securities held-to-maturity	-	-	439	1,838
	17,129	26,549	288,357	139,939
(c) Gross dividend income from:				
Securities portfolio	6,382	8,197	15,942	24,379
Subsidiary companies	165,143	245,031	351,690	869,862
Associated companies	-	4,273	5,913	8,563
	171,525	257,501	373,545	902,804
(d) Unrealised (loss)/gain on revaluation of:				
- securities held-for-trading	(12,008)	10,416	(31,761)	11,322
- derivatives	(33,527)	(33,318)	277,743	315,028
	(45,535)	(22,902)	245,982	326,350
(e) Other income:				
Foreign exchange profit	261,141	104,422	456,028	442,345
Rental income	5,561	5,589	22,035	23,449
Gain on disposal of property and equipment (net)	11,452	760	14,414	12,883
Gain on disposal of foreclosed property	93	-	93	-
Others	8,371	10,263	34,900	57,189
	286,618	121,034	527,470	535,866
Total non-interest income	862,337	799,202	3,066,901	3,470,174

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A19. Overhead Expenses

<u>Group</u>	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Personnel costs				
- Salaries, allowances and bonuses	734,293	553,472	2,691,440	2,265,710
- Pension costs	63,836	77,458	300,408	278,299
- Shares/Options granted under Employee's Shares Scheme	65,000	-	65,000	-
- Others	171,155	112,407	510,906	374,412
	1,034,284	743,337	3,567,754	2,918,421
Establishment costs				
- Depreciation	51,564	45,566	173,213	183,009
- Amortisation of intangible assets	6,589	35,712	114,915	151,779
- Rental of leasehold land and premises	50,557	40,249	174,916	158,538
- Repairs and maintenance of property and equipment	36,095	30,770	122,633	111,533
- Information technology expenses	161,249	107,701	510,130	479,322
- Others	5,291	4,644	17,141	24,311
	311,345	264,642	1,112,948	1,108,492
Marketing expenses				
- Advertisement and publicity	106,266	53,984	375,240	363,459
- Others	25,546	(961)	102,785	75,000
	131,812	53,023	478,025	438,459
Administration and general expenses				
- Fees and brokerage	183,347	118,958	505,198	420,405
- Administrative expenses	142,825	99,706	466,650	398,793
- General expenses	119,350	170,043	453,192	508,394
- Cost of development property	32,235	-	32,235	-
- Others	6,917	24,921	36,182	32,570
	484,674	413,628	1,493,457	1,360,162
	1,962,115	1,474,630	6,652,184	5,825,534

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A19. Overhead Expenses (cont'd.)

	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Bank				
Personnel costs				
- Salaries, allowances and bonuses	473,193	423,602	1,889,916	1,703,243
- Pension costs	51,482	74,176	261,920	257,950
- Shares/Options granted under Employee's Shares Scheme	65,000	-	65,000	-
- Others	110,963	63,145	329,734	223,109
	700,638	560,923	2,546,570	2,184,302
Establishment costs				
- Depreciation	32,141	33,844	117,638	131,692
- Amortisation of intangible assets	10,725	10,904	48,773	44,429
- Rental of leasehold land and premises	23,527	19,918	88,314	81,454
- Repairs and maintenance of property and equipment	18,237	21,527	64,988	68,916
- Information technology expenses	141,858	99,041	465,280	443,473
- Others	2,903	4,214	10,569	15,907
	229,391	189,448	795,562	785,871
Marketing expenses				
- Advertisement and publicity	67,075	25,795	218,776	221,396
- Others	22,820	(4,218)	95,516	56,891
	89,895	21,577	314,292	278,287
Administration and general expenses				
- Fees and brokerage	103,075	112,831	361,714	380,215
- Administrative expenses	74,550	49,394	245,685	213,235
- General expenses	39,331	86,025	138,578	219,469
- Others	612	25,460	9,543	30,521
	217,568	273,710	755,520	843,440
Overhead expenses allocated to subsidiary company	(134,598)	(108,928)	(478,146)	(377,091)
	1,102,894	936,730	3,933,798	3,714,809

A20. Allowance for Impairment on Loans, Advances and Financing

	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Group				
Allowance for impaired loans and financing:				
- collective allowance made	459,294	-	774,913	-
- individual allowance made	(224,148)	-	651,725	-
- individual allowance written back	(48,283)	-	(291,066)	-
- general allowance made	-	84,848	-	145,678
- specific allowance	-	557,834	-	2,148,300
- specific allowance written back	-	(115,134)	-	(516,138)
Impaired loans and financing written off	9,385	24,866	32,203	31,797
Impaired loans and financing recovered	(177,201)	(232,423)	(702,467)	(586,626)
(Written back) / Provision for other debts	28,670	553	36,858	3,056
	47,717	320,544	502,166	1,226,067
Bank				
Allowance for bad and doubtful debts and financing:				
- collective allowance made/(written back)	(110,942)	-	117,091	-
- individual allowance made	151,571	-	471,883	-
- individual allowance written back	(34,431)	-	(207,265)	-
- general allowance made / (written back)	-	(148,307)	-	(155,815)
- specific allowance	-	323,790	-	1,307,829
- specific allowance written back	-	(105,549)	-	(452,438)
Impaired loans and financing written off	7,128	24,743	25,691	30,152
Impaired loans and financing recovered	(99,582)	(171,486)	(416,997)	(384,739)
Provision/(written back) for other debts	11,018	183	11,793	2,967
	(75,238)	(76,626)	2,196	347,956

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A21. Segment Information

The Group determines and presents operating segments based on information provided to the board and senior management of the Group.

The Group is organised into four (4) segments based on services and products available within the group as follows:

(a) Community Financial Services ("CFS")

(i) Consumer banking

Consumer banking comprises the full range of products and services offered to individuals in Malaysia, including savings and fixed deposits, remittance services, current accounts, consumer loans such as housing loans and personal loans, hire purchases, unit trusts, bancassurance products and credit cards.

(ii) Small, Medium Enterprise ("SME") Banking

Small, Medium Enterprise banking comprises the full range of products and services offered to small and medium enterprises in Malaysia. The products and services offered include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(iii) Business Banking

Business banking comprises the full range of products and services offered to commercial enterprises in Malaysia. The products and services offered include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(b) Global Wholesale Banking ("GWB")

(i) Corporate Banking Malaysia

Corporate Banking comprises the full range of products and services offered to business customers in the region, ranging from large corporate and the public sector. The products and services offered include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(ii) Global Market Malaysia

Global market comprises the full range of products and services relating to treasury activities and services, including foreign exchange, money market, derivatives and trading of capital market.

(iii) Investment banking (Maybank IB and Kim Eng Group)

Investment banking comprises the investment banking and securities broking business. This segment focuses on business needs of mainly large corporate customers and financial institutions. The products and services offered to customers include corporate advisory services, bond issuance, equity issuance, syndicated acquisition advisory services, debt restructuring advisory services, and share and futures dealings.

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A21. Segment Information (cont'd.)

(c) Insurance, Takaful and Asset Management

Insurance, takaful and asset management comprise the business of underwriting all classes of general and life insurance businesses, offshore investment life insurance business, general takaful and family takaful businesses, asset and fund management, nominee and trustee services and custodian services

(d) International banking

On the international front, the domestic CFS business is driven in-country whilst the wholesale banking for each country has a reporting line to the Global Wholesale Banking ("GWB"). For purpose of management information reporting, the GWB performance is shown separately and comprises Corporate Banking and Global Market in Malaysia as well as the investment banking business and the international banking performance comprises both the wholesale banking and CFS banking outside of Malaysia for example, Singapore and Indonesia..

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A21. Segment Information (cont'd.)

By Business Segments (cont'd.)

	<===== Business Segments =====>							Total RM'000
	<===== GWB =====>							
Twelve Months Ended 30 June 2011	Community Financial Services RM'000	Corporate Banking RM'000	Global Market RM'000	Investment Banking RM'000	International Banking RM'000	Insurance, Takaful and Asset Management RM'000	Head Office and Others RM'000	
Net interest income and Islamic banking income								
- external	4,659,970	852,220	702,770	85,831	2,760,233	70,952	(384,173)	8,747,803
- Inter-segment	-	-	-	3,069	(3,733)	19,848	(19,184)	-
	4,659,970	852,220	702,770	88,900	2,756,500	90,800	(403,357)	8,747,803
Net interest income and Islamic banking income	4,659,970	852,220	702,770	88,900	2,756,500	90,800	(403,357)	8,747,803
Net income from insurance business	-	-	-	-	-	557,306	-	557,306
Non-interest income	1,564,860	427,280	865,480	393,214	1,421,300	276,682	(834,161)	4,114,655
Net income	6,224,830	1,279,500	1,568,250	482,114	4,177,800	924,788	(1,237,518)	13,419,764
Overhead expenses	(3,285,296)	(205,618)	(145,253)	(338,509)	(2,270,962)	(406,546)	-	(6,652,184)
Allowance for losses on loans, advances and financing	50,510	10,166	-	5,288	(544,305)	(23,825)	-	(502,166)
Impairment losses on securities, net	-	-	(101,705)	(13,382)	(8,072)	(6,796)	-	(129,955)
Operating Profit	2,990,044	1,084,048	1,321,292	135,511	1,354,461	487,621	(1,237,518)	6,135,459
Share of profits in associates	-	-	-	-	135,008	-	-	135,008
Profit before taxation and zakat	2,990,044	1,084,048	1,321,292	135,511	1,489,469	487,621	(1,237,518)	6,270,467
Taxation and zakat								(1,650,709)
Profit after taxation and zakat								4,619,758
Non-controlling interest								(169,480)
Profit for the year								4,450,278

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A21. Segment Information (cont'd.)

By Business Segments (cont'd.)

Twelve Months Ended 30 June 2010	<===== Business Segments =====>							Total RM'000
	<===== GWB =====>					Insurance, Takaful and Asset Management RM'000	Head Office and Others RM'000	
	Community Financial Services RM'000	Corporate Banking RM'000	Global Market RM'000	Investment Banking RM'000	International Banking RM'000			
Net interest income and Islamic banking income								
- external	4,631,800	693,900	827,200	25,149	2,558,828	106,281	(637,541)	8,205,617
- Inter-segment	-	-	-	3,651	2,172	(19,001)	13,178	-
	4,631,800	693,900	827,200	28,800	2,561,000	87,280	(624,363)	8,205,617
Net interest income and Islamic banking income	4,631,800	693,900	827,200	28,800	2,561,000	87,280	(624,363)	8,205,617
Net income from insurance business	-	-	-	-	-	424,907	-	424,907
Non-interest income	1,497,700	361,500	677,900	206,800	1,187,600	243,469	(482,289)	3,692,680
Net income	6,129,500	1,055,400	1,505,100	235,600	3,748,600	755,656	(1,106,652)	12,323,204
Overhead expenses	(3,122,195)	(140,185)	(98,653)	(112,709)	(2,038,919)	(312,873)	-	(5,825,534)
Allowance for losses on loans, advances and financing	(225,363)	(422,917)	-	20,900	(597,474)	(1,213)	-	(1,226,067)
Impairment losses on securities, net	-	-	(39,830)	-	16,800	-	-	(23,030)
Operating Profit	2,781,942	492,298	1,366,617	143,791	1,129,007	441,570	(1,106,652)	5,248,573
Share of profits in associates	-	-	-	-	121,835	-	-	121,835
Profit before taxation and zakat	2,781,942	492,298	1,366,617	143,791	1,250,842	441,570	(1,106,652)	5,370,408
Taxation and zakat								(1,401,958)
Profit after taxation and zakat								3,968,450
Non-controlling interest								(150,283)
Profit for the year								3,818,167

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A22. 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 2010.

A23. Subsequent Events

There were no material events subsequent to the reporting date, other than disclosed in Note B8.

A24. 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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A25. Commitments and Contingencies

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 2011			As at 30 June 2010		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk weighted amount* RM'000	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
Credit-related						
Direct credit substitutes	6,752,978	6,227,511	4,099,984	5,209,922	5,209,922	4,151,936
Certain transaction-related contingent items	11,877,557	5,432,538	4,249,138	11,443,670	5,721,837	5,062,677
Short-term self-liquidating trade-related contingencies	2,568,575	823,220	466,841	3,137,785	627,557	487,491
Islamic housing and hire purchase loans sold to Cagamas Berhad	682,679	623,084	226,105	1,137,321	1,137,321	1,137,321
Obligations under underwriting agreements	-	-	-	123,871	46,936	9,387
Irrevocable commitments to extend credit:						
- maturity within one year	90,585,383	3,377,523	1,577,558	79,635,652	-	-
- maturity exceeding one year	17,429,274	6,027,366	2,818,245	10,950,125	5,475,064	5,296,484
Miscellaneous commitments and contingencies	9,605,986	95,365	71,442	4,565,804	-	-
Total credit-related commitment and contingencies	139,502,432	22,606,607	13,509,313	116,204,150	18,218,637	16,145,296

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A25. Commitments and Contingencies (cont'd.)

Group (cont'd.)

	As at 30 June 2011			As at 30 June 2010		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk weighted amount* RM'000	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
<u>Derivative Financial Instruments</u>						
<u>Foreign exchange related contracts</u>						
- less than one year	73,596,336	999,219	341,316	52,397,492	882,747	251,119
- one year to less than five years	12,391,864	98,952	65,569	2,280,351	43,330	15,103
- five years and above	605,885	54,096	52,937	-	-	-
	86,594,085	1,152,267	459,822	54,677,843	926,077	266,222
<u>Interest rate related contracts</u>						
- less than one year	42,098,665	625,318	389,499	41,784,791	1,815,893	440,726
- one year to less than five years	17,922,122	2,944,133	1,495,547	15,615,090	459,891	143,487
- five years and above	5,120,193	733,014	316,936	2,657,835	433,752	158,705
	65,140,980	4,302,465	2,201,982	60,057,716	2,709,536	742,918
<u>Equity and commodity related contracts</u>						
- less than one year	808,651	-	-	1,333,626	-	-
- one year to less than five years	155,607	-	-	-	-	-
	964,258	-	-	1,333,626	-	-
Total treasury-related commitments and contingencies	152,699,323	5,454,732	2,661,804	116,069,185	3,635,613	1,009,140
	292,201,755	28,061,339	16,171,117	232,273,335	21,854,250	17,154,436

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A25. Commitments and Contingencies (cont'd.)

	As at 30 June 2011			As at 30 June 2010		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk weighted amount* RM'000	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
<u>Bank</u>						
<u>Credit-related</u>						
Direct credit substitutes	4,649,552	4,649,552	3,915,147	3,659,767	3,659,767	3,269,184
Certain transaction-related contingent items	10,543,747	4,935,629	3,801,327	10,618,480	5,309,241	4,683,204
Short-term self-liquidating trade-related contingencies	2,408,875	760,622	443,172	2,961,992	592,399	461,530
Obligations under underwriting agreements	-	-	-	93,871	46,936	9,387
Irrevocable commitments to extend credit:						
- maturity within one year	78,255,915	2,613,454	1,369,225	70,392,423	-	-
- maturity exceeding one year	15,431,262	5,632,158	2,722,472	9,663,589	4,831,795	4,684,632
Miscellaneous commitments and contingencies	9,576,083	95,365	71,442	4,545,123	-	-
Total credit-related commitment and contingencies	120,865,434	18,686,780	12,322,785	101,935,245	14,440,138	13,107,937

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A25. Commitments and Contingencies (cont'd.)

	As at 30 June 2011			As at 30 June 2010		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk weighted amount* RM'000	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
<u>Bank (cont'd.)</u>						
<u>Derivative Financial Instruments</u>						
<u>Foreign exchange related contracts</u>						
- less than one year	69,241,688	974,508	330,847	49,578,656	860,175	246,408
- one year to less than five years	11,703,995	98,952	65,569	2,280,351	43,330	15,103
- five years and above	605,885	54,096	52,937	-	-	-
	81,551,568	1,127,556	449,353	51,859,007	903,505	261,511
<u>Interest rate related contracts</u>						
- less than one year	39,794,395	618,202	386,088	41,625,767	1,815,310	440,580
- one year to less than five years	17,674,164	2,899,881	1,473,840	14,047,226	419,989	133,449
- five years and above	4,996,206	733,014	344,942	2,415,491	418,729	151,194
	62,464,765	4,251,097	2,204,870	58,088,484	2,654,028	725,223
<u>Equity and commodity related contracts</u>						
- less than one year	808,651	-	-	1,333,626	-	-
- one year to less than five years	155,607	-	-	-	-	-
	964,258	-	-	1,333,626	-	-
Total treasury-related commitments and contingencies	144,980,591	5,378,653	2,654,223	111,281,117	3,557,533	986,734
	265,846,025	24,065,433	14,977,008	213,216,362	17,997,671	14,094,671

* 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. The risk-weighted amount as at 30 June 2011 is based on Basel II Risk Weighted Capital Adequacy Framework while the risk-weighted amount as at 30 June 2010 is based on Basel I Risk Weighted Capital Adequacy Framework.

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A25. Commitments and Contingencies (cont'd.)

- (i) The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risk, as follows:

Market Risk

Market risk on derivatives is the potential loss to the value of these contracts due to changes in price of the underlying items such as equities, interest rates, foreign exchange, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amount at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 30 June 2011, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM435.4 million (30 June 2010: RM509.2 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

- (ii) Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as at fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 June 2011, the Group and the Bank have posted cash collateral of RM143,159,000 on their derivative contracts.

- (iii) There have been no changes since the end of the previous financial year in respect of the following:

- (a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- (b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- (c) the related accounting policies.

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A26. Capital Adequacy

a) Compliance and Application of Capital Adequacy Ratios

On 29 June 2010, the Bank and its subsidiary, Maybank Islamic Berhad ("MIB") have received approval from Bank Negara Malaysia ("BNM") to migrate to Internal-Rating Based Approach for credit risk under Basel II Risk Weighted Capital Adequacy Framework from 1 July 2010 onwards.

With effect from 1 July 2010, the capital adequacy ratios are computed as follows:

- (a) Group, Bank and Maybank Islamic Berhad ("MIB")'s ratios are computed in accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II "RWCAF" issued on 1 April 2010) as follows:
- (i) Credit risk under Internal-Ratings Based Approach
 - (ii) Market risk under Standardised Approach
 - (iii) Operational risk under Basic Indicator Approach

The minimum regulatory capital adequacy requirement is 8% (2010: 8%) for the risk-weighted capital ratios.

- (b) Maybank Investment Bank Berhad ("Maybank IB") on a standalone basis is computed in accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II "RWCAF" issued on 1 April 2010) under Standardised Approach for credit and market, whereas operational risk is under the Basic Indicator Approach. The minimum regulatory capital adequacy requirement is 8% (2010: 8%) for the risk-weighted capital ratios.

- (c) PT Bank Internasional Indonesia Tbk on a standalone basis is computed in accordance with local requirements, which is based on the Basel I capital accord. The minimum regulatory capital adequacy requirement is 8% (2010: 8%) for the risk-weighted capital ratios. However, for disclosure at Maybank Group level, the computation was based on the capital adequacy rules of the overseas jurisdiction (parent company) namely Maybank Group, using Basel II RWCAF rules, as PT Bank Internasional Indonesia Tbk is considered a significant overseas subsidiary.

The comparative capital adequacy ratios for 30 June 2010 were in compliance with Basel I Risk-Weighted Capital Adequacy Framework and have not been restated in accordance with Para 7.2(1) of the Basel II RWCA Framework, which does not require disclosures in respect of previous period upon first time adoption.

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A26. Capital Adequacy (cont'd.)

b) The capital adequacy ratios of the Group and the Bank as at the following dates:

In determining the capital adequacy ratio, the proposed gross dividend consists of an electable portion of 28 sen (21 sen net per ordinary share) which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Plan as disclosed in Note B8(b).

Thereof, there will be a range of extreme possibilities that the full electable portion is reinvested in new ordinary shares or the full electable portion is not reinvested but paid in cash.

Based on the above, the range of capital adequacy ratios of the Group and the Bank after deducting the proposed dividend are as follows:

	Group		Bank	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
<u>Basel II</u>				
Before deducting proposed dividend:				
Core capital ratio	11.93%	-	13.44%	-
Risk-weighted capital ratio	15.45%	-	13.44%	-
After deducting proposed dividend:				
Core capital ratio, assuming:				
- full electable portion paid in cash	11.21%	-	12.49%	-
- full electable portion reinvested	11.84%	-	13.32%	-
Risk-weighted capital ratio, assuming:				
- full electable portion paid in cash	14.72%	-	12.49%	-
- full electable portion reinvested	15.36%	-	13.32%	-
<u>Basel I</u>				
Before deducting proposed dividend:				
Core capital ratio	-	11.06%	-	15.02%
Risk-weighted capital ratio	-	14.67%	-	15.02%
After deducting proposed dividend:				
Core capital ratio, assuming:				
- full electable portion paid in cash	-	10.10%	-	13.78%
- full electable portion reinvested	-	10.97%	-	14.91%
Risk-weighted capital ratio, assuming:				
- full electable portion paid in cash	-	13.71%	-	13.78%
- full electable portion reinvested	-	14.58%	-	14.91%

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A26. Capital Adequacy (cont'd.)

c) Components of Tier I and Tier II capital:

	Group		Bank	
	30 June 2011 RM '000	30 June 2010 RM '000	30 June 2011 RM '000	30 June 2010 RM '000
<u>Tier I capital</u>				
Paid-up share capital	7,478,206	7,077,983	7,478,206	7,077,983
Share premium	8,583,711	5,903,497	8,583,711	5,903,497
Other reserves	14,779,856	13,813,992	11,790,065	12,506,193
Capital Securities	6,065,486	5,978,752	6,065,486	5,978,752
	<u>36,907,259</u>	<u>32,774,224</u>	<u>33,917,468</u>	<u>31,466,425</u>
Less: Deferred tax assets ¹	(1,383,388)	(1,564,963)	(920,837)	(1,148,176)
Less: Goodwill ¹	(6,049,900)	(4,154,486)	(81,015)	(81,015)
Total Tier I capital	<u>29,473,971</u>	<u>27,054,775</u>	<u>32,915,616</u>	<u>30,237,234</u>
<u>Tier II capital</u>				
Subordinated obligations	10,732,475	8,069,116	9,458,980	8,069,116
Collective allowance for bad and doubtful debts	995,632	3,838,541	449,884	3,015,865
Total Tier II capital	<u>11,728,107</u>	<u>11,907,657</u>	<u>9,908,864</u>	<u>11,084,981</u>
Total capital	41,202,078	38,962,432	42,824,480	41,322,215
Less: Investment in subsidiary companies and associates ²	(2,924,965)	(3,065,249)	(17,457,434)	(13,009,007)
Less: Other deductions				
Liquidity reserve	(1,492)	(18,060)	(1,492)	(18,051)
Securitisation exposures held in the banking book	(16,796)	-	(16,796)	-
Excess of EL ³ over EP ³	(108,217)	-	(37,149)	-
Capital base	<u>38,150,608</u>	<u>35,879,123</u>	<u>25,311,609</u>	<u>28,295,157</u>

¹ Under Bank Negara Malaysia Guidelines, deferred tax and goodwill are required to be excluded from Tier I capital.

² Excludes the cost of investment in subsidiary companies and associates, except for Myfin Berhad of RM18,993,759, 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.

³ EP is defined as eligible provision and EL is defined as expected loss.

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A26. Capital Adequacy (cont'd.)

⁴ The capital adequacy ratios of the Group consist of capital base and risk-weighted assets derived from consolidated balances of the Bank and its subsidiaries, excluding the investments in insurance entities and associates. The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and its wholly-owned offshore banking subsidiary company, Maybank International (L) Ltd., excluding the cost of investment in subsidiary companies and associates (except for Myfin Behad amounting to RM18,993,759 as its business assets and liabilities have been transferred to the Bank).

d) The capital adequacy ratios of the banking subsidiaries of Group are as follows:

	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Internasional Indonesia Tbk
<u>30 June 2011</u>			
Before deducting proposed dividends			
Core capital ratio	10.31%	24.72%	-
Risk-weighted capital ratio	13.02%	24.72%	13.06%
After deducting proposed dividends			
Core capital ratio	9.46%	24.72%	-
Risk-weighted capital ratio	12.17%	24.72%	13.06%
<u>30 June 2010</u>			
Before deducting proposed dividends			
Core capital ratio	9.14%	35.60%	-
Risk-weighted capital ratio	10.66%	37.37%	14.87%
After deducting proposed dividends			
Core capital ratio	8.57%	35.60%	-
Risk-weighted capital ratio	10.09%	37.37%	14.87%

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A26. Capital Adequacy (cont'd.)

e) The breakdown of Assets and Credit Equivalent values according to Risk Weighted as follows:

At 30 June 2011 - Basel II

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Internasional Indonesia Tbk RM'000
Standardised Approach exposure	60,236,549	31,459,666	3,753,922	1,040,223	21,381,949
IRB Approach exposure after scaling factor	147,528,075	129,381,636	23,571,746	-	-
Total risk-weighted assets for credit risk	207,764,624	160,841,302	27,325,668	1,040,223	21,381,949
Total risk-weighted assets for credit risk absorbed by Maybank Berhad*	-	-	(206,402)	-	-
Total risk-weighted assets for market risk	15,991,249	9,692,832	149,810	156,475	270,737
Total risk-weighted assets for operational risk	23,223,860	17,738,110	2,334,044	476,309	3,215,865
Additional RWA due to capital floor	-	-	7,154,554	-	-
Total risk-weighted assets	246,979,733	188,272,244	36,757,674	1,673,007	24,868,551

* In accordance with BNM's guideline on the recognition and measurement of Restricted Profit Sharing Investment Account ("RPSIA") as Risk Absorbent, the credit risk on the assets funded by the RPSIA are excluded from the risk weighted capital ("RWCR") calculation.

At 30 June 2010 - Basel I

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Internasional Indonesia Tbk RM'000
0%	-	-	-	-	-
10%	35,853	2,668	28,000	-	-
20%	6,812,838	7,104,318	375,211	88,944	-
50%	18,129,592	14,603,632	2,640,748	1,446	-
75%	-	-	-	22,658	-
100%	192,475,276	143,201,723	31,473,796	311,157	-
150%	-	-	-	90,718	-
Total risk-weighted assets for credit risk	217,453,559	164,912,341	34,517,755	514,923	17,053,004
Total risk-weighted assets for market risk	27,081,304	23,431,606	483,259	112,576	173,353
Total risk-weighted assets for operational risk	-	-	-	425,635	965,181
Total risk-weighted assets for credit and market risks	244,534,863	188,343,947	35,001,014	1,053,134	18,191,538

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A27. Derivative Financial Instruments

The following tables summarise the contractual or underlying principal amounts of trading derivatives and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the reporting date, and do not represent amounts at risk.

Trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Derivative Financial Instruments" Assets and Liabilities respectively.

	Group			Bank		
	Principal Amount RM'000	Fair Value		Principal Amount RM'000	Fair Value	
	Assets Amount RM'000	Liabilities Amount RM'000		Assets Amount RM'000	Liabilities Amount RM'000	
As at 30 June 2011						
Trading derivatives						
<u>Foreign exchange related contracts:</u>						
Currency forward						
- Less than one year	22,154,987	115,780	(128,485)	17,215,104	78,689	(91,170)
- One year to three years	428,114	11,639	(13,146)	428,114	11,639	(13,146)
- More than three years	290,945	18,349	(111)	290,945	18,349	(111)
	22,874,046	145,768	(141,742)	17,934,163	108,677	(104,427)
Currency swaps						
- Less than one year	43,497,687	298,339	(228,440)	43,497,687	298,339	(228,440)
- One year to three years	589,231	19,791	(7,071)	589,231	19,791	(7,071)
- More than three years	290,944	123	(17,160)	290,945	123	(17,160)
	44,377,862	318,253	(252,671)	44,377,863	318,253	(252,671)
Currency spots						
- Less than one year	2,305,804	8,571	(15,047)	2,203,170	8,541	(14,977)
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	2,305,804	8,571	(15,047)	2,203,170	8,541	(14,977)
Currency options						
- Less than one year	4,546,215	13,388	(8,344)	4,546,215	13,388	(8,344)
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	4,546,215	13,388	(8,344)	4,546,215	13,388	(8,344)
Cross currency interest rate swaps						
- Less than one year	607,365	26,284	(26,006)	607,365	26,284	(26,006)
- One year to three years	3,495,130	182,155	(53,499)	3,495,130	182,155	(53,499)
- More than three years	5,307,678	87,568	(162,431)	5,307,678	87,568	(162,431)
	9,410,173	296,007	(241,936)	9,410,173	296,007	(241,936)
<u>Interest rate derivatives</u>						
Interest rate swaps						
- Less than one year	12,300,584	105,386	(113,058)	10,700,584	104,483	(112,623)
- One year to three years	23,972,146	162,163	(183,755)	23,972,146	162,163	(183,755)
- More than three years	21,713,328	191,563	(233,589)	21,713,328	206,964	(233,588)
	57,986,058	459,112	(530,402)	56,386,058	473,610	(529,966)
Interest rate futures						
- Less than one year	1,252,719	281	-	1,252,719	243	-
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	1,252,719	281	-	1,252,719	243	-
Interest rate options						
- Less than one year	610,117	2,431	(44,206)	36,813	-	-
- One year to three years	1,483,240	14,548	-	1,483,240	14,548	-
- More than three years	872,904	1,110	(105,905)	872,904	1,110	(105,905)
	2,966,261	18,089	(150,111)	2,392,957	15,658	(105,905)

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A27. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	Fair Value		Principal Amount RM'000	Fair Value	
<u>As at 30 June 2011</u>	Assets Amount RM'000	Liabilities Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
<u>Equity related derivatives</u>						
<u>Equity options</u>						
- Less than one year	808,651	1,686	(6,443)	808,654	1,011	(1,011)
- One year to three years	44,468	2,231	(2,231)	44,468	2,231	(2,231)
- More than three years	55,074	5,822	(5,822)	55,074	5,822	(5,822)
	908,193	9,739	(14,496)	908,196	9,064	(9,064)
<u>Commodity options</u>						
- Less than one year	-	-	-	-	-	-
- One year to three years	-	-	-	-	-	-
- More than three years	56,065	4,766	(4,766)	56,065	4,766	(4,766)
	56,065	4,766	(4,766)	56,065	4,766	(4,766)
<u>Hedging derivatives</u>						
<u>Interest rate swaps</u>						
- Less than one year	532,917	1	(46,117)	411,020	1	(45,951)
- One year to three years	516,860	1	(46,539)	441,263	1	(46,539)
- More than three years	1,886,165	324	(79,661)	1,580,744	324	(79,661)
	2,935,942	326	(172,317)	2,433,027	326	(172,151)
<u>Cross currency interest rate swaps</u>						
- Less than one year	-	-	-	-	-	-
- One year to three years	2,472,085	316,017	(2,103)	2,472,085	316,017	(2,104)
- More than three years	607,900	61,865	-	607,900	61,865	-
	3,079,985	377,882	(2,103)	3,079,985	377,882	(2,104)
Total derivative assets / (liabilities)	152,699,323	1,652,182	(1,533,935)	144,980,591	1,626,415	(1,446,311)
	Group			Bank		
	Fair Value		Fair Value			
	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
<u>As at 30 June 2010</u>						
<u>Trading derivatives</u>						
<u>Foreign exchange related contracts:</u>						
Currency forward	41,805,095	108,229	(201,492)	26,480,036	97,537	(190,803)
Currency swaps	10,549,470	343,019	(134,592)	18,659,934	343,019	(134,592)
Currency spots	932,180	955	(927)	932,181	955	(927)
Currency options	1,282,234	3,161	(2,507)	1,282,235	3,161	(2,507)
Cross currency interest rate swaps	4,504,621	135,038	(90,031)	4,504,621	135,038	(90,031)
<u>Interest rate derivatives</u>						
Interest rate swaps	45,080,147	526,539	(554,438)	49,475,908	526,539	(554,438)
Interest rate futures	1,100,000	-	(8,113)	1,100,000	-	(8,113)
Interest rate options	686,086	14,601	(46,214)	233,836	852	(30,823)
<u>Equity related derivatives</u>						
Equity options	752,306	230	(229)	752,303	229	(228)
Commodity options	581,323	1,709	(1,710)	581,323	1,709	(1,710)
<u>Hedging derivatives</u>						
Interest rate swaps	4,738,383	645	(303,071)	3,221,400	-	(274,408)
Cross currency interest rate swaps	4,057,340	172,643	(2,918)	4,057,340	172,643	(2,918)
Total derivative assets / (liabilities)	116,069,185	1,306,769	(1,346,242)	111,281,117	1,281,682	(1,291,498)

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A28. Credit Exposure Arising From Credit Transactions With Connected Parties

	Group		Bank	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Outstanding credit exposures with connected parties (RM'000)	<u>26,226,304</u>	<u>5,020,680</u>	<u>21,937,288</u>	<u>4,814,535</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>10.3%</u>	<u>2.5%</u>	<u>12.1%</u>	<u>3.2%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

The credit exposure above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

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A29. The Operations of Islamic Banking Scheme

A29a. Audited Income Statements for the 4th Quarter and Financial Year Ended 30 June 2011

	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Group				
Income derived from investment of depositors' funds	764,559	489,112	2,538,614	1,822,872
Expenses directly attributable to depositors and Islamic Banking Funds	(2,187)	(8,512)	(24,842)	(15,493)
Transfer (to) / from profit equalisation reserve	(25,784)	3,298	(91,317)	41,642
Gross attributable income	736,588	483,898	2,422,455	1,849,021
Written back of/(allowance for) losses on financing and advances	24,695	(71,019)	(10,720)	(350,363)
Total attributable income	761,283	412,879	2,411,735	1,498,658
Income attributable to the depositors	(309,095)	(193,414)	(1,054,681)	(671,956)
Income attributable to the Group	452,188	219,465	1,357,054	826,702
Income derived from investment of Islamic Banking Funds				
Gross investment income	214	49,331	131,257	137,157
Net income from investment of Islamic Banking Funds	214	49,331	131,257	137,157
	452,402	268,796	1,488,311	963,859
Finance cost	(10,521)	-	(10,637)	-
Overhead expenses	(169,547)	(118,755)	(573,471)	(428,821)
Profit before taxation and zakat	272,334	150,041	904,203	535,038
Taxation	(62,482)	(37,691)	(217,239)	(121,005)
Zakat	(260)	(1,486)	(9,435)	(7,091)
Profit for the period/year	209,592	110,864	677,529	406,942

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

	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Group				
Gross attributable income	736,588	483,898	2,422,455	1,849,021
Net income from investment of Islamic Banking Funds	214	49,331	131,257	137,157
Total income before allowances for losses on financing and advances and overhead expenses	736,802	533,229	2,553,712	1,986,178
Income attributable to the depositors	(309,095)	(193,414)	(1,054,681)	(671,956)
	427,707	339,815	1,499,031	1,314,222
Finance cost	(10,521)	-	(10,637)	-
Net of intercompany income & expenses	25,836	15,936	73,479	120,522
Income from Islamic Banking Scheme	443,022	355,751	1,561,873	1,434,744

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A29. The Operations of Islamic Banking Scheme (cont'd.)

A29b. Audited Statements of Comprehensive Income for the 4th Quarter and Financial Year Ended 30 June 2011

	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Profit for the period/year	209,592	110,864	677,529	406,942
Other comprehensive income/(loss):				
Currency translation differences in respect of foreign operations	(2,551)	110	(2,665)	23
Net gain on revaluation of financial investments available-for-sale	14,606	43,284	9,237	49,881
Income tax relating to components of other comprehensive income	(3,360)	(8,597)	379	(11,042)
Other comprehensive income: for the period/year, net of tax	8,695	34,797	6,951	38,862
Total comprehensive income for the period/year	218,287	145,661	684,480	445,804

A29c. Audited Statements of Financial Position as at 30 June 2011

<u>Group</u>	Note	30 June 2011 RM'000	30 June 2010 RM'000
ASSETS			
Cash and short-term funds		9,684,169	5,818,068
Deposits and placements with banks and other financial institutions		394,136	707
Securities portfolio		6,823,392	4,700,919
Financing and advances	A29d	46,244,031	33,516,386
Deferred tax assets		161,550	79,712
Derivative assets		14,646	17,513
Other assets		4,737,314	222,559
Statutory deposit with Bank Negara Malaysia		913,900	153,000
Intangible assets		918	-
Property, plant and equipment		347	-
Total Assets		68,974,403	44,508,864
LIABILITIES			
Deposits from customers	A29e	50,890,270	34,693,613
Deposit and placements of banks and other financial institutions		11,292,077	5,051,346
Bills and acceptances payable		1,115,350	28,175
Derivatives liabilities		53,504	20,775
Other liabilities		175,494	1,235,875
Provision for taxation and zakat		52,931	31,607
Subordinated Sukuk	A29f	1,010,637	-
Total Liabilities		64,590,263	41,061,391
ISLAMIC BANKING FUNDS			
Islamic Banking Funds		459,287	207,410
Reserves		3,924,853	3,240,063
Total Liabilities and Islamic Banking Funds		4,384,140	3,447,473
COMMITMENTS AND CONTINGENCIES		18,643,612	13,627,916

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A29. The Operations of Islamic Banking Scheme (cont'd.)

A29d. Financing and Advances

	Group	
	30 June 2011 RM'000	30 June 2010 RM'000
Cashline	2,027,371	2,092,616
Term financing		
- Housing financing	6,237,944	5,465,917
- Syndicated financing	235,582	177,389
- Hire purchase receivables	18,198,072	15,028,210
- Other financing	37,591,734	23,512,351
Bills receivable	2,201	5,004
Trust receipts	170,724	126,423
Claims on customers under acceptance credits	3,648,182	2,881,944
Staff financing	782,675	455,891
Credit card receivables	307,454	193,113
Revolving credits	3,319,247	1,540,800
	<u>72,521,186</u>	<u>51,479,658</u>
Unearned income	(25,341,649)	(16,796,539)
Gross financing and advances*	47,179,537	34,683,119
Allowance for bad and doubtful financing:		
- individual allowance	(354,688)	-
- collective allowance	(580,818)	-
- specific	-	(633,025)
- general	-	(533,708)
Net financing and advances	<u>46,244,031</u>	<u>33,516,386</u>

* Included in financing and advances are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA"), an arrangement between Maybank Islamic Bhd and Malayan Banking Bhd ("MBB"), where the risks and rewards of the RPSIA will be accounted by MBB including the collective and individual allowances for the impaired financing arising thereon.

A29d. (i) Movements in impaired financing and advances are as follows:

	Group	
	30 June 2011 RM'000	30 June 2010 RM'000
Balance at beginning of the year		
- as previously stated	931,493	1,045,712
- effect of adopting FRS 139	224,146	-
Balance at beginning of the year, as restated	<u>1,155,639</u>	1,045,712
Impaired during the year	770,551	639,433
Recovered/regularized during the year	(700,306)	(547,871)
Amount written off	(326,880)	(220,279)
Expenses debited to customers' accounts	29,545	14,498
Balance at end of the year	<u>928,549</u>	931,493
Individual allowance	(354,688)	-
Specific allowance	-	(633,025)
- on non-performing financing	-	(628,424)
- on performing financing	-	(4,601)
Net impaired financing	<u>573,861</u>	<u>298,468</u>
Gross financing and advances (excluding RPSIA financing)	46,529,537	34,683,119
Less:		
- Individual allowance	(354,688)	-
- Specific allowance	-	(633,025)
Net financing and advances	<u>46,174,849</u>	<u>34,050,094</u>

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A29. The Operations of Islamic Banking Scheme (cont'd.)

A29d. (i) Movements in impaired financing and advances are as follows: (cont'd.)

	Group	
	30 June 2011	30 June 2010
Ratio of net impaired financing: Post FRS 139	1.24%	-
Pre FRS 139		
- Including specific allowance on non-performing financing	-	0.88%
- Excluding specific allowance on non-performing financing	-	0.89%

A29d. (ii) Movements in the allowance for impairment on financing accounts are as follows:

	Group	
	30 June 2011 RM'000	30 June 2010 RM'000
<u>Individual impairment allowance</u>		
At beginning of the year		
- as previously stated	-	-
- effect of adopting FRS 139	473,823	-
At beginning of the year, as restated	473,823	-
Allowance made during the year	94,775	-
Amount written back	(41,822)	-
Amount written off	(165,650)	-
Amount transferred from IA to CA	(6,438)	-
At end of the year	354,688	-
<u>Collective impairment allowance</u>		
At beginning of the year		
- as previously stated	-	-
- effect of adopting FRS 139	713,938	-
At beginning of the year, as restated	713,938	-
Transfer from PT Nusa Indocorp	3,925	-
Allowance made during the year *	17,668	-
Amount written back	-	-
Amount written off	(161,230)	-
Amount transferred from IA to CA	6,438	-
Exchange difference	79	-
At end of the year	580,818	-
As a percentage of gross financing and advances less individual allowance	1.26%	-

* As at 30 June 2011, the gross exposure to RPSIA financing of RM650.0 million (2010 : RM nil) is excluded from gross financing and advances for the individual and collective allowance computation. The collective allowance relating to this RPSIA amounting RM 1.8 million (2010 : RM nil) is recognised in the Bank. There was no individual allowance provided on this RPSIA financing.

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A29. The Operations of Islamic Banking Scheme (con'td)

A29d. (ii) Movements in the allowance for impairment on financing accounts are as follows: (cont'd.)

	Group	
	30 June 2011 RM'000	30 June 2010 RM'000
<u>Specific allowance</u>		
At 1 July		
- as previously stated	633,025	561,520
- effect of adopting FRS 139	(633,025)	-
At 1 July, as restated	-	561,520
Allowance made during the year	-	351,462
Amount written back in respect of recoveries	-	(59,678)
Amount written off	-	(220,279)
At end of the year	-	633,025
<u>General allowance</u>		
At 1 July		
- as previously stated	533,708	436,446
- effect of adopting FRS 139	(533,708)	-
At 1 July, as restated	-	436,446
Allowance made during the year	-	230,930
Amount written back	-	(133,668)
At end of the year	-	533,708
As a percentage of gross financing and advances less specific allowance	-	1.57%

A29e. Deposits from Customers

(i) By type of deposit

Mudharabah Fund

Demand deposits	3,777,414	2,870,838
Savings deposits	423,091	258,018
General investment deposits	17,146,396	13,895,924
Negotiable instruments of deposits	242,829	656,815
	21,589,730	17,681,595

Non-Mudharabah Fund

Demand deposits	5,734,190	4,447,704
Savings deposits	6,178,284	5,029,645
Fixed return investment deposits	16,845,483	7,084,380
Structured deposits	542,583	450,289
	29,300,540	17,012,018

Total deposit from customers

	50,890,270	34,693,613
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A29f. Subordinated Sukuk

	Group	
	30 June 2011 RM'000	30 June 2010 RM'000
RM1,000 million Islamic Subordinated Sukuk due in 2021	1,010,637	-

On 31 March 2011, Maybank Islamic issued RM1.0 billion nominal value Islamic Subordinated Sukuk under the Shariah principle of Musyarakah. The Subordinated Sukuk carries a tenure of 10 years from the issue date on 10 non-callable 5 basis, with a profit rate of 4.22% per annum payable semi-annually in arrears in March and September each year, and are due in March 2021. Under the 10 non-callable 5 basis feature, the Bank has the option to redeem the Subordinated Sukuk on any semi-annual distribution date on or after the 5th anniversary from the issue date. Should the Bank decide not to exercise its option to redeem the Subordinated Sukuk, the Subordinated Sukuk shall continue to be outstanding until the final maturity date.

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A30. Changes in Accounting Policies

(a) Change in Accounting Policies

As disclosed in Note A1, the adoption of new FRSs, amendments to FRSs, IC Interpretations and TR during the financial period have resulted in the following changes in accounting policies:

- (i) FRS 139 Financial Instruments: Recognition and Measurement
- (ii) IC Interpretation 9 Reassessment of Embedded Derivatives
- (iii) Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- (iv) Amendments to FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes the principles for the recognition, derecognition and measurement of an entity's financial instruments and for hedge accounting. Some of these principles and accounting policies have been adopted by the Group and the Bank since the application of BNM's revised BNM/GP8 - Guidelines of Financial Reporting for Licensed Institutions ("BNM GP8 Guidelines") on 1 July 2005 due to the similarities between BNM GP8 Guidelines and FRS 139.

The changes in accounting policy above have been accounted for prospectively, in line with the transitional arrangements under para 103AA of FRS 139, with adjustments to the carrying values of financial assets and liabilities at the beginning of the current financial period being adjusted to opening retained profits and/ or unrealised holding reserves/ (deficit) as appropriate. Details of the adjustments are disclosed in Note A30(b).

Upon the full adoption of FRS 139 on 1 July 2010, the Group has implemented additional requirements as follows:

1) Impairment of loans, advances and financing

The Group and the Bank assess at the end of each reporting period whether there is any objective evidence that a loan or group of loans is impaired. The loan or group of loans is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the loan (an incurred 'loss event') and that the loss event has an impact on future estimated cash flows of the loan or group of loans that can be reliably estimated.

The Group and the Bank assess if objective evidences of impairment exist for loans, advances and financing which are deemed to be individually significant.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the loan's carrying amount and the present value of the estimated future cash flows. The carrying amount of the loan is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

Loans which are not individually significant and loans that have been individually assessed with no evidence of impairment loss are grouped together for portfolio impairment assessment. These loans are grouped within similar credit and characteristics for collective assessment, whereby data from the loan portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.), concentrations of risks and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups) are taken into consideration.

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A30. Changes in Accounting Policies (cont'd.)

2) Classification of loans, advances and financing as impaired

Prior to the adoption of FRS 139, loans were classified as non-performing when principal or interest/profit or both are past due for three (3) months or more. Upon the adoption of FRS 139, loans are classified as impaired when principal or interest/profit or both are past due for three (3) months or more or where loans in arrears for less than three (3) months exhibit indications of credit weaknesses, whether or not impairment loss has been provided for.

3) Interest and Profit Income Recognition

For all financial instruments measured at amortised cost, interest bearing and other financial assets classified as financial investments available-for-sale and financial instruments designated at fair value through profit or loss, interest or profit income or expense is recorded using the effective interest rate ("EIR") or effective profit rate ("EPR"), which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR or the EPR, but not future credit losses.

4) Recognition of Embedded Derivatives

Upon the adoption of FRS 139 and IC Interpretation 9, embedded derivatives are to be separated from the host contract and accounted for as a derivative if the economic characteristics and risks of the embedded derivative are not closely related to that of the host contract and the fair value of the resulting derivative can be reliably measured. The assessment is made when the entity first becomes a party for the contract.

(b) **Adjustments due to Change in Accounting Policies**

	Group RM '000	Bank RM '000
Effects on retained profits:		
At 1 July , as previously stated	9,925,888	6,646,053
Effects of adoption FRS 139	(172,088)	(150,753)
Effects of adoption FRS 4	1,800	-
At 1 July 2010, as restated	<u>9,755,600</u>	<u>6,495,300</u>
Effects on other reserves:		
At 1 July , as previously stated	340,936	269,016
Effects of adoption FRS 139	(47,921)	(40,368)
At 1 July 2010, as restated	<u>293,015</u>	<u>228,648</u>
Effects on non-controlling interests:		
At 1 July , as previously stated	787,764	-
Effects of adoption FRS 139	(5,786)	-
Effects of adoption FRS 4	807	-
At 1 July 2010, as restated	<u>782,785</u>	<u>-</u>

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A31. Restatement of comparatives

As disclosed in Note A1, the adoption of specific FRSs resulted in restatements of comparative figures as follows:

(i) FRS 101 Presentation of Financial Statements

As a result of the adoption of the revised FRS 101, income statements of the Group and the Bank for the comparative financial period ended 30 June 2010 have been re-presented as two separate statements, ie. an income statement displaying components of profit or loss and a statement of comprehensive income. All non-owner changes in equity which were previously presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. Consequently, components of comprehensive income are not presented in the statement of changes in equity. Since these changes only affect presentation aspects, there is no impact on earnings per ordinary share.

(ii) FRS 7 Financial Instruments: Disclosures

The adoption of FRS 7 during the financial period has resulted in some changes to the disclosure of financial instruments, whereby the disclosures are now made by categories of financial assets and liabilities. The disclosure of comparative figures in the statements of financial position as at 30 June 2010 and the income statement for the financial period ended 30 June 2010 have been restated to conform with the current period's presentation. Since these changes only affect the presentation of disclosure items, there is no impact on the financial position as at 30 June 2010 or the financial results of the Group and the Bank for the comparative period.

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

B1. Performance Review

For the financial year ended 30 June 2011, all business sectors reported growth in operating income. The performance of Malaysia's Community Financial Services ("CFS") and Global Wholesale Banking ("GWB") were further boosted by significant reduction in loan loss and write back. The investment banking business undertaken by Maybank Investment Bank reported an annual income growth of 33.9% year-on-year, from significant increase in brokerage income and the number of significant Merger and Acquisition (M&A) transactions and capital raising activities.

PT Bank Internasional Indonesia ("BII") continues to grow organically with significant expansion of loans growth at 24.9% and the increase in the number of branches from 276 as at 30 June 2010 to 344 as at 30 June 2011. Singapore had a strong expansion in loan book of 25.8%.

The group loans and debt securities grew RM55,290 million or 17.2%. However net interest income for the financial year ended 30 June 2011 recorded a modest increase of RM415.0 million or 6.1%. This is largely due to the narrowing in net interest margin as a result of competition for assets and deposits in all key markets, as well as the implementation of Financial Reporting Standards 139. Income from Islamic Banking operations continued to grow, increasing by RM127.1 million or 8.9% to RM1,561.9 million. The Islamic Banking financing and advances constitute 28.1% of total domestic financing and advances in Malaysia as at 30 June 2011, compared with 24.3% as at 30 June 2010.

Net income from insurance business for the financial year ended 30 June 2011 increased by RM132.4 million or 31.1% to RM557.3 million due to higher transfer of actuarial surplus from insurance and takaful revenue account, and also the significant improvement in the takaful businesses.

Non interest income recorded an increase of RM422.0 million or 11.4% to RM4,114.7 million. Commission, service charges and fees increased by RM119.0 million due to better contribution from trade, cards and remittances. Brokerage income increased by RM130.7, of which RM88.6 million was contributed by Kim Eng Holdings Limited ("Kim Eng"), a 96.9% subsidiary acquired on 10 May 2011. The Group also benefited from higher net gain on sale of securities, which were higher by RM121.6 million. However, this is mitigated by lower foreign exchange profits and lower net unrealized gain on revaluation of securities held-for-trading and derivatives.

Overhead expenses increased by RM826.7 million or 14.2% to RM6,652.2 million over the amount in the corresponding year. Personnel cost increased by RM649.3 million or 22.3% to RM3,567.8 million mainly due to Employee's Share Scheme expenses and Cost-of-Living Allowances ("COLA"), arising from the conclusion of new collective agreement during the current financial year. Administration and general expenses increased by RM133.3 million or 9.8% to RM1,493.5 million mainly due to endowment to Maybank Foundation of RM50.0 million which was launched in conjunction with Maybank's 50th anniversary to encompass the Group's Corporate Responsibility activities, transaction costs relating to acquisition of Kim Eng and consolidation of Kim Eng's administration and general expenses. Marketing costs increased by RM39.6 million or 9.0% to RM478.0 million. Establishment cost increased slightly by RM4.5 million or 0.4% to RM1,112.9 million.

Allowance for losses on loans, advances and financing decreased significantly by RM723.9 million or 59.0% to RM502.2 million. The decrease is mainly due to higher recoveries and lower allowances in the Malaysian banking operations as a result of lower individual allowance and improvement in the collective allowance. Asset quality continues to improve with net impaired loans ratio improving to 2.08% as at 30 June 2011, compared to 2.39% as at 31 March 2011.

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B1. Performance Review (cont'd)

With the above factors as the drivers of Maybank Group's performance, profit before tax for the financial year registered an increase of 16.8% or RM900.1 million to a record RM6,270 million. Net profit attributable to equity holders improved by 16.6% or RM632 million to a record RM4,450 million for the financial year ended 30 June 2011 compared to the previous financial year.

B2. Variation of Current Quarter Results Against Preceding Quarter

The Group posted profit attributable to equity holders of RM1,154.3 million for the 4th quarter ended 30 June 2011, an increase of RM11.7 million or 1.0% compared to the preceding quarter.

The Group's net interest income for the 4th quarter ended 30 June 2011 increased by RM55.3 million or 3.1% to RM1,826.7 million against the preceding quarter due to growth in loans base assets. Income from Islamic Banking Scheme operations recorded an increase of RM55.3 million or 14.3% to RM443.0 million over the amount in the preceding quarter, mainly due to higher fee base income from the investment banking Islamic operations.

Net income from insurance business for the quarter increased by RM261.3 million or 310.8% to RM345.4 million due higher transfer of actuarial surplus from insurance and takaful revenue account.

Non-interest income for the quarter increased by RM267.8 million or 28.8% to RM1,196.7 million compared to that in preceding quarter. The increase is mainly attributable to higher foreign exchange profits and the consolidation of Kim Eng's income of RM152.6 million, but mitigated by the unrealized loss on revaluation of securities held-for trading and derivatives.

Overhead expenses for the quarter increased by RM408.2 million or 26.3% over that of the preceding quarter mainly due to consolidation of Kim Eng's expenses of RM149.8 million, transaction costs relating to acquisition of Kim Eng and Employees Share Scheme expenses.

Compared to the preceding quarter, allowance for losses on loans, advances and financing was lower by RM24.5 million mainly due to higher recoveries in the domestic banking operations and improvement in the collective allowance. Impairment losses on securities increased by RM118.3 million due to deterioration in value for certain securities.

B3. Prospects

The Group has recently announced the change in financial year end from 30 June to 31 December, whereby the next financial period will be from 1 July 2011 to 31 December 2011, covering a 6-month period.

For the current financial period ending 31 December 2011, Maybank's business momentum is expected to continue. In the three home markets, Malaysia's GDP is expected to grow 5.1% in 2011 and 5.5% in 2012, though downward risk is possible, while Singapore's GDP is expected to grow at 5.0% and 6.0% in 2011 and 2012 respectively. Indonesia's GDP growth is expected to be 6.3% and 6.6% in 2011 and 2012 respectively. However, the group remains cautiously optimistic in view of the challenging global economic environment and outlook, potentially changing regulatory environment and the threat of rising inflation. The pressure for interest rate increase has lessened slightly in view of potential slower than expected economic growth and stiffer competition.

Demand for credit in Malaysia is expected to be led by the corporate segment, where the gradual rollout of Economic Transformation Programme projects will start to be visible. The retail businesses are expected to grow, albeit at a moderate pace, amidst intense competition and the expectation of further introduction of regulatory measures to reign on the household debt levels. The loan growth rate in Indonesia is expected to be the highest for the Group while in Singapore, demand remains to be broad based but the growth rate is expected to moderate.

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B3. Prospects (cont'd.)

The integrated Maybank Investment Bank Berhad ("Maybank IB") and Kim Eng's organisational structure and set up is in place and is focused towards realising the synergy potentials, particularly leveraging on the regional investment banking platform of Kim Eng and the expertise of Maybank IB to further boost the Group's fee income base.

Shariah-based financial services and products will continue to feature prominently in our growth plan, with greater contribution expected from Indonesia and the wholesale market segment.

The implementation of FRS 139 had a positive impact to the Group's credit costs for the financial year ended 30 June 2011. However, the Group expects credit costs to rise with expected growth in loans.

Insurance and Takaful remain focused on driving their business through product innovation and an expanded agency force.

Maybank is committed to investing in people and upgrading its information technologies to build capabilities and drive implementation of business initiatives. To sustain its strong asset quality, Maybank will remain focused on its sound credit risk management policies and practices. It will also ensure that a healthy capital level is maintained at all times by regularly monitoring the development and impact of Basel III.

Barring any unforeseen circumstances, the Group expects its financial performance for the financial period ending 31 December 2011 to be better than the last financial year. The group has set two Key Performance Indicators (KPIs) for the six-month financial period ending 31 December 2011, Return on Equity of 16.0% (FY 30 June 2011 : 15.2%) and growth in financial assets of 12% (FY 30 June 2011 : 22.6%).

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B4. Profit Forecast or Profit Guarantee

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

B5. Tax Expense and Zakat

The analysis of the tax expense for the 4th quarter and financial year ended 30 June 2011 are as follows:

Group	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	547,963	512,279	1,657,985	1,597,595
Foreign income tax	39,991	60,099	170,817	81,783
	587,954	572,378	1,828,802	1,679,378
Over provision in respect of prior period/year:				
Malaysian income tax	-	(8,546)	(22,551)	(8,546)
Foreign income tax	(51,856)	(113,097)	(51,856)	(113,097)
Deferred tax expense				
- Origination and reversal of temporary differences	(63,614)	(71,462)	(119,191)	(165,611)
- Overprovision in prior period/year	-	(744)	-	(744)
	(63,614)	(72,206)	(119,191)	(166,355)
Tax expense for the period/year	472,484	378,529	1,635,204	1,391,380
Zakat	2,823	5,532	15,505	10,578
	475,307	384,061	1,650,709	1,401,958

Bank	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	431,189	381,425	1,342,701	1,406,212
Foreign income tax	794	6,554	3,979	10,866
	431,983	387,979	1,346,680	1,417,078
Over provision in prior period/year	(51,856)	(113,097)	(51,856)	(113,097)
Deferred tax expense				
- Origination and reversal of temporary differences	(60,272)	26,639	(92,192)	(69,378)
- Under/(over) provision in prior period/year	-	(744)	-	(744)
	(60,272)	25,895	(92,192)	(70,122)
Tax expense for the period/year	319,855	300,777	1,202,632	1,233,859
Zakat	98	-	98	-
	319,953	300,777	1,202,730	1,233,859

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (30 June 2010: 25%) 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

There were no material gains or losses on sale of investments or properties during the period other than in the ordinary course of business.

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

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

Maybank had so far issued 2 IT1CS Programme as follows:

(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.

There is no new issuance under the IT1CS Programme during the financial year.

(b) Dividend Reinvestment Plan

Maybank has put in place a recurrent and optional dividend reinvestment plan that allows shareholders of Maybank (“Shareholders”) to reinvest their Dividend (as defined below) into new ordinary share(s) of RM1.00 each in Maybank (“Maybank Shares”) (“Dividend Reinvestment Plan”).

The rationale of Maybank embarking on the Dividend Reinvestment Plan are as follows:

- a) To enhance and maximise Shareholders’ value via the subscription of new Maybank Shares where the issue price of a new Maybank Share shall be at a discount;
- b) To provide the Shareholders with greater flexibility in meeting their investment objectives, as they would have the choice of receiving cash or reinvesting in the Company through subscription of additional Maybank Shares without having to incur material transaction or other related costs.

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B8. Status of Corporate Proposals Announced but Not Completed (cont'd.)

(b) Dividend Reinvestment Plan (cont'd.)

- c) To benefit from the participation by Shareholders in the Dividend Reinvestment Plan to the extent that if the Shareholders elect to reinvest into new Maybank Shares, the cash which would otherwise be payable by way of Dividend will be reinvested to fund the continuing business growth of the Group. Reinvestment Plan will not only enlarge the Maybank's share capital base and strengthen its capital position, but will also add liquidity of Maybank Shares on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The second Dividend Reinvestment Plan was completed on 13 May 2011. In the future whenever a cash dividend (either an interim, final, special or other dividend) ("**Dividend**") is announced, the Board may, in its absolute discretion, determine that the Dividend Reinvestment Plan will apply to the whole or a portion of the cash Dividend ("**Electable Portion**") and where applicable any remaining portion of the Dividend will be paid in cash.

Each Shareholder has the following options in respect of the Electable Portion:

- a) elect to receive the Electable Portion in cash; or
- b) elect to reinvest the entire Electable Portion into new Maybank Shares credited as fully paid-up at an issue price to be determined on a price fixing date subsequent to the receipt of all relevant regulatory approvals.

(c) Proposed Conversion to Syariah Banking and Capital Reduction of PT Bank Maybank Indocorp (Indonesia) ("Proposed Conversion")

Maybank has on 23 June 2010 announced the proposed conversion to Syariah Banking, and corresponding reduction of share capital of its 96.83% owned subsidiary incorporated in Indonesia, PT Bank Maybank Indocorp ("BMI"), based on an earlier decision by BMI's shareholders and subject to approval by the Indonesian central bank, Bank Indonesia ("BI").

On 1 October 2010, BMI has received the approval from BI on the conversion of BMI's business activities from Conventional Banking to Syariah Banking.

With effect from 23 September 2010, BMI has changed its name to PT Bank Maybank Syariah Indonesia ("MSI") and BMI's business activities have been converted from Conventional Banking to Syariah Banking. The performance of MSI is being reported under the Islamic Banking Scheme ("IBS") operations.

(d) Islamic Subordinated Bonds Facility of RM1.0 Billion With A Tenure Of 10 Years From Issue Date On A 10 Non-callable 5 Basis (the "Islamic Subordinated Bonds")

Maybank has on 24 November 2010 fully redeemed the Islamic Subordinated Bonds. The Islamic Subordinated Bonds were issued in November 2005.

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B8. Status of Corporate Proposals Announced but Not Completed (cont'd.)

- (e) (i) **Proposed Acquisition by Mayban IB Holdings Sdn Bhd (formerly known as Aseam Credit Sdn Bhd (“Mayban IB Holdings” or Offeror”), a wholly-owned subsidiary of Maybank, of an aggregate of 257,559,264 ordinary shares in Kim Eng Holdings Ltd (“Kim Eng”) , representing 44.63% of the issued and paid up share capital of Kim Eng**

(ii) Possible mandatory conditional cash offer for all the remaining ordinary shares of Kim Eng not already owned by Mayban IB Holdings, its related corporations and their respective nominees (“Offer Shares”) subject to completion of the Proposed Acquisition as defined herein

On 6 January 2011, Maybank announced that Mayban IB Holdings, a wholly-owned subsidiary of Maybank has entered into separate conditional Share Purchase Agreements (“SPAs”) with each of Mr Ronald Anthony Ooi Thean Yat (“**Ronald Ooi**”) and Yuanta Securities Asia Financial Services Limited (“**Yuanta Securities**”) (collectively the “**Vendors**”) (the “**Announcement**”), pursuant to which, *inter alia*:

- (a) Ronald Ooi has agreed to sell and procure the sale of, and Mayban IB Holdings has agreed to purchase, 89,082,698 ordinary shares (“**RO Sale Share**”) in the capital of Kim Eng Holdings Limited (“**Kim Eng**”), representing approximately 15.44% of the ordinary shares (“**Kim Eng Shares**”) in the capital of Kim Eng in issue as at the date of the Announcement, for an aggregate cash consideration of Singapore Dollar (“**SGD**”) 276,156,363.80 (“**RO Consideration**”), being SGD3.10 in cash for each RO Sale Share; and
- (b) Yuanta Securities has agreed to sell, and Mayban IB Holdings has agreed to purchase, 168,476,566 Kim Eng Shares (“**Yuanta Sale Shares**”), and together with the RO Sale Shares, (“**Sale Shares**”), representing approximately 29.19% of the Kim Eng Shares in issue as at the date of the Announcement, for an aggregate cash consideration of SGD522,277,354.60 (“**Yuanta Consideration**”), being SGD3.10 in cash for each Yuanta Sale Share.

collectively referred as “**Proposed Acquisition**”.

The total cash consideration payable by Mayban IB Holdings for the Sale Shares is SGD798.4 million (equivalent of approximately RM1,899.5 million) (“**Aggregate Consideration**”).

Upon completion of the SPAs, Maybank via Mayban IB Holdings will emerge as the single largest shareholder of Kim Eng.

The total cash consideration per Kim Eng Share of SGD3.10 (equivalent of approximately RM7.37) was arrived at on a willing buyer-willing seller basis after taking into consideration the following:

- (i) the unaudited consolidated shareholders’ equity of Kim Eng for the 9-month financial period ended 30 September 2010 of SGD937.64 million (equivalent of approximately RM2,230.65 million);
- (ii) the price-to-book multiple of 1.91 times and 1.91 times based on the consideration price per Kim Eng of SGD3.10 (equivalent of approximately RM7.37) and the audited consolidated shareholders’ equity of SGD938.98 million (equivalent of approximately RM2,233.83 million) as of 31 December 2009 and the unaudited consolidated shareholders’ equity of SGD937.64 million (equivalent of approximately RM2,230.65 million) for the 9-month financial period ended 30 September 2010 respectively;

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B8. Status of Corporate Proposals Announced but Not Completed (cont'd.)

- (e) (i) **Proposed Acquisition by Mayban IB Holdings Sdn Bhd (formerly known as Aseam Credit Sdn Bhd (“Mayban IB Holdings” or Offeror”)), a wholly-owned subsidiary of Maybank, of an aggregate of 257,559,264 ordinary shares in Kim Eng Holdings Ltd (“Kim Eng”) , representing 44.63% of the issued and paid up share capital of Kim Eng (cont'd.)**
- (ii) **Possible mandatory conditional cash offer for all the remaining ordinary shares of Kim Eng not already owned by Mayban IB Holdings, its related corporations and their respective nominees (“Offer Shares”) subject to completion of the Proposed Acquisition as defined herein (cont'd.)**
- (iii) a premium of 18.3% to the five (5)-day volume-weighted average market price of Kim Eng Shares of SGD2.62 up to and including 5 January 2011, being the last trading day of Kim Eng Shares on the SGX-ST preceding the date of the Announcement; and
- (iv) earnings potential of Kim Eng and its subsidiaries (“**Kim Eng Group**”) and the potential benefits to Maybank Group.

There are no liabilities including contingent liabilities and guarantees to be assumed by Maybank under the Proposed Acquisition, other than those arising in the ordinary course of business of Kim Eng in the event the financial statements of Kim Eng Group are consolidated into financial statements of Maybank Group after completion of the Proposed Acquisition.

Upon completion of the SPAs, Maybank through Mayban IB Holdings will emerge as the single largest shareholder of Kim Eng. As Mayban IB Holdings' shareholdings in Kim Eng exceeds 30% of the issued and paid-up share capital of Kim Eng upon completion of the Proposed Acquisition, Mayban IB Holdings is obliged to extend a mandatory general offer for all the Kim Eng Shares, other than those already owned by Mayban IB Holdings, its related corporations and their respective nominees, pursuant to Section 139 of the Securities and Futures Act, Chapter 289 and Rule 14.1 of the Singapore Code on Take-overs and Mergers.

On 6 January 2011, Nomura Singapore Limited (“**Nomura**”) announced for and on behalf of Mayban IB Holdings that Mayban IB Holdings intends to make a mandatory conditional cash offer (“**Offer**”) for all the Kim Eng Shares, other than the Kim Eng Shares already owned by Mayban IB Holdings, its related corporations and their respective nominees (“**Offer Shares**”), subject to the completion of the Proposed Acquisition, on the following terms:

- (i) For each Offer Share : SGD3.10 in cash (“**Offer Price**”)
- (ii) The Offer Shares will be acquired (i) fully paid, (ii) free from all claims, charges, mortgages, liens, options, equity, power of sale, hypothecation, retention of title, rights of pre-emption, rights of first refusal or other third party rights or security interests of any kind or any agreements, arrangements or obligations to create any of the foregoing and (iii) together with all rights, benefits and entitlements attached thereto as at the date of the Announcement and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by Kim Eng on or after the date of the Announcement.

If any dividend, rights or other distribution is announced, declared, paid or made by Kim Eng on or after the date of the Announcement, the Offer Price will be reduced by the amount of such dividend, rights or other distribution.

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B8. Status of Corporate Proposals Announced but Not Completed (cont'd.)

- (e) (i) **Proposed Acquisition by Mayban IB Holdings Sdn Bhd (formerly known as Aseam Credit Sdn Bhd ("Mayban IB Holdings" or Offeror"), a wholly-owned subsidiary of Maybank, of an aggregate of 257,559,264 ordinary shares in Kim Eng Holdings Ltd ("Kim Eng") , representing 44.63% of the issued and paid up share capital of Kim Eng (cont'd.)**

(ii) Possible mandatory conditional cash offer for all the remaining ordinary shares of Kim Eng not already owned by Mayban IB Holdings, its related corporations and their respective nominees ("Offer Shares") subject to completion of the Proposed Acquisition as defined herein (cont'd.)

- (iii) The Offer, if and when made, will be conditional upon Mayban IB Holdings having received valid acceptances in respect of and/or acquired such number of Offer Shares which will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued share capital of Kim Eng.

In the event the Offeror acquires 100% equity interest in Kim Eng, the total cash consideration would be SGD1,789 million (equivalent to approximately RM4,256 million).

The Proposed Acquisition will not have any effect on the issued and paid-up share capital, the substantial shareholders' shareholding and the consolidated net assets per share position of Maybank as the Proposed Acquisition will be satisfied entirely by cash.

On 5 May 2011, Maybank announced that the pre-condition to the making of the Offer ("Pre-Condition"), which was the satisfaction of certain key conditions (including obtaining approvals from Bank Negara Malaysia and the Monetary Authority of Singapore) in accordance with the terms, and subject to the conditions of the SPAs, had been satisfied. Pursuant to the satisfaction of the Pre-Condition, Nomura had on 5 May 2011 announced on the SGX-ST, for and on behalf of Mayban IB Holdings, Mayban IB Holdings' firm intention to make the Offer.

Upon completion of the Proposed Acquisition, Mayban IB Holdings would hold approximately 50.22 per cent. of Kim Eng and therefore, in accordance with the Notification of the Securities and Exchange Commission No. KorChor. 53/2545, Mayban IB Holdings would be required to make an offer for all the issued shares in Kim Eng Securities (Thailand) Public Company Limited ("KEST") ("Thai Tender Offer"). Mayban IB Holdings would, following completion, announce its intention to make the Thai Tender Offer at an offer price of Baht 16.00 for each share in KEST.

On 10 May 2011, Maybank announced that the Proposed Acquisition had been completed.

Capital Nomura Securities Public Company Limited has announced, on behalf of Mayban IB Holdings, the intention of Mayban IB Holdings to make an offer to acquire all the issued shares in Kim Eng Securities (Thailand) Public Company Limited ("KEST") ("Thai Tender Offer") (form 247-3) at an offer price of Baht16.00 for each share in KEST.

As at 17 June 2011, Mayban IB Holdings had received valid acceptances in respect of an aggregate of 260,704,264 Kim Eng Shares, representing approximately 45.18% of the ordinary shares ("Kim Eng Shares") in the capital of Kim Eng, which, when taken together with the Kim Eng Shares held by Mayban IB Holdings as at the date of the offer document ("Offer Document"), comprise an aggregate of 550,511,528 Kim Eng Shares representing approximately 95.39% of the Kim Eng Shares in issue as at 17 June 2011.

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B8. Status of Corporate Proposals Announced but Not Completed (cont'd.)

- (e) (i) **Proposed Acquisition by Mayban IB Holdings Sdn Bhd (formerly known as Aseam Credit Sdn Bhd (“Mayban IB Holdings” or Offeror”), a wholly-owned subsidiary of Maybank, of an aggregate of 257,559,264 ordinary shares in Kim Eng Holdings Ltd (“Kim Eng”) , representing 44.63% of the issued and paid up share capital of Kim Eng (cont'd.)**

(ii) Possible mandatory conditional cash offer for all the remaining ordinary shares of Kim Eng not already owned by Mayban IB Holdings, its related corporations and their respective nominees (“Offer Shares”) subject to completion of the Proposed Acquisition as defined herein (cont'd.)

Nomura Singapore Limited (“Nomura”) had on 28 Jun 2011 announced on the SGX-ST, that Mayban IB Holdings had given notice to the dissenting shareholders whereby the dissenting shareholders may, within three (3) months (i.e. by 28 September 2011), give notice to Mayban IB Holdings requiring it to acquire their Kim Eng Shares at the Offer Price of S\$3.10 for each Kim Eng Share and on the same terms as those offered under the Offer. Mayban IB Holdings intends to exercise its right of compulsory acquisition to acquire all the Kim Eng Shares held by the dissenting shareholders on or after 29 July 2011.

On 4 July 2011, pursuant to Rule 28.1 of the Singapore Code on Take-overs and Mergers, on the Final Closing Date, Mayban IB Holdings has received valid acceptances in respect of an aggregate of 270,948,494 Kim Eng Shares, representing approximately 46.95% of the Kim Eng Shares in issue as at 4 July 2011. On 29 July 2011, Maybank announce that Mayban IB Holdings had on even date exercise the right of compulsory acquisition under Section 215(1) of the Companies Act to acquire all the Kim Eng Share held by dissenting shareholders. Following the compulsory acquisition Kim Eng would become a wholly owned company of Mayban IB Holdings and will be delisted from the Official List of the SGX-ST on 4 August 2011.

On 25 July 2011, Maybank announced that following the close of the Thai Tender Offer on 18 July, Mayban IB Holdings received valid acceptance of approximately 27.99% of KEST shares. As such, the Mayban IB Holdings group's aggregate shareholding in KEST is approximately 83.74%.

In addition to the above, Kim Eng had on 29 June 2011 entered into a conditional sale and purchase agreement (“CSPA”) with ATR Holdings, Inc. (“ATRH”) in relation to the sale by ATRH, and the purchase by Kim Eng, of 344,427,134 issued common shares in ATR KE, representing approximately 32.24% of the total number of issued common shares of ATR KE (“ATR KE Shares”).

The execution of the CSPA will trigger an obligation by Kim Eng to undertake a mandatory tender offer for the ATR KE Shares other than those already owned, controlled or agreed to be acquired by Kim Eng.

The acquisition of ATR KE shares by Kim Eng was completed on 17 August 2011. Following the completion of the said acquisition, Kim Eng now holds approximately 74.64% of the total number of issued common shares of ATR KE. Pursuant to the provisions of the Implementing Rules and Regulations of the Securities Regulation Code and any other issuance of the Securities and Exchange Commission, the executive of the said acquisition will trigger an obligation by Kim Eng to undertake a mandatory tender offer for the issued common shares in ATR KE other than those already owned, controlled or agreed to be acquired by Kim Eng.

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B8. Status of Corporate Proposals Announced but Not Completed (cont'd.)

(f) Maybank Islamic Berhad's Issuance of Tier 2 Capital Islamic Subordinated Sukuk of RM1.0 billion in Nominal Value ("Subordinated Sukuk")

On 31 March 2011, Maybank Islamic Berhad ("MIB"), a wholly owned subsidiary of Maybank, has successfully completed the issuance of RM1.0 billion Tier 2 Capital Islamic Subordinated Sukuk.

Approval for the issuance of the Subordinated Sukuk was obtained from the Securities Commission on 25 February 2011.

The Subordinated Sukuk which is based on the Islamic principle of Musyarakah, is rated AA+ (outlook stable) by Malaysian Rating Corporation Berhad (MARC) and carries tenure of 10 years from the issue date on a 10 non-callable 5 basis and qualifies as Tier 2 capital for the purpose of Malaysian capital adequacy regulation.

The proceeds from the issue will be used for MIB's working capital, general banking, business expansion programme and other corporate purposes.

(g) Proposed Establishment of an Employees' Share Scheme of Up to Ten Percent (10%) of the Issued and Paid-up Ordinary Share Capital of the Company at any Point in Time. ("Proposed ESS")

Maybank via the announcement on 19 April 2011 proposed to establish and implement an employees' share scheme ("ESS") of up to ten percent (10%) of the issued and paid-up share capital of Maybank at any point in time for the option(s) to subscribe for and/or award of new ordinary shares of RM1.00 each in Maybank ("**Maybank Shares**" or "**Scheme Shares**") to the following:

- (i) eligible employees and executive director(s) of Maybank and its branches and subsidiaries in Malaysia, excluding listed subsidiaries, overseas subsidiaries and subsidiaries which are dormant;
- (ii) eligible employees of overseas branches of Maybank; and
- (iii) top management and selected key eligible personnel of PT Bank Internasional Indonesia Tbk ("**BII**"),

(collectively referred to as "**Participating Maybank Group**")

Maybank proposes to establish and implement the Proposed ESS which will be valid for a period of seven (7) years. The Proposed ESS will be administered by the ESS Committee which is established by the Board. The Proposed ESS is intended to reward and retain Eligible Employees as well as to attract new talents in the future.

The proposed ESS is a portfolio approach with two (2) main vehicles as follows:

(i) Proposed Employee Share Option Scheme ("ESOS")

Under the proposed ESOS, an Eligible Employee may, within the period of the Proposed ESS ("**ESOS Option Period**"), at the discretion of the ESS Committee, be offered a certain number of options ("**ESOS Options**") at the offer date ("**ESOS Offer Date**"), subject to applicable terms and conditions ("**ESOS Offer**"). If the Eligible Employee decides to accept the ESOS Offer, he/she will be granted the ESOS Options, which can then be exercised, within a period of up to five (5) years, to subscribe for new Maybank Shares ("**Proposed ESOS**").

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B8. Status of Corporate Proposals Announced but Not Completed (cont'd.)

- (g) **Proposed Establishment of an Employees' Share Scheme of Up to Ten Percent (10%) of the Issued and Paid-up Ordinary Share Capital of the Company at any Point in Time. ("Proposed ESS") (cont'd.)**

The proposed ESS is a portfolio approach with two (2) main vehicles as follows: (cont'd.)

- (ii) **Proposed Performance-Based Restricted Share Unit ("RSU")**

Under the proposed RSU, Maybank may from time to time, within the period of the Proposed ESS, at the discretion of the ESS Committee, invite a selected senior management personnel ("**Selected Senior Management**") to enter into an agreement with Maybank pursuant to the By-Laws whereupon Maybank shall agree to grant the Selected Senior Management an award of Scheme Shares ("**RSU Grant**") at future dates ("**RSU Grant Dates**"), subject to fulfilling the relevant service objectives and performance targets that have been set by the ESS Committee ("**Proposed RSU**").

The Scheme Shares under the Proposed RSU, will be granted over a five (5)-year period and will be vested on a three (3)-year cliff vesting schedule whereby the Selected Senior Management will be assessed based on, among others, the return on equity, relative total shareholders' return and individual performance, over a period of three (3) financial years as set out by the ESS Committee.

In the event that the Selected Senior Management does not meet the above targets over the said period set by the ESS Committee, the Scheme Shares will not be vested to him at the end of the three (3) financial years.

The Scheme Shares on the RSU Vesting Dates shall be settled by way of issuance and transfer of new Maybank Shares or by cash.

The Proposed ESS is subject to the approvals being obtained from the following:

- (i) Bursa Securities, for the listing of and quotation for the new Maybank Shares to be issued pursuant to the Proposed ESS;
- (ii) Bursa Depository for the transfer of Scheme Shares from the Trustee to the Scheme Participants;
- (iii) Bank Negara Malaysia for the increase in the issued and paid-up share capital of Maybank pursuant to the Proposed ESS;
- (iv) the shareholders of Maybank at an extraordinary general meeting ("**EGM**") to be convened; and
- (v) any other relevant regulatory authorities, where applicable.

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B8. Status of Corporate Proposals Announced but Not Completed (cont'd.)

(g) Proposed Establishment of an Employees' Share Scheme of Up to Ten Percent (10%) of the Issued and Paid-up Ordinary Share Capital of the Company at any Point in Time. ("Proposed ESS") (cont'd.)

On 12 May 2011, Maybank announced that Bursa Malaysia Securities Berhad had, vide its letter dated 11 May 2011 approved the listing of such number of additional new ordinary shares of RM1.00 each to be issued under the Proposed ESS, representing up to ten percent (10%) of the issued and paid-up ordinary share capital of Maybank.

On 13 June 2011, Maybank announced that the ordinary resolutions for the Proposed ESS as set out in the Notice of Extraordinary General Meeting ("**EGM**") dated 30 May 2011 and tabled at the EGM of Maybank were duly approved by the shareholders of Maybank.

On 23 June 2011, Maybank announced that Bank Negara Malaysia had vide its letter dated 22 June 2011, approved the increase of the issued and paid-up share capital of Maybank up to ten percent (10%), pursuant to the ESS.

(h) Establishment of US\$2,000,000,000.00 Multicurrency Medium Term Notes Programme ("MTN Programme") and Proposed Issuance of SGD1,000,000,000.00 Subordinated Notes in Nominal Value under the MTN Programme

Maybank has on 18 April 2011 announced that it has obtained approval from the Securities Commission ("**SC**") vide their letter dated 18 April 2011 for the establishment of the MTN Programme and the issue of notes thereunder.

The establishment of the MTN Programme will enable Maybank to issue from time to time, senior and/or subordinated notes (collectively "**Notes**") in currencies other than Ringgit Malaysia at any time, provided that the aggregate amount of outstanding Notes shall not at any time exceed US\$2,000,000,000.00 (or its equivalent in other currencies) in nominal value.

The MTN Programme also provides flexibility to Maybank to issue Notes from time to time through its Hong Kong Branch and/or its Singapore Branch.

The proceeds from each issuance of Notes will be used for Maybank's working capital, general banking and other corporate purposes.

Further to the above, Maybank has on 21 April 2011 announced that it had successfully priced its SGD1,000,000,000.00 Capital Subordinated Notes ("**SGD Subordinated Notes**") in nominal value. This issuance is the maiden issue under the MTN Programme.

The SGD Subordinated Notes is the largest single tranche transaction for a Malaysian borrower in Singapore and has received overwhelming response from investors in Singapore, Malaysia and Hong Kong resulting in an oversubscription of 1.7 times of the issuance size.

The SGD Subordinated Notes will qualify as Tier 2 capital for Maybank and was priced at 3.80% and carries a tenure of 10 years from the issue date on a 10 non-callable 5 basis.

The SGD Subordinated Notes have been accorded a rating of BBB+ by both Standard & Poor's Ratings Services and Fitch Ratings.

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B8. Status of Corporate Proposals Announced but Not Completed (cont'd.)

(i) Establishment of Subordinated Note Programme of up to RM3.0 billion in Nominal Value ("Subordinated Note Programme")

On 30 May 2011, Maybank announced that it has obtained approval from the Securities Commission vide their letter dated 25 May 2011 for the establishment of the Subordinated Note Programme and the issue of subordinated notes ("Subordinated Notes") thereunder. In addition, the approval from Bank Negara Malaysia ("BNM") for the issuance of Subordinated Notes has also been obtained on 14 April 2011 (upon terms and conditions therein contained).

The Subordinated Notes issued under the Subordinated Note Programme will qualify as Tier 2 capital of Maybank subject to compliance with the requirements as specified in the Risk Weighted Capital Adequacy Framework and Capital Adequacy Framework for Islamic Banks by BNM.

The tenor of the Subordinated Note Programme is up to 20 years from the date of first issue of Subordinated Notes under the Subordinated Note Programme and each Subordinated Note issued shall have a tenor of either the following; 10-year non-callable basis; 15 years on a 15 non-callable 10 basis; 12 years on a 12 non-callable 7 basis or 10 years on a 10 non-callable 5 basis.

Each issuance of Subordinated Notes under the Subordinated Note Programme, save and except for Subordinated Notes issued on a 10-year non-callable basis, shall have a callable option allowing Maybank, and subject to the redemption conditions being satisfied, redeem (in whole, but not in part) that tranche of Subordinated Notes on the call date at their principal amount together with accrued but unpaid coupon (if any) ("Optional Redemption"). Further to the Optional Redemption, Maybank may also, at its option and subject to the redemption conditions being satisfied, redeem a tranche of Subordinated Notes (in whole, but not in part) if a regulatory event occurs at the principal amount together with accrued but unpaid coupon (if any) ("Regulatory Redemption"). The Optional Redemption and Regulatory Redemption of one tranche of the Subordinated Notes shall not trigger the redemption of other tranches of Subordinated Notes.

The net proceeds from the issuance of the Subordinated Notes will be utilised to fund Maybank's working capital, general banking and other corporate purposes.

Maybank had on 15 August 2011 issued RM2.0 billion of subordinated notes ("Subordinated Notes") under the Subordinated Note Programme, which has been accorded a long term rating of AA1 by RAM Rating Services Berhad. The Subordinated Notes issued shall have tenure of 10 years on a 10 non-callable 5 basis and will mature on 16 August 2021. It is callable on 15 August 2016 and on every interest payment date thereafter. The Subordinated Notes offering was priced at 4.10%.

(j) Possible Merger of the Businesses of Malayan Banking Berhad and RHB Capital Berhad

On 31 May 2011, Maybank announced that Bank Negara Malaysia ("BNM") has, vide its letter dated 31 May 2011, stated that it has no objection in principle to Maybank commencing preliminary negotiations with RHB Capital Berhad ("RHB Capital") and its major shareholders for a possible merger of the businesses of the two banking groups. The approval from BNM to commence negotiations is valid for 3 months from 31 May 2011.

On 23 June 2011, the Board of Directors of Maybank has decided not to pursue the possible merger at this juncture.

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B9. Deposits and Placements of Financial Institutions and Debt Securities

Please refer to note A12 and A13.

B10. Derivative Financial Instruments

Please refer to note A27.

B11. Changes in Material Litigation

- (a) In 2005, a subsidiary, Mayban Trustees Berhad ("MTB") and eleven other defendants were served with a writ of summons by ten plaintiffs/bondholders all of which are institutions, for an amount of approximately RM149.3 million. MTB was alleged to have acted in breach of trust and negligently in its capacity as Trustee for the bonds issued. MTB has defended the suit.

On 7 July 2008, the plaintiffs entered judgment by consent against certain defendants for the sum of RM149.3 million. The entering of the said judgment by consent is not in any way an admission of liability on the part of MTB.

On 4 August 2008, a defendant served a counterclaim on MTB for approximately RM535 million being losses allegedly incurred by it as a result of MTB unlawfully declaring an Event Of Default on the bonds. The defendant had however on 25 August 2009 withdrawn the counterclaim against MTB.

The High Court on 30 June 2010 awarded judgement against MTB and another defendant, being the Arranger for the bonds, for RM149.3 million. The judgement sum in favour of the plaintiffs/bondholders was apportioned at 40% against MTB and 60% against the other defendant. The High Court also dismissed MTB's other claims.

MTB had on 26 July 2010 filed the respective Notices of Appeal against the entire decision of the High Court. On 19 August 2010, MTB's solicitors filed an application for a joint hearing of MTB's appeals (hereinafter referred to as "Application"). The other defendant (the Arranger for the bonds) served its Notice of Appeal against the entire decision of the High Court on 27 July 2010.

The Application was fixed for hearing on 22 September 2010 and the Court granted order in terms for the Application. MTB's Record Of Appeal has been filed on 1 December 2010. The Plaintiffs have on 9 December 2010 served on MTB's lawyers their Notice Of Cross Appeal wherein the Plaintiffs have sought to vary the judgement of the High Court to include pre-judgement interest at 8% from 1 October 2005 to 29 June 2010.

The Court of Appeal had on 15 April 2011, fixed the hearing of MTB's appeals as well as the appeals of the Plaintiffs and the other defendant (the Arranger for the bonds) on 20 September 2011 to 23 September 2011 and 26 September 2011 to 30 September 2011.

The above contingent liability is covered by an existing Banker Blanket Bond Policy between the Bank and a subsidiary, Etiqa Insurance Berhad, which had entered into a facultative reinsurance contract for an insured sum of RM150 million with three (3) other re-insurers.

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B11. Changes in Material Litigation (cont'd.)

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

The 1st Defendant counterclaimed for loss and damage amounting to approximately RM284 million as a result of ETB's alleged failure to release the balance of the facility of RM7.5 million. It is alleged that the 1st Defendant was unable to carry on its project and therefore suffered loss and damage. ETB are proceeding with their claim and are resisting the 1st Defendant's counterclaim. ETB had filed its Defence to the counterclaim and applied to strike out the counterclaim.

On 14 May 2009, the Court allowed ETB's application for summary judgment, but directed that a rebate be given if there is early settlement. The Court has also dismissed the 1st Defendant's counterclaim against ETB with costs. The 1st, 2nd and 4th Defendants filed their application for stay of execution of the summary judgment through their solicitors and the 3rd Defendant filed its application for stay of execution of the summary judgment through its own solicitors. Both applications for stay of execution were dismissed by the Kuala Lumpur High Court with costs.

All four Defendants then filed an appeal against the decision of the High Court at the Court of Appeal. On 4 March 2010 the Court of Appeal reversed the decision of the High Court and ordered that the matter be returned to the High Court for full hearing. Accordingly, the summary judgement obtained against all four Defendants is no longer operative. The full trial including the counterclaim had since proceeded and recently concluded on 4 May 2011. Oral submissions by both parties were heard on 29 June 2011 and the matter is fixed for decision on 21 September 2011.

ETB's solicitors are of the view that ETB has a good chance of succeeding in this action.

- (c) A corporate borrower had issued a writ of summons and statement of claim against a subsidiary, Maybank Investment Bank Berhad ("Maybank IB"), in 2005 in the latter's capacity as agent bank for three financial institutions, claiming general, special and exemplary damages arising from alleged breach of duty owed by Maybank IB in connection with a syndicated facility.

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 said credit facilities. The 2 claims were heard together.

The High Court on 6 May 2009 entered judgment against Maybank IB as agent for the syndicated lenders for, inter alia, a sum of RM115.5 million with interest at 6% per annum from date of disbursement to realization, with the balance of the corporate borrower's claim (including general damages) ordered to be assessed at a later date. In the same Judgment, the recovery action by Maybank IB and the three syndicated lenders was also dismissed.

At this juncture, Maybank as one of the syndicated lenders has an exposure of RM48 million out of the RM115.5 million awarded pursuant to the Judgment.

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B11. Changes in Material Litigation (cont'd.)

- (c) Maybank IB filed an appeal against the Judgment ("**Appeal**") and an application for stay of execution of the Judgment on 8 May 2009. On 24 June 2009, Maybank IB successfully obtained a stay order for execution of the Judgment pending the disposal of the Appeal against the Judgment. The corporate borrower's appeal to the Court of Appeal against the decision on the stay order was dismissed on 23 November 2009.

The Appeal is now fixed for case management before the Court of Appeal on 29 September 2011 pending the issuance of the notes of proceedings and to file the Record of Appeal.

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

- (d) Mayban Trustees Berhad ("MTB"), as Trustee and Maybank Investment Bank Berhad ("Maybank IB") as Security Agent for the Senior Bonds and Junior Notes issued by a corporation were served with a Writ of Summons, Statement of Claim and Amended Statement of Claim on 29 December 2010 and 30 December 2010 respectively.

An individual as the sole Junior Noteholder of the Junior Notes issued, claimed against both MTB and Maybank IB, the sum of RM556.5 million together with interests and costs arising from the declaration made by MTB of an Event Of Default of the Senior Bonds and subsequent Event Of Default of the Junior Notes and for an alleged breach of fiduciary duties and duty of care by Maybank IB. MTB and Maybank IB do not admit any liability to this claim and will defend the suit. The trial has concluded and the decision is fixed for 30 September 2011.

The solicitors are of the view that both Maybank IB and MTB have a very good chance of success in defending this claim against them.

- (e) On 8 April 2010, a corporate borrower ("the Plaintiff") had filed a civil suit against Malayan Banking Berhad ("Maybank") and two other Defendants at the Johor Bahru High Court ("JB High Court Suit") alleging that Maybank was in breach of its obligations to the Plaintiff under several banking facilities between them for refusing to allow the drawdown and/or refusing to allow the further drawdown of the banking facilities.

Maybank had offered several banking facilities to finance the Plaintiff's development in a mixed development project. Amongst the many securities granted were several debentures which gave Maybank a right to appoint a receiver and manager over the Plaintiff in the event of default of the banking facilities.

The 2nd and 3rd Defendants were receivers and managers ("R&M") appointed by Maybank under debentures given by the Plaintiff.

The Plaintiff had defaulted under the banking facilities granted by Maybank resulting in Maybank appointing the R&M.

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B11. Changes in Material Litigation (cont'd.)

- (e) Concurrent with this suit, the Plaintiff also filed an application for an interlocutory injunction to restrain Maybank from exercising its right to appoint a R&M. The application was heard on 23 November 2010 and allowed.

Maybank has filed an application to strike out the JB High Court Suit and the said application was dismissed by the JB High Court on 12 April 2011. Maybank's solicitors had filed an appeal on 25 April 2011. Maybank has also filed a counterclaim in the JB High Court Suit against the Plaintiff and its guarantors to recover all sums due and owing under the banking facilities granted to the Plaintiff. Pursuant thereto, Maybank has also filed an application for summary judgment against the Plaintiff and its guarantors that was fixed for case management on 13 May 2011. The case management was deferred to 31 May 2011 where the JB High Court has allowed Maybank's application to transfer the JB High Court Suit to KL High Court to be heard with the KL High Court Suit described below. As for the appeal, Maybank had requested the Court of Appeal to fix an early hearing date thereto.

Maybank was also subsequently served with a Writ of Summons and Statement of Claim on 25 March 2011 by the Plaintiff at the Kuala Lumpur High Court ("KL High Court Suit") for a sum of RM1.2 billion alleging that the appointment of the R&M was *mala fide* and with malice and that as a consequence thereof, it has purportedly suffered loss and damages.

The KL High Court has fixed trial dates for the KL High Court Suit on 21, 22 and 28 September 2011. Maybank has filed an application to strike out the KL High Court Suit which is fixed for hearing on 1 December 2011.

Maybank has been advised by its solicitors that there are no merits to the KL High Court Suit and it is frivolous and vexatious.

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B12. Disclosure of Realised and Unrealised Retained Earnings

Pursuant to the Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad Main Market Listing Requirements with the guidance notes from Malaysian Institute of Accountants ("MIA") issued on 20 December 2010, the key items contributing to the realised and unrealised retained earnings of the Group and the Bank are disclosed as follows:

	30 June 2011 RM'000
Total retained profits of the Bank and its subsidiaries:	
- Realised	8,213,749
- Unrealised	925,779
	9,139,528
Total share of retained profits from associated companies:	
- Realised	351,737
- Unrealised	-
	351,737
Total Group retained profits as per consolidated accounts	9,491,265

B13. Proposed Final Dividend

The Board of Directors have proposed a final dividend in respect of the financial year ended 30 June 2011 of 32 sen less 25% taxation (30 June 2010: final dividend of 44 sen per share less 25% taxation) for the shareholders' approval.

The proposed gross dividend consists of an electable portion of 28 sen (21 sen net per ordinary share) which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Plan as disclosed in Note B8(b).

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the final dividend, if approved, will be paid no later than three (3) months from the date of shareholders' approval.

The Books Closure Date will be announced by the Company after the Annual General Meeting.

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B14. Earning Per Share (EPS)

Basic

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

	4th Quarter Ended		Cumulative 12 Months Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Net profit for the period/year (RM'000)	1,154,316	912,474	4,450,278	3,818,167
Weighted average number of ordinary shares in issue ('000)	7,426,218	7,077,983	7,246,461	7,077,957
Basic earnings per share ('000)	15.54 sen	12.89 sen	61.41 sen	53.94 sen

Diluted

The diluted EPS of the Group is calculated by dividing the net profit for the quarter and the cumulative year attributable to ordinary shareholders of the parent by the weighted-average number of ordinary shares in issue and adjusted for the number of shares that could have been issued under the Maybank Group Employee Share Scheme ("ESS").

In the diluted EPS calculation, it was assumed that the ESS relating to the RSU were vested and awarded to employees through issuance of additional 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) based on the monetary value of the ESS entitlement attached to the outstanding RSU granted. 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		Cumulative 12 Months Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Net profit for the period/year (RM'000)	1,154,316	912,474	4,450,278	3,818,167
Weighted average number of ordinary shares in issue ('000)	7,426,218	7,077,983	7,246,461	7,077,957
Effects of dilution ('000)	60	-	15	-
Adjusted weighted average number of ordinary shares in issue ('000)	7,426,278	7,077,983	7,246,476	7,077,957
Diluted earnings per share ('000)	15.54 sen	12.89 sen	61.41 sen	53.94 sen

By Order of the Board

Mohd Nazlan Mohd Ghazali
LS0008977
Company Secretary
22 August 2011