

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

<u>Group</u>	Note	Quarter Ended		Cumulative 3 Months Ended*	
		31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Interest income	A17	3,567,381	2,978,987	3,567,381	2,978,987
Interest expense	A18	(1,546,681)	(1,207,562)	(1,546,681)	(1,207,562)
Net interest income		2,020,700	1,771,425	2,020,700	1,771,425
Income from Islamic Banking					
Scheme operations:					
Gross operating income		534,826	404,255	534,826	404,255
Profit equalisation reserves		-	(16,483)	-	(16,483)
	A29a	534,826	387,772	534,826	387,772
		2,555,526	2,159,197	2,555,526	2,159,197
Net income from insurance business:					
Income from insurance business		200,675	162,382	200,675	162,382
Claims incurred and expense liability		(113,449)	(78,290)	(113,449)	(78,290)
		87,226	84,092	87,226	84,092
		2,642,752	2,243,289	2,642,752	2,243,289
Non-interest income	A19	1,408,015	928,844	1,408,015	928,844
Net income		4,050,767	3,172,133	4,050,767	3,172,133
Overhead expenses	A20	(1,994,808)	(1,553,956)	(1,994,808)	(1,553,956)
		2,055,959	1,618,177	2,055,959	1,618,177
Allowance for losses on loans, advances and financing	A21	(195,908)	(72,201)	(195,908)	(72,201)
Impairment losses on securities, net		(470)	4,292	(470)	4,292
Operating Profit		1,859,581	1,550,268	1,859,581	1,550,268
Share of profits in associates		34,991	25,305	34,991	25,305
Profit before taxation and zakat		1,894,572	1,575,573	1,894,572	1,575,573
Taxation & Zakat	B5	(528,902)	(389,311)	(528,902)	(389,311)
Profit for the period		1,365,670	1,186,262	1,365,670	1,186,262
Attributable to:					
Equity holders of the Bank		1,346,881	1,142,600	1,346,881	1,142,600
Non-controlling interest		18,789	43,662	18,789	43,662
		1,365,670	1,186,262	1,365,670	1,186,262
Earnings per share attributable to equity holders of the Bank	B12				
Basic		17.63 sen	15.60 sen	17.63 sen	15.60 sen
Fully diluted		17.59 sen	15.60 sen	17.59 sen	15.60 sen

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

*(The Group has changed its financial year-end from 30 June to 31 December. Comparatives for cumulative quarters consist of 3 months results beginning 1 January 2011 to 31 March 2011.)

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

<u>Group</u>	Quarter Ended		Cumulative 3 Months Ended*	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Profit for the period	1,365,670	1,186,262	1,365,670	1,186,262
Other comprehensive (loss)/income:				
Net (loss)/gain on available-for-sale financial assets	(31,991)	46,672	(31,991)	46,672
Income tax relating to components of other comprehensive income	22,204	(12,120)	22,204	(12,120)
Foreign currency translation	(590,731)	(14,695)	(590,731)	(14,695)
Changes in other reserves	1,465	-	1,465	-
Other comprehensive loss: for the period, net of tax	(599,053)	19,857	(599,053)	19,857
Total comprehensive income for the period	766,617	1,206,119	766,617	1,206,119
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	748,824	1,164,328	748,824	1,164,328
Non-controlling interest	17,793	41,791	17,793	41,791
	766,617	1,206,119	766,617	1,206,119

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FOR THE FIRST QUARTER ENDED 31 MARCH 2012

<u>Bank</u>	Note	Quarter Ended		Cumulative 3 Months Ended*	
		31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Interest income	A17	2,702,561	2,255,602	2,702,561	2,255,602
Interest expense	A18	(1,192,177)	(913,569)	(1,192,177)	(913,569)
Net interest income		1,510,384	1,342,033	1,510,384	1,342,033
Non-interest income	A19	1,095,774	658,913	1,095,774	658,913
Net income		2,606,158	2,000,946	2,606,158	2,000,946
Overhead expenses	A20	(1,068,805)	(937,494)	(1,068,805)	(937,494)
		1,537,353	1,063,452	1,537,353	1,063,452
Allowance for losses on loans, advances and financing	A21	(144,724)	61,444	(144,724)	61,444
Impairment losses on securities, net		13,787	5,779	13,787	5,779
Profit before taxation and zakat		1,406,416	1,130,675	1,406,416	1,130,675
Taxation & Zakat	B5	(324,769)	(304,808)	(324,769)	(304,808)
Profit for the period		1,081,647	825,867	1,081,647	825,867

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FOR THE FIRST QUARTER ENDED 31 MARCH 2012

<u>Bank</u>	Quarter Ended		Cumulative 3 Months Ended*	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Profit for the period	1,081,647	825,867	1,081,647	825,867
Other comprehensive (loss)/income:				
Net (loss)/gain on available-for-sale financial assets	(95,933)	84,596	(95,933)	84,596
Income tax relating to components of other comprehensive income	23,983	(20,523)	23,983	(20,523)
Foreign currency translation	(50,756)	22,634	(50,756)	22,634
Other comprehensive loss: for the period, net of tax	(122,706)	86,707	(122,706)	86,707
Total comprehensive income for the period	958,941	912,574	958,941	912,574

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Note	Group		Bank	
		31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
ASSETS					
Cash and short-term funds		44,900,238	49,089,088	31,443,825	35,966,579
Deposits and placements with financial institutions		12,811,603	6,452,978	11,315,970	6,246,093
Securities purchased under resale agreements		974,890	1,397,235	974,890	1,397,235
Securities held-for-trading	A10(i)	10,887,473	9,665,997	7,972,399	7,325,466
Securities available-for-sale	A10(ii)	48,653,351	48,504,468	40,838,710	39,618,975
Securities held-to-maturity	A10(iii)	11,682,480	9,880,899	10,089,066	8,804,797
Loans, advances and financing	A11	279,085,104	274,430,691	197,694,318	194,174,085
Derivative assets	A28	2,007,727	1,954,476	1,971,156	1,949,344
Other assets	A12	8,500,941	6,661,305	2,266,757	2,240,433
Investment properties		61,633	62,007	-	-
Statutory deposits with Central Banks		11,114,162	10,577,416	6,468,404	6,095,129
Investment in subsidiaries		-	-	17,261,202	17,230,202
Interest in associates		2,342,697	2,406,462	456,512	456,512
Property, plant and equipment		2,436,524	2,372,534	1,376,984	1,298,891
Intangible assets		6,247,077	6,507,949	175,074	173,933
Deferred tax assets		1,455,515	1,421,934	943,809	867,163
Life, general takaful and family takaful fund assets		20,102,950	19,903,312	-	-
TOTAL ASSETS		463,264,365	451,288,751	331,249,076	323,844,837
LIABILITIES					
Deposits from customers	A13	320,234,817	313,709,780	227,486,072	222,895,293
Deposits and placements of banks and other financial institutions	A14	39,287,033	36,760,978	36,343,104	35,555,592
Obligations on securities sold under repurchase agreements		-	267,652	-	267,652
Bills and acceptances payable		3,650,269	4,472,872	2,937,290	3,610,141
Derivative liabilities	A28	1,732,148	2,162,709	1,598,684	2,072,731
Other liabilities	A16	13,034,284	10,576,494	7,734,341	6,351,178
Recourse obligation on loans sold to Cagamas		708,263	715,603	708,263	715,603
Provision for taxation and zakat		291,472	320,212	-	-
Deferred tax liabilities		255,570	263,605	-	-
Borrowings	A15(i)	8,402,680	7,185,230	5,461,225	4,208,282
Subordinated obligations	A15(ii)	14,176,807	14,160,553	12,610,932	12,574,919
Capital securities	A15(iii)	6,128,372	6,113,761	6,128,372	6,113,761
Life, general takaful and family takaful fund liabilities		2,982,064	2,886,104	-	-
Life, general takaful and family takaful policy holders' funds		17,120,886	17,017,208	-	-
TOTAL LIABILITIES		428,004,665	416,612,761	301,008,283	294,365,152

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	Note	Group		Bank	
		31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
SHAREHOLDERS' EQUITY					
Share capital		7,639,441	7,639,437	7,639,441	7,639,437
Reserves		26,371,806	25,805,990	22,601,352	21,840,248
		34,011,247	33,445,427	30,240,793	29,479,685
Non-controlling interests		1,248,453	1,230,563	-	-
Total equity		35,259,700	34,675,990	30,240,793	29,479,685
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		463,264,365	451,288,751	331,249,076	323,844,837
COMMITMENTS AND CONTINGENCIES					
	A26	386,080,241	370,709,695	348,773,931	336,480,160
<u>CAPITAL ADEQUACY</u>					
	A27				
Based on credit, market and operational risk:					
<u>Basel II</u>					
Before deducting electable portion dividend to be reinvested:					
Core capital ratio		11.05%	11.74% *	14.56%	15.80% *
Risk-weighted capital ratio		15.43%	16.46% *	14.56%	15.80% *
After deducting electable portion dividend to be reinvested:					
Core capital ratio, assuming:					
- full electable portion paid in cash		10.38%	10.95%	13.67%	14.73%
- full electable portion reinvested		11.05%	11.65%	14.56%	15.68%
Risk-weighted capital ratio, assuming:					
- full electable portion paid in cash		14.76%	15.66%	13.67%	14.73%
- full electable portion reinvested		15.43%	16.37%	14.56%	15.68%
* 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 Bank					
		RM4.45	RM4.38	RM3.96	RM3.86

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FOR THE FIRST QUARTER ENDED 31 MARCH 2012

<u>Group</u>	<===== Non-Distributable =====>												
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve/ (Deficit) RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Revaluation Reserve RM'000	Profit Equalisation Reserve RM'000	Distributable Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 January 2012	7,639,437	9,598,847	6,926,383	15,250	350,981	(969,382)	127,317	8,817	34,456	9,713,321	33,445,427	1,230,563	34,675,990
Profit for the period	-	-	-	-	-	-	-	-	-	1,346,881	1,346,881	18,789	1,365,670
Other comprehensive income/(loss)	-	-	62	200	(13,999)	(584,320)	-	-	-	-	(598,057)	(996)	(599,053)
Total comprehensive income/(loss) for the period	-	-	62	200	(13,999)	(584,320)	-	-	-	1,346,881	748,824	17,793	766,617
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	31,314	-	-	-	31,314	-	31,314
Net effect of acquisition from/disposal to non-controlling interests	-	-	-	(315)	-	2,236	-	-	-	12,908	14,829	7,582	22,411
Transfer to statutory reserves	-	-	270,411	-	-	-	-	-	-	(270,411)	-	-	-
Issue of shares pursuant to ESS (Note A8a)	4	35	-	-	-	-	(3)	-	-	-	36	-	36
Dividend payable (Note A9a)	-	-	-	-	-	-	-	-	-	(229,183)	(229,183)	-	(229,183)
Dividend paid (Note A9b)	-	-	-	-	-	-	-	-	-	-	(7,485)	(7,485)	(7,485)
Total transactions with shareholders	4	35	270,411	(315)	-	2,236	31,311	-	-	(486,686)	(183,004)	97	(182,907)
At 31 March 2012	7,639,441	9,598,882	7,196,856	15,135	336,982	(1,551,466)	158,628	8,817	34,456	10,573,516	34,011,247	1,248,453	35,259,700

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

Group	<===== Non-Distributable =====>										
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve/ (Deficit) RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 July 2010	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	-	-	-	-	-	-	-	2,153,362	2,153,362	26,912	2,180,274
Other comprehensive (loss)/income	-	-	-	-	(108,466)	(330,313)	-	-	(438,779)	(2,757)	(441,536)
Total comprehensive (loss)/income for the period	-	-	-	-	(108,466)	(330,313)	-	2,153,362	1,714,583	24,155	1,738,738
Net effect of disposal to non-controlling interests	-	-	-	-	-	-	-	8,609	8,609	3,346	11,955
Effect of Redemption on Redeemable Convertible Preference Shares ("RCPS")	-	-	-	-	-	-	-	-	-	(46,500)	(46,500)
Transfer to statutory reserves	-	-	432,100	-	-	-	-	(432,100)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	244,257	1,635,901	-	-	-	-	-	-	1,880,158	-	1,880,158
Dividend paid	-	-	-	-	-	-	-	(2,335,734)	(2,335,734)	-	(2,335,734)
Total transactions with shareholders	244,257	1,635,901	432,100	-	-	-	-	(2,759,225)	(446,967)	(43,154)	(490,121)
At 31 December 2010/1 January 2011	7,322,240	7,539,398	5,986,099	15,250	184,549	(1,279,747)	9,057	9,149,737	28,926,583	763,786	29,690,369
Profit for the period	-	-	-	-	-	-	-	1,142,600	1,142,600	43,662	1,186,262
Other comprehensive income/(loss)	-	-	-	-	36,109	(14,381)	-	-	21,728	(1,871)	19,857
Total comprehensive income/(loss) for the period	-	-	-	-	36,109	(14,381)	-	1,142,600	1,164,328	41,791	1,206,119
Net effect of disposal to non-controlling interests	-	-	-	-	-	-	-	4,150	4,150	(1,358)	2,792
Transfer to statutory reserves	-	-	206,600	-	-	-	-	(206,600)	-	-	-
Dividend payable	-	-	-	-	-	-	-	(219,667)	(219,667)	-	(219,667)
Total transactions with shareholders	-	-	206,600	-	-	-	-	(422,117)	(215,517)	(1,358)	(216,875)
At 31 March 2011	7,322,240	7,539,398	6,192,699	15,250	220,658	(1,294,128)	9,057	9,870,220	29,875,394	804,219	30,679,613

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

<u>Bank</u>	<===== Non-Distributable =====>							Distributable Retained Profits RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Total		
At 1 January 2012	7,639,437	9,598,847	6,728,866	262,434	227,772	127,317	4,895,012	29,479,685	
Profit for the period	-	-	-	-	-	-	1,081,647	1,081,647	
Other comprehensive loss	-	-	-	(71,950)	(50,756)	-	-	(122,706)	
Total comprehensive (loss)/income for the period	-	-	-	(71,950)	(50,756)	-	1,081,647	958,941	
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	31,314	-	31,314	
Transfer to statutory reserve	-	-	270,411	-	-	-	(270,411)	-	
Issue of shares pursuant to ESS (Note A8a)	4	35	-	-	-	(3)	-	36	
Dividend payable (Note A9a)	-	-	-	-	-	-	(229,183)	(229,183)	
Total transactions with shareholders	4	35	270,411	-	-	31,311	(499,594)	(197,833)	
At 31 March 2012	7,639,441	9,598,882	6,999,277	190,484	177,016	158,628	5,477,065	30,240,793	

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<u>Bank</u>	<----- Non-Distributable ----->							Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Exchange Fluctuation Reserve RM'000	Distributable Retained Profits RM'000		
At 1 July 2010	7,077,983	5,903,497	5,372,770	228,648	(12,495)	6,495,300	25,065,703	
Profit for the year	-	-	-	-	-	1,728,207	1,728,207	
Other comprehensive (loss)/income	-	-	-	(198,361)	126,020	-	(72,341)	
Total comprehensive income for the period	-	-	-	(198,361)	126,020	1,728,207	1,655,866	
Transfer to/(from) statutory reserve	-	-	432,100	-	-	(432,100)	-	
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	244,257	1,635,901	-	-	-	-	1,880,158	
Dividend paid	-	-	-	-	-	(2,335,734)	(2,335,734)	
Total transactions with shareholders	244,257	1,635,901	432,100	-	-	(2,767,834)	(455,576)	
At 31 December 2010/1 January 2011	7,322,240	7,539,398	5,804,870	30,287	113,525	5,455,673	26,265,993	
Profit for the period	-	-	-	-	-	825,867	825,867	
Other comprehensive (loss)/income	-	-	-	64,073	22,634	-	86,707	
Total comprehensive (loss)/income for the period	-	-	-	64,073	22,634	825,867	912,574	
Transfer to statutory reserves	-	-	206,600	-	-	(206,600)	-	
Dividend payable	-	-	-	-	-	(219,667)	(219,667)	
Total transactions with shareholders	-	-	206,600	-	-	(426,267)	(219,667)	
At 31 March 2011	7,322,240	7,539,398	6,011,470	94,360	136,159	5,855,273	26,958,900	

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

	Group		Bank	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	1,894,572	1,575,573	1,406,416	1,130,675
Adjustments for non-operating and non-cash items:				
Depreciation	52,908	42,330	29,300	29,193
Share of associates' profit	(34,991)	(25,305)	-	-
Amortisation of intangible assets	36,155	36,434	10,623	13,880
Net (gain)/loss on disposal of held-for-trading securities	(40,088)	21,477	(25,087)	5,677
Net gain on disposal of available-for-sale securities	(105,235)	(59,328)	(73,446)	(44,090)
Net (gain)/loss on redemption of held-to-maturity securities	(17)	22	(17)	22
Unrealised gain on revaluation of securities held-for-trading and derivatives	(177,003)	(108,116)	(146,483)	(97,820)
Loan and financing loss and allowances	417,774	233,985	301,946	35,103
Allowance made/(written back) for other debts	2,524	7,311	729	1,107
Dividend income	(3,722)	(6,173)	(228,722)	(1,878)
Share options granted under ESS	30,222	-	26,961	-
Impairment losses on securities, net	470	(4,292)	(13,787)	(5,779)
Transfer of life, general takaful and family takaful fund surplus	(17,308)	(16,325)	-	-
Other adjustments for non-operating and non-cash items:	(28,419)	(19,104)	(30,344)	(19,283)
Operating profit before working capital changes	<u>2,027,842</u>	1,678,489	<u>1,258,089</u>	1,046,807
Change in deposits and placements with banks and other financial institutions	(6,253,516)	6,201,030	(4,742,000)	5,991,186
Change in securities portfolio	(3,026,953)	(2,234,694)	(3,115,806)	(754,752)
Change in loans, advances and financing	(5,072,187)	(14,900,690)	(3,822,179)	(9,068,894)
Change in statutory deposits with Central Banks	(536,746)	(208,704)	(373,275)	105,082
Change in deposits from customers	6,525,037	12,601,228	4,590,779	3,341,273
Change in deposits and placements of banks and other financial institutions	2,526,055	5,117,554	787,512	3,310,379
Change in life, general takaful and family takaful fund assets	(182,330)	(293,064)	-	-
Change in life, general takaful and family takaful fund liabilities and policy holder's funds	199,638	310,130	-	-
Change in other operating activities	294,475	(1,533,296)	305,972	1,915,520
Exchange fluctuation	868,910	229,838	603,930	122,764
Cash (used in)/generated from operations	<u>(2,629,775)</u>	6,967,821	<u>(4,506,978)</u>	6,009,365
Taxes and zakat paid	(501,938)	(563,301)	(296,143)	(340,871)
Net cash (used in)/generated from operating activities	<u>(3,131,713)</u>	6,404,520	<u>(4,803,121)</u>	5,668,494

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

	Group		Bank	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Cash flows from investing activities				
Dividend received				
- from securities	3,722	6,173	1,070	1,878
- from associates	6,452	-	6,452	-
- from subsidiaries	-	-	221,200	-
Purchase of property, plant and equipment	(189,193)	(104,349)	(164,686)	(87,779)
Proceeds from disposal of property, plant and equipment	88,843	66,865	60,268	66,356
Purchase of intangible assets	(19,996)	(30,946)	(12,859)	(19,420)
Purchase of additional ordinary shares in new and existing subsidiaries	-	-	(31,000)	-
Proceeds from transaction with non-controlling interests	22,411	2,792	-	-
Net cash (used in)/generated from investing activities	(87,761)	(59,465)	80,445	(38,965)
Cash flows from financing activities				
Proceeds from share issuance	36	-	36	-
Drawdown of borrowings	1,248,348	1,735,244	1,410,155	1,089,468
Issuance of subordinated obligations	-	1,000,000	-	-
Loans sold to Cagamas, net	(7,340)	(1,784)	(7,340)	(1,784)
Dividends paid to non-controlling interests	(7,485)	-	-	-
Net cash generated from financing activities	1,233,559	2,733,460	1,402,851	1,087,684

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
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	Group		Bank	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Net change in cash and cash equivalents	(1,985,915)	9,078,515	(3,319,825)	6,717,213
Cash and cash equivalents at beginning of period *	<u>45,357,710</u>	<u>24,377,901</u>	<u>35,556,488</u>	<u>16,212,007</u>
Cash and cash equivalents at end of period	<u>43,371,795</u>	<u>33,456,416</u>	<u>32,236,663</u>	<u>22,929,220</u>

Cash and cash equivalents included in the cash flow statements comprise the following amounts in Statements of Financial Position:

	Group		Bank	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Cash and short-term funds	44,900,238	31,988,872	31,443,825	20,413,640
Deposits with financial institution maturing within 1 month	<u>158,772</u>	<u>2,325,154</u>	<u>792,838</u>	<u>2,515,577</u>
	<u>45,059,010</u>	<u>34,314,026</u>	<u>32,236,663</u>	<u>22,929,217</u>
Less : Monies held in trusts	<u>(1,687,215)</u>	<u>(857,610)</u>	<u>-</u>	<u>-</u>
	<u>43,371,795</u>	<u>33,456,416</u>	<u>32,236,663</u>	<u>22,929,217</u>

* Cash and cash equivalents at beginning of period				
Cash and short term funds as previously reported	46,574,207	24,599,921	36,431,540	16,403,255
Effects of foreign exchange rate changes	<u>(1,216,497)</u>	<u>(222,020)</u>	<u>(875,052)</u>	<u>(191,248)</u>
As restated	<u>45,357,710</u>	<u>24,377,901</u>	<u>35,556,488</u>	<u>16,212,007</u>

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial period ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)

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Part A: Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting

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 Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134 Interim Financial Reporting, except for the comparative figures for income statements, statements of comprehensive income, statements of changes in equity and cash flows statements, in which the comparable interim period (i.e. the quarter ended 31 March 2011) is in respect of a comparable period in the preceding calendar year (and which is of the previous financial year of 30 June 2011), instead of the quarter ended 30 September 2011 of the immediately preceding financial period of 31 December 2011 as required under MFRS 134. The departure is mainly due to the Group and the Bank have changed their financial year-end from 30 June to 31 December in the last financial period. For the periods up to and including the six-month financial period ended 31 December 2011, the Group and the Bank prepared its financial statements in accordance with Financial Reporting Standards ("FRS"). These unaudited condensed interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board except for as mentioned above.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for six-month financial period ended 31 December 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 financial period ended 31 December 2011.

The unaudited condensed interim financial statements 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.

First-time adoption of Malaysian Financial Reporting Standards ("MFRS")

These are the Group's and the Bank's first unaudited condensed interim financial statements for part of the period covered by first MFRS Framework annual financial statements of the Group and the Bank for the year ending 31 December 2012. MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied except for item (i) and (ii) as described below.

As required by MFRS 1, the resulting adjustments arose from events and transactions before the date of transition to MFRS were recognised directly through retained earnings (or another category of equity, where appropriate) as at 1 July 2011 (the date of transition). This is the effect of the general principle underlying MFRS 1 which is to apply MFRSs retrospectively. There are some mandatory exceptions provided and some exemptions permitted by MFRS 1. The Group's and the Bank's first time adoption decisions regarding these exemptions are detailed below. Other optional exemptions available under MFRS 1, which are not discussed here, are not applicable to the Group and the Bank.

(i) Fair value or revaluation as deemed cost for Property, Plant and Equipment ("PPE")

A first-time adopter may elect to measure individual items of PPE at fair value at the date of transition to MFRS and use that fair value as deemed cost at that date.

The Group is currently assessing and obtaining feedback from the regulator and the auditors and expects to be in the position to make a decision before the end of the financial year ending 31 December 2012.

(ii) Designation of previously recognised financial instruments

MFRS 1 allows a first-time adopter to designate eligible financial assets as available-for-sale at the date of transition.

The Group is currently assessing and obtaining feedback from the regulator and the auditors and expects to be in the position to make a decision before the end of the financial year ending 31 December 2012.

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A1. Basis of Preparation (cont'd.)

(iii) Business combinations

MFRS 1 indicates that a first-time adopter may elect not to apply MFRS 3 *Business Combinations* retrospectively to business combinations that occurred before the date of transition to MFRS.

The Group and the Bank will take advantage of this election and has elected not to restate business combinations that took place prior to the 1 July 2011 (i.e. the transition date to MFRS). In respect of acquisitions prior to the date of transition;

- (a) The classification of former business combinations under FRS is maintained;
- (b) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (c) The carrying amount of goodwill recognised under FRS is not adjusted.

(iv) Investments in subsidiaries, jointly controlled entities and associates

MFRS 1 allows the first-time adopter (a parent entity or investor) to measure its subsidiaries, jointly controlled entities and associates in its separate financial statements at one of the following amounts on date of transition: a) cost, in accordance with MFRS 127 *Consolidated and Separate Financial Statements*; or b) deemed cost. The deemed cost of such an investment shall be either: i) fair value at the entity's date of transition to MFRS in its separate financial statements; or ii) the previous GAAP carrying amount at that date.

The Bank has elected to measure all its investments in subsidiaries and associates in its separate financial statements at their FRS carrying amounts at 1 July 2011 (i.e. the transition date to MFRS).

(v) Leases

MFRS 1 permits a first-time adopter to not reassess the determination of whether an arrangement contains a lease in accordance with IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease* when the determination made under previous GAAP produced the same results.

The Group applies the abovementioned exemption and relies on the assessment made under FRS for existing information technology outsourcing arrangement so long as the assessment provides the same outcome as applying IC 4 and MFRS 117 *Leases*.

Except possibly for the options and exemptions as mentioned in (i) and (ii) above, the other elected optional exemptions will not materially impact the opening MFRS Statement of Financial Position as at 1 July 2011 of the Group and the Bank.

Explanation of how the transition from FRS to MFRS affects the Group's and the Bank's financial position, financial performances and cash flows will be set out in the Group's and the Bank's interim report and financial statements for the financial year ending 31 December 2012 after the assessments of the options and exemptions stated above are completed and the decisions have been made. The explanation will include reconciliations of equity, profit or loss and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS is expecting not to have a material impact on the statement of cash flows.

Estimates

The estimates at 1 July 2011 and at 31 December 2011 are consistent with those made for the same dates in accordance with FRS. The estimates used by the Group and the Bank to present these amounts in accordance with MFRS reflect conditions at 1 July 2011, the date transition to MFRS and as of 31 December 2011.

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A1. Basis of Preparation (cont'd.)

Revised Bank Negara Malaysia ("BNM") Guidelines on Financial Reporting for Insurers

At the last reporting date, the life insurance contract liabilities of the insurance subsidiary, Etiqa Insurance Berhad ("EIB"), included the accumulated surpluses less estimated actuarial liabilities (collectively referred to as "unallocated surplus") and Available-for-Sale reserves of all life insurance contracts including those with discretionary participating features (referred to as "Par") and those without (referred to as "Non Par"). In accordance with FRS 4 Insurance Contracts and the Framework for Preparation and Presentation of Financial Statements (the "FRS Framework"), the Non Par unallocated surplus does not meet the definition of a liability, that is, a present obligation of the company arising from past events, the settlement of which is expected to result in an outflow of economic benefits as the Non Par unallocated surplus represents the residual interest in the assets of the Non Par Fund after consideration of all liabilities. In addition, in accordance to FRS 139, the Non Par AFS reserves should be accounted for as equity of the Company. The classification of the Non Par unallocated surplus and AFS reserves of EIB as a liability was made in accordance with the Guidelines issued by Bank Negara Malaysia ("BNM") and is a modification to FRSs which had been approved by BNM under Section 90 of the Insurance Act 1996.

Effective on 1 January 2012, in accordance with the revised Guideline issued by BNM and the adoption of Malaysian Financial Reporting Standards by the Group, the Non Par unallocated surplus and AFS reserves are now required to be reclassified from liabilities to equity. This is a change in accounting policy and hence be adjusted retrospectively against prior year reserves.

EIB is currently assessing and obtaining feedback from the auditors and expects to be in the position to finalise the amount for reclassification before the end of the financial year ending 31 December 2012.

A2. Significant accounting policies

The audited financial statements of the Group and the Bank for the six-month financial period ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited financial statements for financial period ended 31 December 2011 except for those exemptions elected as discussed in Note A1 above.

A3. 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 A10(i)), Securities Available-for-sale (Note A10(ii)) and Derivative Financial Instruments (Note A28)

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.

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A3. Significant Accounting Estimates and Judgements (cont'd.)

(iv) Impairment of Other Intangible Assets

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

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

(v) Liabilities of Insurance Business

(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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A3. 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 issuers 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.

A4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial period ended 31 December 2011 was not qualified.

A5. Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the quarter ended 31 March 2012.

A6. Unusual Items Due to Their Nature, Size or Incidence

During the quarter ended 31 March 2012, save as disclosed in Note A8, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank.

A7. Changes in Estimates

There were no material changes in estimates during the quarter ended 31 March 2012.

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A8. Changes in Debt and Equity Securities

- (a) The following are the changes in debt and equity securities that were issued and redeemed by the Group and the Bank during the quarter ended 31 March 2012:

(i) **Issuance of Shares**

The issued and paid-up share capital of the Bank was increased from RM7,639,437,483 as at 31 December 2011 to RM7,639,441,583 as at 31 March 2012 via issuance of 4,100 new ordinary shares of RM1 each for cash, to eligible persons who exercised their options under the current Maybank Group Employees' Share Scheme ("ESS") which commenced on 23 June 2011, for a period of 7 years.

(ii) **Issuance of USD400.0 million Senior Notes under the USD2.0 billion Multicurrency Medium Term Note Programme**

On 10 February 2012, Maybank issued USD400.0 million Senior Notes in nominal value under the USD2.0 billion Multicurrency Medium Term Note Programme.

(iii) **Issuance of HKD700.0 million Senior Notes under the USD2.0 billion Multicurrency Medium Term Note Programme**

On 1 March 2012, Maybank issued HKD700.0 million Senior Notes in nominal value under the USD2.0 billion Multicurrency Medium Term Note Programme.

(iv) **Redemption of bonds, medium term notes and borrowings by PT Bank Internasional Indonesia Tbk and its subsidiaries**

During the first quarter ended 31 March 2012, PT Bank Internasional Indonesia Tbk ("BII") and its subsidiaries, the subsidiaries of Maybank, had redeemed bonds, medium term notes and borrowings amounting to approximately RM152.5 million.

- (b) The following are the changes in debt securities that were issued and redeemed by the Bank subsequent to the quarter ended 31 March 2012 and have not been reflected in the financial statements for the current financial quarter:

(i) **Redemption of Subordinated Bonds of RM1.5 billion with a tenure of 10 years from issue date on a 10 non-callable 5 basis**

On 13 April 2012, Maybank had fully redeemed the Subordinated Bonds of RM1.5 billion. The Subordinated Bonds were issued on 13 April 2007.

(ii) **Redemption of Subordinated Sukuk of USD300.0 million with a tenure of 10 years from issue date on a 10 non-callable 5 basis**

On 25 April 2012, Maybank had fully redeemed the Subordinated Sukuk of USD300.0 million. The Subordinated Sukuk was issued on 25 April 2007 via MBB Sukuk, Inc., a special purpose vehicle incorporated in Labuan.

(iii) **Issuance of USD500.0 million Senior Notes under the USD2.0 billion Multicurrency Medium Term Note Programme**

On 8 May 2012, Maybank issued USD500.0 million Senior Notes in nominal value under the USD2.0 billion Multicurrency Medium Term Note Programme.

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A8. Changes in Debt and Equity Securities (cont'd.)

- (b) The following are the changes in debt securities that were issued and redeemed by the Bank subsequent to the quarter ended 31 March 2012 and have not been reflected in the financial statements for the current financial quarter: (cont'd.)

(iv) Issuance of RM2.1 billion Subordinated Notes under the RM7.0 billion Subordinated Note Programme

On 10 May 2012, Maybank issued RM2.1 billion Subordinated Notes in nominal value from the Bank RM7.0 billion Subordinated Note Programme which are payable semi-annually in arrears in May and November each year and are due in 2024. The Bank may, subject to the prior consent of Bank Negara Malaysia, redeem the Subordinated Notes, in whole but not in part, on 10 May 2019 (first Call Date) and on each semi-annual interest payment date thereafter at their principal amount together with accrued but unpaid coupon.

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

A9. Dividends Paid

- (a) There was no dividend paid during the quarter ended 31 March 2012.

During the Annual General Meeting held on 29 March 2012, a final dividend in respect of the financial period ended 31 December 2011 of 36 sen per share less 25% taxation on 7,639,437,483 ordinary shares, amounting to net dividend payable of RM2,062,648,120 (net 27 sen per ordinary share) was approved by the shareholders.

The dividend consists of cash portion of 4 sen (net 3 sen) per ordinary share to be paid in cash amounting to RM229,183,124 and an electable portion of 32 sen (net 24 sen) per ordinary share amounting to RM1,833,464,996 which could be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The financial statements for the current financial quarter do not reflect the electable portion of 32 sen (net 24 sen per ordinary share) as approvals from certain regulatory bodies in regards to the implementation of DRP have not been obtained as at 31 March 2012.

- (b) Dividends paid by Maybank's subsidiaries to non-controlling interest amounting to RM7,485,000 during the quarter ended 31 March 2012.

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A10. Securities Portfolio

	Note	Group		Bank	
		31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Securities held-for-trading	(i)	10,887,473	9,665,997	7,972,399	7,325,466
Securities available-for-sale	(ii)	48,653,351	48,504,468	40,838,710	39,618,975
Securities held-to-maturity	(iii)	11,682,480	9,880,899	10,089,066	8,804,797
		71,223,304	68,051,364	58,900,175	55,749,238

(i) Securities Held-for-trading

At Fair value

Money market instruments:-

Malaysian Government Securities	611,342	572,088	611,324	572,088
Malaysian Government Treasury Bills	9,926	24,109	9,926	24,109
Malaysian Government Investment Issues	-	266,872	-	51,160
Bank Negara Malaysia Bills and Notes	1,760,814	1,476,873	1,760,814	1,476,873
Khazanah Bonds	192,149	407,614	192,149	407,614
Bank Negara Malaysia Monetary Notes	6,036,808	4,351,525	3,590,976	2,468,677
Foreign Government Treasury Bills	18,133	23,738	-	-
Foreign Government Securities	428,022	313,489	-	-
Foreign Certificates of Deposits	152,124	145,985	-	-
Sukuk Bank Negara Malaysia Ijarah	-	116,331	-	-
Cagamas Bonds	997	20,146	997	20,146
Negotiable Instruments of Deposits	-	-	569,511	610,093
	9,210,315	7,718,770	6,735,697	5,630,760

Quoted securities:

Shares	279,136	216,787	6,185	4,815
	279,136	216,787	6,185	4,815

Unquoted securities:

Private and Islamic Debt Securities in Malaysia	1,036,617	1,384,432	986,886	1,384,432
Foreign Private Debt Securities	354,132	333,150	240,383	295,840
Foreign Government Bonds	4,025	3,239	-	-
Malaysian Government Bonds	3,248	-	3,248	-
Malaysia Global Sukuk	-	9,619	-	9,619
	1,398,022	1,730,440	1,230,517	1,689,891

Total securities held-for-trading

	10,887,473	9,665,997	7,972,399	7,325,466
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(ii) Securities Available-for-sale

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

Money market instruments:-

Malaysian Government Securities	2,601,661	2,242,451	2,528,848	2,169,811
Sukuk Bank Negara Malaysia Ijarah	3,602	11,132	-	-
Cagamas Bonds	1,323,221	1,588,212	1,173,681	1,438,321
Foreign Government Securities	8,547,932	7,743,133	6,411,379	5,414,453
Malaysian Government Investment Issues	3,712,977	5,021,404	1,698,111	1,951,840
Foreign Government Treasury Bills	3,771,357	4,092,851	3,370,561	3,720,121
Negotiable Instruments of Deposits	369,599	1,589,712	2,901,834	3,907,136
Bankers' Acceptances and Islamic Accepted Bills	2,480,091	1,502,726	2,235,183	1,498,610
Khazanah Bonds	1,704,814	1,532,266	1,380,880	1,212,374
Bank Negara Malaysia Monetary Notes	326,466	-	29,571	-
Malaysian Government Treasury Bills	4,924	-	4,924	-
	24,846,644	25,323,887	21,734,972	21,312,666

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	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
A10. Securities Portfolio (cont'd.)				
(ii) Securities Available-for-sale (cont'd.)				
Quoted Securities: -				
In Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	375,152	352,034	86,351	84,100
Outside Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	357,517	321,925	22,857	18,766
	732,669	673,959	109,208	102,866
Unquoted Securities:-				
Shares, trust units and loan stocks in Malaysia	616,621	635,871	370,635	369,359
Shares, trust units and loan stocks outside Malaysia	32,910	35,055	13,442	13,599
Private and Islamic Debt Securities in Malaysia	9,533,551	10,046,084	6,844,098	7,223,992
Malaysian Government Bonds	29,321	6,633	29,321	6,633
Foreign Government Bonds	1,644,011	880,538	1,562,656	786,558
Foreign Private and Islamic Debt Securities	10,827,099	10,549,662	10,012,698	9,683,921
Malaysia Global Sukuk	343,667	306,085	161,680	119,381
Structured Deposits	46,858	46,694	-	-
	23,074,038	22,506,622	18,994,530	18,203,443
Total securities available-for-sale	48,653,351	48,504,468	40,838,710	39,618,975
(iii) Securities Held-To-Maturity				
At Amortised cost less impairment losses				
Money market instruments:-				
Malaysian Government Securities	6,236,897	6,235,270	6,236,790	6,235,162
Foreign Government Securities	762,859	795,114	-	-
Malaysian Government Investment Issues	498,134	495,392	355,753	353,843
Foreign Government Treasury Bills	545,004	-	-	-
Khazanah Bonds	778,937	196,528	778,937	196,528
	8,821,831	7,722,304	7,371,480	6,785,533
Unquoted Securities:-				
Private and Islamic Debt Securities in Malaysia	2,483,140	1,641,842	2,453,057	1,611,474
Foreign Government Bonds	100,048	176,222	99,780	175,929
Foreign Islamic Private Debt Securities	291,337	354,529	178,625	245,859
Others	2,044	2,044	2,044	2,044
	2,876,569	2,174,637	2,733,506	2,035,306
Accumulated impairment losses	(15,920)	(16,042)	(15,920)	(16,042)
Total securities held-to-maturity	11,682,480	9,880,899	10,089,066	8,804,797

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A11. Loans, Advances and Financing

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
At amortised cost				
Overdrafts	15,366,471	15,951,027	10,736,400	11,081,901
Term loans				
- Housing loans/financing	51,499,757	50,570,121	40,747,420	40,273,945
- Syndicated loan/financing	19,761,989	19,728,351	16,111,682	16,120,492
- Hire purchase receivables	49,054,470	48,099,062	25,123,909	23,931,788
- Lease receivables	3,634	3,819	3,268	3,270
- Other loans/financing	119,622,246	116,050,406	67,489,137	65,721,789
Credit card receivables	6,083,457	6,214,321	5,188,984	5,296,328
Bills receivable	5,001,777	5,370,780	4,972,563	5,343,156
Trust receipts	2,490,202	2,556,914	2,048,069	2,092,697
Claims on customers under acceptance credits	11,136,088	11,367,524	7,838,526	7,859,708
Loans/financing to banks and other financial institutions	8,108,258	6,329,311	7,930,857	6,183,626
Revolving credits	26,538,758	27,084,954	16,618,410	17,379,831
Staff loans	2,071,509	2,049,286	953,064	957,077
Loans to				
- Executive directors of subsidiaries	3,393	2,957	113	159
Others	2,064,073	1,807,604	-	-
	318,806,082	313,186,437	205,762,402	202,245,767
Unearned interest and income	(33,095,737)	(31,773,463)	(3,013,124)	(2,871,895)
Gross loans, advances and financing	285,710,345	281,412,974	202,749,278	199,373,872
Allowances for impaired loans and financing				
- Individual	(2,533,823)	(2,812,309)	(1,981,903)	(2,102,421)
- Collective	(4,091,418)	(4,169,974)	(3,073,057)	(3,097,366)
Net loans, advances and financing	279,085,104	274,430,691	197,694,318	194,174,085

(i) By type of customer

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Domestic banking institutions	56,476	57,323	56,476	57,323
Domestic non-bank financial institutions				
- Stockbroking companies	-	815	-	815
- Others	17,912,201	18,949,977	12,280,725	13,350,685
Domestic business enterprise				
- Small and medium enterprise	63,452,825	54,048,038	50,966,667	45,245,694
- Others	50,029,798	55,456,073	33,899,629	36,419,915
Government and statutory bodies	2,812,931	2,890,246	2,517,713	2,525,386
Individuals	127,967,341	125,454,869	85,534,791	83,227,586
Other domestic entities	1,542,852	1,769,201	498,235	504,713
Foreign entities	21,935,921	22,786,432	16,995,042	18,041,755
Gross loans, advances and financing	285,710,345	281,412,974	202,749,278	199,373,872

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A11. Loans, Advances and Financing (cont'd.)

(ii) By geographical distribution

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Malaysia	182,150,975	177,833,498	130,899,627	127,349,799
Singapore	60,068,063	60,758,571	59,556,542	60,335,903
Indonesia	23,958,493	24,027,545	-	-
Hong Kong SAR	7,323,988	6,507,669	7,245,781	6,405,881
Labuan offshore	4,435,944	4,486,178	-	-
Philippines	2,009,970	1,856,284	-	-
United Kingdom	1,317,780	1,364,150	1,317,730	1,364,150
United States of America	978,066	1,105,244	977,620	1,105,244
People's Republic of China	1,182,405	1,209,861	1,182,405	1,209,861
Vietnam	512,122	556,362	512,122	556,362
Cambodia	549,822	534,861	549,822	534,861
Bahrain	324,247	346,415	324,247	346,415
Brunei	183,382	165,396	183,382	165,396
Papua New Guinea	128,024	128,380	-	-
Thailand	559,005	502,706	-	-
Others	28,059	29,854	-	-
Gross loans, advances and financing	<u>285,710,345</u>	<u>281,412,974</u>	<u>202,749,278</u>	<u>199,373,872</u>

(iii) By interest/profit rate sensitivity

Fixed rate				
- Housing loans/financing	11,978,635	12,152,191	9,099,553	9,183,813
- Hire purchase receivables	37,680,832	36,660,189	21,790,736	20,769,134
- Other fixed rate loans/financing	49,879,897	49,863,837	34,037,742	35,089,279
Variable rate				
- Base lending rate plus	104,077,999	100,064,634	85,109,741	81,819,101
- Cost plus	34,429,309	34,915,664	30,797,505	31,101,405
- Other variable rates	47,663,673	47,756,459	21,914,001	21,411,140
Gross loans, advances and financing	<u>285,710,345</u>	<u>281,412,974</u>	<u>202,749,278</u>	<u>199,373,872</u>

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A11. Loans, Advances and Financing (cont'd.)

(iv) Total loans by economic purpose

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Purchase of securities	22,594,312	21,804,073	13,627,424	12,548,429
Purchase of transport vehicles	42,343,730	41,511,231	21,462,412	20,508,025
- Less: Islamic loans sold to Cagamas	(1,398,370)	(1,499,270)	-	-
Purchase of landed properties				
- Residential	52,338,064	51,419,270	41,984,702	41,539,480
- Non-residential	18,392,085	17,500,708	16,480,482	15,777,574
Purchase of fixed assets (exclude landed properties)	4,199,077	4,005,398	4,187,419	3,994,116
Personal use	7,300,427	7,182,915	6,199,191	6,093,855
Credit card	6,101,503	6,261,455	5,203,536	5,339,988
Purchase of consumer durables	281,985	286,319	281,961	286,316
Construction	13,065,041	13,626,455	9,992,967	10,687,729
Merger and acquisition	69,361	72,367	69,361	72,367
Working capital	105,592,718	104,214,753	75,364,262	74,583,152
Others	14,830,412	15,027,300	7,895,561	7,942,841
Gross loans, advances and financing	285,710,345	281,412,974	202,749,278	199,373,872

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

Maturing within one year	76,278,850	79,432,121	58,557,249	60,875,951
One year to three years	35,820,500	34,309,197	25,236,830	23,473,618
Three years to five years	37,435,720	37,591,705	22,722,200	23,458,349
After five years	136,175,275	130,079,951	96,232,999	91,565,954
Gross loans, advances and financing	285,710,345	281,412,974	202,749,278	199,373,872

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A11. Loans, Advances and Financing (cont'd.)

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

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
At beginning of the period	8,036,045	8,756,862	6,245,836	6,377,496
Impaired during the period	1,139,870	2,628,313	760,813	1,647,483
Reclassified as non-impaired	(714,162)	(1,087,435)	(560,688)	(657,256)
Recovered during the period	(729,988)	(1,383,829)	(508,147)	(635,858)
Amount written off	(701,602)	(997,038)	(411,749)	(560,393)
Converted to securities	-	(9,327)	-	(9,327)
Exchange differences and expenses debited	(17,344)	106,025	11,103	83,691
Acquisition of subsidiaries	-	22,474	-	-
At end of the period	7,012,819	8,036,045	5,537,168	6,245,836
Less: Individual allowance on impaired loans	(2,533,823)	(2,812,309)	(1,981,903)	(2,102,421)
Net impaired loans, advances and financing	4,478,996	5,223,736	3,555,265	4,143,415
Ratio of net impaired loans	1.57%	1.86%	1.77%	2.10%

(vii) Impaired loans, advances and financing by economic purpose are as follows:

Purchase of securities	70,391	101,559	37,723	67,796
Purchase of transport vehicles	250,047	231,073	111,740	112,702
Purchase of landed properties				
- Residential	922,067	1,038,738	769,323	869,346
- Non-residential	182,821	201,064	167,547	181,813
Personal use	117,907	114,208	102,217	97,976
Credit card	87,381	90,160	65,814	64,708
Purchase of consumer durables	937	1,165	934	1,162
Construction	421,154	540,445	336,174	428,638
Working capital	4,008,820	4,794,683	3,310,586	3,889,018
Others	951,294	922,950	635,110	532,677
	7,012,819	8,036,045	5,537,168	6,245,836

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A11. Loans, Advances and Financing (cont'd.)

(viii) Impaired loans, advances and financing by geographical distribution are as follows:

	Group		Bank	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	RM'000	RM'000	RM'000	RM'000
Malaysia	5,298,050	6,308,041	4,659,047	5,482,340
Singapore	424,834	379,834	359,992	312,294
Indonesia	489,616	538,420	-	-
Labuan Offshore	142,703	230,647	-	-
Hong Kong SAR	16,311	72,093	15,476	71,228
Brunei	1,062	768	1,062	768
Vietnam	77,245	80,335	77,245	80,335
United Kingdom	300,299	215,719	300,299	215,719
People's Republic of China	-	5,932	-	5,932
Cambodia	36,894	18,602	36,894	18,602
Philippines	86,834	73,677	-	-
Bahrain	87,153	58,618	87,153	58,618
Thailand	25,328	25,672	-	-
Others	26,490	27,687	-	-
	7,012,819	8,036,045	5,537,168	6,245,836

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

	Group		Bank	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
	RM'000	RM'000	RM'000	RM'000
<u>Individual Allowance</u>				
At beginning of the period	2,812,309	2,932,129	2,102,421	2,115,897
Allowance made during the period	290,052	535,890	262,323	464,602
Amount written back	(133,998)	(296,458)	(115,978)	(192,817)
Amount written off	(390,981)	(364,074)	(243,562)	(269,614)
Transferred to impairment losses in securities	-	(9,327)	-	(9,327)
Transferred to collective allowance	(19,134)	(15,628)	(19,134)	(14,411)
Acquisition of subsidiaries	-	20,553	-	-
Exchange differences	(24,425)	9,224	(4,167)	8,091
At end of the period	2,533,823	2,812,309	1,981,903	2,102,421
<u>Collective Allowance</u>				
At beginning of the period	4,169,974	4,271,208	3,097,366	3,179,773
Allowance made during the period	259,964	504,176	131,999	187,383
Amount written back	(23,718)	(306)	-	-
Amount written off	(310,621)	(632,964)	(168,187)	(290,779)
Transferred from individual allowance	19,134	15,628	19,134	14,411
Exchange differences	(23,315)	12,232	(7,255)	6,578
At end of the period	4,091,418	4,169,974	3,073,057	3,097,366
As a percentage of gross loans, advances and financing (including Islamic Loans sold to Cagamas), less individual allowance	1.44%	1.49%	1.53%	1.57%

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A12. Other Assets

	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
Other debtors	4,451,259	4,306,187	2,119,401	2,015,839
Amount due from brokers and clients	2,975,773	1,131,928	-	-
Development properties	453,851	448,015	-	-
Prepayments and deposits	385,427	461,199	91,403	87,130
Tax recoverable	108,686	200,325	15,828	97,337
Foreclosed properties	125,945	113,651	40,125	40,127
	8,500,941	6,661,305	2,266,757	2,240,433

A13. Deposits from Customers

(i) By type of deposit

Fixed deposits and negotiable instruments of deposits				
- One year or less	178,526,846	174,467,186	115,830,241	110,905,963
- More than one year	10,638,319	8,025,679	9,953,322	7,405,262
	189,165,165	182,492,865	125,783,563	118,311,225
Money market deposits	20,936,409	24,001,969	20,936,409	24,001,969
Savings deposits	47,169,122	47,084,107	33,958,860	33,362,552
Demand deposits	60,290,878	58,040,842	44,506,546	45,329,984
Structured deposits *	2,673,243	2,089,997	2,300,694	1,889,563
	320,234,817	313,709,780	227,486,072	222,895,293

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

(ii) By type of customer

Business enterprises	144,130,393	145,925,810	99,711,403	102,072,245
Individuals	139,699,116	134,090,970	110,134,692	104,366,059
Government and statutory bodies	12,099,310	11,079,037	3,990,507	3,605,807
Others	24,305,998	22,613,963	13,649,470	12,851,182
	320,234,817	313,709,780	227,486,072	222,895,293

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

Due within six months	146,736,703	146,602,625	90,790,690	88,693,115
Six months to one year	31,790,143	27,864,561	25,039,551	22,212,848
One year to three years	10,121,926	7,561,996	9,786,535	7,252,759
Three years to five years	510,283	457,574	166,787	152,503
After five years	6,110	6,109	-	-
	189,165,165	182,492,865	125,783,563	118,311,225

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	Group		Bank	
	31 March 2012 RM'000	31 December 2011 RM'000	31 March 2012 RM'000	31 December 2011 RM'000
A14. Deposits and Placements of Banks and Other Financial Institutions				
Licensed banks	35,258,835	33,009,801	33,675,017	32,320,588
Licensed finance companies	359,615	219,805	232,441	181,228
Licensed investment banks	233,495	527,377	193,495	527,377
Other financial institutions	3,435,088	3,003,995	2,242,151	2,526,399
	39,287,033	36,760,978	36,343,104	35,555,592
Maturity structure of deposits and placements of banks and other financial institutions				
- One year or less	37,808,807	35,088,093	35,002,541	34,036,472
- More than one year	1,478,226	1,672,885	1,340,563	1,519,120
	39,287,033	36,760,978	36,343,104	35,555,592
A15. Borrowings, Subordinated Obligations and Capital Securities				
(i) Borrowings				
Secured				
- Less than one year	869,912	599,246	-	-
- More than one year	948,720	959,559	-	-
	1,818,632	1,558,805	-	-
Unsecured				
- Less than one year	455,675	812,876	-	95,501
- More than one year	6,128,373	4,813,549	5,461,225	4,112,781
	6,584,048	5,626,425	5,461,225	4,208,282
	8,402,680	7,185,230	5,461,225	4,208,282
(ii) Subordinated obligations				
Unsecured				
- More than one year	14,176,807	14,160,553	12,610,932	12,574,919
(iii) Capital Securities				
Unsecured				
- More than one year	6,128,372	6,113,761	6,128,372	6,113,761
A16. Other Liabilities				
Due to brokers and clients	5,662,663	3,692,268	-	-
Deposits and other creditors	4,023,053	3,608,396	6,256,864	4,958,097
Provisions and accruals	2,467,029	2,417,181	1,477,477	1,393,081
Provision for outstanding claims	503,568	488,658	-	-
Unearned premium reserves	316,218	310,139	-	-
Profit equalisation reserves	61,753	59,852	-	-
	13,034,284	10,576,494	7,734,341	6,351,178

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A17. Interest Income

	Quarter Ended		Cumulative 3 Months Ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
<u>Group</u>				
Loans, advances and financing	2,864,231	2,353,082	2,864,231	2,353,082
Money at call and deposit placements with financial institutions	166,815	100,116	166,815	100,116
Securities purchased under resale agreements	1,053	3,040	1,053	3,040
Securities held-for-trading	29,878	24,023	29,878	24,023
Securities available-for-sale	355,932	388,209	355,932	388,209
Securities held-to-maturity	117,905	107,797	117,905	107,797
	3,535,814	2,976,267	3,535,814	2,976,267
Amortisation of premium less accretion of discounts	31,567	2,720	31,567	2,720
	3,567,381	2,978,987	3,567,381	2,978,987
<u>Bank</u>				
Loans, advances and financing	2,076,408	1,718,451	2,076,408	1,718,451
Money at call and deposit placements with financial institutions	147,287	81,235	147,287	81,235
Securities purchased under resale agreements	72	-	72	-
Securities held-for-trading	28,788	19,639	28,788	19,639
Securities available-for-sale	316,194	343,003	316,194	343,003
Securities held-to-maturity	103,175	91,677	103,175	91,677
	2,671,924	2,254,005	2,671,924	2,254,005
Amortisation of premium less accretion of discounts	30,637	1,597	30,637	1,597
	2,702,561	2,255,602	2,702,561	2,255,602

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A18. Interest Expense

Group	Quarter Ended		Cumulative 3 Months Ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Deposits and placements of banks and other financial institutions	123,800	96,974	123,800	96,974
Deposits from customers	1,084,366	878,451	1,084,366	878,451
Floating rate certificates of deposits	642	550	642	550
Borrowings	112,968	45,050	112,968	45,050
Subordinated notes	87,201	32,622	87,201	32,622
Subordinated bonds	33,709	33,441	33,709	33,441
Capital Securities	98,972	97,973	98,972	97,973
Net interest on derivatives	5,023	22,501	5,023	22,501
	1,546,681	1,207,562	1,546,681	1,207,562
Bank				
Deposits and placements of banks and other financial institutions	122,891	100,737	122,891	100,737
Deposits from customers	825,369	623,084	825,369	623,084
Floating rate certificates of deposits	642	550	642	550
Borrowings	23,285	5,345	23,285	5,345
Subordinated notes	87,201	32,622	87,201	32,622
Subordinated bonds	33,709	33,441	33,709	33,441
Capital Securities	98,972	97,973	98,972	97,973
Net interest on derivatives	108	19,817	108	19,817
	1,192,177	913,569	1,192,177	913,569

A19. Non-interest Income

Group				
(a) Fee income:				
Commission	196,624	185,494	196,624	185,494
Service charges and fees	294,398	291,980	294,398	291,980
Underwriting fees	8,939	12,500	8,939	12,500
Brokerage income	145,593	36,752	145,593	36,752
Other loans related fee income	141,220	99,453	141,220	99,453
	786,774	626,179	786,774	626,179
(b) Net gain/(loss) arising from:				
Sale of securities held-for trading	40,088	(21,477)	40,088	(21,477)
Sale of securities available-for-sale	105,235	59,328	105,235	59,328
Redemption of securities held-to-maturity	17	(22)	17	(22)
	145,340	37,829	145,340	37,829
(c) Gross dividend from securities portfolio	3,722	6,173	3,722	6,173
(d) Unrealised gain on revaluation of:				
- securities held-for-trading	8,555	20,758	8,555	20,758
- derivatives	168,448	87,358	168,448	87,358
	177,003	108,116	177,003	108,116
(e) Other income:				
Foreign exchange profit	186,075	97,500	186,075	97,500
Rental income	5,748	5,180	5,748	5,180
Gain/(Loss) on disposal of property and equipment (net)	1,721	(559)	1,721	(559)
Gain on disposal of foreclosed properties	179	242	179	242
Sale of development properties	11,820	-	11,820	-
Others	89,633	48,184	89,633	48,184
	295,176	150,547	295,176	150,547
Total non-interest income	1,408,015	928,844	1,408,015	928,844

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A19. Non-interest Income (cont'd.)

	Quarter Ended		Cumulative 3 Months Ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Bank				
(a) Fee income:				
Commission	173,626	166,212	173,626	166,212
Service charges and fees	217,839	234,669	217,839	234,669
Underwriting fees	6,690	12,499	6,690	12,499
Brokerage income	65	24	65	24
Other loans related fee income	50,789	24,342	50,789	24,342
	449,009	437,746	449,009	437,746
(b) Net gain/(loss) arising from:				
Sale of securities held-for trading	25,087	(5,677)	25,087	(5,677)
Sale of securities available-for-sale	73,446	44,090	73,446	44,090
Redemption of securities held-to-maturity	17	(22)	17	(22)
	98,550	38,391	98,550	38,391
(c) Gross dividend income from:				
Securities portfolio	1,070	1,878	1,070	1,878
Subsidiary companies	221,200	-	221,200	-
Associated companies	6,452	-	6,452	-
	228,722	1,878	228,722	1,878
(d) Unrealised (loss)/gain on revaluation of:				
- securities held-for-trading	(11,910)	15,765	(11,910)	15,765
- derivatives	158,393	82,055	158,393	82,055
	146,483	97,820	146,483	97,820
(e) Other income:				
Foreign exchange profit	146,462	63,586	146,462	63,586
Rental income	5,434	4,934	5,434	4,934
Gain on disposal of property and equipment (net)	1,377	96	1,377	96
Others	19,737	14,462	19,737	14,462
	173,010	83,078	173,010	83,078
Total non-interest income	1,095,774	658,913	1,095,774	658,913

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A20. Overhead Expenses

Group	Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowances and bonuses	849,745	677,905	849,745	677,905
- Pension costs	96,078	80,618	96,078	80,618
- Shares/Options granted under Employee's Shares Scheme	30,222	-	30,222	-
- Others	144,841	104,086	144,841	104,086
	1,120,886	862,609	1,120,886	862,609
Establishment costs				
- Depreciation	52,908	42,330	52,908	42,330
- Amortisation of intangible assets	36,155	36,434	36,155	36,434
- Rental of leasehold land and premises	54,120	42,090	54,120	42,090
- Repairs and maintenance of property and equipment	33,613	27,249	33,613	27,249
- Information technology expenses	130,346	115,442	130,346	115,442
- Others	2,415	3,138	2,415	3,138
	309,557	266,683	309,557	266,683
Marketing expenses				
- Advertisement and publicity	78,097	102,311	78,097	102,311
- Others	30,081	33,003	30,081	33,003
	108,178	135,314	108,178	135,314
Administration and general expenses				
- Fees and brokerage	129,811	105,668	129,811	105,668
- Administrative expenses	140,733	111,265	140,733	111,265
- General expenses	164,465	63,449	164,465	63,449
- Cost of development properties	10,573	-	10,573	-
- Others	10,605	8,968	10,605	8,968
	456,187	289,350	456,187	289,350
	1,994,808	1,553,956	1,994,808	1,553,956

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A20. Overhead Expenses (cont'd.)

	Quarter Ended		Cumulative 3 Months Ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
<u>Bank</u>				
Personnel costs				
- Salaries, allowances and bonuses	548,880	497,036	548,880	497,036
- Pension costs	80,786	71,508	80,786	71,508
- Shares/Options granted under Employee's Shares Scheme	26,961	-	26,961	-
- Others	95,563	68,356	95,563	68,356
	752,190	636,900	752,190	636,900
Establishment costs				
- Depreciation	29,300	29,193	29,300	29,193
- Amortisation of intangible assets	10,623	13,880	10,623	13,880
- Rental of leasehold land and premises	25,456	21,946	25,456	21,946
- Repairs and maintenance of property and equipment	14,866	13,872	14,866	13,872
- Information technology expenses	106,240	107,429	106,240	107,429
- Others	1,603	2,050	1,603	2,050
	188,088	188,370	188,088	188,370
Marketing expenses				
- Advertisement and publicity	47,859	75,069	47,859	75,069
- Others	26,760	31,448	26,760	31,448
	74,619	106,517	74,619	106,517
Administration and general expenses				
- Fees and brokerage	111,968	83,802	111,968	83,802
- Administrative expenses	56,067	57,128	56,067	57,128
- General expenses	39,183	(19,343)	39,183	(19,343)
- Others	1,832	4,747	1,832	4,747
	209,050	126,334	209,050	126,334
Overhead expenses allocated to subsidiaries	(155,142)	(120,627)	(155,142)	(120,627)
	1,068,805	937,494	1,068,805	937,494

A21. Allowances for Losses on Loans, Advances and Financing

	Quarter Ended		Cumulative 3 Months Ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
<u>Group</u>				
Allowances for impaired loans and financing:				
- collective allowance made	236,246	58,750	236,246	58,750
- individual allowance made	290,052	240,943	290,052	240,943
- individual allowance written back	(133,998)	(73,396)	(133,998)	(73,396)
Impaired loans and financing written off	25,474	7,688	25,474	7,688
Impaired loans and financing recovered	(224,390)	(169,095)	(224,390)	(169,095)
Allowance made/(written back) for other debts	2,524	7,311	2,524	7,311
	195,908	72,201	195,908	72,201
<u>Bank</u>				
Allowances for impaired loans and financing:				
- collective allowance made	131,999	64,207	131,999	64,207
- individual allowance made	262,323	20,308	262,323	20,308
- individual allowance written back	(115,978)	(56,144)	(115,978)	(56,144)
Impaired loans and financing written off	23,602	6,732	23,602	6,732
Impaired loans and financing recovered	(157,951)	(97,654)	(157,951)	(97,654)
Allowance made/(written back) for other debts	729	1,107	729	1,107
	144,724	(61,444)	144,724	(61,444)

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A22. 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 ("CFS")

(i) Consumer Banking

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

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

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

(iii) Business Banking

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

(b) Global Wholesale Banking ("GWB")

(i) Corporate Banking Malaysia

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

(ii) Global 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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A22. 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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A22. Segment Information (cont'd.)

By Business Segments

Three Months Ended 31 March 2012	<===== 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	1,255,521	312,475	199,792	106,165	839,071	17,475	(174,973)	2,555,526
- Inter-segment	-	-	-	(442)	(6,320)	5,654	1,108	-
	1,255,521	312,475	199,792	105,723	832,751	23,129	(173,865)	2,555,526
Net interest income and Islamic banking income	1,255,521	312,475	199,792	105,723	832,751	23,129	(173,865)	2,555,526
Net income from insurance business	-	-	-	-	-	87,226	-	87,226
Non-interest income	358,467	152,781	261,817	229,694	475,680	83,389	(153,813)	1,408,015
Net income	1,613,988	465,256	461,609	335,417	1,308,431	193,744	(327,678)	4,050,767
Overhead expenses	(880,753)	(93,907)	(60,718)	(219,086)	(647,955)	(92,389)	-	(1,994,808)
Allowance for losses on loans, advances and financing	(2,024)	32,903	-	281	(225,188)	(1,880)	-	(195,908)
Impairment losses on securities, net	-	-	7,004	(1,043)	(6,460)	29	-	(470)
Operating Profit	731,211	404,252	407,895	115,569	428,828	99,504	(327,678)	1,859,581
Share of profits in associates	-	-	-	822	34,169	-	-	34,991
Profit before taxation and zakat	731,211	404,252	407,895	116,391	462,997	99,504	(327,678)	1,894,572
Taxation and zakat								(528,902)
Profit after taxation and zakat								1,365,670
Non-controlling interest								(18,789)
Profit for the period								1,346,881

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A22. Segment Information (cont'd.)

By Business Segments

Three Months Ended 31 March 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	1,225,907	221,474	204,176	15,676	690,066	15,687	(213,789)	2,159,197
- Inter-segment	-	-	-	1,087	(645)	4,513	(4,955)	-
	<u>1,225,907</u>	<u>221,474</u>	<u>204,176</u>	<u>16,763</u>	<u>689,421</u>	<u>20,200</u>	<u>(218,744)</u>	<u>2,159,197</u>
Net interest income and Islamic banking income	1,225,907	221,474	204,176	16,763	689,421	20,200	(218,744)	2,159,197
Net income from insurance business	-	-	-	-	-	84,092	-	84,092
Non-interest income	363,446	108,726	168,484	61,037	323,979	62,847	(159,675)	928,844
Net income	<u>1,589,353</u>	<u>330,200</u>	<u>372,660</u>	<u>77,800</u>	<u>1,013,400</u>	<u>167,139</u>	<u>(378,419)</u>	<u>3,172,133</u>
Overhead expenses	(753,353)	(45,069)	(28,768)	(49,477)	(600,596)	(76,693)	-	(1,553,956)
Allowance for losses on loans, advances and financing	74,573	(28,550)	-	(1,017)	(110,333)	(6,874)	-	(72,201)
Impairment losses on securities, net	-	-	5,618	721	210	(2,257)	-	4,292
Operating Profit	<u>910,573</u>	<u>256,581</u>	<u>349,510</u>	<u>28,027</u>	<u>302,681</u>	<u>81,315</u>	<u>(378,419)</u>	<u>1,550,268</u>
Share of profits in associates	-	-	-	-	25,305	-	-	25,305
Profit before taxation and zakat	<u>910,573</u>	<u>256,581</u>	<u>349,510</u>	<u>28,027</u>	<u>327,986</u>	<u>81,315</u>	<u>(378,419)</u>	<u>1,575,573</u>
Taxation and zakat								(389,311)
Profit after taxation and zakat								<u>1,186,262</u>
Non-controlling interest								(43,662)
Profit for the period								<u>1,142,600</u>

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A23. 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 financial period ended 31 December 2011.

A24. Subsequent Events

There were no material events subsequent to the reporting date, other than as disclosed in Note A8(b) and B6.

A25. Changes in the Composition of the Group

The changes to the composition of the Group during the first quarter ended 31 March 2012 are further elaborated in Note B6.

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A26. 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 31 March 2012			As at 31 December 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
<u>Credit-related</u>						
Direct credit substitutes	8,838,936	8,821,897	5,856,388	8,260,162	7,864,786	5,463,701
Certain transaction-related contingent items	11,951,698	5,857,419	4,334,818	13,333,375	5,797,032	4,339,391
Short-term self-liquidating trade-related contingencies	3,306,225	1,509,235	954,901	3,316,365	1,243,447	704,094
Islamic hire purchase loans sold to Cagamas Berhad	1,398,370	1,317,948	371,843	1,499,270	1,499,266	498,592
Obligations under underwriting agreements	30,000	15,000	15,000	30,000	15,000	15,000
Irrevocable commitments to extend credit:						
- Maturity within one year	100,286,314	14,413,390	8,607,691	96,902,460	3,398,686	2,109,787
- Maturity exceeding one year	21,032,960	16,387,231	6,610,588	19,584,365	11,669,069	4,829,809
Miscellaneous commitments and contingencies	9,468,695	1,077,592	172,567	8,782,439	97,824	73,043
Total credit-related commitment and contingencies	156,313,198	49,399,712	26,923,796	151,708,436	31,585,110	18,033,417

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A26. Commitments and Contingencies (cont'd.)

Group (cont'd.)

	As at 31 March 2012			As at 31 December 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
<u>Derivative Financial Instruments</u>						
Foreign exchange related contracts:						
- Less than one year	109,225,295	1,924,584	880,076	89,127,406	1,697,361	589,459
- One year to less than five years	20,095,591	75,209	60,642	16,635,830	61,824	52,846
- Five years and above	711,653	43,866	43,655	827,609	45,053	44,520
	130,032,539	2,043,659	984,373	106,590,845	1,804,238	686,825
Interest rate related contracts:						
- Less than one year	33,369,938	499,821	229,858	52,227,798	515,281	420,674
- One year to less than five years	55,567,175	5,037,686	1,883,447	50,556,677	3,275,364	1,408,777
- Five years and above	10,385,934	1,174,566	502,358	9,176,736	1,133,644	528,435
	99,323,047	6,712,073	2,615,663	111,961,211	4,924,289	2,357,886
Equity and commodity related contracts:						
- Less than one year	-	-	-	71,611	-	-
- One year to less than five years	411,457	-	-	377,592	-	-
	411,457	-	-	449,203	-	-
Total treasury-related commitments and contingencies	229,767,043	8,755,732	3,600,036	219,001,259	6,728,527	3,044,711
	386,080,241	58,155,444	30,523,832	370,709,695	38,313,637	21,078,128

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A26. Commitments and Contingencies (cont'd.)

	As at 31 March 2012			As at 31 December 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
<u>Bank</u>						
<u>Credit-related</u>						
Direct credit substitutes	6,998,913	6,998,913	4,249,728	5,926,466	5,790,525	3,584,047
Certain transaction-related contingent items	10,206,406	5,028,026	3,550,679	11,673,152	4,944,380	3,558,588
Short-term self-liquidating trade-related contingencies	2,979,059	624,564	400,674	2,952,658	1,057,766	648,554
Irrevocable commitments to extend credit:						
- Maturity within one year	85,126,985	12,752,229	7,610,533	82,414,863	2,586,209	1,767,836
- Maturity exceeding one year	17,663,171	13,741,853	5,594,700	16,410,180	10,258,612	4,369,422
Miscellaneous commitments and contingencies	9,269,035	1,077,592	172,567	8,475,251	97,824	73,043
Total credit-related commitment and contingencies	132,243,569	40,223,177	21,578,881	127,852,570	24,735,316	14,001,490

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A26. Commitments and Contingencies (cont'd.)

	As at 31 March 2012			As at 31 December 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
<u>Bank (cont'd.)</u>						
<u>Derivative Financial Instruments</u>						
Foreign exchange related contracts:						
- Less than one year	104,680,452	1,412,889	420,573	84,129,446	1,598,591	534,060
- One year to less than five years	14,927,091	70,296	59,341	13,766,757	61,824	52,846
- Five years and above	711,653	43,866	43,655	827,609	43,500	42,967
	120,319,196	1,527,051	523,569	98,723,812	1,703,915	629,873
Interest rate related contracts:						
- Less than one year	32,694,650	497,917	229,342	52,092,953	245,271	150,835
- One year to less than five years	52,989,440	4,224,057	1,621,719	48,442,901	3,138,356	1,349,099
- Five years and above	10,161,528	1,154,492	494,395	8,931,398	1,118,606	524,691
	95,845,618	5,876,466	2,345,456	109,467,252	4,502,233	2,024,625
Equity and commodity related contracts:						
- Less than one year	-	-	-	58,934	-	-
- One year to less than five years	365,548	-	-	377,592	-	-
	365,548	-	-	436,526	-	-
Total treasury-related commitments and contingencies	216,530,362	7,403,517	2,869,025	208,627,590	6,206,148	2,654,498
	348,773,931	47,626,694	24,447,906	336,480,160	30,941,464	16,655,988

* 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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A26. 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 31 March 2012, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM2,007.7 million (31 December 2011: RM1,954.5 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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 fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 31 March 2012, the Group and the Bank have posted cash collateral of RM189.6 million (31 December 2011: RM232.8 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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A27. 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 is 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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A27. Capital Adequacy (cont'd.)

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

In determining the capital adequacy ratio, the proposed gross dividend consists of an electable portion of 32 sen (net 24 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.

There is no proposed dividend for the quarter ended 31 March 2012.

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:

	Group		Bank	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Before deducting electable portion dividend to be reinvested:				
Core capital ratio	11.05%	11.74% *	14.56%	15.80% *
Risk-weighted capital ratio	15.43%	16.46% *	14.56%	15.80% *
After deducting electable portion dividend to be reinvested:				
Core capital ratio, assuming:				
- full electable portion paid in cash	10.38%	10.95%	13.67%	14.73%
- full electable portion reinvested	11.05%	11.65%	14.56%	15.68%
Risk-weighted capital ratio, assuming:				
- full electable portion paid in cash	14.76%	15.66%	13.67%	14.73%
- full electable portion reinvested	15.43%	16.37%	14.56%	15.68%

* 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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A27. Capital Adequacy (cont'd.)

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

	Group		Bank	
	31 March 2012 RM '000	31 December 2011 RM '000	31 March 2012 RM '000	31 December 2011 RM '000
<u>Tier I capital</u>				
Paid-up share capital	7,639,441	7,639,437	7,639,441	7,639,437
Share premium	9,598,882	9,598,847	9,598,882	9,598,847
Other reserves	14,341,192	14,570,375	12,244,261	12,473,444
Capital securities	6,052,463	6,057,884	6,052,463	6,057,884
	<u>37,631,978</u>	37,866,543	<u>35,535,047</u>	35,769,612
Less: Deferred tax assets ¹	(1,406,712)	(1,406,712)	(867,163)	(867,163)
Less: Goodwill ¹	(6,031,401)	(6,031,401)	(81,015)	(81,015)
Total Tier I capital	<u>30,193,865</u>	<u>30,428,430</u>	<u>34,586,869</u>	<u>34,821,434</u>
<u>Tier II capital</u>				
Subordinated obligations	14,007,374	13,889,529	12,448,903	12,491,343
Collective allowance for bad and doubtful debts ⁴	815,816	892,370	404,895	430,448
Surplus of total EP over total EL ³	70,536	359,978	144,377	384,425
Total Tier II capital	<u>14,893,726</u>	<u>15,141,877</u>	<u>12,998,175</u>	<u>13,306,216</u>
Total capital	45,087,591	45,570,307	47,585,044	48,127,650
Less: Investment in subsidiary companies and associates ²	(2,828,007)	(2,891,773)	(17,498,920)	(17,467,920)
Less: Other deductions				
Securitisation exposures held in the banking book	(80,144)	(31,383)	(80,144)	(31,383)
Excess of EL ³ over EP ³	-	-	-	-
Capital base	<u>42,179,440</u>	<u>42,647,151</u>	<u>30,005,980</u>	<u>30,628,347</u>

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

² Excludes the cost of investment in subsidiary companies and associates, except for: (i) Myfin Berhad of RM18,993,759, as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM176,385,000, as its assets are included in the Bank's risk-weighted assets. For the Group, the cost of investment in insurance companies and associates are deducted from capital base.

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

⁴ Excluding collective allowance for certain loans, advances and financing.

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 and Maybank International (L) Ltd. as disclosed above).

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A27. 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
<u>31 March 2012</u>			
Before deducting proposed dividends*:			
Core capital ratio	9.21%	19.34%	-
Risk-weighted capital ratio	11.64%	19.34%	12.71%
After deducting proposed dividends:			
Core capital ratio	9.21%	19.34%	-
Risk-weighted capital ratio	11.64%	19.34%	12.71%
<u>31 December 2011</u>			
Before deducting proposed dividends*:			
Core capital ratio	9.89%	21.58%	-
Risk-weighted capital ratio	12.61%	21.58%	11.83%
After deducting proposed dividends:			
Core capital ratio	9.32%	21.58%	-
Risk-weighted capital ratio	12.04%	21.58%	11.83%

* In arriving at the capital base used in the ratio calculations of banking subsidiaries of the Group, the proposed dividend for respective financial period were not deducted.

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A27. Capital Adequacy (cont'd.)

e) The breakdown of Assets and Credit Equivalent values (including Off-Balance Sheet items) according to Risk-Weights is as follows:

At 31 March 2012

	Group	Bank	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Internasional Indonesia Tbk
	RM'000	RM'000	RM'000	RM'000	RM'000
Standardised Approach exposure	70,626,326	37,051,765	3,768,050	1,681,357	22,855,113
IRB Approach exposure after scaling factor	167,852,178	142,451,975	29,752,431	-	-
Total risk-weighted assets for credit risk	238,478,504	179,503,740	33,520,481	1,681,357	22,855,113
Total risk-weighted assets for credit risk absorbed by Malayan Banking Berhad*	-	-	(205,906)	-	-
Total risk-weighted assets for market risk	9,410,348	8,538,558	367,730	257,243	447,594
Total risk-weighted assets for operational risk	25,435,859	18,067,890	2,673,468	605,074	3,469,277
Additional risk-weighted assets due to capital floor	-	-	3,064,336	-	-
Total risk-weighted assets	273,324,711	206,110,188	39,420,109	2,543,674	26,771,984

At 31 December 2011

	Group	Bank	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Internasional Indonesia Tbk
	RM'000	RM'000	RM'000	RM'000	RM'000
Standardised Approach exposure	70,655,914	38,834,291	4,153,679	1,025,361	24,360,349
IRB Approach exposure after scaling factor	153,100,201	128,719,436	28,214,051	-	-
Total risk-weighted assets for credit risk	223,756,115	167,553,727	32,367,730	1,025,361	24,360,349
Total risk-weighted assets for credit risk absorbed by Malayan Banking Berhad*	-	-	(205,926)	-	-
Total risk-weighted assets for market risk	10,379,265	8,376,674	307,942	713,316	275,124
Total risk-weighted assets for operational risk	24,983,371	17,970,181	2,573,751	540,741	3,197,593
Additional risk-weighted assets due to capital floor	-	-	3,891,670	-	-
Total risk-weighted assets	259,118,751	193,900,582	38,935,167	2,279,418	27,833,066

* 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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A28. 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 31 March 2012</u>	Amount	Assets	Liabilities	Amount	Assets	Liabilities
	RM'000	Amount	Amount	RM'000	Amount	Amount
		RM'000	RM'000		RM'000	RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange related contracts</u>						
Currency forward						
- Less than one year	27,476,638	177,240	(143,380)	22,939,365	127,626	(114,179)
- One year to three years	1,862,793	8,562	(1,873)	469,686	8,562	(1,873)
- More than three years	3,147,605	14,193	(87)	256,303	14,193	(87)
	32,487,036	199,995	(145,340)	23,665,354	150,381	(116,139)
Currency swaps						
- Less than one year	58,661,104	382,961	(269,082)	58,661,104	382,961	(269,082)
- One year to three years	437,903	7,223	(5,946)	437,903	7,223	(5,946)
- More than three years	256,303	100	(13,152)	256,303	100	(13,152)
	59,355,310	390,284	(288,180)	59,355,310	390,284	(288,180)
Currency spots						
- Less than one year	12,857,499	5,969	(7,479)	12,851,054	5,959	(7,482)
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	12,857,499	5,969	(7,479)	12,851,054	5,959	(7,482)
Currency options						
- Less than one year	6,193,874	26,527	(20,034)	6,192,749	26,525	(20,034)
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	6,193,874	26,527	(20,034)	6,192,749	26,525	(20,034)
Cross currency interest rate swaps						
- Less than one year	2,313,650	123,958	(29,796)	2,313,650	123,958	(29,796)
- One year to three years	4,699,641	132,420	(103,005)	4,699,641	143,740	(103,005)
- More than three years	7,181,860	238,123	(87,375)	6,881,360	233,038	(92,645)
	14,195,151	494,501	(220,176)	13,894,651	500,736	(225,446)
<u>Interest rate derivatives</u>						
Interest rate swaps						
- Less than one year	30,359,432	50,164	(54,981)	30,359,432	50,831	(54,981)
- One year to three years	25,221,145	136,754	(167,116)	25,221,145	148,688	(167,116)
- More than three years	33,887,916	324,122	(459,915)	33,887,916	340,195	(459,915)
	89,468,493	511,040	(682,012)	89,468,493	539,714	(682,012)
Interest rate futures						
- Less than one year	-	-	-	-	-	-
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	-	-	-	-	-	-
Interest rate options						
- Less than one year	1,501,860	15,394	-	1,466,410	15,394	-
- One year to three years	1,417,500	6,089	(1,314)	1,417,500	6,089	(1,314)
- More than three years	1,238,088	398	(184,692)	838,088	398	(89,191)
	4,157,448	21,881	(186,006)	3,721,998	21,881	(90,505)

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A28. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	Fair Value		Principal Amount RM'000	Fair Value	
		Assets Amount RM'000	Liabilities Amount RM'000		Assets Amount RM'000	Liabilities Amount RM'000
As at 31 March 2012						
<u>Trading derivatives (cont'd.)</u>						
<u>Equity related derivatives</u>						
Equity options						
- Less than one year	-	-	-	-	-	-
- One year to three years	266,471	2,716	(2,094)	266,471	2,716	(2,094)
- More than three years	-	-	-	-	-	-
	<u>266,471</u>	<u>2,716</u>	<u>(2,094)</u>	<u>266,471</u>	<u>2,716</u>	<u>(2,094)</u>
Commodity options						
- Less than one year	-	-	-	-	-	-
- One year to three years	45,079	4,305	(4,305)	45,079	4,305	(4,305)
- More than three years	54,000	3,102	(3,102)	54,000	3,102	(3,102)
	<u>99,079</u>	<u>7,407</u>	<u>(7,407)</u>	<u>99,079</u>	<u>7,407</u>	<u>(7,407)</u>
<u>Credit-Related Contract</u>						
Credit Default Swaps						
- Less than one year	-	-	-	-	-	-
- One year to three years	-	-	-	-	-	-
- More than three years	45,907	781	(11,691)	-	-	-
	<u>45,907</u>	<u>781</u>	<u>(11,691)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Hedging derivatives</u>						
Interest rate swaps						
- Less than one year	1,508,646	648	(14,175)	868,807	282	(13,344)
- One year to three years	2,369,751	931	(101,970)	1,332,817	473	(101,319)
- More than three years	1,818,711	12,770	(33,281)	453,503	-	(32,419)
	<u>5,697,108</u>	<u>14,349</u>	<u>(149,426)</u>	<u>2,655,127</u>	<u>755</u>	<u>(147,082)</u>
Cross currency interest rate swaps						
- Less than one year	1,722,529	130,248	(3,326)	1,722,529	130,248	(3,326)
- One year to three years	2,401,580	202,029	(5,259)	2,135,489	194,550	(5,259)
- More than three years	819,558	-	(3,718)	502,058	-	(3,718)
	<u>4,943,667</u>	<u>332,277</u>	<u>(12,303)</u>	<u>4,360,076</u>	<u>324,798</u>	<u>(12,303)</u>
Total derivative assets / (liabilities)	<u>229,767,043</u>	<u>2,007,727</u>	<u>(1,732,148)</u>	<u>216,530,362</u>	<u>1,971,156</u>	<u>(1,598,684)</u>

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A28. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	Fair Value		Principal Amount RM'000	Fair Value	
As at 31 December 2011	Assets Amount RM'000	Liabilities Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forward						
- Less than one year	24,461,736	247,713	(116,156)	19,513,855	198,500	(78,223)
- One year to three years	2,538,409	6,875	(1,566)	287,337	6,875	(1,566)
- More than three years	277,627	7,367	(98)	277,627	7,367	(98)
	<u>27,277,772</u>	<u>261,955</u>	<u>(117,820)</u>	<u>20,078,819</u>	<u>212,742</u>	<u>(79,887)</u>
Currency swaps						
- Less than one year	49,516,752	445,706	(628,263)	49,516,752	445,706	(628,263)
- One year to three years	334,788	6,232	(3,026)	334,788	6,232	(3,026)
- More than three years	277,627	111	(6,280)	277,627	111	(6,280)
	<u>50,129,167</u>	<u>452,049</u>	<u>(637,569)</u>	<u>50,129,167</u>	<u>452,049</u>	<u>(637,569)</u>
Currency spots						
- Less than one year	7,111,247	3,718	(1,185)	7,061,168	3,704	(1,166)
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	<u>7,111,247</u>	<u>3,718</u>	<u>(1,185)</u>	<u>7,061,168</u>	<u>3,704</u>	<u>(1,166)</u>
Currency options						
- Less than one year	4,854,026	24,068	(19,029)	4,854,026	24,068	(19,029)
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	<u>4,854,026</u>	<u>24,068</u>	<u>(19,029)</u>	<u>4,854,026</u>	<u>24,068</u>	<u>(19,029)</u>
Cross currency interest rate swaps						
- Less than one year	2,378,245	9,269	(718)	2,378,245	10,620	(718)
- One year to three years	4,123,567	88,681	(80,564)	4,123,567	88,681	(80,564)
- More than three years	6,501,545	96,743	(48,083)	6,201,045	96,743	(48,083)
	<u>13,003,357</u>	<u>194,693</u>	<u>(129,365)</u>	<u>12,702,857</u>	<u>196,044</u>	<u>(129,365)</u>
<u>Interest rate derivatives</u>						
Interest rate swaps						
- Less than one year	14,504,033	13,168	(76,662)	14,504,033	53,059	(76,662)
- One year to three years	25,737,833	202,322	(199,308)	25,737,833	202,322	(199,308)
- More than three years	27,616,252	453,094	(611,730)	27,616,252	453,094	(611,730)
	<u>67,858,118</u>	<u>668,584</u>	<u>(887,700)</u>	<u>67,858,118</u>	<u>708,475</u>	<u>(887,700)</u>
Interest rate futures						
- Less than one year	36,555,927	60,238	(60,238)	36,555,927	60,238	(60,238)
- One year to three years	-	-	-	-	-	-
- More than three years	-	-	-	-	-	-
	<u>36,555,927</u>	<u>60,238</u>	<u>(60,238)</u>	<u>36,555,927</u>	<u>60,238</u>	<u>(60,238)</u>
Interest rate options						
- Less than one year	616,051	8,762	-	580,551	8,762	-
- One year to three years	1,422,250	14,601	(7,447)	1,422,250	14,601	(7,447)
- More than three years	756,079	2,263	(82,816)	556,079	1,541	(41,935)
	<u>2,794,380</u>	<u>25,626</u>	<u>(90,263)</u>	<u>2,558,880</u>	<u>24,904</u>	<u>(49,382)</u>

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A28. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	Fair Value		Principal Amount RM'000	Fair Value	
As at 31 December 2011	Assets Amount RM'000	Liabilities Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
<u>Trading derivatives (cont'd.)</u>						
<u>Equity related derivatives</u>						
Equity options						
- Less than one year	71,612	-	(7,752)	58,935	-	-
- One year to three years	220,543	327	-	220,543	327	-
- More than three years	104,348	7,564	(7,564)	104,348	7,564	(7,564)
	<u>396,503</u>	<u>7,891</u>	<u>(15,316)</u>	<u>383,826</u>	<u>7,891</u>	<u>(7,564)</u>
Commodity options						
- Less than one year	-	-	-	-	-	-
- One year to three years	-	-	-	-	-	-
- More than three years	52,700	3,267	(3,267)	52,700	3,267	(3,267)
	<u>52,700</u>	<u>3,267</u>	<u>(3,267)</u>	<u>52,700</u>	<u>3,267</u>	<u>(3,267)</u>
<u>Hedging derivatives</u>						
Interest rate swaps						
- Less than one year	551,788	536	(12,030)	452,443	-	(9,119)
- One year to three years	3,059,907	611	(121,903)	1,530,447	611	(121,673)
- More than three years	1,141,091	-	(51,019)	511,437	-	(50,767)
	<u>4,752,786</u>	<u>1,147</u>	<u>(184,952)</u>	<u>2,494,327</u>	<u>611</u>	<u>(181,559)</u>
Cross currency interest rate swaps						
- Less than one year	805,400	74,214	(4,063)	805,400	74,214	(4,063)
- One year to three years	2,035,964	142,067	(10,794)	2,035,964	142,067	(10,794)
- More than three years	1,373,912	34,959	(1,148)	1,056,411	39,070	(1,148)
	<u>4,215,276</u>	<u>251,240</u>	<u>(16,005)</u>	<u>3,897,775</u>	<u>255,351</u>	<u>(16,005)</u>
Total derivative assets / (liabilities)	<u>219,001,259</u>	<u>1,954,476</u>	<u>(2,162,709)</u>	<u>208,627,590</u>	<u>1,949,344</u>	<u>(2,072,731)</u>

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A29. The Operations of Islamic Banking Scheme

A29a. Unaudited Income Statements for the First Quarter Ended 31 March 2012

<u>Group</u>	Quarter Ended		Cumulative 3 Months Ended*	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Income derived from investment of depositors' funds	838,185	630,856	838,185	630,856
Expenses directly attributable to depositors and Islamic Banking Funds	(25,894)	(6,157)	(25,894)	(6,157)
Transfer to profit equalisation reserve	-	(16,483)	-	(16,483)
Gross attributable income	812,291	608,216	812,291	608,216
Allowance for losses on financing and advances	40,078	(23,760)	40,078	(23,760)
Total attributable income	852,369	584,456	852,369	584,456
Income attributable to the depositors	(416,698)	(266,055)	(416,698)	(266,055)
Income attributable to the Group	435,671	318,401	435,671	318,401
Income derived from investment of Islamic Banking Funds	121,384	29,551	121,384	29,551
	557,055	347,952	557,055	347,952
Finance cost	(10,608)	(116)	(10,608)	(116)
Overhead expenses	(193,518)	(145,913)	(193,518)	(145,913)
Profit before taxation and zakat	352,929	201,923	352,929	201,923
Taxation	(84,706)	(49,665)	(84,706)	(49,665)
Zakat	(3,495)	(4,977)	(3,495)	(4,977)
Profit for the period	264,728	147,281	264,728	147,281

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

<u>Group</u>	Quarter Ended		Cumulative 3 Months Ended*	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Gross attributable income	812,291	608,216	812,291	608,216
Income derived from investment of Islamic Banking Funds	121,384	29,551	121,384	29,551
Total income before allowance for losses on financing and advances and overhead expenses	933,675	637,767	933,675	637,767
Income attributable to the depositors	(416,698)	(266,055)	(416,698)	(266,055)
	516,977	371,712	516,977	371,712
Finance cost	(10,608)	(116)	(10,608)	(116)
Net of intercompany income & expenses	28,457	16,176	28,457	16,176
Income from Islamic Banking Scheme	534,826	387,772	534,826	387,772

*(The Group has changed its financial year-end from 30 June to 31 December. Comparatives for cumulative quarters consist of 3 months results beginning 1 January 2011 to 31 March 2011.)

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

A29b. Unaudited Statements of Comprehensive Income for the First Quarter Ended 31 March 2012

Group	Quarter Ended		Cumulative 3 Months Ended*	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Profit for the period	264,728	147,281	264,728	147,281
Other comprehensive income/(loss):				
Currency translation differences in respect of foreign operations	(16,178)	18	(16,178)	18
Net gain/(loss) on revaluation of financial investments available-for-sale	2,078	(9,162)	2,078	(9,162)
Income tax relating to components of other comprehensive income	1,372	3,276	1,372	3,276
Other comprehensive income/(loss) for the period, net of tax	(12,728)	(5,868)	(12,728)	(5,868)
Total comprehensive income for the period	252,000	141,413	252,000	141,413

*(The Group has changed its financial year-end from 30 June to 31 December. Comparatives for cumulative quarters consist of 3 months results beginning 1 January 2011 to 31 March 2011.)

A29c. Unaudited Statements of Financial Position as at 31 March 2012

Group	Note	31 March 2012 RM'000	31 December 2011 RM'000
ASSETS			
Cash and short-term funds		10,217,337	8,971,617
Deposits and placements with banks and other financial institutions		610,867	429,910
Securities portfolio		7,884,891	8,640,930
Financing and advances	A29d	51,892,259	50,926,004
Deferred tax assets		172,809	178,148
Derivative assets		42,280	28,198
Other assets		5,096,971	4,492,748
Statutory deposit with Bank Negara Malaysia		1,926,300	1,834,800
Intangible assets		3,766	3,701
Property, plant and equipment		2,301	2,551
Total Assets		77,849,781	75,508,607
LIABILITIES			
Deposits from customers	A29e	60,568,342	59,090,400
Deposit and placements of banks and other financial institutions		10,628,379	9,449,458
Bills and acceptances payable		326,610	504,237
Derivatives liabilities		113,098	96,179
Other liabilities		419,615	193,515
Provision for taxation and zakat		176,770	109,256
Subordinated Sukuk	A29f	1,000,231	1,010,723
Total Liabilities		73,233,045	70,453,768
ISLAMIC BANKING FUNDS			
Islamic Banking Funds		462,728	943,296
Reserves		4,154,008	4,111,543
Total Liabilities and Islamic Banking Funds		77,849,781	75,508,607
COMMITMENTS AND CONTINGENCIES			
		24,237,312	22,853,525

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

A29d. Financing and Advances

	Group	
	31 March 2012 RM'000	31 December 2011 RM'000
Cashline	1,914,997	2,103,900
Term financing		
- Housing financing	7,811,023	7,275,137
- Syndicated financing	572,465	632,750
- Hire purchase receivables	18,005,087	18,167,588
- Other financing	45,202,463	43,346,525
Bills receivable	4,614	4,610
Trust receipts	165,247	204,263
Claims on customers under acceptance credits	3,299,536	3,507,816
Staff financing	896,382	867,947
Credit card receivables	335,069	340,254
Revolving credit	4,519,347	4,315,880
	<u>82,726,230</u>	<u>80,766,670</u>
Unearned income	<u>(30,075,195)</u>	<u>(28,894,399)</u>
Gross financing and advances*	52,651,035	51,872,271
Allowance for bad and doubtful financing:		
- Individual allowance	(160,068)	(298,840)
- Collective allowance	<u>(598,708)</u>	<u>(647,427)</u>
Net financing and advances	<u>51,892,259</u>	<u>50,926,004</u>

* Included in financing and advances are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA") amounting to RM650.0 million (31 December 2011: RM650.0 million), an arrangement between Maybank Islamic Berhad and the Bank, where the risks and rewards of the RPSIA will be accounted by the Bank including the individual and collective allowances for the impaired financing arising thereon.

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

	Group	
	31 March 2012 RM'000	31 December 2011 RM'000
At beginning of the period	811,973	928,549
Impaired during the period	197,114	316,586
Recovered/regularised during the period	(166,049)	(340,991)
Amount written off	(172,508)	(101,619)
Expenses debited to customers' accounts	5,555	9,448
At end of the period	<u>676,085</u>	<u>811,973</u>
Less: Individual allowance	<u>(160,068)</u>	<u>(298,840)</u>
Net impaired financing and advances	<u>516,017</u>	<u>513,133</u>
Gross financing and advances (excluding RPSIA financing)	52,001,035	51,222,271
Less:		
- Individual allowance	<u>(160,068)</u>	<u>(298,840)</u>
Net financing and advances	<u>51,840,967</u>	<u>50,923,431</u>
Ratio of net impaired financing and advances	<u>1.00%</u>	<u>1.01%</u>

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

A29d. (ii) Movement in the allowance for impaired financing and advances are as follows:

	Group	
	31 March 2012 RM'000	31 December 2011 RM'000
<u>Individual allowance</u>		
At beginning of the period	298,840	354,688
Allowance made during the period	23,943	28,449
Amount written back	(15,587)	(38,004)
Amount written off	(147,128)	(45,554)
Amount transfer to collective allowance	-	(739)
At end of the period	160,068	298,840
<u>Collective allowance</u>		
At beginning of the period	647,427	580,818
Amount transfer from MILL conventional banking	-	4,153
Allowance (written back)/made during the period *	(22,734)	117,604
Amount written off	(25,380)	(56,065)
Amount transfer from individual allowance	-	739
Exchange difference	(605)	178
At end of the period	598,708	647,427
As a percentage of gross financing and advances less individual allowance	1.15%	1.27%

* As at 31 March 2012, the gross exposures to RPSIA financing of RM650.0 million (31 December 2011: RM650.0 million) is excluded from gross financing and advances of the individual and collective allowance computation. The collective allowance relating to this RPSIA amounting RM1.4 million (31 December 2011: RM1.5 million) is recognised in the Bank. There was no individual allowance provided on this RPSIA financing.

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

A29e. Deposits from Customers

	Group	
	31 March 2012 RM'000	31 December 2011 RM'000
(i) By type of deposit		
<u>Mudharabah Fund</u>		
Demand deposits	4,579,375	3,603,096
Savings deposits	467,520	508,499
General Investment deposits	20,175,143	20,917,948
Negotiable instruments of deposits	251,357	257,716
	25,473,395	25,287,259
 <u>Non-Mudharabah Fund</u>		
Demand deposits	7,169,422	5,866,894
Savings deposits	7,036,747	6,689,436
Fixed return investment deposits	20,516,229	21,046,377
Structured deposits	372,549	200,434
	35,094,947	33,803,141
 Total deposit from customers	60,568,342	59,090,400

A29f. Subordinated Sukuk

	Group	
	31 March 2012 RM'000	31 December 2011 RM'000
RM1.0 billion Islamic Subordinated Sukuk due in 2021	1,000,231	1,010,723

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

B1. Performance Review

Current Quarter and Period-to-Date vs Previous Corresponding Quarter and Period-to-Date

The Group posted profit after tax attributable to equity holders of RM1,346.9 million for the first quarter ended 31 March 2012, an increase of RM204.3 million or 17.9% over the corresponding quarter ended 31 March 2011.

The Group's net interest income and Islamic banking income for the 3 months financial period ended 31 March 2012 increased by RM396.3 million or 18.4% compared to the corresponding 3 months financial period ended 31 March 2011. This is largely due to the 19.2% year-on-year growth in the Group's net loans and advances (including Islamic finance).

Non-interest income of the Group for the first quarter ended 31 March 2012 recorded an increase of RM479.2 million or 51.6% to RM1,408.0 million. Fee income increased by RM160.6 million, mainly contributed by Kim Eng Group during the 3 months financial periods ended 31 March 2012 whereas in the preceding corresponding period, Kim Eng Group's results were not consolidated as the Kim Eng Group's acquisition was completed in May 2011. The Group also benefited from higher gain on sale of securities portfolio, higher foreign exchange profit and higher unrealised gain on revaluation of securities held-for trading and derivatives of RM107.5 million, RM88.6 million and RM68.9 million respectively.

The Group's overhead expenses for the first quarter ended 31 March 2012 increased by RM440.9 million or 28.4% compared to the corresponding quarter ended 31 March 2011. The major contributors to the increase in overhead expenses were Kim Eng Group (NIL in previous corresponding quarter), PT Bank Internasional Indonesia Tbk ("BII") and the Bank itself. The Group's personnel costs increased by RM258.3 million and form 58.6% of the total increase in Group's overhead expenses.

Allowance for losses on loans, advances and financing increased by RM123.7 million to RM195.9 million. The increase was mainly due to higher collective allowances due to growth in loans, advances and financing. Assets quality continued to improve with net impaired loans ratio improving to 1.57% as at 31 March 2012, compared to 1.87% as at 31 December 2011.

The improvements in Group's profit before tax for the 3 months financial period ended 31 March 2012 as compared to the corresponding 3 months financial period ended 31 March 2011 is analysed based on the operating segments of the Group as follows:

Community Financial Services ("CFS"), Malaysia

CFS's profit before tax decreased by RM179.4 million or 19.7% to RM731.2 million for the 3 months financial period ended 31 March 2012 from RM910.6 million for the corresponding 3 months financial period ended 31 March 2011. The decrease was mainly attributable to higher overhead expenses of RM127.4 million, higher allowance for losses on loans, advances and financing of RM76.6 million and lower non-interest income of RM5.0 million or 1.4% primarily from lower commissions earned. The decrease was, however, offset by higher net interest income of RM29.6 million or 2.4% arising from strong loan growth in retail mortgages of 16.8% and auto financing of 12.0%.

Global Wholesale Banking

a) Corporate Banking, Malaysia

Corporate Banking's profit before tax increased by RM147.7 million or 57.6% to RM404.3 million for the 3 months financial period ended 31 March 2012 from RM256.6 million for the corresponding 3 months financial period ended 31 March 2011. The increase was driven by higher net interest income of RM91.0 million arising from strong loan growth of 17.7%, higher non-interest income of RM44.1 million and improvement in allowance for losses on loans, advances and financing of RM61.5 million which is attributable mainly to improvement in collective allowance.

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B1. Performance Review (cont'd.)

Current Quarter and Period-to-Date vs Previous Corresponding Quarter and Period-to-Date

b) Global Markets, Malaysia

Global Markets' profit before tax increased by RM58.4 million or 16.7% to RM407.9 million for the 3 months financial period ended 31 March 2012 from RM349.5 million for the corresponding 3 months financial period ended 31 March 2011. The increase was mainly due to increase in non-interest income of RM93.3 million or 55.4% primarily from higher gains on disposal of securities (trading profit) and FX trading. The increase was mitigated by a combination of higher overhead expenses of RM32.0 million and lower net interest income of RM4.4 million.

c) Investment Banking (Maybank IB and Kim Eng Group)

Investment Banking's profit before tax increased by RM88.4 million or 315.3% to RM116.4 million for the 3 months financial period ended 31 March 2012 from RM28.0 million for the corresponding 3 months financial period ended 31 March 2011 whilst Maybank Investment Bank Berhad's ("Maybank IB") profit before tax increased from RM29.6 million for the 3 months financial period ended 31 March 2011 to RM77.1 million for the 3 months financial period ended 31 March 2012, mainly due to significant gains from disposal of securities. Kim Eng Group recorded profit before tax of RM50.1 million, mainly attributable to brokerage income of RM111.7 million.

The Islamic operations of Maybank IB recorded fee based income of RM77.5 million for the 3 months financial period ended 31 March 2012 due to significant gain of RM51.7 million arising from disposal of corporate bonds in January 2012.

International Banking

International Banking's profit before tax increased by RM135.0 million or 41.2% to RM463.0 million for the 3 months financial period ended 31 March 2012 from RM328.0 million for the corresponding 3 months financial period ended 31 March 2011. The increase was driven by higher net interest income which increased by RM143.3 million or 20.8% arising from strong loan growth of 25.3%. In addition, there was a non-interest income growth of RM151.7 million or 46.8%, primarily from Hong Kong and PT Bank Internasional Indonesia Tbk ("BII").

The increase in profit before tax for International Banking was mainly contributed by Hong Kong (RM67.5 million) and BII (RM51.5 million).

Higher net interest income was contributed by strong loans growth of 23.2 % at BII and 21.8% at Singapore.

Insurance, Takaful and Asset Management

Profit before tax increased by RM18.2 million or 22.4% to RM99.5 million for the 3 months financial period ended 31 March 2012 from RM81.3 million for the corresponding 3 months financial period ended 31 March 2011. The increase was driven by higher fee and commission income of RM20.5 million or 32.7% mainly attributable to gains on disposal of securities. The increase was, however, offset by higher overhead expenses of RM15.7 million.

B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax attributable to equity holders increased by RM50.2 million or 3.9% to RM1,346.9 million over the preceding quarter ended 31 December 2011.

The Group's net interest income for the quarter ended 31 March 2012 decreased by RM132.0 million or 6.1% to RM2,020.7 million against the preceding quarter due to net interest margin compression and additional borrowing costs. Income from Islamic Banking Scheme operations increased by RM43.1 million or 8.8% to RM534.8 million over the amount in the preceding quarter, mainly due to higher Islamic fee based income.

Net income from insurance business for the quarter decreased significantly by RM235.1 million to RM87.2 million as there was a transfer of actuarial surplus from insurance and takaful revenue account in the preceding quarter ended 31 December 2011. (Note: NIL in the first quarter ended 31 March 2012).

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B2. Variation of Current Quarter Results Against Preceding Quarter (cont'd.)

Non-interest income for the quarter increased by RM256.5 million or 22.3% to RM1,408.0 million compared to that in the preceding quarter. The increase was mainly attributable to higher fee income, higher net gain on sale of securities and higher unrealised gain on revaluation of derivatives, but mitigated by the lower foreign exchange profit.

Overhead expenses for the quarter decreased by RM59.1 million or 2.9% over that of the preceding quarter mainly due to lower establishment cost, marketing expenses, administration and general expenses, but mitigated by higher personnel costs.

Compared to the preceding quarter, allowance for losses on loans, advances and financing was lower by RM34.4 million mainly due to higher individual assessment impairment written-back and higher recoveries of written-off impaired loan accounts in the domestic banking operations. Impairment losses on securities was lower by RM67.8 million for the quarter ended 31 March 2012 as there was a deterioration in value for certain securities in the preceding quarter ended 31 December 2011.

B3. Prospects

The global economy is forecast to slow down with a GDP growth of 3.0% in 2012 from an estimated growth of 3.8% in 2011 due to recession in Eurozone and lacklustre growth in other major advanced economies. Asia ex-Japan, however, is expected to outperform the advanced economies with ASEAN growth expected to be resilient.

The economies of the three home markets of Malaysia, Singapore and Indonesia, where Maybank Group operates in, are expected to have GDP growth of 4%, 3% and 6.2% respectively. These three markets collectively contribute more than 90% to the Group's income and profit. We expect to see reasonable business growth in these three markets for the financial year ending 31 December 2012.

Despite the slower external economy, Malaysia's domestic demand should support growth with higher consumer spending, higher government operating expenditure and domestic investment sustained by the various projects under the Economic Transformation Program ("ETP"). Benign inflation and the low interest rate environment with the Overnight Policy Rate (OPR) expected to remain at 3% throughout 2012, will help accommodate growth.

Strong domestic demand in Indonesia, coupled with the relatively under-penetrated banking sector is expected to support loans growth for PT Bank Internasional Indonesia Tbk ("BII") of around 20%. Loans growth for Maybank Singapore is expected to moderate to around 11% as the economy moderates on account of slower global economic growth and measures to curb property speculation.

In 2012, regionalisation continues to be a major theme for the Group, particularly in building a truly regional organisation and governance structure across all functions, in building physical infrastructure such as IT (for example branch front end and cash management system) and in delivering value (for example investment banking and global wholesale banking, credit cards, global markets, payments). This year will also see the Group's focus on further raising customer service quality, embedding the right risk culture, and driving greater effectiveness and efficiency to improve the cost structure.

Bank Negara Malaysia (BNM) has recently announced the implementation of Basel III Capital Rules which were essentially in accordance with globally agreed levels and implementation timeline. BNM is expected to release a concept paper detailing out the revised definition of regulatory capital computation for industry consultation soon. Barring unforeseen circumstances, the Bank is well prepared to comply with the BNM requirements for 2013.

Notwithstanding the global challenges, the Group expects a satisfactory financial performance for the current financial year ending 31 December 2012 in view of expected growth in key ASEAN markets that the Group operates in. The Group has set two key performance indicators (KPIs) for the current financial year ending 31 December 2012 of Return on Equity of 15.6% on an enlarged capital base (actual financial period ended 31 December 2011: 16.2% annualised) and growth in loans and debt securities of 15.2% (actual financial period ended 31 December 2011: 16.3% annualised).

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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 for the first quarter ended 31 March 2012.

B5. Tax Expense and Zakat

The analysis of the tax expense for the first quarter ended 31 March 2012 are as follows:

	Quarter Ended		Cumulative 3 Months Ended*	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
<u>Group</u>				
Malaysian income tax	501,327	410,088	501,327	410,088
Foreign income tax	54,440	28,399	54,440	28,399
	555,767	438,487	555,767	438,487
(Over)/under provision in respect of prior period:				
Malaysian income tax	(30)	(41,067)	(30)	(41,067)
Foreign income tax	1,303	-	1,303	-
Deferred tax expense				
- Origination and reversal of temporary differences	(32,684)	(14,170)	(32,684)	(14,170)
	(32,684)	(14,170)	(32,684)	(14,170)
Tax expense for the period	524,356	383,250	524,356	383,250
Zakat	4,546	6,061	4,546	6,061
	528,902	389,311	528,902	389,311
<u>Bank</u>				
Malaysian income tax	376,624	320,095	376,624	320,095
Foreign income tax	1,028	1,828	1,028	1,828
	377,652	321,923	377,652	321,923
Deferred tax expense				
- Origination and reversal of temporary differences	(52,883)	(17,115)	(52,883)	(17,115)
	(52,883)	(17,115)	(52,883)	(17,115)
Tax expense for the period	324,769	304,808	324,769	304,808
Zakat	-	-	-	-
	324,769	304,808	324,769	304,808

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

*(The Group has changed its financial year-end from 30 June to 31 December. Comparatives for cumulative quarters consist of 3 months results beginning 1 January 2011 to 31 March 2011.)

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B6. Status of Corporate Proposals Announced but Not Completed

- (a) (i) **Acquisition by Kim Eng Holdings Limited (“Kim Eng”), a subsidiary of Mayban IB Holdings Sdn. Bhd. (formerly known as Aseam Credit Sdn. Bhd.) (“Mayban IB Holdings”), which in turn is a wholly-owned subsidiary of Maybank, of an aggregate of 344,427,134 common shares in ATR KimEng Financial Corporation (“ATR KE”), representing approximately 32.24% of the total number of issued common shares of ATR KE (“Acquisition”); and**
- (ii) **Mandatory Tender Offer for all the remaining ATR KE Shares not already owned, controlled or agreed to be acquired by Kim Eng**

Maybank had on 9 December 2011 announced that following the completion of the acquisition, Kim Eng had on 24 October 2011 launched a tender offer to acquire all the remaining ATR KE shares that it did not own, at an offer price of PhP4.38 (equivalent to approximately RM0.31755, at the exchange rate of PhP1.00: RM0.0725, as at 24 October 2011, Source: Bloomberg) for each share in ATR KE (“Tender Offer”). Subsequently, the Tender Offer closed on 29 November 2011.

Pursuant to the Tender Offer result, Kim Eng received valid acceptances in respect of an aggregate of 261,518,034 ATR KE shares, representing approximately 24.48% of ATR KE shares. Prior to the Tender Offer, Kim Eng owned 797,405,432 ATR KE shares or approximately 74.64% of the ATR KE shares. Upon closing of the tendered shares on 9 December 2011, Kim Eng ownership in ATR KE has increased to 1,058,923,466 shares, representing approximately 99.11% of ATR KE shares.

Based on the above results, ATR KE’s public ownership level would fall to 0.89%, which is below the 10% minimum public ownership required of listed firms. That being the case, ATR KE is evaluating steps it can take to address the matter and shall disclose the same as soon as the appropriate course of action has been finalised.

- (b) **Establishment of Subordinated Note Programme of up to RM7.0 billion in nominal value (“Subordinated Note Programme”)**

Maybank had obtained approval from the Securities Commission vide their letter dated 15 February 2012 for the establishment of the Subordinated Note Programme and the issuance of Subordinated Notes thereunder.

In addition, the approval from Bank Negara Malaysia (“BNM”) for the issuance of Subordinated Notes had also been obtained on 14 December 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 (General Requirements and Capital Components) guideline issued by BNM.

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

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

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.

The Subordinated Note Programme was successfully established on 28 February 2012.

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B6. Status of Corporate Proposals Announced but Not Completed (cont'd.)

- (c) (i) **Proposed acquisition of 858,499 ordinary shares of Saudi Riyal (“SAR”) 10 each in Anfaal Capital (“Anfaal”) by Maybank Investment Bank Berhad (“Maybank IB”), a wholly-owned subsidiary of Maybank, representing 17.17% of the ordinary share capital of Anfaal; and**
- (ii) **Proposed assignment of the subordinated loan of SAR2,070,000 from Al Numu Real Estate Company (“Al Numu”) to Maybank IB**

On 9 April 2012, Maybank announced that Maybank IB, a wholly-owned subsidiary of Maybank, has entered into a conditional Share Purchase Agreement (“SPA”) with Al Numu and Anfaal for the following:

- (i) proposed acquisition of 858,499 ordinary shares of SAR10 each in Anfaal (“Anfaal Shares”), representing approximately 17.17% of the ordinary share capital of Anfaal for a cash consideration of SAR10,516,613, being SAR12.25 for each Anfaal Share; and
- (ii) proposed assignment of the subordinated loan of SAR2,070,000 (“Subordinated Loan”) from Al Numu to Maybank IB.

[(i) and (ii) collectively referred to as the “Proposals”].

Subject to the approval of the Capital Market Authority (“CMA”) of the Kingdom of Saudi Arabia, the Subordinated Loan will be converted into 207,000 new Anfaal Shares at par and shall rank equally with the existing Anfaal Shares.

The total purchase consideration of SAR12,586,613 (equivalent to approximately RM10,308,864) for the Proposals is to be satisfied in cash (“Purchase Consideration”).

The Proposals are subject to conditions precedent as spelt out in the SPA being fulfilled by 30 September 2012 or such other date as mutually agreed in writing by Al Numu and Maybank IB.

To the extent permitted by applicable laws, Maybank IB reserves the right to waive (in whole or in part) in writing the requirement to satisfy any of the conditions precedent and thereafter the parties may proceed to completion.

The Proposals will enable Maybank IB to increase its equity interest in Anfaal from 18.00% to 35.17%. It also represents a good opportunity for Maybank IB to increase its presence in Saudi Arabia and play a more significant role in unlocking Anfaal’s potential, especially in the area of syndication, sukuk structuring and project financing in Saudi Arabia.

The Proposals are subject to approvals being obtained from the following:

- (i) SC;
(ii) CMA; and
(iii) SAGIA for the issuance of Anfaal’s amended foreign investment licence.

- (d) **Acquisition of a Call Option over 15,435,000 Ordinary and Paid-up Shares of Kim Eng Vietnam Securities Joint Stock Company**

On 11 May 2012, Maybank announced that Maybank Kim Eng Holdings Limited (“Maybank Kim Eng”), an indirect wholly-owned subsidiary of Maybank, has today acquired a call option over 15,435,000 ordinary and paid-up shares of par value Vietnam Dong (“VND”)10,000 each in Kim Eng Vietnam Securities Joint Stock Company (“KEVS”) (“Call Option”), representing approximately 51.45% of the charter capital of KEVS (“Option Shares”) from the local founding shareholders of KEVS for a cash consideration of VND308.7 billion (or approximately RM45.38 million based on the prevailing exchange rate of RM1:VND6,803 as at 10 May 2012).

Maybank Kim Eng currently owns approximately 48.55% of the charter capital of KEVS. The principal activities of KEVS are to provide securities brokerage services, proprietary trading activities, investment consultancy, investment portfolio management, underwriting activities and securities depository activities.

The Call Option and other relevant agreements provide Maybank Kim Eng among others, effective control of all the voting shares of KEVS, thus making KEVS an indirect subsidiary of Maybank. The purpose of the Call Option is to facilitate the acquisition of the Option Shares when the foreign ownership limitation in established Vietnamese securities companies has been lifted or removed.

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B6. Status of Corporate Proposals Announced but Not Completed (cont'd.)

(d) Acquisition of a Call Option over 15,435,000 Ordinary and Paid-up Shares of Kim Eng Vietnam Securities Joint Stock Company (cont'd.)

With KEVS becoming an indirect subsidiary of Maybank, Maybank will be able to accelerate and realise its vision of becoming a regional financial services leader in South East Asia by combining Maybank's commercial banking presence with Maybank Kim Eng's growing stock broking and investment banking presence in Vietnam.

The acquisition of the Call Option is not expected to have any material effect on the shareholdings, earnings, net assets and gearing of Maybank for the financial year ending 31 December 2012.

(e) Establishment of USD5.0 billion Multicurrency Medium Term Note Programme ("MTN Programme")

Maybank had obtained approval from the Securities Commission in their letter dated 14 May 2012 for the establishment of the MTN Programme and the issue of notes thereunder. The establishment of the MTN Programme will enable Maybank to issue senior notes and/or subordinated notes from time to time.

In addition, the approval from Bank Negara Malaysia for the establishment of MTN Programme had also been obtained on 2 May 2012 (subject to the terms and conditions contained therein).

The net proceeds from each issue of notes from the MTN Programme will be applied by Maybank for its working capital, general banking and other corporate purposes.

The MTN Programme was successfully established on 14 May 2012.

B7. Deposits and Placements of Financial Institutions and Debt Securities

Please refer to note A13, A14 and A15.

B8. Derivative Financial Instruments

Please refer to note A28.

B9. Changes in Material Litigation

- (a) In 2005, a subsidiary, Maybank Trustees Berhad (formerly known as 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 (which included the issuer of the bonds but not MTB) 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 (the issuer of the bonds) 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 were 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 for 2/3 of the total liability and also allowed MTB to seek indemnity against 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 one half of the 2/3 of the total liability. Further, the Court of Appeal allowed MTB to seek an 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 Federal Court has on 5 April 2012 granted MTB and the other parties to the suit leave to appeal against the decision of the Court of Appeal.

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B9. Changes in Material Litigation (cont'd.)

- (a) Separately, and unrelated to this suit, a third party had, pursuant to a winding-up petition against a defendant (the issuer of the bonds), appointed a provisional liquidator against the said defendant on 16 February 2012 until 15 March 2012 for the purpose of monitoring and completing the sale of assets charged to the third party.

As a result of the appointment of the said provisional liquidator, all pending proceedings by all parties against the said defendant were effectively stayed and these initially included MTB's applications for leave at the Federal Court referred to above [Leave Applications]. Subsequently, MTB on 9 March 2012 obtained leave of the court to proceed with the successful Leave Applications.

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 quarterly 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 was 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 was early settlement. The Court had 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 and also applied for stay of the judgment. No hearing date has been fixed for the Appeal. The application for stay of the judgment, heard on 25 January 2012 was dismissed with costs.

- (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 two 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 came up for hearing on 10 February 2012, wherein all parties agreed for the matter to be mediated.

As the parties could not come to any consensus at the mediation on 9 March 2012, the Appeal is now fixed for hearing on 19 June 2012.

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

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B9. Changes in Material Litigation (cont'd.)

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

An individual as the sole Junior Noteholder of the Junior Notes issued, claimed against both MTB and Maybank IB, the sum of RM556.5 million together with interests and costs arising from the declaration made by MTB of an Event Of Default of the Senior Bonds and subsequent Event Of Default of the Junior Notes and for an alleged breach of fiduciary duties and duty of care by Maybank IB. MTB and Maybank IB do not admit any liability to this claim and are defending the suit. 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 had filed an appeal to the Court of Appeal against the said decision which was heard on 5 and 6 March 2012 and dismissed on 7 March 2012.

The individual is applying for leave to appeal from the Federal Court against the Court of Appeal's decision in favour of MTB (not including Maybank IB).

- (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 had 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 by the Johor Bahru High Court ("JB High Court"). Maybank has appealed against this decision. The appeal is fixed for hearing on 29 May 2012.

The Plaintiff filed another civil suit against Maybank on 25 March 2011 at the Kuala Lumpur High Court ("KL High Court Suit") claiming a sum of approximately RM1.2 billion alleging that the appointment of the R&M was mala fide and with malice and that as a consequence thereof, the Plaintiff has purportedly suffered loss and damages.

Maybank 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 had 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 allowed Maybank's application to transfer the JB High Court Suit to the Kuala Lumpur High Court ("KL High Court"), and consolidate the JB High Court Suit with the KL High Court to be heard at the KL High Court.

On 24 October 2011, the KL High Court had allowed Maybank's counterclaim against the Plaintiff and the guarantor with costs on an indemnity basis, and dismissed the Plaintiff's actions against Maybank, i.e. the KL High Court Suit and the JB High Court Suit, with costs on an indemnity basis. The Plaintiff has filed an appeal at the Court of Appeal against this decision and no hearing date has been fixed yet. Its application for a stay of execution of the decision of KL High Court on 24 October 2011 was dismissed by the KL High Court on 13 December 2011.

In the meantime, Maybank has filed an application for security for cost against the Plaintiff at the Court of Appeal. On 8 May 2012, the Court of Appeal ordered the Plaintiff to pay RM50,000 as security for Maybank's cost in the appeal and further ordered that the Plaintiff's appeal be stayed pending payment of that sum.

Maybank has been advised by its solicitors that the Plaintiff's appeal to the Court of Appeal against the decision dated 24 October 2011 is without merit.

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B10. Disclosure of Realised and Unrealised Retained Earnings

Pursuant to the Paragraphs 2.06 and 2.23 of Bursa Malaysia Securities Berhad's 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 are disclosed as follows:

	31 March 2012 RM'000	31 December 2011 RM'000
Total retained profits of the Bank and its subsidiaries:		
- Realised	7,946,774	7,379,347
- Unrealised	<u>2,165,780</u>	<u>1,908,003</u>
	<u>10,112,554</u>	<u>9,287,350</u>
Total share of retained profits from associated companies:		
- Realised	460,962	425,971
- Unrealised	<u>-</u>	<u>-</u>
	<u>460,962</u>	<u>425,971</u>
Total Group's retained profits as per consolidated accounts	<u>10,573,516</u>	<u>9,713,321</u>

B11. Proposed Dividend

No interim dividend has been recommended during the quarter ended 31 March 2012.

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B12. Earnings Per Share ("EPS")

Basic

The basic EPS of the Group is calculated by dividing the net profit for the quarter/period attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the quarter/period.

	Quarter Ended		Cumulative 3 Months Ended*	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Net profit for the quarter/period (RM'000)	1,346,881	1,142,600	1,346,881	1,142,600
Weighted average number of ordinary shares in issue ('000)	7,639,441	7,322,240	7,639,441	7,322,240
Basic earnings per share	17.63 sen	15.60 sen	17.63 sen	15.60 sen

Diluted

The diluted EPS of the Group is calculated by dividing the net profit for the quarter/period attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue, which has been adjusted for the number of shares that could have been issued under the Maybank Group Employee Share Scheme ("ESS") and 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 issued 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 during the quarter/period) 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 31 March 2012) based on the electable portion of the dividends issued under the DRP. These calculations serve to determine the number of dilutive shares to be added to the weighted average ordinary shares in issue for the purpose of computing the dilution. No adjustment was made to the net profit for the quarter/period.

Share options granted to employees under the ESS have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

	Quarter Ended		Cumulative 3 Months Ended*	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Net profit for the quarter/period (RM'000)	1,346,881	1,142,600	1,346,881	1,142,600
Weighted average number of ordinary shares in issue ('000)	7,639,441	7,322,240	7,639,441	7,322,240
Effects of dilution ('000)	18,765	-	18,765	-
Adjusted weighted average number of ordinary shares in issue ('000)	7,658,206	7,322,240	7,658,206	7,322,240
Diluted earnings per share	17.59 sen	15.60 sen	17.59 sen	15.60 sen

*(The Group has changed its financial year-end from 30 June to 31 December. Comparatives for cumulative quarters consist of 3 months results beginning 1 January 2011 to 31 March 2011.)

By Order of the Board

Mohd Nazlan Mohd Ghazali
LS0008977
Company Secretary
24 May 2012