

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

<u>Group</u>	Note	1st Quarter Ended		Cumulative 3 Months Ended	
		30 September 2011	30 September 2010	30 September 2011	30 September 2010
		RM'000	RM'000	RM'000	RM'000
Interest income	A16	3,352,634	2,908,316	3,352,634	2,908,316
Interest expense	A17	(1,479,023)	(1,133,776)	(1,479,023)	(1,133,776)
Net interest income		<u>1,873,611</u>	<u>1,774,540</u>	<u>1,873,611</u>	<u>1,774,540</u>
Income from Islamic Banking					
Scheme operations:					
Gross operating income		516,330	380,357	516,330	380,357
Profit equalisation reserves		-	(42,154)	-	(42,154)
	A28a	<u>516,330</u>	<u>338,203</u>	<u>516,330</u>	<u>338,203</u>
		<u>2,389,941</u>	<u>2,112,743</u>	<u>2,389,941</u>	<u>2,112,743</u>
Net income from insurance business:					
Income from insurance business		177,785	158,154	177,785	158,154
Claims incurred		(81,288)	(71,401)	(81,288)	(71,401)
		<u>96,497</u>	<u>86,753</u>	<u>96,497</u>	<u>86,753</u>
		<u>2,486,438</u>	<u>2,199,496</u>	<u>2,486,438</u>	<u>2,199,496</u>
Non-interest income	A18	<u>1,222,702</u>	<u>954,203</u>	<u>1,222,702</u>	<u>954,203</u>
Net income		<u>3,709,140</u>	<u>3,153,699</u>	<u>3,709,140</u>	<u>3,153,699</u>
Overhead expenses	A19	(1,887,885)	(1,502,054)	(1,887,885)	(1,502,054)
		<u>1,821,255</u>	<u>1,651,645</u>	<u>1,821,255</u>	<u>1,651,645</u>
Allowance for losses on loans, advances and financing	A20	(98,747)	(264,735)	(98,747)	(264,735)
Impairment losses on securities, net		<u>1,018</u>	<u>(13,923)</u>	<u>1,018</u>	<u>(13,923)</u>
Operating Profit		<u>1,723,526</u>	<u>1,372,987</u>	<u>1,723,526</u>	<u>1,372,987</u>
Share of profits in associates		<u>36,521</u>	<u>31,358</u>	<u>36,521</u>	<u>31,358</u>
<b>Profit before taxation and zakat</b>		<u>1,760,047</u>	<u>1,404,345</u>	<u>1,760,047</u>	<u>1,404,345</u>
Taxation & Zakat	B5	(454,186)	(350,705)	(454,186)	(350,705)
<b>Profit for the period</b>		<u>1,305,861</u>	<u>1,053,640</u>	<u>1,305,861</u>	<u>1,053,640</u>
<b>Attributable to:</b>					
Equity holders of the Bank		<u>1,286,390</u>	<u>1,028,114</u>	<u>1,286,390</u>	<u>1,028,114</u>
Non-controlling interest		<u>19,471</u>	<u>25,526</u>	<u>19,471</u>	<u>25,526</u>
		<u>1,305,861</u>	<u>1,053,640</u>	<u>1,305,861</u>	<u>1,053,640</u>
<b>Earnings per share attributable to equity holders of the Bank</b>	B13				
Basic		<u>17.20 sen</u>	<u>14.53 sen</u>	<u>17.20 sen</u>	<u>14.53 sen</u>
Fully diluted		<u>17.15 sen</u>	<u>14.47 sen</u>	<u>17.15 sen</u>	<u>14.47 sen</u>

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statement)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

<u>Group</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<b>Profit for the period</b>	<b>1,305,861</b>	1,053,640	<b>1,305,861</b>	1,053,640
<b>Other comprehensive (loss)/income:</b>				
Net (loss)/gain on available-for-sale financial assets	<b>(83,033)</b>	250,282	<b>(83,033)</b>	250,282
Income tax relating to components of other comprehensive income	<b>4,486</b>	(60,804)	<b>4,486</b>	(60,804)
Foreign currency translation	<b>503,798</b>	(370,797)	<b>503,798</b>	(370,797)
Revaluation reserve from investment properties	<b>(119)</b>	-	<b>(119)</b>	-
Other comprehensive income: for the period, net of tax	<b>425,132</b>	(181,319)	<b>425,132</b>	(181,319)
Total comprehensive income for the period	<b>1,730,993</b>	872,321	<b>1,730,993</b>	872,321
<b>Total comprehensive income for the period attributable to:</b>				
Equity holders of the Bank	<b>1,700,055</b>	865,278	<b>1,700,055</b>	865,278
Non-controlling interest	<b>30,938</b>	7,043	<b>30,938</b>	7,043
	<b>1,730,993</b>	872,321	<b>1,730,993</b>	872,321

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**UNAUDITED INCOME STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

<b>Bank</b>	<b>Note</b>	<b>1st Quarter Ended</b>		<b>Cumulative 3 Months Ended</b>	
		<b>30 September 2011 RM'000</b>	<b>30 September 2010 RM'000</b>	<b>30 September 2011 RM'000</b>	<b>30 September 2010 RM'000</b>
Interest income	A16	2,550,031	2,242,037	2,550,031	2,242,037
Interest expense	A17	(1,105,460)	(860,994)	(1,105,460)	(860,994)
Net interest income		1,444,571	1,381,043	1,444,571	1,381,043
Non-interest income	A18	1,061,154	651,112	1,061,154	651,112
Net income		2,505,725	2,032,155	2,505,725	2,032,155
Overhead expenses	A19	(1,020,213)	(891,321)	(1,020,213)	(891,321)
		1,485,512	1,140,834	1,485,512	1,140,834
Allowance for losses on loans, advances and financing	A20	(42,693)	(133,142)	(42,693)	(133,142)
Impairment losses on securities, net		5,258	(1,611)	5,258	(1,611)
<b>Profit before taxation and zakat</b>		1,448,077	1,006,081	1,448,077	1,006,081
Taxation	B5	(291,927)	(261,581)	(291,927)	(261,581)
<b>Profit for the period</b>		1,156,150	744,500	1,156,150	744,500

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**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

<u>Bank</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<b>Profit for the period</b>	<b>1,156,150</b>	744,500	<b>1,156,150</b>	744,500
<b>Other comprehensive (loss)/income:</b>				
Net gain on available-for-sale financial assets	<b>790</b>	176,915	<b>790</b>	176,915
Income tax relating to components of other comprehensive income	<b>438</b>	(34,675)	<b>438</b>	(34,675)
Foreign currency translation	<b>11,523</b>	51,492	<b>11,523</b>	51,492
Other comprehensive income: for the period, net of tax	<b>12,751</b>	193,732	<b>12,751</b>	193,732
Total comprehensive income for the period	<b>1,168,901</b>	938,232	<b>1,168,901</b>	938,232

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011**

	Note	Group		Bank	
		30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
<b>ASSETS</b>					
Cash and short-term funds		40,738,848	38,803,519	32,170,535	25,803,796
Deposits and placements with financial institutions		6,052,174	10,291,513	5,397,198	7,644,471
Securities purchased under resale agreements		61,552	-	61,552	-
Securities portfolio - Held-for-trading	A9(i)	9,510,165	4,141,978	8,146,168	2,884,895
Securities portfolio - Available-for-sale	A9(ii)	46,686,207	47,258,558	40,405,201	40,262,042
Securities portfolio - Held-to-maturity	A9(iii)	9,842,188	9,638,714	8,556,446	8,339,494
Loans, advances and financing	A10	265,312,289	253,976,426	188,855,974	181,572,844
Derivative assets	A27	2,639,072	1,652,182	2,613,712	1,626,415
Other assets	A11	8,012,441	6,735,522	2,157,109	1,420,365
Investment properties		44,530	45,051	-	-
Statutory deposits with Central Banks		9,433,965	7,698,425	5,552,057	4,313,116
Investment in subsidiaries		-	-	17,219,717	17,070,392
Interests in associates		2,454,500	2,439,654	454,412	454,412
Property, plant and equipment		2,258,803	2,168,986	1,206,778	1,170,183
Intangible assets		6,693,814	6,509,048	172,490	177,270
Deferred tax assets		1,451,187	1,402,705	955,253	920,837
Life, general takaful and family takaful fund assets		19,369,722	19,196,413	-	-
<b>TOTAL ASSETS</b>		<b>430,561,457</b>	<b>411,958,694</b>	<b>313,924,602</b>	<b>293,660,532</b>
<b>LIABILITIES</b>					
Deposits from customers	A12	293,262,656	281,976,379	213,806,920	201,465,408
Deposits and placements of banks and other financial institutions	A13	36,071,740	33,303,655	33,186,553	31,441,675
Obligations on securities sold under repurchase agreements		272,924	373,562	272,924	373,562
Bills and acceptances payable		5,664,304	8,513,401	5,091,145	7,115,673
Derivative liabilities	A27	3,307,331	1,533,935	3,222,394	1,446,311
Other liabilities	A15	11,946,335	11,311,854	7,346,918	4,240,156
Recourse obligation on loans sold to Cagamas		521,907	528,285	521,907	528,285
Provision for taxation and zakat		227,606	134,620	-	-
Deferred tax liabilities		249,345	247,892	-	-
Borrowings	A14(i)	6,332,423	5,447,120	3,690,889	3,420,499
Subordinated obligations	A14(ii)	12,984,036	10,800,539	11,662,650	9,509,786
Capital Securities	A14(iii)	6,142,503	6,120,774	6,142,503	6,120,774
Life, general takaful and family takaful fund liabilities		4,299,903	5,408,600	-	-
Life, general takaful and family takaful policy holders' funds		15,069,819	13,787,813	-	-
<b>TOTAL LIABILITIES</b>		<b>396,352,832</b>	<b>379,488,429</b>	<b>284,944,803</b>	<b>265,662,129</b>

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	Note	Group		Bank	
		30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
<b>SHAREHOLDERS' EQUITY</b>					
Share capital		7,478,215	7,478,206	7,478,215	7,478,206
Reserves		25,500,415	23,983,293	21,501,584	20,520,197
		<b>32,978,630</b>	31,461,499	<b>28,979,799</b>	27,998,403
Non-controlling interest		1,229,995	1,008,766	-	-
Total equity		<b>34,208,625</b>	32,470,265	<b>28,979,799</b>	27,998,403
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		<b>430,561,457</b>	411,958,694	<b>313,924,602</b>	293,660,532
<b>COMMITMENTS AND CONTINGENCIES</b>	A25	<b>393,460,606</b>	292,201,755	<b>361,490,996</b>	265,846,025
<b><u>CAPITAL ADEQUACY</u></b>					
	A26				
Based on credit, market and operational risk:					
<b><u>Basel II</u></b>					
<b>Before deducting electable portion dividend to be reinvested:</b>					
Core capital ratio		<b>10.83%</b>	11.93% *	<b>13.58%</b>	13.44% *
Risk-weighted capital ratio		<b>14.86%</b>	15.45% *	<b>13.58%</b>	13.44% *
<b>After deducting electable portion dividend to be reinvested:</b>					
Core capital ratio, assuming:					
- full electable portion paid in cash		<b>10.23%</b>	11.21%	<b>12.79%</b>	12.49%
- full electable portion reinvested		<b>10.83%</b>	11.84%	<b>13.58%</b>	13.32%
Risk-weighted capital ratio, assuming:					
- full electable portion paid in cash		<b>14.25%</b>	14.72%	<b>12.79%</b>	12.49%
- full electable portion reinvested		<b>14.86%</b>	15.36%	<b>13.58%</b>	13.32%
* In arriving at the capital base used in the ratio calculations of the Group and the Bank, the proposed dividends were not deducted.					
Net assets per share attributable to equity holders of the parent		<b>RM4.41</b>	RM4.21	<b>RM3.88</b>	RM3.74

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

<u>Group</u>	<===== Non Distributable =====>										Distributable Retained Profits	Total Shareholders' Equity	Non- controlling Interests	Total Equity
	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	ESS Reserves RM'000	Revaluation Reserve RM'000	PER Reserve RM'000					
<b>At 1 July 2011</b>	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	
Profit for the period	-	-	-	-	-	-	-	-	-	1,286,390	1,286,390	19,471	1,305,861	
Other comprehensive (loss)/income	-	-	-	-	(66,444)	480,228	-	(119)	-	-	413,665	11,467	425,132	
<b>Total comprehensive income for the period</b>	-	-	-	-	(66,444)	480,228	-	(119)	-	1,286,390	1,700,055	30,938	1,730,993	
Reversal of PER under the previous guideline	-	-	-	-	-	-	-	-	-	34,456	34,456	-	34,456	
Provision for the year	-	-	-	-	-	-	-	-	34,456	(34,456)	-	-	-	
Share-based payment under ESS	-	-	-	-	-	-	36,759	-	-	-	36,759	-	36,759	
Net effect of acquisition/disposal of interests to non-controlling interests	-	-	-	-	-	-	-	-	-	(29,711)	(29,711)	128,550	98,839	
Net effect of acquisition/disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(164)	(164)	64,943	64,779	
Transfer to/(from) statutory reserves	-	-	289,156	-	-	-	-	-	-	(289,156)	-	-	-	
Issue of shares pursuant to Employees' Share Scheme ("ESS")	9	73	-	-	-	-	-	-	-	-	82	-	82	
Dividend payable (Note A8a)	-	-	-	-	-	-	-	-	-	(224,346)	(224,346)	-	(224,346)	
Dividend paid (Note A8b)	-	-	-	-	-	-	-	-	-	-	-	(3,202)	(3,202)	
<b>Total transactions with shareholders</b>	9	73	289,156	-	-	-	36,759	-	34,456	(543,377)	(182,924)	190,291	7,367	
<b>At 30 September 2011</b>	7,478,215	8,583,784	6,699,078	15,250	350,621	(527,749)	101,759	8,938	34,456	10,234,278	32,978,630	1,229,995	34,208,625	

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**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

<u>Group</u>	<===== Non Distributable =====>											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	ESS Reserves RM'000	Revaluation Reserve RM'000	Distributable Retained Profits RM'000					
<b>At 1 July 2010</b>	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 period	-	-	-	-	-	-	-	-	1,028,114	1,028,114	25,526	1,053,640		
Other comprehensive (loss)/income	-	-	-	-	193,816	(356,652)	-	-	-	(162,836)	(18,483)	(181,319)		
<b>Total comprehensive income for the period</b>	-	-	-	-	193,816	(356,652)	-	-	1,028,114	865,278	7,043	872,321		
Net effect of disposal from non-controlling interests	-	-	-	-	-	-	-	-	3,695	3,695	2,581	6,276		
Transfer to/(from) statutory reserves	-	-	187,000	-	-	-	-	-	(187,000)	-	-	-		
Dividend payable	-	-	-	-	-	-	-	-	(212,339)	(212,339)	-	(212,339)		
<b>Total transactions with shareholders</b>	-	-	187,000	-	-	-	-	-	(395,644)	(208,644)	2,581	(206,063)		
<b>At 30 September 2010</b>	7,077,983	5,903,497	5,740,999	15,250	486,831	(1,306,086)	-	9,057	10,388,070	28,315,601	792,409	29,108,010		

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**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	<===== Non Distributable =====>						Distributable	Total
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000		
<b>Bank</b>								
<b>At 1 July 2011</b>	7,478,206	8,583,711	6,212,460	278,860	239,262	65,000	5,140,904	27,998,403
Profit for the period	-	-	-	-	-	-	1,156,150	1,156,150
Other comprehensive income	-	-	-	1,228	11,523	-	-	12,751
<b>Total comprehensive income for the period</b>	-	-	-	1,228	11,523	-	1,156,150	1,168,901
Share-based payment under ESS	-	-	-	-	-	36,759	-	36,759
Transfer to/(from) statutory reserve	-	-	289,100	-	-	-	(289,100)	-
Issue of shares pursuant to Employees' Share Scheme ("ESS")	9	73	-	-	-	-	-	82
Dividend payable (Note A8)	-	-	-	-	-	-	(224,346)	(224,346)
<b>Total transactions with shareholders</b>	9	73	289,100	-	-	36,759	(513,446)	(187,505)
<b>At 30 September 2011</b>	7,478,215	8,583,784	6,501,560	280,088	250,785	101,759	5,783,608	28,979,799

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**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

<u>Bank</u>	<=====Non Distributable =====>						Distributable	Total
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserves RM'000		
<b>At 1 July 2010</b>	7,077,983	5,903,497	5,372,770	228,648	(12,495)	-	6,495,300	25,065,703
Profit for the period	-	-	-	-	-	-	744,500	744,500
Other comprehensive income	-	-	-	142,240	51,492	-	-	193,732
<b>Total comprehensive income for the period</b>	-	-	-	142,240	51,492	-	744,500	938,232
Transfer to/(from) statutory reserves	-	-	187,000	-	-	-	(187,000)	-
Dividend payable	-	-	-	-	-	-	(212,339)	(212,339)
<b>Total transactions with shareholders</b>	-	-	187,000	-	-	-	(399,339)	(212,339)
<b>At 30 September 2010</b>	7,077,983	5,903,497	5,559,770	370,888	38,997	-	6,840,461	25,791,596

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statement)

**MALAYAN BANKING BERHAD**  
(3813-K)  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CASH FLOW STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	Group		Bank	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Profit before taxation	1,760,047	1,404,345	1,448,077	1,006,081
Adjustments for non-operating and non-cash items	<u>552,358</u>	<u>(33,707)</u>	<u>4,304</u>	<u>(49,216)</u>
Operating profit before working capital changes	<u>2,312,405</u>	1,370,638	<u>1,452,381</u>	956,865
Changes in working capital:-				
Net changes in operating assets	<u>(15,601,041)</u>	(9,736,611)	<u>(12,460,555)</u>	(7,997,931)
Net changes in operating liabilities	<u>12,348,134</u>	8,258,147	<u>14,638,948</u>	6,751,528
Tax expense and zakat paid	<u>(401,841)</u>	<u>(326,175)</u>	<u>(303,847)</u>	<u>(241,272)</u>
Net cash generated from operations	<u>(1,342,343)</u>	<u>(434,001)</u>	<u>3,326,927</u>	<u>(530,810)</u>
Net cash used in investing activities	130,617	474,025	106,421	(14,558)
Net cash generated from / (used in) financing activities	<u>2,198,262</u>	<u>75,310</u>	<u>2,070,240</u>	<u>75,310</u>
	<u>2,328,879</u>	<u>549,335</u>	<u>2,176,661</u>	<u>60,752</u>
Net change in cash and cash equivalents	986,536	115,334	5,503,588	(470,058)
Cash and cash equivalents at beginning of year *	<u>37,501,220</u>	27,833,680	<u>27,021,246</u>	19,017,269
Cash and cash equivalents at end of year	<u>38,487,756</u>	27,949,014	<u>32,524,834</u>	18,547,211
Cash and cash equivalents included in the cash flow statements comprise the following amounts in Statements of Financial Position:				
Cash and short-term funds	40,738,848	27,115,304	32,170,535	17,834,520
Deposits maturing within 1 month	<u>436,910</u>	<u>933,240</u>	<u>354,299</u>	<u>712,691</u>
	<u>41,175,758</u>	28,048,544	<u>32,524,834</u>	18,547,211
Less : Monies held in trusts	<u>(2,688,002)</u>	<u>(99,530)</u>	-	-
	<u>38,487,756</u>	27,949,014	<u>32,524,834</u>	18,547,211
* Cash and cash equivalents at beginning of year				
Cash and short term funds as previously reported	36,899,656	28,707,992	26,460,197	19,403,616
Effects of foreign exchange rate changes	<u>601,564</u>	<u>(874,312)</u>	<u>561,049</u>	<u>(386,347)</u>
As restated	<u>37,501,220</u>	27,833,680	<u>27,021,246</u>	19,017,269

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statement)

**MALAYAN BANKING BERHAD**  
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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 unaudited 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 unaudited 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 unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011. These explanatory notes attached to the unaudited 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 2011.

The unaudited 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 2011 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) Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- (ii) Amendments to FRS 1: Additional Exemptions for First-time Adopters
- (iii) Amendments to FRS 2: Group Cash-Settled Share-based Payment Transactions
- (iv) Amendments to FRS 7: Improving Disclosures about Financial Instruments
- (v) Amendments to FRSs [Improvements to FRSs (2010)]
- (vi) Amendments to IC Interpretation 13 [Improvements to FRSs (2010)]
- (vii) Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement (Amendments to IC Interpretation 14)
- (viii) IC Interpretation 18: Transfers of Assets from Customers
- (ix) IC Interpretation 4: Determining Whether an Arrangement contains a Lease
- (x) IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- (xi) TR i - 4: Shariah Compliant Sale Contracts

In addition to these, the Group and the Bank have also adopted BNM's Revised Guidelines for Profit Equalisation Reserve ("PER") issued on May 2011, ("the Revised Guideline"). The Revised Guideline is effective for financial year beginning 1 July 2011 and is required to be applied prospectively. The Group is in the process of obtaining the required approvals prior to implementing an alternative technique to manage the Displaced Commercial Risk as allowed under the Revised Guideline and currently accounts for PER as follows:

- (i) The creation of PER establishes an obligation to manage distribution to the Investment Account Holders ("IAH") from a Shariah perspective. The PER of the IAH is classified as a liability and recognised at cost. The subsequent apportionments of profit to the IAH are recognised in the income statement. The eventual distribution of PER as profit distributable to IAH will be treated as an outflow of funds due to the settlement of obligation to the IAH; and
- (ii) The PER of the Islamic Banking Institution ("IBI") is allocated from retained profits and classified as a separate reserve in equity and is non distributable. Subsequent apportionments from and distributions to retained profits are treated as transfers between reserves.

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 adoption of Revised Guideline on PER which resulted in changes in presentation of PER of the IAH and PER of the IBI.

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**A1. Basis of Preparation (cont'd.)**

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 2012:

- (i) FRS 124: Related Party Disclosures
- (ii) IC Interpretation 15: Agreements for the Construction of Real Estate

**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 Judgements (cont'd.)**

**(v) Liabilities of Insurance Business**

**(a) Life Fund**

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.), and concentrations of risks (such as the performance of difference individual groups).

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**A2. Significant Accounting Estimates and Judgements (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 - Available for Sale and Held to Maturity**

The Group and Bank review the Securities Portfolio' specifically for Available for Sale and Held to Maturity 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 2011 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 first quarter ended 30 September 2011.

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

During the first quarter ended 30 September 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 first quarter ended 30 September 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**

The issued and paid-up share capital of the Bank was increased from RM7,478,206,067 as at 30 June 2011 to RM7,478,215,467 as at 30 September 2011, from the issuance of 9,400 new ordinary of RM1.00 each to eligible persons who have exercised their options under the Maybank Employees' Share Scheme (ESS) at the option price of RM8.82 per share.

**(b) Issuance of Subordinated Notes of RM2.0billion under a subordinated note programme of up to RM3.0 billion in nominal value**

On 15 August 2011, Maybank has successfully completed the issuance of RM2.0 billion Tier 2 Capital Subordinated Notes. Details of the issuance are disclosed in Note B8(b).

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

During the financial period, PT Bank Internasional Indonesia ("BII") and its subsidiaries, the indirect subsidiaries of Maybank had issued bonds, medium term notes and borrowings amounting to approximately RM271 million. The proceeds of such issuances were used by BII and its subsidiaries for its working capital purposes.



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**A8. Dividends Paid**

- (a) There was no dividend paid during the quarter ended 30 September 2011.

During the Annual General Meeting held on 29 September 2011, a final dividend in respect of the financial year ended 30 June 2011 of 32 sen per share less 25% taxation on 7,478,206,067 ordinary shares, amounting to net dividend payable of RM1,794,769,456 (net 24 sen per ordinary share) was approved by the shareholders.

The dividend consists of 4 sen (net 3 sen per ordinary share) to be paid in cash amounting to RM224,346,182 and an electable portion of 28 sen (net 21 sen per ordinary share) amounting to RM1,570,423,274 which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Plan and subject to the relevant regulatory approvals.

The financial statements for the current financial quarter do not reflect the electable portion of 28 sen (net 21 sen per ordinary share) as the relevant regulatory approvals for the issuance of shares had not been obtained as at 30 September 2011.

- (b) Dividends paid by Maybank's subsidiaries to non-controlling interest amounted to RM3,202,000 during the quarter ended 30 September 2011.

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**A9. Securities Portfolio**

	Note	Group		Bank	
		30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
Securities held-for-trading	(i)	9,510,165	4,141,978	8,146,168	2,884,895
Securities available-for-sale	(ii)	46,686,207	47,258,558	40,405,201	40,262,042
Securities held-to-maturity	(iii)	9,842,188	9,638,714	8,556,446	8,339,494
		<b>66,038,560</b>	<b>61,039,250</b>	<b>57,107,815</b>	<b>51,486,431</b>

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

**At Fair value**

**Money market instruments:-**

Malaysian Government Securities	1,092,022	311,479	1,092,022	311,479
Malaysian Government Treasury Bills	93,964	111,888	93,964	111,888
Malaysian Government Investment Issues	435,624	50,537	271,379	20,256
Bank Negara Malaysia Bills and Notes	1,388,958	3,658	1,388,958	3,658
Khazanah Bonds	76,900	59,953	76,900	59,953
Bank Negara Malaysia Monetary Notes	3,586,917	251,412	3,264,247	9,060
Foreign Government Treasury Bills	200,342	155,361	143,324	155,360
Foreign Government Securities	298,186	315,915	13,817	-
Foreign Certificates of Deposits	193,697	240,590	-	-
	<b>7,366,610</b>	<b>1,500,793</b>	<b>6,344,611</b>	<b>671,654</b>

**Quoted securities:**

Shares	229,517	358,871	6,459	12,104
	<b>229,517</b>	<b>358,871</b>	<b>6,459</b>	<b>12,104</b>

**Unquoted securities:**

Private and Islamic Debt Securities in Malaysia	1,235,234	1,109,414	1,235,234	1,109,414
Foreign Government Bonds	39,185	-	32,500	-
Foreign Private Debt Securities	639,619	1,172,900	527,364	1,091,723
	<b>1,914,038</b>	<b>2,282,314</b>	<b>1,795,098</b>	<b>2,201,137</b>

**Total securities held-for-trading**

	<b>9,510,165</b>	<b>4,141,978</b>	<b>8,146,168</b>	<b>2,884,895</b>
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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	2,330,356	3,750,910	2,258,531	3,679,217
Sukuk BNM Ijarah	11,106	11,104	-	-
Cagamas Bonds	1,977,712	1,526,312	1,797,732	1,342,316
Foreign Government Securities	7,845,693	9,053,992	5,498,980	6,751,494
Malaysian Government Investment Issues	5,505,397	7,070,669	2,543,332	3,349,048
Foreign Government Treasury Bills	3,428,405	1,157,497	3,060,686	842,567
Negotiable Instruments of Deposits	384,282	775,683	4,566,499	4,798,186
Bankers' Acceptances and Islamic Accepted Bills	417,022	588,285	412,938	367,352
Khazanah Bonds	1,242,819	1,173,829	926,486	867,407
	<b>23,142,792</b>	<b>25,108,281</b>	<b>21,065,184</b>	<b>21,997,587</b>

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	Group		Bank	
	30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
<b>A9. Securities Portfolio (cont'd.)</b>				
<b>(ii) Securities Available-for-sale (cont'd.)</b>				
<b>Quoted Securities: -</b>				
In Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	346,437	406,380	81,776	104,814
Outside Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	300,239	311,845	17,032	18,722
	<b>646,676</b>	<b>718,225</b>	<b>98,808</b>	<b>123,536</b>
<b>Unquoted Securities:-</b>				
Shares, trust units and loan stocks in Malaysia	561,720	571,573	363,382	376,358
Shares, trust units and loan stocks outside Malaysia	37,220	36,112	13,616	13,908
Private and Islamic Debt Securities in Malaysia	9,989,161	9,791,228	7,696,345	7,633,368
Malaysian Government Bonds	-	135,336	-	135,336
Foreign Government Bonds	1,163,304	1,329,748	1,067,639	1,248,718
Foreign Islamic Private Debt Securities	10,852,432	9,284,751	9,974,908	8,612,607
Credit Linked Notes	-	75,439	-	75,439
Malaysia Global Sukuk	247,216	162,485	125,319	45,185
Structured Deposits	45,686	45,380	-	-
	<b>22,896,739</b>	<b>21,432,052</b>	<b>19,241,209</b>	<b>18,140,919</b>
<b>Total securities available-for-sale</b>	<b>46,686,207</b>	<b>47,258,558</b>	<b>40,405,201</b>	<b>40,262,042</b>
<b>(iii) Securities Held-To-Maturity</b>				
<b>At Amortised cost less impairment losses</b>				
<b>Money market instruments:-</b>				
Malaysian Government Securities	6,252,249	6,275,068	6,252,141	6,274,961
Cagamas Bonds	12,468	11,738	12,468	11,738
Foreign Government Securities	813,695	801,772	-	-
Malaysian Government Investment Issues	498,350	495,864	355,909	353,971
Khazanah Bonds	17,557	17,362	17,557	17,362
	<b>7,594,319</b>	<b>7,601,804</b>	<b>6,638,075</b>	<b>6,658,032</b>
<b>Unquoted Securities:-</b>				
Private and Islamic Debt Securities in Malaysia	1,678,460	1,451,903	1,648,426	1,421,871
Malaysian Government Bonds	-	6,056	-	6,056
Foreign Government Bonds	49,393	49,438	49,106	49,162
Foreign Islamic Private Debt Securities	548,727	558,757	249,549	233,616
Others	2,044	2,044	2,044	2,044
	<b>2,278,624</b>	<b>2,068,198</b>	<b>1,949,125</b>	<b>1,712,749</b>
Accumulated impairment losses	(30,755)	(31,288)	(30,754)	(31,287)
<b>Total securities held-to-maturity</b>	<b>9,842,188</b>	<b>9,638,714</b>	<b>8,556,446</b>	<b>8,339,494</b>

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**A10. Loans, Advances and Financing**

	Group		Bank	
	30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
<b>At amortised cost</b>				
Overdrafts	15,579,727	15,602,979	11,030,260	11,130,114
Term loans				
- Housing loans/financing	49,384,851	42,588,643	39,737,406	33,710,861
- Syndicated loan/financing	18,853,001	16,156,890	15,712,862	13,020,361
- Hire purchase receivables	46,970,428	46,847,564	23,215,208	23,088,371
- Lease receivables	4,051	4,495	3,262	3,264
- Other loans/financing	116,122,565	107,382,363	67,848,239	62,659,172
Credit card receivables	5,832,578	5,773,326	4,932,049	4,863,738
Bills receivable	4,890,186	4,069,296	4,859,830	4,038,085
Trust receipts	2,555,392	2,394,297	2,091,870	1,976,949
Claims on customers under acceptance credits	11,420,673	12,201,913	8,007,133	8,554,699
Loans/financing to banks and other financial institutions	589,800	6,714,542	1,104,702	7,255,622
Revolving credits	26,812,862	25,876,169	17,526,744	18,392,134
Staff loans	2,023,784	1,976,167	961,943	1,001,750
Loans to				
- Executive directors of subsidiaries	2,239	3,416	171	123
Others	1,724,593	1,764,438	-	-
	<b>302,766,730</b>	<b>289,356,498</b>	<b>197,031,679</b>	<b>189,695,243</b>
Unearned interest and income	<b>(30,206,570)</b>	<b>(28,176,735)</b>	<b>(2,791,118)</b>	<b>(2,826,729)</b>
Gross loans, advances and financing	<b>272,560,160</b>	<b>261,179,763</b>	<b>194,240,561</b>	<b>186,868,514</b>
Allowances for impaired loans and financing:				
- individual	<b>(2,930,293)</b>	<b>(2,932,129)</b>	<b>(2,174,880)</b>	<b>(2,115,897)</b>
- collective	<b>(4,317,578)</b>	<b>(4,271,208)</b>	<b>(3,209,707)</b>	<b>(3,179,773)</b>
Net loans, advances and financing	<b>265,312,289</b>	<b>253,976,426</b>	<b>188,855,974</b>	<b>181,572,844</b>

**(i) By type of customer**

	Group		Bank	
	30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
Domestic banking institutions	58,936	55,754	58,936	55,896
Domestic non-bank financial institutions				
- Stockbroking companies	570	662	570	664
- Others	12,493,553	17,649,116	7,050,507	13,026,400
Domestic business enterprise				
- Small and medium enterprise	50,589,424	45,677,647	43,309,843	39,498,099
- Others	61,724,342	57,198,653	42,930,808	38,861,878
Government and statutory bodies	2,897,966	2,973,103	2,552,331	2,638,335
Individuals	121,470,669	119,733,544	80,316,985	79,854,546
Other domestic entities	1,892,277	1,785,113	478,685	497,646
Foreign entities	21,432,423	16,106,171	17,541,896	12,435,050
Gross loans, advances and financing	<b>272,560,160</b>	<b>261,179,763</b>	<b>194,240,561</b>	<b>186,868,514</b>

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

**(ii) By geographical distribution**

	Group		Bank	
	30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
Malaysia	172,121,616	169,773,543	123,716,995	123,380,078
Singapore	60,188,841	54,830,450	59,828,614	54,283,692
Indonesia	22,936,530	21,328,288	-	-
Hong Kong SAR	5,702,952	4,471,402	5,627,900	4,347,640
Labuan offshore	4,174,948	3,875,185	-	-
Philippines	1,732,221	1,419,000	-	-
United Kingdom	1,413,895	1,357,952	1,413,883	1,357,952
United States of America	1,212,936	1,176,644	1,212,936	1,176,644
People's Republic of China	1,026,331	986,362	1,026,331	986,362
Vietnam	568,537	524,916	568,539	524,916
Cambodia	444,651	425,790	444,651	425,790
Bahrain	232,315	226,106	232,315	226,106
Brunei	168,397	159,334	168,397	159,334
Papua New Guinea	118,812	115,297	-	-
Thailand	485,976	466,214	-	-
Others	31,202	43,280	-	-
Gross loans, advances and financing	<b>272,560,160</b>	261,179,763	<b>194,240,561</b>	186,868,514

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

Fixed rate				
- Housing loans/financing	12,019,698	11,855,759	9,368,181	9,147,350
- Hire purchase receivables	35,424,355	35,588,698	20,082,492	19,968,614
- Other fixed rate loans/financing	24,466,672	23,960,007	14,103,858	13,826,800
Variable rate				
- Base lending rate plus	96,807,258	94,310,265	79,442,238	78,337,866
- Cost plus	34,259,459	31,832,925	30,703,470	27,507,286
- Other variable rates	69,582,718	63,632,109	40,540,322	38,080,598
Gross loans, advances and financing	<b>272,560,160</b>	261,179,763	<b>194,240,561</b>	186,868,514

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

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

	Group		Bank	
	30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
Purchase of securities	21,022,237	20,743,919	11,577,104	11,575,901
Purchase of transport vehicles	40,609,649	39,687,127	19,963,634	19,967,508
- less Islamic loans sold to Cagamas	(1,597,722)	(682,679)	-	-
Purchase of landed properties				
- residential	49,509,837	46,621,777	40,278,778	38,190,785
- non-residential	16,116,141	14,623,280	14,653,971	13,435,251
Purchase of fixed assets (exclude landed properties)	3,723,629	2,966,538	3,712,421	2,963,248
Personal use	6,855,362	6,362,067	5,864,679	5,456,581
Credit card	5,897,142	5,772,335	4,989,569	4,874,082
Purchase of consumer durables	290,320	254,111	290,304	254,744
Construction	13,863,961	13,861,422	11,328,113	11,526,219
Merger and acquisition	75,101	52,272	75,101	52,405
Working capital	101,834,268	96,753,084	73,814,856	71,342,270
Others	14,360,235	14,164,510	7,692,031	7,229,520
Gross loans, advances and financing	<b>272,560,160</b>	<b>261,179,763</b>	<b>194,240,561</b>	<b>186,868,514</b>

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

Maturing within one year	97,449,895	75,170,061	80,567,833	58,385,457
One year to three years	28,668,520	27,181,422	17,719,976	17,817,419
Three years to five years	33,743,181	35,685,924	18,954,135	22,244,753
After five years	112,698,564	123,142,356	76,998,617	88,420,885
Gross loans, advances and financing	<b>272,560,160</b>	<b>261,179,763</b>	<b>194,240,561</b>	<b>186,868,514</b>

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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 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
At beginning of the period/year	8,756,862	9,958,863	6,377,496	7,828,774
Impaired during the period/year	1,380,201	5,929,985	804,932	3,211,874
Reclassified as non-impaired	(561,270)	(2,730,159)	(388,381)	(1,677,728)
Recovered during the period/year	(481,419)	(2,004,428)	(335,857)	(1,420,027)
Amount written off	(366,060)	(2,610,648)	(151,639)	(1,624,278)
Converted to securities	-	(37,863)	-	(37,863)
Exchange differences and expenses debited	95,185	89,751	53,361	96,744
Transfer from newly acquired subsidiaries	22,611	161,361	-	-
At end of the period/year	<b>8,846,110</b>	8,756,862	<b>6,359,912</b>	6,377,496
Less: Individual allowance on impaired loans	<b>(2,930,293)</b>	(2,932,129)	<b>(2,174,880)</b>	(2,115,897)
Net impaired loans, advances and financing	<b>5,915,817</b>	5,824,733	<b>4,185,032</b>	4,261,599
Ratio of net impaired loans	<b>2.18%</b>	2.25%	<b>2.18%</b>	2.31%

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

Purchase of securities	105,643	116,667	68,414	82,257
Purchase of transport vehicles	366,547	276,671	142,514	111,271
Purchase of landed properties				
- residential	1,226,658	1,277,777	1,008,854	1,058,965
- non-residential	209,202	290,538	188,678	264,828
Personal use	134,659	126,271	115,209	111,542
Credit card	97,395	77,764	56,309	53,642
Purchase of consumer durables	480	1,163	477	1,159
Construction	527,605	523,361	415,704	433,545
Working capital	5,564,832	5,575,238	4,050,319	3,996,647
Others	613,089	491,412	313,434	263,640
	<b>8,846,110</b>	8,756,862	<b>6,359,912</b>	6,377,496

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

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

	Group		Bank	
	30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
Malaysia	6,581,241	6,712,570	5,691,771	5,769,484
Singapore	366,181	373,977	264,878	242,169
Indonesia	1,043,971	873,692	-	-
Labuan Offshore	353,367	351,094	-	-
Hong Kong SAR	81,788	84,853	80,913	84,853
Brunei	947	2,613	947	2,613
Vietnam	84,426	75,692	84,426	75,692
United Kingdom	169,753	141,478	169,753	141,478
People's Republic of China	-	-	-	-
Cambodia	13,899	12,499	13,899	12,499
Papua New Guinea	-	-	-	-
Philippines	69,273	50,733	-	-
United States of America	-	-	-	-
Bahrain	53,325	48,708	53,325	48,708
Thailand	27,939	28,953	-	-
	<b>8,846,110</b>	<b>8,756,862</b>	<b>6,359,912</b>	<b>6,377,496</b>

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

	Group		Bank	
	30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
<u>Individual Allowance</u>				
At beginning of the period/year	2,932,129	3,981,073	2,115,897	2,909,013
Allowance made during the period/year	250,934	651,725	210,262	471,883
Amount written back	(204,266)	(291,066)	(119,683)	(207,265)
Transferred to impairment losses in securities	-	(51,475)	-	(51,475)
Amount written off	(78,223)	(1,185,904)	(37,915)	(936,464)
Transferred to collective allowance	(17,650)	(173,038)	(9,817)	(57,227)
Acquisition of subsidiaries	20,678	50,315	-	-
Exchange differences	26,691	(49,501)	16,136	(12,568)
At end of the period/year	<b>2,930,293</b>	<b>2,932,129</b>	<b>2,174,880</b>	<b>2,115,897</b>
<u>Collective Allowance</u>				
At beginning of the period/year	4,271,208	4,741,229	3,179,773	3,665,506
Allowance made during the period/year	309,433	774,955	123,869	117,091
Amount written back	(19,126)	(42)	-	-
Transferred from impairment losses in	-	13,612	-	13,612
Amount written off	(287,837)	(1,424,744)	(113,724)	(687,814)
Transferred from individual allowance	17,650	173,038	9,817	57,227
Exchange differences	26,250	(6,840)	9,972	14,151
At end of the period/year	<b>4,317,578</b>	<b>4,271,208</b>	<b>3,209,707</b>	<b>3,179,773</b>
As % of gross loans, advances and financing (including Islamic Loans sold to Cagamas) less individual allowance	<b>1.59%</b>	<b>1.65%</b>	<b>1.67%</b>	<b>1.72%</b>



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**A11. Other Assets**

	Group		Bank	
	30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
Other debtors	4,757,065	3,643,484	2,031,376	1,146,591
Amount due from brokers and clients	2,109,210	2,016,672	-	-
Development properties for sale	425,937	345,616	-	-
Prepayments and deposits	429,552	330,525	50,705	71,098
Tax recoverable	171,616	274,266	34,896	159,874
Foreclosed properties	119,061	124,959	40,132	42,802
	<b>8,012,441</b>	<b>6,735,522</b>	<b>2,157,109</b>	<b>1,420,365</b>

**A12. Deposits from Customers**

**(i) By type of deposit**

Fixed deposits and negotiable instruments of deposits				
- One year or less	152,171,947	147,568,388	98,135,773	94,306,204
- More than one year	6,403,225	5,307,137	5,780,772	4,547,863
Money market deposits	26,312,943	24,614,815	26,312,943	24,614,815
Savings deposits	45,140,281	44,128,596	32,451,012	32,024,849
Demand deposits	60,678,120	57,696,718	49,019,478	43,853,536
Structured deposits *	2,556,140	2,660,725	2,106,942	2,118,141
	<b>293,262,656</b>	<b>281,976,379</b>	<b>213,806,920</b>	<b>201,465,408</b>

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

**(ii) By type of customer**

Business enterprises	132,304,678	125,471,400	96,487,042	88,232,244
Individuals	127,778,019	123,589,127	100,061,237	96,557,071
Government and statutory bodies	9,676,074	10,418,229	3,414,075	3,464,642
Others	23,503,885	22,497,623	13,844,566	13,211,451
	<b>293,262,656</b>	<b>281,976,379</b>	<b>213,806,920</b>	<b>201,465,408</b>

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

Due within six months	126,035,407	121,375,160	74,473,744	70,896,420
Six months to one year	26,136,540	26,193,228	23,662,029	23,409,784
One year to three years	5,943,210	4,876,438	5,639,052	4,414,265
Three years to five years	453,906	424,590	141,720	133,598
After five years	6,109	6,109	-	-
	<b>158,575,172</b>	<b>152,875,525</b>	<b>103,916,545</b>	<b>98,854,067</b>

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	Group		Bank	
	30 September 2011 RM'000	30 June 2011 RM'000	30 September 2011 RM'000	30 June 2011 RM'000
<b>A13. Deposits and Placement of Banks and Other Financial Institutions</b>				
Licensed banks	32,233,072	23,712,986	30,166,967	24,816,195
Licensed finance companies	50,744	41,326	29,362	30,652
Licensed investment banks	172,271	429,662	172,272	429,663
Other financial institutions	3,615,653	9,119,681	2,817,952	6,165,165
	<b>36,071,740</b>	<b>33,303,655</b>	<b>33,186,553</b>	<b>31,441,675</b>
Maturity structure of deposits and placements of banks and other financial institutions				
- One year or less	34,251,517	27,731,454	31,527,431	26,060,606
- More than one year	1,820,223	5,572,201	1,659,122	5,381,069
	<b>36,071,740</b>	<b>33,303,655</b>	<b>33,186,553</b>	<b>31,441,675</b>
<b>A14. Borrowings, Subordinated Obligations and Capital Securities</b>				
(i) Borrowings				
Secured				
- less than one year	864,664	727,523	-	-
- more than one year	687,290	666,667	-	-
	<b>1,551,954</b>	<b>1,394,190</b>	<b>-</b>	<b>-</b>
Unsecured				
- less than one year	1,222,102	630,446	132,522	120,920
- more than one year	3,558,367	3,422,484	3,558,367	3,299,579
	<b>4,780,469</b>	<b>4,052,930</b>	<b>3,690,889</b>	<b>3,420,499</b>
	<b>6,332,423</b>	<b>5,447,120</b>	<b>3,690,889</b>	<b>3,420,499</b>
(ii) Subordinated obligations				
Unsecured				
- more than one year	12,984,036	10,800,539	11,662,650	9,509,786
(iii) Capital Securities				
Unsecured				
- more than one year	6,142,503	6,120,774	6,142,503	6,120,774
<b>A15. Other Liabilities</b>				
Due to brokers and clients	4,476,478	4,200,630	-	-
Deposits and other creditors	4,369,802	3,870,733	5,792,857	2,631,835
Provisions and accruals	2,242,800	2,356,192	1,554,061	1,608,321
Provision for outstanding claims	479,929	464,123	-	-
Unearned premium reserves	315,939	324,929	-	-
Profit equalisation reserves	61,387	95,247	-	-
	<b>11,946,335</b>	<b>11,311,854</b>	<b>7,346,918</b>	<b>4,240,156</b>

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**A16. Interest Income**

	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<b><u>Group</u></b>				
Loans, advances and financing	<b>2,684,176</b>	2,352,209	<b>2,684,176</b>	2,352,209
Money at call and deposit placements with financial institutions	<b>147,697</b>	76,685	<b>147,697</b>	76,685
Securities purchased under resale agreements	<b>1,340</b>	1,856	<b>1,340</b>	1,856
Securities held-for-trading	<b>32,211</b>	18,126	<b>32,211</b>	18,126
Securities available-for-sale	<b>392,556</b>	377,362	<b>392,556</b>	377,362
Securities held-to-maturity	<b>110,036</b>	107,830	<b>110,036</b>	107,830
	<b>3,368,016</b>	2,934,068	<b>3,368,016</b>	2,934,068
Amortisation of premium less accretion of discounts	<b>(15,382)</b>	(15,393)	<b>(15,382)</b>	(15,393)
Net interest income clawed back/suspended	-	(10,359)	-	(10,359)
	<b>3,352,634</b>	2,908,316	<b>3,352,634</b>	2,908,316
<b><u>Bank</u></b>				
Loans, advances and financing	<b>1,977,968</b>	1,746,206	<b>1,977,968</b>	1,746,206
Money at call and deposit placements with financial institutions	<b>112,961</b>	88,103	<b>112,961</b>	88,103
Securities purchased under resale agreements	<b>63</b>	7	<b>63</b>	7
Securities held-for-trading	<b>31,568</b>	14,703	<b>31,568</b>	14,703
Securities available-for-sale	<b>348,501</b>	329,103	<b>348,501</b>	329,103
Securities held-to-maturity	<b>95,607</b>	90,560	<b>95,607</b>	90,560
	<b>2,566,668</b>	2,268,682	<b>2,566,668</b>	2,268,682
Amortisation of premium less accretion of discounts	<b>(16,637)</b>	(16,288)	<b>(16,637)</b>	(16,288)
Net interest income clawed back/suspended	-	(10,357)	-	(10,357)
	<b>2,550,031</b>	2,242,037	<b>2,550,031</b>	2,242,037

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**A17. Interest Expense**

<u>Group</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Deposits and placements of banks and other financial institutions	106,115	69,854	106,115	69,854
Deposits from customers	1,081,351	820,393	1,081,351	820,393
Loans sold to Cagamas	-	882	-	882
Floating rate certificates of deposits	810	509	810	509
Borrowings	74,256	48,260	74,256	48,260
Subordinated obligations	67,984	33,477	67,984	33,477
Subordinated bonds	33,371	45,074	33,371	45,074
Capital Securities	100,574	99,572	100,574	99,572
Net interest on derivative	14,562	15,755	14,562	15,755
	<b>1,479,023</b>	<b>1,133,776</b>	<b>1,479,023</b>	<b>1,133,776</b>
<b>Bank</b>				
Deposits and placements of banks and other financial institutions	107,781	61,826	107,781	61,826
Deposits from customers	776,489	604,296	776,489	604,296
Loans sold to Cagamas	-	882	-	882
Floating rate certificates of deposits	810	509	810	509
Borrowings	10,916	2,695	10,916	2,695
Subordinated obligations	67,984	33,477	67,984	33,477
Subordinated bonds	33,873	45,074	33,873	45,074
Capital Securities	100,574	99,572	100,574	99,572
Net interest on derivative	7,033	12,663	7,033	12,663
	<b>1,105,460</b>	<b>860,994</b>	<b>1,105,460</b>	<b>860,994</b>

**A18. Non-interest Income**

<u>Group</u>				
(a) Fee income:				
Commission	186,786	166,025	186,786	166,025
Service charges and fees	321,109	224,861	321,109	224,861
Guarantee fees	29,786	28,566	29,786	28,566
Underwriting fees	8,529	3,955	8,529	3,955
Brokerage income	160,607	27,838	160,607	27,838
Other loans related fee income	152,811	137,212	152,811	137,212
	<b>859,628</b>	<b>588,457</b>	<b>859,628</b>	<b>588,457</b>
(b) Net gain/(loss) arising from:				
Sale of securities held-for trading	22,840	24,391	22,840	24,391
Sale of securities available-for-sale	201,137	104,711	201,137	104,711
Redemption of securities held-to-maturity	(1)	(8)	(1)	(8)
Net gain from sale of subsidiary company	2,059	-	2,059	-
	<b>226,035</b>	<b>129,094</b>	<b>226,035</b>	<b>129,094</b>
(c) Gross dividend from securities portfolio	8,623	9,605	8,623	9,605
(d) Unrealised (loss)/gain on revaluation of:				
- securities held-for-trading	(74,603)	14,396	(74,603)	14,396
- derivatives	(228,221)	171,684	(228,221)	171,684
	<b>(302,824)</b>	<b>186,080</b>	<b>(302,824)</b>	<b>186,080</b>
(e) Other income:				
Foreign exchange profit/(loss)	298,909	(5,231)	298,909	(5,231)
Rental income	5,694	6,557	5,694	6,557
Gain on disposal of property and equipment (net)	5,540	3,540	5,540	3,540
Gain on disposal of foreclosed properties	409	442	409	442
Sale of development property	41,755	-	41,755	-
Others	78,933	35,659	78,933	35,659
	<b>431,240</b>	<b>40,967</b>	<b>431,240</b>	<b>40,967</b>
Total non-interest income	<b>1,222,702</b>	<b>954,203</b>	<b>1,222,702</b>	<b>954,203</b>

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

<u>Bank</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
(a) Fee income:				
Commission	161,208	146,855	161,208	146,855
Service charges and fees	206,678	166,903	206,678	166,903
Guarantee fees	25,469	25,757	25,469	25,757
Underwriting fees	5,626	197	5,626	197
Brokerage income	646	2,618	646	2,618
Other loans related fee income	48,991	27,841	48,991	27,841
	<u>448,618</u>	<u>370,171</u>	<u>448,618</u>	<u>370,171</u>
(b) Net gain/(loss) arising from:				
Sale of securities held-for trading	24,533	16,930	24,533	16,930
Sale of securities available-for-sale	177,811	85,435	177,811	85,435
Gain on liquidation of subsidiaries	-	595	-	595
Redemption of securities held-to-maturity	(1)	(8)	(1)	(8)
	<u>202,343</u>	<u>102,952</u>	<u>202,343</u>	<u>102,952</u>
(c) Gross dividend income from:				
Securities portfolio	1,501	5,459	1,501	5,459
Subsidiary companies	311,892	-	311,892	-
Associated companies	5,231	5,913	5,231	5,913
	<u>318,624</u>	<u>11,372</u>	<u>318,624</u>	<u>11,372</u>
(d) Unrealised (loss)/gain on revaluation of:				
- securities held-for-trading	(12,581)	10,044	(12,581)	10,044
- derivatives	(216,508)	179,960	(216,508)	179,960
	<u>(229,089)</u>	<u>190,004</u>	<u>(229,089)</u>	<u>190,004</u>
(e) Other income:				
Foreign exchange profit/(loss)	285,085	(33,710)	285,085	(33,710)
Rental income	5,374	6,122	5,374	6,122
Gain on disposal of property and equipment (net)	5,229	2,589	5,229	2,589
Others	24,970	1,612	24,970	1,612
	<u>320,658</u>	<u>(23,387)</u>	<u>320,658</u>	<u>(23,387)</u>
Total non-interest income	<u>1,061,154</u>	<u>651,112</u>	<u>1,061,154</u>	<u>651,112</u>

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**A19. Overhead Expenses**

<u>Group</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Personnel costs				
- Salaries, allowances and bonuses	<b>765,003</b>	636,212	<b>765,003</b>	636,212
- Pension costs	<b>88,642</b>	77,234	<b>88,642</b>	77,234
- Shares/Options granted under Employee's Shares Scheme	<b>36,759</b>	-	<b>36,759</b>	-
- Others	<b>134,735</b>	119,221	<b>134,735</b>	119,221
	<b>1,025,139</b>	832,667	<b>1,025,139</b>	832,667
Establishment costs				
- Depreciation	<b>51,156</b>	40,381	<b>51,156</b>	40,381
- Amortisation of intangible assets	<b>40,618</b>	35,174	<b>40,618</b>	35,174
- Rental of leasehold land and premises	<b>53,339</b>	40,217	<b>53,339</b>	40,217
- Repairs and maintenance of property and equipment	<b>42,182</b>	27,481	<b>42,182</b>	27,481
- Information technology expenses	<b>131,889</b>	111,177	<b>131,889</b>	111,177
- Others	<b>5,792</b>	4,909	<b>5,792</b>	4,909
	<b>324,976</b>	259,339	<b>324,976</b>	259,339
Marketing expenses				
- Advertisement and publicity	<b>66,337</b>	65,841	<b>66,337</b>	65,841
- Others	<b>30,868</b>	21,460	<b>30,868</b>	21,460
	<b>97,205</b>	87,301	<b>97,205</b>	87,301
Administration and general expenses				
- Fees and brokerage	<b>151,798</b>	113,569	<b>151,798</b>	113,569
- Administrative expenses	<b>128,183</b>	91,405	<b>128,183</b>	91,405
- General expenses	<b>112,515</b>	104,234	<b>112,515</b>	104,234
- Cost of development property	<b>37,202</b>	-	<b>37,202</b>	-
- Others	<b>10,867</b>	13,539	<b>10,867</b>	13,539
	<b>440,565</b>	322,747	<b>440,565</b>	322,747
	<b>1,887,885</b>	1,502,054	<b>1,887,885</b>	1,502,054

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**A19. Overhead Expenses (cont'd.)**

	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<b><u>Bank</u></b>				
Personnel costs				
- Salaries, allowances and bonuses	481,995	467,261	481,995	467,261
- Pension costs	76,588	69,435	76,588	69,435
- Shares/Options granted under Employee's Shares Scheme	30,913	-	30,913	-
- Others	86,603	67,327	86,603	67,327
	<b>676,099</b>	<b>604,023</b>	<b>676,099</b>	<b>604,023</b>
Establishment costs				
- Depreciation	28,414	29,189	28,414	29,189
- Amortisation of intangible assets	10,606	11,310	10,606	11,310
- Rental of leasehold land and premises	24,280	20,982	24,280	20,982
- Repairs and maintenance of property and equipment	17,360	17,126	17,360	17,126
- Information technology expenses	115,122	100,877	115,122	100,877
- Others	4,742	3,510	4,742	3,510
	<b>200,524</b>	<b>182,994</b>	<b>200,524</b>	<b>182,994</b>
Marketing expenses				
- Advertisement and publicity	31,204	31,756	31,204	31,756
- Others	26,305	19,812	26,305	19,812
	<b>57,509</b>	<b>51,568</b>	<b>57,509</b>	<b>51,568</b>
Administration and general expenses				
- Fees and brokerage	131,616	86,498	131,616	86,498
- Administrative expenses	60,104	43,628	60,104	43,628
- General expenses	29,815	33,153	29,815	33,153
- Others	1,413	1,518	1,413	1,518
	<b>222,948</b>	<b>164,797</b>	<b>222,948</b>	<b>164,797</b>
Overhead expenses allocated to subsidiary company	(136,867)	(112,061)	(136,867)	(112,061)
	<b>1,020,213</b>	<b>891,321</b>	<b>1,020,213</b>	<b>891,321</b>

**A20. Allowance for Impairment on Loans, Advances and Financing**

	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<b><u>Group</u></b>				
Allowance for impaired loans and financing:				
- collective allowance made	290,307	152,850	290,307	152,850
- individual allowance made	250,934	352,135	250,934	352,135
- individual allowance written back	(204,266)	(89,594)	(204,266)	(89,594)
Impaired loans and financing written off	12,186	7,305	12,186	7,305
Impaired loans and financing recovered	(252,262)	(159,378)	(252,262)	(159,378)
Provision/(written back) for other debts	1,848	1,417	1,848	1,417
	<b>98,747</b>	<b>264,735</b>	<b>98,747</b>	<b>264,735</b>
<b><u>Bank</u></b>				
Allowance for bad and doubtful debts and financing:				
- collective allowance made/(written back)	123,869	114,354	123,869	114,354
- individual allowance made	210,262	156,530	210,262	156,530
- individual allowance written back	(119,683)	(53,091)	(119,683)	(53,091)
Impaired loans and financing written off	11,129	5,423	11,129	5,423
Impaired loans and financing recovered	(183,798)	(89,211)	(183,798)	(89,211)
Provision/(written back) for other debts	914	(863)	914	(863)
	<b>42,693</b>	<b>133,142</b>	<b>42,693</b>	<b>133,142</b>

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**A21. Segment Information**

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

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

(a) Community Financial Services

(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 Markets Malaysia

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



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**A21. Segment Information (cont'd.)**

(b) Global Wholesale Banking ("GWB") (cont'd.)

(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.

(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, whilst 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**

Three Months Ended 30 September 2011	<===== Business Segments =====>							Total RM'000
	Community Financial Services RM'000	Corporate Banking RM'000	Global Markets 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	1,218,057	286,401	162,154	66,395	755,157	8,399	(106,622)	2,389,941
- Inter-segment	-	-	-	314	(2,913)	4,524	(1,925)	-
	<b>1,218,057</b>	<b>286,401</b>	<b>162,154</b>	<b>66,709</b>	<b>752,244</b>	<b>12,923</b>	<b>(108,547)</b>	<b>2,389,941</b>
Net interest income and Islamic banking income	1,218,057	286,401	162,154	66,709	752,244	12,923	(108,547)	2,389,941
Net income from insurance business	-	-	-	-	-	96,497	-	96,497
Non-interest income	384,495	138,196	309,990	229,993	425,715	83,080	(348,767)	1,222,702
Net income	<b>1,602,552</b>	<b>424,597</b>	<b>472,144</b>	<b>296,702</b>	<b>1,177,959</b>	<b>192,500</b>	<b>(457,314)</b>	<b>3,709,140</b>
Overhead expenses	(812,355)	(95,703)	(63,842)	(245,178)	(580,498)	(90,309)	-	(1,887,885)
Allowance for losses on loans advances and financing	26,049	60,134	-	(6,452)	(178,430)	(48)	-	(98,747)
Impairment losses on securities, net	-	4,649	-	-	578	(4,209)	-	1,018
Operating Profit	<b>816,246</b>	<b>393,677</b>	<b>408,302</b>	<b>45,072</b>	<b>419,609</b>	<b>97,934</b>	<b>(457,314)</b>	<b>1,723,526</b>
Share of profits in associates	-	-	-	2,276	34,245	-	-	36,521
<b>Profit before taxation and zakat</b>	<b>816,246</b>	<b>393,677</b>	<b>408,302</b>	<b>47,348</b>	<b>453,854</b>	<b>97,934</b>	<b>(457,314)</b>	<b>1,760,047</b>
Taxation and zakat								(454,186)
<b>Profit after taxation and zakat</b>								<b>1,305,861</b>
Non-controlling interest								(19,471)
<b>Profit for the period</b>								<b>1,286,390</b>

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**A21. Segment Information (cont'd.)**

**By Business Segments**

Three Months Ended 30 September 2010	<===== Business Segments =====>							Total RM'000
	<===== GWB =====>							
	Community Financial Services RM'000	Corporate Banking RM'000	Global Markets 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	1,113,940	186,710	158,800	4,221	656,113	24,461	(31,502)	2,112,743
- Inter-segment	-	-	-	(521)	1,407	(3,661)	2,775	-
	<u>1,113,940</u>	<u>186,710</u>	<u>158,800</u>	<u>3,700</u>	<u>657,520</u>	<u>20,800</u>	<u>(28,727)</u>	<u>2,112,743</u>
Net interest income and Islamic banking income	1,113,940	186,710	158,800	3,700	657,520	20,800	(28,727)	2,112,743
Net income from insurance business	-	-	-	-	-	86,753	-	86,753
Non-interest income	235,409	52,810	261,600	40,830	302,990	79,786	(19,222)	954,203
Net income	<u>1,349,349</u>	<u>239,520</u>	<u>420,400</u>	<u>44,530</u>	<u>960,510</u>	<u>187,339</u>	<u>(47,949)</u>	<u>3,153,699</u>
Overhead expenses	(717,229)	(40,249)	(40,653)	(35,198)	(565,123)	(103,602)	-	(1,502,054)
Allowance for losses on loans advances and financing	(90,140)	(35,195)	-	(2,000)	(137,100)	(300)	-	(264,735)
Impairment losses on securities, net	-	-	(10,067)	24	620	(4,500)	-	(13,923)
Operating Profit	<u>541,980</u>	<u>164,076</u>	<u>369,680</u>	<u>7,356</u>	<u>258,907</u>	<u>78,937</u>	<u>(47,949)</u>	<u>1,372,987</u>
Share of profits in associates	-	-	-	-	31,358	-	-	31,358
<b>Profit before taxation and zakat</b>	<u>541,980</u>	<u>164,076</u>	<u>369,680</u>	<u>7,356</u>	<u>290,265</u>	<u>78,937</u>	<u>(47,949)</u>	<u>1,404,345</u>
Taxation and zakat								(350,705)
<b>Profit after taxation and zakat</b>								<u>1,053,640</u>
Non-controlling interest								(25,526)
<b>Profit for the period</b>								<u>1,028,114</u>

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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 2011.

**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 September 2011			As at 30 June 2011		
	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
<b><u>Credit-related</u></b>						
Direct credit substitutes	6,920,984	6,914,232	4,490,541	6,752,978	6,227,511	4,099,984
Certain transaction-related contingent items	12,092,845	5,657,212	4,345,905	11,877,557	5,432,538	4,249,138
Short-term self-liquidating trade-related contingencies	3,534,048	912,257	543,452	2,568,575	823,220	466,841
Islamic hire purchase loans sold to Cagamas Berhad	1,597,722	1,528,875	469,211	682,679	623,084	226,105
Obligations under underwriting agreements	30,000	15,000	15,000	-	-	-
Irrevocable commitments to extend credit:						
- maturity within one year	96,779,910	10,896,554	4,799,126	90,585,383	3,377,523	1,577,558
- maturity exceeding one year	19,148,888	2,878,084	1,640,154	17,429,274	6,027,366	2,818,245
Miscellaneous commitments and contingencies	7,616,550	399,559	296,607	9,605,986	95,365	71,442
Total credit-related commitment and contingencies	147,720,947	29,201,773	16,599,996	139,502,432	22,606,607	13,509,313

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**A25. Commitments and Contingencies (cont'd.)**

**Group (cont'd.)**

	As at 30 September 2011			As at 30 June 2011		
	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
<b><u>Derivative Financial Instruments</u></b>						
Foreign exchange related contracts:						
- less than one year	97,014,815	2,429,418	989,504	73,596,336	999,219	341,316
- one year to less than five years	14,102,044	128,461	93,865	12,391,864	98,952	65,569
- five years and above	840,754	45,908	45,289	605,885	54,096	52,937
	<b>111,957,613</b>	<b>2,603,787</b>	<b>1,128,658</b>	<b>86,594,085</b>	<b>1,152,267</b>	<b>459,822</b>
Interest rate related contracts:						
- less than one year	74,508,064	254,371	165,576	42,098,665	625,318	389,499
- one year to less than five years	48,818,751	3,131,074	1,579,155	17,922,122	2,944,133	1,495,547
- five years and above	9,617,941	1,103,840	582,762	5,120,193	733,014	316,936
	<b>132,944,756</b>	<b>4,489,285</b>	<b>2,327,493</b>	<b>65,140,980</b>	<b>4,302,465</b>	<b>2,201,982</b>
Equity and commodity related contracts:						
- less than one year	226,447	-	-	808,651	-	-
- one year to less than five years	610,843	-	-	155,607	-	-
	<b>837,290</b>	<b>-</b>	<b>-</b>	<b>964,258</b>	<b>-</b>	<b>-</b>
Total treasury-related commitments and contingencies	<b>245,739,659</b>	<b>7,093,072</b>	<b>3,456,151</b>	<b>152,699,323</b>	<b>5,454,732</b>	<b>2,661,804</b>
	<b>393,460,606</b>	<b>36,294,845</b>	<b>20,056,147</b>	<b>292,201,755</b>	<b>28,061,339</b>	<b>16,171,117</b>

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**A25. Commitments and Contingencies (cont'd.)**

	As at 30 September 2011			As at 30 June 2011		
	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
<b><u>Bank</u></b>						
<b><u>Credit-related</u></b>						
Direct credit substitutes	4,678,053	4,678,053	2,880,576	4,649,552	4,649,552	2,664,930
Certain transaction-related contingent items	10,299,735	4,974,645	3,720,981	10,543,747	4,935,629	3,801,327
Short-term self-liquidating trade-related contingencies	3,344,825	874,145	507,336	2,408,875	760,622	431,034
Obligations under underwriting agreements	-	-	-	-	-	-
Irrevocable commitments to extend credit:						
- maturity within one year	82,606,494	10,108,654	4,434,771	78,255,915	2,613,454	1,366,897
- maturity exceeding one year	16,579,093	2,321,390	1,325,823	15,431,262	5,632,158	2,648,543
Miscellaneous commitments and contingencies	7,398,606	361,103	150,015	9,576,083	95,365	71,442
Total credit-related commitment and contingencies	<b>124,906,806</b>	<b>23,317,990</b>	<b>13,019,502</b>	120,865,434	18,686,780	10,984,173

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**A25. Commitments and Contingencies (cont'd.)**

	As at 30 September 2011			As at 30 June 2011		
	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
<b><u>Bank (cont'd.)</u></b>						
<b><u>Derivative Financial Instruments</u></b>						
Foreign exchange related contracts:						
- less than one year	92,518,572	2,353,672	943,745	69,241,688	974,508	330,847
- one year to less than five years	12,205,481	65,977	56,061	11,703,995	98,952	65,569
- five years and above	840,754	45,908	45,289	605,885	54,096	52,937
	<b>105,564,807</b>	<b>2,465,557</b>	<b>1,045,095</b>	81,551,568	1,127,556	449,353
Interest rate related contracts:						
- less than one year	103,409,158	247,098	162,792	39,794,395	618,202	386,088
- one year to less than five years	20,282,636	3,037,416	1,545,268	17,674,164	2,899,881	1,473,840
- five years and above	6,490,299	1,067,868	569,784	4,996,206	733,014	344,942
	<b>130,182,093</b>	<b>4,352,382</b>	<b>2,277,844</b>	62,464,765	4,251,097	2,204,870
Equity and commodity related contracts:						
- less than one year	226,447	-	-	808,651	-	-
- one year to less than five years	610,843	-	-	155,607	-	-
	<b>837,290</b>	-	-	964,258	-	-
Total treasury-related commitments and contingencies	<b>236,584,190</b>	<b>6,817,939</b>	<b>3,322,939</b>	144,980,591	5,378,653	2,654,223
	<b>361,490,996</b>	<b>30,135,929</b>	<b>16,342,441</b>	265,846,025	24,065,433	13,638,396

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



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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 September 2011, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM1,287.2 million (30 June 2011: RM435.4 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 September 2011, the Group and the Bank have posted cash collateral of RM259.7 million (30 June 2011: RM143.2 million) 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**

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”) 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% (2011: 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”) under Standardised Approach for credit and market, whereas operational risk is under the Basic Indicator Approach. The minimum regulatory capital adequacy requirement is 8% (2011: 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% (2011: 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.

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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 approved gross dividend consisting of an electable portion of 28 sen (net 21 sen per ordinary share) which can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Plan.

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.

The is no proposed dividend for the financial period ended 30 September 2011.

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>30 June</b>	<b>30 September</b>	<b>30 June</b>
	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>
<b>Before deducting electable portion dividend to be reinvested:</b>				
Core capital ratio	<b>10.83%</b>	11.93% *	<b>13.58%</b>	13.44% *
Risk-weighted capital ratio	<b>14.86%</b>	15.45% *	<b>13.58%</b>	13.44% *
<b>After deducting electable portion dividend to be reinvested:</b>				
Core capital ratio, assuming:				
- full electable portion paid in cash	<b>10.23%</b>	11.21%	<b>12.79%</b>	12.49%
- full electable portion reinvested	<b>10.83%</b>	11.84%	<b>13.58%</b>	13.32%
Risk-weighted capital ratio, assuming:				
- full electable portion paid in cash	<b>14.25%</b>	14.72%	<b>12.79%</b>	12.49%
- full electable portion reinvested	<b>14.86%</b>	15.36%	<b>13.58%</b>	13.32%

\* In arriving at the capital based used in the ratio calculations of the Group and the Bank, the proposed dividends were not deducted.

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**A26. Capital Adequacy (cont'd.)**

**(c) Components of Tier I and Tier II capital:**

	Group		Bank	
	30 September 2011 RM '000	30 June 2011 RM '000	30 September 2011 RM '000	30 June 2011 RM '000
<u>Tier I capital</u>				
Paid-up share capital	7,478,215	7,478,206	7,478,215	7,478,206
Share premium	8,583,784	8,583,711	8,583,784	8,583,711
Other reserves	13,547,532	14,779,856	11,805,051	11,790,065
Capital Securities	6,066,543	6,065,486	6,066,543	6,065,486
	<u>35,676,074</u>	<u>36,907,259</u>	<u>33,933,593</u>	<u>33,917,468</u>
Less: Deferred tax assets <sup>1</sup>	(1,383,388)	(1,383,388)	(920,837)	(920,837)
Less: Goodwill <sup>1</sup>	(6,049,900)	(6,049,900)	(81,015)	(81,015)
Total Tier I capital	<u>28,242,786</u>	<u>29,473,971</u>	<u>32,931,741</u>	<u>32,915,616</u>
<u>Tier II capital</u>				
Subordinated obligations	12,825,139	10,732,475	11,510,697	9,458,980
Collective allowance for bad and doubtful debts	998,200	995,632	480,504	449,884
Total Tier II capital	<u>13,823,339</u>	<u>11,728,107</u>	<u>11,991,201</u>	<u>9,908,864</u>
Total capital	42,066,125	41,202,078	44,922,942	42,824,480
Less: Investment in subsidiary companies and associates <sup>2</sup>	(2,939,811)	(2,924,965)	(17,457,434)	(17,457,434)
Less: Other deductions				
Liquidity reserve	-	(1,492)	-	(1,492)
Securitisation exposures held in the banking book	(47,721)	(16,796)	(47,721)	(16,796)
Excess of EL <sup>3</sup> over EP <sup>3</sup>	(347,489)	(108,217)	(299,973)	(37,149)
Capital base	<u>38,731,104</u>	<u>38,150,608</u>	<u>27,117,814</u>	<u>25,311,609</u>

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

<sup>2</sup> 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.

<sup>3</sup> EP is defined as eligible provision and EL is defined as expected loss.

<sup>4</sup> 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).

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**A26. Capital Adequacy (cont'd.)**

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
<b><u>30 September 2011</u></b>			
<b>Before deducting proposed dividends</b>			
Core capital ratio	9.57%	22.62%	-
Risk-weighted capital ratio	12.33%	22.62%	12.33%
<b>After deducting proposed dividends</b>			
Core capital ratio	9.57%	22.62%	-
Risk-weighted capital ratio	12.33%	22.62%	12.33%
<b><u>30 June 2011</u></b>			
<b>Before deducting proposed dividends</b>			
Core capital ratio	10.31%	24.72%	-
Risk-weighted capital ratio	13.02%	24.72%	13.06%
<b>After deducting proposed dividends</b>			
Core capital ratio	9.46%	24.72%	-
Risk-weighted capital ratio	12.17%	24.72%	13.06%

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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 September 2011**

	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	67,888,156	37,098,319	3,480,088	1,094,658	23,358,460
IRB Approach exposure after scaling factor	156,715,751	136,706,757	26,519,258	-	-
Total risk-weighted assets for credit risk	224,603,907	173,805,076	29,999,346	1,094,658	23,358,460
Total risk-weighted assets for credit risk absorbed by Maybank Berhad*	-	-	(205,938)	-	-
Total risk-weighted assets for market risk	11,047,004	8,130,993	89,380	202,844	207,441
Total risk-weighted assets for operational risk	25,058,310	17,807,012	2,455,726	530,915	3,316,361
Additional RWA due to capital floor	-	-	4,008,085	-	-
Total risk-weighted assets	260,709,221	199,743,081	36,346,599	1,828,417	26,882,262

**At 30 June 2011**

	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.

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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	Fair Value		Principal	Fair Value	
<u>As at 30 September 2011</u>	Amount	Assets	Liabilities	Amount	Assets	Liabilities
	RM'000	Amount	Amount	RM'000	Amount	Amount
		RM'000	RM'000		RM'000	RM'000
<b>Trading derivatives</b>						
<u>Foreign exchange related contracts:</u>						
Currency forward						
- Less than one year	32,473,041	615,265	(235,462)	26,390,443	561,195	(185,090)
- One year to three years	446,181	10,387	(4,083)	446,181	10,387	(4,083)
- More than three years	595,260	6,721	(40)	294,761	6,720	(41)
	<u>33,514,482</u>	<u>632,373</u>	<u>(239,585)</u>	<u>27,131,385</u>	<u>578,302</u>	<u>(189,214)</u>
Currency swaps						
- Less than one year	46,810,321	668,266	(1,564,470)	46,810,321	668,266	(1,564,470)
- One year to three years	367,888	7,591	(4,380)	367,888	7,591	(4,380)
- More than three years	294,760	88	(5,612)	294,760	88	(5,612)
	<u>47,472,969</u>	<u>675,945</u>	<u>(1,574,462)</u>	<u>47,472,969</u>	<u>675,945</u>	<u>(1,574,462)</u>
Currency spots						
- Less than one year	9,079,523	12,388	(11,332)	9,069,814	12,406	(11,332)
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	<u>9,079,523</u>	<u>12,388</u>	<u>(11,332)</u>	<u>9,069,814</u>	<u>12,406</u>	<u>(11,332)</u>
Currency options						
- Less than one year	6,486,021	65,547	(54,685)	6,486,021	65,547	(54,685)
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	<u>6,486,021</u>	<u>65,547</u>	<u>(54,685)</u>	<u>6,486,021</u>	<u>65,547</u>	<u>(54,685)</u>
Cross currency interest rate swaps						
- Less than one year	2,372,238	72,812	(34,505)	2,372,238	72,812	(34,505)
- One year to three years	3,802,724	135,006	(107,319)	3,802,724	135,006	(107,319)
- More than three years	5,878,767	102,339	(89,956)	5,878,767	102,339	(89,957)
	<u>12,053,729</u>	<u>310,157</u>	<u>(231,780)</u>	<u>12,053,729</u>	<u>310,157</u>	<u>(231,781)</u>
<u>Interest rate derivatives</u>						
Interest rate swaps						
- Less than one year	14,060,678	21,603	(49,051)	14,060,678	21,603	(49,051)
- One year to three years	24,103,263	160,317	(185,601)	24,103,263	160,317	(185,601)
- More than three years	27,638,686	481,962	(621,100)	27,638,686	481,962	(621,100)
	<u>65,802,627</u>	<u>663,882</u>	<u>(855,752)</u>	<u>65,802,627</u>	<u>663,882</u>	<u>(855,752)</u>
Interest rate futures						
- Less than one year	59,070,102	5,815	(135)	59,070,102	5,815	(135)
- One year to three years	44,648	-	(6)	44,648	-	(6)
- More than three years	-	-	-	-	-	-
	<u>59,114,750</u>	<u>5,815</u>	<u>(141)</u>	<u>59,114,750</u>	<u>5,815</u>	<u>(141)</u>
Interest rate options						
- Less than one year	597,263	13,020	(1,503)	282,363	7,008	-
- One year to three years	1,437,820	14,601	-	1,437,820	14,601	-
- More than three years	982,425	4,648	(110,979)	832,426	3,067	(80,427)
	<u>3,017,508</u>	<u>32,269</u>	<u>(112,482)</u>	<u>2,552,609</u>	<u>24,676</u>	<u>(80,427)</u>

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**A27. Derivative Financial Instruments (cont'd.)**

	Group			Bank		
	Principal	Fair Value		Principal	Fair Value	
<b>As at 30 September 2011</b>	Amount	Assets	Liabilities	Amount	Assets	Liabilities
	RM'000	Amount	Amount	RM'000	Amount	Amount
		RM'000	RM'000		RM'000	RM'000
<b><u>Equity related derivatives</u></b>						
<b>Equity options</b>						
- Less than one year	226,447	10	(10)	226,447	10	(10)
- One year to three years	498,483	3,090	(3,090)	498,483	3,090	(3,090)
- More than three years	57,965	5,983	(5,983)	57,965	5,983	(5,983)
	<b>782,895</b>	<b>9,083</b>	<b>(9,083)</b>	<b>782,895</b>	<b>9,083</b>	<b>(9,083)</b>
<b>Commodity options</b>						
- Less than one year	-	-	-	-	-	-
- One year to three years	-	-	-	-	-	-
- More than three years	54,395	3,068	(3,068)	54,395	3,068	(3,068)
	<b>54,395</b>	<b>3,068</b>	<b>(3,068)</b>	<b>54,395</b>	<b>3,068</b>	<b>(3,068)</b>
<b><u>Hedging derivatives</u></b>						
<b>Interest rate swaps</b>						
- Less than one year	767,430	423	(9,122)	661,764	3	(4,247)
- One year to three years	3,178,118	559	(119,372)	1,466,711	559	(137,766)
- More than three years	1,064,321	-	(74,761)	583,629	-	(58,730)
	<b>5,009,869</b>	<b>982</b>	<b>(203,255)</b>	<b>2,712,104</b>	<b>562</b>	<b>(200,743)</b>
<b>Cross currency interest rate swaps</b>						
- Less than one year	388,095	41,055	-	388,095	41,055	-
- One year to three years	2,354,896	142,826	(11,706)	2,354,896	173,287	(11,706)
- More than three years	607,900	43,682	-	607,901	49,927	-
	<b>3,350,891</b>	<b>227,563</b>	<b>(11,706)</b>	<b>3,350,892</b>	<b>264,269</b>	<b>(11,706)</b>
Total derivative assets / (liabilities)	<b>245,739,659</b>	<b>2,639,072</b>	<b>(3,307,331)</b>	<b>236,584,190</b>	<b>2,613,712</b>	<b>(3,222,394)</b>



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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
<b><u>Trading derivatives</u></b>						
<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)
	<u>22,874,046</u>	<u>145,768</u>	<u>(141,742)</u>	<u>17,934,163</u>	<u>108,677</u>	<u>(104,427)</u>
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)
	<u>44,377,862</u>	<u>318,253</u>	<u>(252,671)</u>	<u>44,377,863</u>	<u>318,253</u>	<u>(252,671)</u>
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	-	-	-	-	-	-
	<u>2,305,804</u>	<u>8,571</u>	<u>(15,047)</u>	<u>2,203,170</u>	<u>8,541</u>	<u>(14,977)</u>
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	-	-	-	-	-	-
	<u>4,546,215</u>	<u>13,388</u>	<u>(8,344)</u>	<u>4,546,215</u>	<u>13,388</u>	<u>(8,344)</u>
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)
	<u>9,410,173</u>	<u>296,007</u>	<u>(241,936)</u>	<u>9,410,173</u>	<u>296,007</u>	<u>(241,936)</u>
<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)
	<u>57,986,058</u>	<u>459,112</u>	<u>(530,402)</u>	<u>56,386,058</u>	<u>473,610</u>	<u>(529,966)</u>
Interest rate futures						
- Less than one year	1,252,719	281	-	1,252,719	243	-
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	<u>1,252,719</u>	<u>281</u>	<u>-</u>	<u>1,252,719</u>	<u>243</u>	<u>-</u>
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)
	<u>2,966,261</u>	<u>18,089</u>	<u>(150,111)</u>	<u>2,392,957</u>	<u>15,658</u>	<u>(105,905)</u>

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**A27. Derivative Financial Instruments (cont'd.)**

	Group			Bank		
	Principal Amount RM'000	Fair Value		Principal Amount RM'000	Fair Value	
<b>As at 30 June 2011</b>	Assets Amount RM'000	Liabilities Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
<b>Equity related derivatives</b>						
<b>Equity options</b>						
- 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)
	<u>908,193</u>	<u>9,739</u>	<u>(14,496)</u>	<u>908,196</u>	<u>9,064</u>	<u>(9,064)</u>
<b>Commodity options</b>						
- 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)
	<u>56,065</u>	<u>4,766</u>	<u>(4,766)</u>	<u>56,065</u>	<u>4,766</u>	<u>(4,766)</u>
<b>Hedging derivatives</b>						
<b>Interest rate swaps</b>						
- 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)
	<u>2,935,942</u>	<u>326</u>	<u>(172,317)</u>	<u>2,433,027</u>	<u>326</u>	<u>(172,151)</u>
<b>Cross currency interest rate swaps</b>						
- 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	-
	<u>3,079,985</u>	<u>377,882</u>	<u>(2,103)</u>	<u>3,079,985</u>	<u>377,882</u>	<u>(2,104)</u>
<b>Total derivative assets / (liabilities)</b>	<u>152,699,323</u>	<u>1,652,182</u>	<u>(1,533,935)</u>	<u>144,980,591</u>	<u>1,626,415</u>	<u>(1,446,311)</u>

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**A28. The Operations of Islamic Banking Scheme**

**A28a. Unaudited Income Statements for the period 30 September 2011**

<u>Group</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Income derived from investment of depositors' funds	823,423	557,191	823,423	557,191
Expenses directly attributable to depositors and Islamic Banking Funds	(17,104)	(7,068)	(17,104)	(7,068)
Transfer (to) / from profit equalisation reserve	-	(42,154)	-	(42,154)
Gross attributable income	806,319	507,969	806,319	507,969
Written back of/(allowance for) losses on financing and advances	(30,042)	(4,096)	(30,042)	(4,096)
<b>Total attributable income</b>	<b>776,277</b>	<b>503,873</b>	<b>776,277</b>	<b>503,873</b>
Income attributable to the depositors	(350,973)	(226,711)	(350,973)	(226,711)
<b>Income attributable to the Group</b>	<b>425,304</b>	<b>277,162</b>	<b>425,304</b>	<b>277,162</b>
Income derived from investment of Islamic Banking Funds				
Gross investment income	42,953	41,967	42,953	41,967
Net income from investment of Islamic Banking Funds	42,953	41,967	42,953	41,967
	468,257	319,129	468,257	319,129
Finance cost	(10,579)	-	(10,579)	-
Overhead expenses	(165,428)	(123,870)	(165,428)	(123,870)
<b>Profit before taxation and zakat</b>	<b>292,250</b>	<b>195,259</b>	<b>292,250</b>	<b>195,259</b>
Taxation	(69,257)	(47,553)	(69,257)	(47,553)
Zakat	(4,768)	(1,544)	(4,768)	(1,544)
<b>Profit for the period</b>	<b>218,225</b>	<b>146,162</b>	<b>218,225</b>	<b>146,162</b>

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

<u>Group</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Gross attributable income	806,319	507,969	806,319	507,969
Net income from investment of Islamic Banking Funds	42,953	41,967	42,953	41,967
Total income before allowances for losses on financing and advances and overhead expenses	849,272	549,936	849,272	549,936
Income attributable to the depositors	(350,973)	(226,711)	(350,973)	(226,711)
	498,299	323,225	498,299	323,225
Finance cost	(10,579)	-	(10,579)	-
Net of intercompany income & expenses	28,610	14,978	28,610	14,978
Income from Islamic Banking Scheme	516,330	338,203	516,330	338,203

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**A28. The Operations of Islamic Banking Scheme (cont'd.)**

**A28b. Unaudited Statement of Comprehensive Income for the period 30 September 2011**

	1st Quarter Ended		Cumulative 3 Months Ended	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
<b>Profit for the period</b>	<b>218,225</b>	146,162	<b>218,225</b>	146,162
Other comprehensive income/(loss):				
Currency translation differences in respect of foreign operations	367	(58)	367	(58)
Net gain on revaluation of financial investments available-for-sale	37,184	44,534	37,184	44,534
Income tax relating to components of other comprehensive income	(9,315)	(9,164)	(9,315)	(9,164)
Other comprehensive income: for the period, net of tax	<b>28,236</b>	35,312	<b>28,236</b>	35,312
<b>Total comprehensive income for the period</b>	<b>246,461</b>	181,474	<b>246,461</b>	181,474

**A28c. Unaudited Statements of Financial Position as at 30 September 2011**

<u>Group</u>	Note	30 September 2011 RM'000	30 June 2011 RM'000
<b>ASSETS</b>			
Cash and short-term funds		2,539,918	9,684,169
Deposits and placements with banks and other financial institutions		495,445	394,136
Securities portfolio		5,974,818	6,823,392
Financing and advances	A28d	48,356,168	46,244,031
Deferred tax assets		167,355	161,550
Derivative assets		36,736	14,646
Other assets		4,738,861	4,737,314
Statutory deposit with Bank Negara Malaysia		1,380,300	913,900
Intangible assets		4,043	918
Property, plant and equipment		2,399	347
<b>Total Assets</b>		<b>63,696,043</b>	68,974,403
<b>LIABILITIES</b>			
Deposits from customers	A28e	47,563,075	50,890,270
Deposit and placements of banks and other financial institutions		10,172,691	11,292,077
Bills and acceptances payable		314,267	1,115,350
Derivatives liabilities		77,952	53,504
Other liabilities		129,329	175,494
Provision for taxation and zakat		88,548	52,931
Subordinated Sukuk	A28f	1,000,115	1,010,637
<b>Total Liabilities</b>		<b>59,345,977</b>	64,590,263
<b>ISLAMIC BANKING FUNDS</b>			
Islamic Banking Funds		454,226	459,287
Reserves		3,895,840	3,924,853
		<b>4,350,066</b>	4,384,140
<b>Total Liabilities and Islamic Banking Funds</b>		<b>63,696,043</b>	68,974,403
<b>COMMITMENTS AND CONTINGENCIES</b>		<b>21,653,677</b>	18,643,612

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**A28. The Operations of Islamic Banking Scheme (cont'd.)**

**A28d. Financing and Advances**

	Group	
	30 September 2011 RM'000	30 June 2011 RM'000
Cashline	1,940,678	2,027,371
Term financing		
- Housing financing	6,689,849	6,237,944
- Syndicated financing	269,391	235,582
- Hire purchase receivables	17,801,409	18,198,072
- Other financing	40,721,322	37,591,734
Bills receivable	4,387	2,201
Trust receipts	180,076	170,724
Claims on customers under acceptance credits	3,413,540	3,648,182
Staff financing	834,862	782,675
Credit card receivables	320,131	307,454
Revolving credits	4,513,194	3,319,247
	<u>76,688,839</u>	<u>72,521,186</u>
Unearned income	(27,405,394)	(25,341,649)
Gross financing and advances*	49,283,445	47,179,537
Allowance for bad and doubtful financing:		
- individual allowance	(309,985)	(354,688)
- collective allowance	(617,292)	(580,818)
Net financing and advances	<u>48,356,168</u>	<u>46,244,031</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.

**A28d. (i) Movements in impaired financing and advances are as follows:**

	Group	
	30 September 2011 RM'000	30 June 2011 RM'000
At beginning of the period/year	928,549	1,155,639
Impaired during the year	140,589	770,551
Recovered/regularised during the period/year	(133,246)	(700,306)
Amount written off	(65,230)	(326,880)
Expenses debited to customers' accounts	3,993	29,545
At end of the period/year	<u>874,655</u>	<u>928,549</u>
Individual allowance	(309,985)	(354,688)
Net balance	<u>564,670</u>	<u>573,861</u>
Gross financing and advances (excluding RPSIA financing)	48,633,445	46,529,537
Less:		
- Individual allowance	(309,985)	(354,688)
Net financing and advances	<u>48,323,460</u>	<u>46,174,849</u>
Ratio of net impaired financing	<u>1.17%</u>	<u>1.24%</u>

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**A28. The Operations of Islamic Banking Scheme (cont'd.)**

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

	<b>Group</b>	
	<b>30 September</b>	<b>30 June</b>
	<b>2011</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Individual allowance</u>		
At beginning of the period/year	354,688	473,823
Allowance made during the period/year	14,766	94,775
Amount written back	(18,869)	(41,822)
Amount written off	(40,268)	(165,650)
Amount transfer to collective allowance	(332)	(6,438)
At end of the period/year	<b>309,985</b>	<b>354,688</b>
<u>Collective allowance</u>		
At beginning of the period/year	580,818	713,938
Amount transfer from MSI from conventional banking	-	3,925
Allowance made during the period/year *	60,944	17,668
Amount written back	-	-
Amount written off	(24,962)	(161,230)
Amount transfer from individual allowance	332	6,438
Exchange difference	160	79
At end of the period/year	<b>617,292</b>	<b>580,818</b>
As a percentage of gross financing and advances less individual allowance	<b>1.28%</b>	1.26%

\* As at 30 September 2011, the gross exposure to RPSIA financing of RM650.0 million (2011 : RM650.0 million) 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 (2011 : RM1.8 million) is recognised in the Bank. There was no individual allowance provided on this RPSIA financing.

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**A28. The Operations of Islamic Banking Scheme (con'td)**

**A28e. Deposits from Customers**

	<b>Group</b>	
	<b>30 September</b>	<b>30 June</b>
	<b>2011</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) By type of deposit</b>		
<u>Mudharabah Fund</u>		
Demand deposits	3,426,017	3,777,414
Savings deposits	448,415	423,091
General Investment deposits	13,636,749	17,146,396
Negotiable instruments of deposits	331,514	242,829
	<b>17,842,695</b>	<b>21,589,730</b>
 <u>Non-Mudharabah Fund</u>		
Demand deposits	5,392,025	5,734,190
Savings deposits	6,477,495	6,178,284
Fixed return investment deposits	17,401,661	16,845,483
Structured deposits	449,199	542,583
	<b>29,720,380</b>	<b>29,300,540</b>
 Total deposit from customers	<b>47,563,075</b>	<b>50,890,270</b>

**A28f. Subordinated Sukuk**

	<b>Group</b>	
	<b>30 September</b>	<b>30 June</b>
	<b>2011</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
RM1.0 billion Islamic Subordinated Sukuk due in 2021	<b>1,000,115</b>	<b>1,010,637</b>

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

**B1. Performance Review**

The Group posted profit after tax attributable to equity holders of RM1,286.4 million for the first quarter ended 30 September 2011, an increase of RM258.3 million or 25.1% over the corresponding quarter ended 30 September 2010.

The Group's net interest income for three (3) month period ended 30 September 2011 increased by RM99.1 million or 5.6%. This is largely due to the growth in Group's loans and advances (excluding Islamic finance) of 17.8% on an annualised basis. Income from Islamic Banking operations continued to grow, increasing by RM178.1 million or 52.7% to RM516.3 million, mainly due to the growth in financing and advances of RM2.0 billion for the quarter ended 30 September 2011 or 18.4% on an annualised basis and the adoption of BNM Revised Guidelines for Profit Equalisation Reserve as disclosed in Note A1. The annualised growth of total financial assets for the period ended 30 September 2011 is 20.5%.

Net income from insurance business increased by RM9.7 million or 11.2% to RM96.5 million due to higher takaful revenue account.

Non interest income recorded an increase of RM268.5 million or 28.1% to RM1,222.7 million. Commission, service charges and fees increased by RM117.0 million or 29.9% due to better contribution from trade finance, cards and remittance businesses. Brokerage income increased by RM132.8 million, of which RM125.3 million was contributed by Kim Eng Holdings Limited ("Kim Eng"), which acquisition was completed on 10 May 2011. The Islamic operations of Maybank Investment Bank Berhad ("Maybank IB") recorded significant increase in fee base income of RM38.0 million due to sizeable sukuk capital market transactions. The Group also benefited from higher net gain on sale of securities, contributing an additional income of RM96.9 million.

Overhead expenses increased by RM385.8 million or 25.7% to RM1,887.9 million over the amount in the corresponding year as a result of consolidation of Kim Eng overhead expenses amounting to RM199.3 million. Personnel cost increased by RM192.7 million or 23.1% to RM1,025.1 million mainly due to Employee's Share Scheme expenses, higher sales incentives and incorporation of Kim Eng's personnel cost. Administration and general expenses increased by RM117.8 million or 36.5% to RM440.6 million mainly due to higher Information Technology consultancy fees, higher brokerage expenses and consolidation of Kim Eng cost of development property. Establishment cost increased by RM65.6 million or 25.3% to RM325.0 million. Marketing costs increased by RM9.9 million or 11.34% to RM97.2 million.

Allowance for losses on loans, advances and financing decreased significantly by RM166.0 million or 62.7% to RM98.7 million. The decrease is mainly due to higher recoveries and lower allowances in the Malaysian banking operations as a result of lower individual allowance. Asset quality continues to improve with net impaired loans ratio improving to 2.18% as at 30 September 2011, compared to 2.25% as at 30 June 2011.

In general, every business segment reported a better performance in the quarter; Malaysia business banking operations reported an increase in profit before tax from RM1,001.2 million to RM1,425.3 million or 42.4% increase, Singapore banking operation reported a profit before tax of RM283.0 million, an increase of 56.4% year-on-year, PT Bank Internasional Indonesia Tbk ("BII") reported an increase in profit before tax of RM74.0 million, 250.8% increase year-on-year, Investment banking group coming mainly from Maybank IB and Kim Eng reported a profit before tax of RM47.3 million, and Insurance, Takaful and Asset Management reported a profit before tax increase of RM19.0 million year-on-year, all the other International banking reported a profit before tax of RM67.4 million, a decrease of 15.5% year-on-year.



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

The Group's net interest income for the 1st quarter ended 30 September 2011 increased by RM46.8 million or 2.6% to RM1,873.6 million against the preceding quarter due to growth in loans base assets. Income from Islamic Banking Scheme operations recorded an increase of RM73.3 million or 16.5% to RM516.3 million over the amount in the preceding quarter, mainly due to higher fee base income from the investment banking Islamic operations and the adoption of BNM Revised Guidelines for PER as disclosed in Note A1.

Net income from insurance business for the quarter decreased significantly by RM248.9 million or 72.1% to RM96.5 million due higher transfer of actuarial surplus from insurance and takaful revenue account in preceding quarter.

Non-interest income for the quarter increased by RM26.0 million or 2.2% to RM1,222.7 million compared to that in preceding quarter. The increase is mainly attributable to higher gain on sale of securities and foreign exchange profits and brokerage income, but mitigated by the unrealised loss on revaluation of securities held-for trading and derivatives.

Overhead expenses for the quarter decreased by RM74.2 million or 3.8% over that of the preceding quarter mainly due to transaction costs relating to acquisition of Kim Eng and higher Employees Share Scheme expenses recognised in the preceding quarter.

Compared to the preceding quarter, allowance for losses on loans, advances and financing was higher by RM51.0 million mainly due to lower recoveries in the domestic banking operations. Impairment losses on securities decreased by RM115.0 million due to deterioration in value for certain securities in the preceding quarter.

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**B3. Prospects**

The global economic outlook remains challenging, with the continuing concerns over Eurozone's sovereign debt crisis and the stalling economic recovery in US. Despite the risks of weakening external demand, domestic demand in ASEAN countries is expected to be resilient and continue to support credit growth.

The loans growth in Malaysia is expected to be mainly driven by the rollout of the Economic Transformation Programme projects and domestic consumption. Credit demand in Singapore is anticipated to moderate with growth remaining broad based. In Indonesia, the strong loans growth is expected to be sustained due to robust domestic demand.

With continued pressure on narrowing margins, the Group will continue to be selective in pursuing loans growth and will focus on sustaining asset quality through sound credit risk management policies and practices.

The Group's investment banking business is set to expand regionally with the availability of a regional investment banking platform via Kim Eng. However, brokerage income may be slower as a result of volatile market conditions.

Strong growth in Islamic banking is expected to continue on the back of expansion within the region and through the wholesale market segment.

Insurance and Takaful will focus on growth through product innovation and expanding its agency force.

The Group will continue to adhere to sound Capital Management practices through risk based asset underwriting, balanced funding mechanism and capital conservation via the dividend reinvestment plan. The Group will also be proactive in monitoring the impending implementation of Basel III capital requirements to be introduced by Bank Negara Malaysia.

The Group will continue to leverage on its Group resources and boost its regional organisational structures to drive value creation across business segments within the Group.

The Group has changed its financial year end from 30 June to 31 December whereby the current financial period is for the 6-month period ending 31 December 2011.

Barring any unforeseen circumstances, the Group expects to record better performance for the financial period ending 31 December 2011 compared to the same period a year ago, with current first quarter annualised ROE (normalised for expected actuarial surplus) of 15.8% (KPI target 31 December 2011: 16.0%) and annualised growth in financial assets of 20.5% (KPI target 31 December 2011: 12.0%).

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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 1st quarter ended 30 September 2011 are as follows:

<b>Group</b>	<b>1st Quarter Ended</b>		<b>Cumulative 3 Months Ended</b>	
	<b>30 September 2011</b>	<b>30 September 2010</b>	<b>30 September 2011</b>	<b>30 September 2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	<b>424,554</b>	293,376	<b>424,554</b>	293,376
Foreign income tax	<b>63,472</b>	36,535	<b>63,472</b>	36,535
	<b>488,026</b>	329,911	<b>488,026</b>	329,911
Over provision in respect of prior period/year:				
Malaysian income tax	-	-	-	-
Foreign income tax	-	-	-	-
Deferred tax expense				
- Origination and reversal of temporary differences	<b>(40,639)</b>	17,769	<b>(40,639)</b>	17,769
- Overprovision in prior period/year	-	-	-	-
	<b>(40,639)</b>	17,769	<b>(40,639)</b>	17,769
Tax expense for the period/year	<b>447,387</b>	347,680	<b>447,387</b>	347,680
Zakat	<b>6,799</b>	3,025	<b>6,799</b>	3,025
	<b>454,186</b>	350,705	<b>454,186</b>	350,705
<b>Bank</b>	<b>1st Quarter Ended</b>		<b>Cumulative 3 Months Ended</b>	
	<b>30 September 2011</b>	<b>30 September 2010</b>	<b>30 September 2011</b>	<b>30 September 2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax	<b>302,386</b>	238,886	<b>302,386</b>	238,886
Foreign income tax	<b>1,461</b>	1,708	<b>1,461</b>	1,708
	<b>303,847</b>	240,594	<b>303,847</b>	240,594
Over provision in prior period/year	-	-	-	-
Deferred tax expense				
- Origination and reversal of temporary differences	<b>(11,920)</b>	20,987	<b>(11,920)</b>	20,987
- Under/(over) provision in prior period/year	-	-	-	-
	<b>(11,920)</b>	20,987	<b>(11,920)</b>	20,987
Tax expense for the period/year	<b>291,927</b>	261,581	<b>291,927</b>	261,581
Zakat	-	-	-	-
	<b>291,927</b>	261,581	<b>291,927</b>	261,581

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (30 June 2011: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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**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

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

(a) (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 29 July 2011, Maybank announced that Mayban IB Holdings had on even date exercised 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 subsidiary of Mayban IB Holdings and 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%.

On 22 September 2011, Mayban IB Holdings and Kim Eng, have completed an internal restructuring whereby Mayban IB Holdings has transferred all the 159,320,319 Kim Eng Securities (Thailand) Public Company Limited (“KEST”) shares, representing approximately 27.99% of the total paid-up KEST shares (“KEST Stake”) to Kim Eng. Mayban IB Holdings had acquired the KEST Stake pursuant to acceptances of the Thai Tender Offer on 22 September 2011.

Post completion of the internal restructuring, the Mayban IB Holdings group's aggregate shareholding in KEST of approximately 83.74% remains unchanged.

(b) **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 thereunder. In addition, the approval from Bank Negara Malaysia (“BNM”) for the issuance of subordinated notes was 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.

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

**(b) Establishment of Subordinated Note Programme of up to RM3.0 billion in Nominal Value (“Subordinated Note Programme”) (cont'd.)**

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”) at a fixed rate of 4.10% per annum 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.

**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 judgment against MTB and another defendant, being the Arranger for the bonds, for RM149.3 million. The judgment 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.

Upon appeal by the parties, the Court of Appeal on 8 November 2011 ruled that MTB and the other defendant are instead to be equally liable to the plaintiffs/bondholders. In addition, the Court of Appeal ordered them to pay penalty charges on the judgment sum at the rate of 3% from 30 September 2005 to date of judgment. However the Court of Appeal allowed MTB and the other defendant to seek indemnity against the issuer of the bonds, the issuer’s Chief Executive Officer, one of the issuer’s directors and associate companies of the said Chief Executive Officer and the said director for 2/3 of the total liability. Further the Court of Appeal allowed MTB to seek indemnity against one of the plaintiffs for 1/3 of its liability (after deducting the sum to be indemnified by the issuer, the issuer’s Chief Executive Officer, one of the issuer’s directors and associate companies of the said Chief Executive Officer and the said director). The judgment of the Court of Appeal is currently being reviewed by MTB’s counsel in order to determine the exact amount of liability that has to be borne by MTB and MTB’s next course of action on this matter.

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**B11. Changes in Material Litigation**

(a) (cont'd.)

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.

- (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.

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. All 4 Defendants filed their respective applications for stay of execution of the summary judgment.

On 4 March 2010 the Court of Appeal reversed the decision of the High Court granting the earlier summary judgment and ordered that the matter be returned to the High Court for full hearing. The full trial including the counterclaim concluded on 4 May 2011. The High Court on 21 September 2011 entered judgment in favour of ETB and allowed ETB's claim (with costs) and dismissed the 1st Defendant's counterclaim (with costs). All 4 Defendants have filed Notices of Appeal against the said decision.

- (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.

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 final case management before the Court of Appeal on 20 October 2011. The Court of Appeal has also fixed the date of hearing of the Appeal, tentatively on 12 December 2011 which shall be confirmed on the next case management date.

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.

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**B11. Changes in Material Litigation**

- (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. On 30 September 2011, the High Court gave judgment in favour of Maybank IB and MTB and dismissed the claim against Maybank IB and MTB with costs. The individual has filed an appeal to the Court of Appeal against the said decision. The matter is scheduled for case management on 13 December 2011.

- (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.

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.

On 24 October 2011, the KL High Court had allowed Maybank's counterclaim and dismissed the claims, ie JB High Court Suit and KL High Court Suit, both of which against Maybank, with costs. Maybank has also filed an application to strike out the KL High Court Suit which is fixed for hearing on 1 December 2011. The KL High Court allowed the Bank's withdrawal of this striking out application with no order as to cost and the hearing on 1 December 2011 is vacated.

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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:

	<b>30 September 2011 RM'000</b>	<b>30 June 2011 RM'000</b>
Total retained profits of the Bank and its subsidiaries:		
- Realised	<b>8,890,100</b>	8,213,749
- Unrealised	<b>955,920</b>	925,779
	<b><u>9,846,020</u></b>	<u>9,139,528</u>
Total share of retained profits from associated companies:		
- Realised	<b>388,258</b>	351,737
- Unrealised	<b>-</b>	-
	<b><u>388,258</u></b>	<u>351,737</u>
Total Group retained profits as per consolidated accounts	<b><u>10,234,278</u></b>	<u>9,491,265</u>



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

**Basic**

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

	<b>1st Quarter Ended</b>		<b>Cumulative 3 Months Ended</b>	
	<b>30 September 2011</b>	<b>30 September 2010</b>	<b>30 September 2011</b>	<b>30 September 2010</b>
Net profit for the period (RM'000)	<b>1,286,390</b>	1,028,114	<b>1,286,390</b>	1,028,114
Weighted average number of ordinary shares in issue ('000)	<b>7,478,215</b>	7,077,983	<b>7,478,215</b>	7,077,983
Basic earnings per share ('000)	<b>17.20 sen</b>	14.53 sen	<b>17.20 sen</b>	14.53 sen

**Diluted**

The diluted EPS of the Group is calculated by dividing the net profit for the quarter 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") and under the Dividend Reinvestment Plan ("DRP").

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 and the electable portion of the dividends issue under the DRP were exercised into ordinary shares. A calculation is done to determine the number of shares that could have been issued at fair value (determined as the average price of the Bank's shares) based on the monetary value of the ESS entitlement attached to the outstanding RSU granted and the number of shares that could have been issued at an assumed price (determined as the 5-day average price of the Bank's shares as at 30 September 2011) based on the electable portion of the dividends issue under the DRP. These calculations 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 period.

	<b>1st Quarter Ended</b>		<b>Cumulative 3 Months Ended</b>	
	<b>30 September 2011</b>	<b>30 September 2010</b>	<b>30 September 2011</b>	<b>30 September 2010</b>
Net profit for the period (RM'000)	<b>1,286,390</b>	1,028,114	<b>1,286,390</b>	1,028,114
Weighted average number of ordinary shares in issue ('000)	<b>7,478,215</b>	7,077,983	<b>7,478,215</b>	7,077,983
Effects of dilution ('000)				
- shares issued based on the electable portion of the dividends under the Dividend Reinvestment Plan	<b>21,036</b>	27,119	<b>21,036</b>	27,119
Adjusted weighted average number of ordinary shares in issue ('000)	<b>7,499,251</b>	7,105,102	<b>7,499,251</b>	7,105,102
Diluted earnings per share ('000)	<b>17.15 sen</b>	14.47 sen	<b>17.15 sen</b>	14.47 sen

By Order of the Board

**Mohd Nazlan Mohd Ghazali**  
LS0008977  
Company Secretary  
14 November 2011