

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2014

<u>Group</u>	<u>Note</u>	<u>2nd Quarter Ended</u>		<u>Cumulative 6 Months Ended</u>	
		<u>30 June</u> <u>2014</u> <u>RM'000</u>	<u>30 June</u> <u>2013</u> <u>RM'000</u>	<u>30 June</u> <u>2014</u> <u>RM'000</u>	<u>30 June</u> <u>2013</u> <u>RM'000</u>
Interest income	A17	4,365,224	4,048,930	8,581,221	7,991,194
Interest expense	A18	(1,957,804)	(1,667,436)	(3,780,970)	(3,182,305)
Net interest income		2,407,420	2,381,494	4,800,251	4,808,889
Income from Islamic Banking Scheme operations	A33a	809,247	666,131	1,617,651	1,285,449
		3,216,667	3,047,625	6,417,902	6,094,338
Net income from insurance and takaful business	A19	(102,211)	(55,050)	(100,425)	(133,191)
		3,114,456	2,992,575	6,317,477	5,961,147
Non-interest income	A20	1,364,904	1,705,363	2,597,032	3,069,598
Net income		4,479,360	4,697,938	8,914,509	9,030,745
Overhead expenses	A21	(2,086,406)	(2,214,294)	(4,254,804)	(4,372,254)
Operating profit before impairment losses		2,392,954	2,483,644	4,659,705	4,658,491
Allowances for impairment losses on loans, advances and financing, net	A22	(154,353)	(427,609)	(364,455)	(513,603)
(Allowances for)/writeback of impairment losses on financial investments, net		(29,053)	(8,825)	85,616	(6,410)
Operating profit		2,209,548	2,047,210	4,380,866	4,138,478
Share of profits in associates and joint ventures		37,266	41,640	73,736	77,098
Profit before taxation and zakat		2,246,814	2,088,850	4,454,602	4,215,576
Taxation and zakat	B5	(627,988)	(465,940)	(1,201,277)	(1,034,371)
Profit for the period		1,618,826	1,622,910	3,253,325	3,181,205
Attributable to:					
Equity holders of the Bank		1,575,531	1,567,734	3,177,116	3,073,948
Non-controlling interests		43,295	55,176	76,209	107,257
		1,618,826	1,622,910	3,253,325	3,181,205
Earnings per share attributable to equity holders of the Bank	B13				
Basic		17.47 sen	18.23 sen	35.55 sen	36.11 sen
Fully diluted		17.43 sen	18.21 sen	35.48 sen	36.06 sen

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2014

<u>Group</u>	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Profit for the period	1,618,826	1,622,910	3,253,325	3,181,205
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Defined benefit plan actuarial loss	(456)	-	(12,307)	-
Income tax effect	(194)	-	3,090	-
Share of associates' reserve	1	-	1	-
	(649)	-	(9,216)	-
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net gain/(loss) on financial investments available-for-sale	300,008	(703,937)	345,860	(860,621)
Foreign currency translation	(729,714)	48,143	(144,633)	142,117
Income tax effect	(79,271)	150,779	(86,608)	185,766
Other reserves	19,236	3,713	14,568	51
Share of associates' reserve	64,771	-	64,771	-
	(424,970)	(501,302)	193,958	(532,687)
Other comprehensive (loss)/income for the period, net of tax	(425,619)	(501,302)	184,742	(532,687)
Total comprehensive income for the period	1,193,207	1,121,608	3,438,067	2,648,518
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	1,157,205	1,063,404	3,377,241	2,549,023
Non-controlling interests	36,002	58,204	60,826	99,495
	1,193,207	1,121,608	3,438,067	2,648,518

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2014

<u>Bank</u>	Note	2nd Quarter Ended		Cumulative 6 Months Ended	
		30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Interest income	A17	3,194,311	2,860,950	6,315,702	5,616,868
Interest expense	A18	(1,450,597)	(1,268,100)	(2,777,738)	(2,395,728)
Net interest income		1,743,714	1,592,850	3,537,964	3,221,140
Non-interest income	A20	1,515,991	1,051,067	2,747,304	1,924,698
Net income		3,259,705	2,643,917	6,285,268	5,145,838
Overhead expenses	A21	(925,435)	(1,120,291)	(2,031,884)	(2,204,906)
Operating profit before impairment losses		2,334,270	1,523,626	4,253,384	2,940,932
Allowances for impairment losses on loans, advances and financing, net	A22	(17,071)	(360,246)	(130,829)	(430,614)
(Allowances for)/writeback of impairment losses on financial investments, net		(6,709)	(6,523)	33,076	14,078
Profit before taxation and zakat		2,310,490	1,156,857	4,155,631	2,524,396
Taxation and zakat	B5	(419,557)	(217,672)	(826,442)	(548,681)
Profit for the period		1,890,933	939,185	3,329,189	1,975,715

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CONDENSED FINANCIAL STATEMENTS
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FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2014

<u>Bank</u>	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,890,933	939,185	3,329,189	1,975,715
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net gain/(loss) on financial investments available-for-sale	310,796	(577,714)	379,717	(642,053)
Foreign currency translation	(75,969)	27,119	(90,894)	45,367
Income tax effect	(77,695)	144,428	(94,929)	160,513
Other comprehensive income/(loss) for the period, net of tax	157,132	(406,167)	193,894	(436,173)
Total comprehensive income for the period	2,048,065	533,018	3,523,083	1,539,542

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	Group		Bank	
		30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
ASSETS					
Cash and short-term funds		47,180,787	48,067,358	29,579,115	29,320,984
Deposits and placements with financial institutions		13,499,492	7,156,749	16,068,446	15,723,864
Financial assets purchased under resale agreements		254,466	20,558	254,466	20,558
Financial assets at fair value through profit or loss	A10(i)	20,279,742	19,166,565	7,004,053	5,546,091
Financial investments available-for-sale	A10(ii)	83,046,182	82,836,922	64,103,761	64,532,797
Financial investments held-to-maturity	A10(iii)	8,516,388	5,668,174	8,176,454	5,354,097
Loans, advances and financing	A11	368,333,664	355,617,527	244,354,355	237,971,279
Derivative assets	A29	2,867,171	3,944,692	2,818,390	3,760,133
Reinsurance/retakaful assets and other insurance receivables		4,223,666	2,349,995	-	-
Other assets	A12	8,663,382	8,505,918	4,891,984	5,319,437
Investment properties		584,475	583,257	-	-
Statutory deposits with central banks		14,196,493	13,742,874	7,262,926	7,327,996
Investment in subsidiaries		-	-	20,032,232	19,505,514
Interest in associates and joint ventures		2,575,493	2,465,341	451,518	451,518
Property, plant and equipment		2,617,158	2,614,309	1,359,531	1,363,898
Intangible assets		5,967,213	6,041,056	470,111	527,268
Deferred tax assets		1,118,733	1,661,931	746,627	1,053,598
TOTAL ASSETS		583,924,505	560,443,226	407,573,969	397,779,032
LIABILITIES					
Deposits from customers	A13	406,529,429	395,610,810	282,177,026	273,670,380
Deposits and placements from financial institutions	A14	46,329,693	42,139,081	36,720,052	37,582,577
Obligations on financial assets sold under repurchase agreements		1,948,543	4,300,055	1,948,543	4,300,055
Bills and acceptances payable		3,213,585	1,987,089	2,530,348	1,442,612
Derivative liabilities	A29	2,693,925	3,937,380	2,459,062	3,632,464
Insurance/takaful contract liabilities and other insurance payables		23,989,062	21,800,139	-	-
Other liabilities	A16	10,571,065	8,285,702	9,055,450	9,485,349
Recourse obligation on loans and financing sold to Cagamas		959,603	1,277,269	432,326	656,293
Provision for taxation and zakat		599,023	836,527	575,802	578,100
Deferred tax liabilities		666,808	639,285	-	-
Borrowings	A15(i)	14,627,133	13,321,805	9,963,292	9,318,389
Subordinated obligations	A15(ii)	15,201,281	12,644,576	11,952,619	10,404,418
Capital securities	A15(iii)	5,908,701	5,920,909	6,193,978	6,208,623
TOTAL LIABILITIES		533,237,851	512,700,627	364,008,498	357,279,260

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	Note	Group		Bank	
		30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK					
Share capital		9,117,393	8,862,079	9,117,393	8,862,079
Share premium		21,071,392	19,030,227	21,071,392	19,030,227
Shares held-in-trust		(110,925)	(107,248)	(110,925)	(107,248)
Retained profits		11,319,188	11,747,484	3,222,230	3,478,214
Other reserves		7,520,216	6,464,865	10,265,381	9,236,500
		48,917,264	45,997,407	43,565,471	40,499,772
Non-controlling interests		1,769,390	1,745,192	-	-
		50,686,654	47,742,599	43,565,471	40,499,772
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		583,924,505	560,443,226	407,573,969	397,779,032
COMMITMENTS AND CONTINGENCIES	A27	512,061,633	433,829,033	477,489,880	399,786,232
CAPITAL ADEQUACY					
	A28				
Based on credit, market and operational risk:					
CET1 capital ratio		11.637%	11.253%	16.500%	15.925%
Tier 1 capital ratio		13.189%	13.059%	16.500%	15.925%
Total capital ratio		16.159%	15.664%	16.500%	15.925%
Net assets per share attributable to equity holders of the Bank					
		RM5.37	RM5.19	RM4.78	RM4.57

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2014

<===== Non-Distributable =====>

<u>Group</u>	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000	ESS Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Other Reserves RM'000	Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 January 2014	8,862,079	19,030,227	(107,248)	9,540,136	14,254	(604,112)	(2,727,793)	11,726	278,231	34,456	(82,033)	-	11,747,484	45,997,407	1,745,192	47,742,599
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	3,177,116	3,177,116	76,209	3,253,325
Other comprehensive income/(loss)	-	-	-	-	-	309,167	(113,785)	24	-	-	(9,826)	14,545	-	200,125	(15,383)	184,742
Total comprehensive income/(loss) for the period	-	-	-	-	-	309,167	(113,785)	24	-	-	(9,826)	14,545	3,177,116	3,377,241	60,826	3,438,067
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	-	37,398	-	-	-	-	37,398	-	37,398
Effect of changes in corporate structure within the Group	-	-	-	-	(697)	-	-	-	-	-	-	-	697	-	(16,583)	(16,583)
Transfer to statutory reserves	-	-	-	853,239	-	-	-	-	-	-	-	-	(853,239)	-	-	-
Issue of shares pursuant to ESS (Note A8(i)(a)(A))	22,533	188,679	-	-	-	-	-	-	(13,528)	-	-	-	-	197,684	-	197,684
Issue of shares pursuant to Restricted Share Unit ("RSU") (Note A8(i)(a)(B))	2,832	24,266	(351)	-	-	-	-	-	(20,253)	-	-	-	(6,494)	-	-	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU") (Note A8(i)(a)(C))	139	1,228	-	-	-	-	-	-	(933)	-	-	-	(434)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a)(D))	229,810	1,826,992	(3,326)	-	-	-	-	-	-	-	-	-	-	2,053,476	-	2,053,476
Dividends paid (Note A9)	-	-	-	-	-	-	-	-	-	-	-	-	(2,745,942)	(2,745,942)	(20,045)	(2,765,987)
Total transactions with shareholders	255,314	2,041,165	(3,677)	853,239	(697)	-	-	-	2,684	-	-	-	(3,605,412)	(457,384)	(36,628)	(494,012)
At 30 June 2014	9,117,393	21,071,392	(110,925)	10,393,375	13,557	(294,945)	(2,841,578)	11,750	280,915	34,456	(91,859)	14,545	11,319,188	48,917,264	1,769,390	50,686,654

¹ The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM877.6 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2014

===== Non-Distributable =====

<u>Group</u>	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000	ESS Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Retained Profits ¹ RM'000	Total Shareholders' Equity RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2013	8,440,046	15,639,646	(102,405)	8,023,712	14,254	707,690	(1,876,684)	7,986	226,142	34,456	(124,322)	11,104,837	42,095,358	1,719,440	43,814,798
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	3,073,948	3,073,948	107,257	3,181,205
Other comprehensive (loss)/income	-	-	-	-	-	(662,758)	137,811	22	-	-	-	-	(524,925)	(7,762)	(532,687)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(662,758)	137,811	22	-	-	-	3,073,948	2,549,023	99,495	2,648,518
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	-	49,719	-	-	-	49,719	-	49,719
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	-	-	(500)	(500)	219	(281)
Transfer to statutory reserves	-	-	-	532,300	-	-	-	-	-	-	-	(532,300)	-	-	-
Issue of shares pursuant to ESS	55,752	463,762	-	-	-	-	-	-	(31,453)	-	-	-	488,061	-	488,061
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	201,463	1,571,411	(2,877)	-	-	-	-	-	-	-	-	-	1,769,997	-	1,769,997
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(2,404,850)	(2,404,850)	(8,973)	(2,413,823)
Total transactions with shareholders	257,215	2,035,173	(2,877)	532,300	-	-	-	-	18,266	-	-	(2,937,650)	(97,573)	(8,754)	(106,327)
At 30 June 2013	8,697,261	17,674,819	(105,282)	8,556,012	14,254	44,932	(1,738,873)	8,008	244,408	34,456	(124,322)	11,241,135	44,546,808	1,810,181	46,356,989

¹ The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM770.5 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2014

Bank	<===== Non-Distributable =====>							Distributable Retained Profits RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000		
At 1 January 2014	8,862,079	19,030,227	(107,248)	9,026,745	(653,690)	585,214	278,231	3,478,214	40,499,772
Profit for the period	-	-	-	-	-	-	-	3,329,189	3,329,189
Other comprehensive income/(loss)	-	-	-	-	284,788	(90,894)	-	-	193,894
Total comprehensive income/(loss) for the period	-	-	-	-	284,788	(90,894)	-	3,329,189	3,523,083
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	37,398	-	37,398
Transfer to statutory reserve	-	-	-	832,303	-	-	-	(832,303)	-
Issue of shares pursuant to ESS (Note A8(i)(a)(A))	22,533	188,679	-	-	-	-	(13,528)	-	197,684
Issue of shares pursuant to Restricted Share Unit ("RSU") (Note A8(i)(a)(B))	2,832	24,266	(351)	-	-	-	(20,253)	(6,494)	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU") (Note A8(i)(a)(C))	139	1,228	-	-	-	-	(933)	(434)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a)(D))	229,810	1,826,992	(3,326)	-	-	-	-	-	2,053,476
Dividends paid (Note A9(a))	-	-	-	-	-	-	-	(2,745,942)	(2,745,942)
Total transactions with shareholders	255,314	2,041,165	(3,677)	832,303	-	-	2,684	(3,585,173)	(457,384)
At 30 June 2014	9,117,393	21,071,392	(110,925)	9,859,048	(368,902)	494,320	280,915	3,222,230	43,565,471

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Bank	<===== Non-Distributable =====>							Distributable Retained Profits RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000		
At 1 January 2013	8,440,046	15,639,646	(102,405)	7,805,342	393,286	313,768	226,142	4,179,482	36,895,307
Profit for the period	-	-	-	-	-	-	-	1,975,715	1,975,715
Other comprehensive (loss)/income	-	-	-	-	(481,540)	45,367	-	-	(436,173)
Total comprehensive (loss)/income for the period	-	-	-	-	(481,540)	45,367	-	1,975,715	1,539,542
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	49,719	-	49,719
Transfer to statutory reserves	-	-	-	493,929	-	-	-	(493,929)	-
Issue of shares pursuant to ESS	55,752	463,762	-	-	-	-	(31,453)	-	488,061
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	201,463	1,571,411	(2,877)	-	-	-	-	-	1,769,997
Dividends paid	-	-	-	-	-	-	-	(2,404,850)	(2,404,850)
Total transactions with shareholders	257,215	2,035,173	(2,877)	493,929	-	-	18,266	(2,898,779)	(97,073)
At 30 June 2013	8,697,261	17,674,819	(105,282)	8,299,271	(88,254)	359,135	244,408	3,256,418	38,337,776

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2014

	Group		Bank	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	4,454,602	4,215,576	4,155,631	2,524,396
Adjustments for non-operating and non-cash items:				
Depreciation of property, plant and equipment	156,967	130,330	83,877	67,205
Share of profits in associates and joint ventures	(73,736)	(77,098)	-	-
Amortisation of intangible assets	108,128	95,532	51,185	44,930
Net gain on disposal of financial assets at fair value through profit or loss	(88,244)	(181,430)	(40,634)	(99,036)
Net gain on disposal of financial investments available-for-sale	(351,273)	(637,033)	(38,514)	(241,637)
Net (gain)/loss on redemption of financial investments held-to-maturity	(25)	1	(25)	1
Unrealised (gain)/loss on revaluation of financial assets at fair value through profit or loss and derivatives	(198,452)	300,071	(249,244)	235,165
Allowances for impairment losses on loans, advances and financing, net	748,528	948,995	454,447	750,170
Allowance made for other debts	5,381	(19,206)	1,844	1,335
Dividend income	(51,244)	(57,077)	(1,201,989)	(254,404)
ESS expenses	37,930	49,719	27,245	38,870
(Writeback of)/allowances for impairment losses on financial investments, net	(85,616)	6,410	(33,076)	(14,078)
Other adjustments for non-operating and non-cash items	(13,953)	32,662	31,224	(28,676)
Operating profit before working capital changes	4,648,993	4,807,452	3,241,971	3,024,241
Change in deposits and placements with financial institutions	(6,428,380)	(5,850,199)	(1,765,726)	(16,768,783)
Change in financial investments portfolio	(3,479,857)	(13,502,442)	(3,342,779)	(8,258,105)
Change in loans, advances and financing	(13,464,664)	(15,087,343)	(6,837,521)	(4,156,347)
Change in statutory deposits with central banks	(453,620)	(1,313,004)	65,070	(510,951)
Change in deposits from customers	10,918,619	25,354,634	8,506,646	26,950,654
Change in deposits and placements from financial institutions	4,190,612	7,705,815	(862,525)	3,508,734
Change in reinsurance/retakaful assets and other insurance receivables	(1,873,671)	(444,930)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	2,188,923	954,304	-	-
Change in other operating activities	879,437	196,277	(1,459,560)	(160,840)
Exchange fluctuation	395,788	107,603	37,804	(67,902)
Cash (used in)/generated from operations	(2,477,820)	2,928,167	(2,416,620)	3,560,701
Taxes and zakat paid	(1,139,785)	(967,462)	(616,723)	(516,577)
Net cash (used in)/generated from operating activities	(3,617,605)	1,960,705	(3,033,343)	3,044,124

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UNAUDITED CASH FLOW STATEMENTS
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	Group		Bank	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Cash flows from investing activities				
Dividend received				
- from financial investments portfolio	51,244	57,077	4,743	6,480
- from associates	24,825	-	3,572	8,292
- from subsidiaries	-	-	1,193,674	239,632
Purchase of property, plant and equipment	(170,267)	(128,083)	(82,531)	(74,856)
Purchase of investment properties	(1,359)	-	-	-
Proceeds from disposal of property, plant and equipment	5,914	3,000	4,877	261
Purchase of intangible assets	(94,354)	(134,486)	(38,055)	(122,318)
Purchase of additional ordinary shares in new and existing subsidiaries	-	-	(526,718)	-
Subscription to additional ordinary shares and private debt securities in associates	-	-	-	(330,806)
Redemption of non-convertible bonds and capital repayment in associates	-	4,994	1,667	-
Proceeds from transactions with non-controlling interests	1,702	(281)	-	-
Net cash (used in)/generated from investing activities	(182,295)	(197,779)	561,229	(273,315)
Cash flows from financing activities				
Proceeds from shares issuance	2,251,160	2,258,058	2,251,160	2,258,058
Net drawdown of borrowings	1,474,594	1,285,617	785,914	630,690
Redemption of subordinated obligations	-	(1,500,000)	-	(1,500,000)
Issuance of subordinated obligations	2,600,000	-	1,600,000	-
Loans sold to Cagamas, net	(317,666)	(212,324)	(223,968)	(15,398)
Dividends paid	(2,745,942)	(2,404,850)	(2,745,942)	(2,404,850)
Dividends paid to non-controlling interests	(20,045)	(8,973)	-	-
Net cash generated from/(used in) financing activities	3,242,101	(582,472)	1,667,164	(1,031,500)
Net change in cash and cash equivalents	(557,799)	1,180,454	(804,950)	1,739,309
Cash and cash equivalents at beginning of period *	50,455,923	42,745,352	32,072,279	26,009,083
Cash and cash equivalents at end of period	49,898,124	43,925,806	31,267,329	27,748,392

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

	Group		Bank	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Cash and short-term funds	47,180,787	42,079,581	29,579,115	26,341,421
Deposits with financial institutions maturing within 1 month	2,717,337	1,846,225	1,688,214	1,406,971
	49,898,124	43,925,806	31,267,329	27,748,392
* Cash and cash equivalents at beginning of period:				
Cash and short-term funds as previously reported	50,870,333	42,180,022	32,430,352	25,634,415
Effects of foreign exchange rate changes	(414,410)	565,330	(358,073)	374,668
As restated	50,455,923	42,745,352	32,072,279	26,009,083

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2013 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 the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial investments available-for-sale, financial assets at fair value through profit or loss, 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, MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

The unaudited condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2013. 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 year ended 31 December 2013.

The unaudited condensed interim financial statements of the Group include Islamic banking and insurance business. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under the Shariah principles. Insurance business refers to the underwriting of general and life insurance business, the management of general and family takaful business and investment-linked business.

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2013 except for adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs") and Interpretation of the Issues Committee ("IC Interpretation") with effective date of 1 January 2014:

- MFRS 10 *Consolidated Financial Statements - Investment Entities* (Amendments to MFRS 10)
- MFRS 12 *Disclosure of Interest in Other Entities - Investment Entities* (Amendments to MFRS 12)
- MFRS 127 *Separate Financial Statements - Investment Entities* (Amendments to MFRS 127)
- MFRS 132 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments to MFRS 132)
- MFRS 136 *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments to MFRS 136)
- MFRS 139 *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments to MFRS 139); and
- IC Interpretation 21 *Levies*

The adoption of the above amendments to MFRSs and IC Interpretation would not have any material impact to the Group's and the Bank's financial performance.

Guidance issued by Bank Negara Malaysia on Maintenance of Regulatory Reserve

On 4 February 2014, Bank Negara Malaysia ("BNM") issued a letter requiring banking institutions to maintain, in aggregate, collective impairment allowance and regulatory reserve of no less than 1.20% of total outstanding loans/financing, net of individual impairment allowance, pursuant to paragraph 13 of the BNM's Policy Document on Classification and Impairment Provisions for Loans/Financing. The regulatory reserve is maintained in addition to the collective impairment allowance that has been assessed and recognised in accordance with MFRS, and it will be set aside from the retained profits to a separate reserve within equity as an additional credit risk absorbent. Banking institutions are required to comply with this new regulatory requirement by 31 December 2015. Upon adoption of this new regulatory requirement, there will be no impact to the income statements of the Group and of the Bank and any resulted impact will be recorded in the statement of changes in equity of the Group and of the Bank.

A2. Significant Accounting Policies

The audited annual financial statements of the Group and the Bank for the financial year ended 31 December 2013 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2013.

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A3. Significant Accounting Estimates and Judgments

The preparation of unaudited condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgments are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited condensed interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the financial year ended 31 December 2013.

A4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2013 was not qualified.

A5. Seasonal or Cyclical Factors

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the financial half year ended 30 June 2014.

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

During the financial half year ended 30 June 2014, save as disclosed in Note A8 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

A7. Changes in Estimates

There were no material changes in estimates during the financial half year ended 30 June 2014.

A8. Changes in Debt and Equity Securities

(i) The following are the changes in debt and equity securities that were issued and redeemed by the Group and the Bank during the financial half year ended 30 June 2014:

(a) **Issuance of Shares**

The issued and paid-up share capital of the Bank increased from RM8,862,079,081 as at 31 December 2013 to RM9,117,393,194 as at 30 June 2014 via:

- (A) issuance of 22,532,800 new ordinary shares of RM1.00 each, to eligible employees 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;
- (B) issuance of 2,831,509 new ordinary shares of RM1.00 each, to eligible employees under the Restricted Share Unit ("RSU") which is part of the current Maybank Group ESS;
- (C) issuance of 139,533 new ordinary shares of RM1.00 each, to eligible employees under the Supplemental Restricted Share Unit ("SRSU") which is part of the current Maybank Group ESS; and
- (D) issuance of 229,810,271 new ordinary shares (including 371,620 new ordinary shares issued to ESOS Trust Fund ("ETF") Pool) of RM1.00 each arising from the Dividend Reinvestment Plan ("DRP") relating to electable portion of the final dividend of 27 sen in respect of the financial year ended 31 December 2013.

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

- (i) The following are the changes in debt and equity securities that were issued and redeemed by the Group and the Bank during the financial half year ended 30 June 2014 (cont'd.):

(b) Issuance/redemption of bonds by subsidiaries of PT Bank Internasional Indonesia Tbk

- (A) On 4 March 2014, PT Wahana Ottomitra Multiartha Tbk, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn an indirect subsidiary of Maybank, redeemed Bonds V Series C of IDR366 billion (equivalent to RM99.2 million). The Bonds issued on 4 March 2011 under Bonds V WOM Finance Year 2011 With Fixed Interest Rate.
- (B) On 25 June 2014, PT Wahana Ottomitra Multiartha Tbk, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn an indirect subsidiary of Maybank, had issued Shelf Bonds I Tranche I Series A of IDR397 billion (equivalent to RM107.6 million). The Bond is under Shelf Bonds I WOM Finance Tranche I Year 2014 With Fixed Interest Rate.
- (C) On 25 June 2014, PT Wahana Ottomitra Multiartha Tbk, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn an indirect subsidiary of Maybank, had issued Shelf Bonds I Tranche I Series B of IDR203 billion (equivalent to RM55.0 million). The Bond is under Shelf Bonds I WOM Finance Tranche I Year 2014 With Fixed Interest Rate.

(c) Redemption of medium term notes by Maybank Kim Eng Holdings Limited and its subsidiary

The redemption of medium term notes by Maybank Kim Eng Holdings Limited and its subsidiary during the financial half year ended 30 June 2014 are as follows:

- (A) On 28 January 2014, Maybank Kim Eng Holdings Limited, a subsidiary of Maybank, redeemed medium term notes amounting to SGD100 million (equivalent to RM257.2 million) under its SGD800 million Multicurrency Medium Term Note Programme.
- (B) On 28 May 2014, Maybank Kim Eng Securities Pte. Ltd., a subsidiary of Maybank, redeemed medium term notes amounting to SGD50 million (equivalent to RM128.6 million) under its SGD800 million Multicurrency Medium Term Note Programme.

(d) Issuance of Tier 2 Subordinated Notes of RM1.6 billion pursuant to the RM7.0 billion Subordinated Note Programme

On 29 January 2014, Maybank issued RM1.6 billion Basel III-compliant Tier 2 Subordinated Notes with tenure of 10 years on a 10 non-callable 5 basis under the revised Subordinated Note Programme.

(e) Issuance of JPY30.0 billion Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 6 February 2014, Maybank had completed the issuance of JPY30.0 billion Senior Fixed Rate Notes with tenure of 5 years pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme.

(f) Issuance of Tier 2 Capital Subordinated Sukuk Murabahah of RM1.5 billion in nominal value ("Subordinated Sukuk Murabahah") pursuant to a Subordinated Sukuk Murabahah Programme of up to RM10.0 billion in nominal value ("Subordinated Sukuk Programme")

On 7 April 2014, Maybank Islamic Berhad, a subsidiary of Maybank, had completed the issuance of RM1.5 billion Basel III-compliant Tier 2 Subordinated Sukuk Murabahah with tenure of 10 years on a 10 non-callable 5 basis pursuant to the Subordinated Sukuk Programme established in March 2014.

(g) Issuance of AUD56.0 million Senior Floating Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 5 May 2014, Maybank had completed the issuance of AUD56.0 million Senior Floating Notes with tenure of 5 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

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

(i) The following are the changes in debt and equity securities that were issued and redeemed by the Group and the Bank during the financial half year ended 30 June 2014 (cont'd.):

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

On 8 May 2014, Maybank fully redeemed the USD500.0 million Senior Notes. The Senior Notes were issued on 8 May 2012.

(i) **Issuance of USD50.0 million Senior Floating Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 12 May 2014, Maybank had completed the issuance of USD50.0 million Senior Floating Rate Notes with tenure of 3 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(j) **Issuance of USD50.0 million Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 20 May 2014, Maybank had completed the issuance of USD50.0 million Senior Fixed Rate Notes with tenure of 5 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(k) **Issuance of JPY31.1 billion Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 22 May 2014, Maybank had completed the issuance of JPY31.1 billion Senior Fixed Rate Notes with tenure of 3 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(l) **Issuance of Tier-2 Capital Subordinated Sukuk Musharakah of RM300.0 million in nominal value by Etiqa Takaful Berhad**

On 30 May 2014, Etiqa Takaful Berhad, an indirect subsidiary of Maybank, had completed the issuance of its Tier-2 Capital Subordinated Sukuk Musharakah of RM300.0 million in nominal value with a tenure of 10 years on a 10 non-callable 5 basis.

(m) **Issuance of USD45.0 million Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 18 June 2014, Maybank had completed the issuance of USD45.0 million Senior Fixed Rate Notes in nominal value with a tenure of 15 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(n) **Issuance of HKD284.0 million Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 27 June 2014, Maybank had completed the issuance of HKD284.0 million Senior Fixed Rate Notes in nominal value with a tenure of 5 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

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 the Bank.

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

(ii) The following are the changes in debt and equity securities that were issued by the Group and the Bank subsequent to the financial half year ended 30 June 2014 and have not been reflected in the financial statements for the financial half year ended 30 June 2014:

(a) **Issuance of IDR1.5 trillion Subordinated Bond under Shelf Subordinated Bonds II Bank BII Tranche I Year 2014**

On 8 July 2014, PT Bank Internasional Indonesia Tbk, an indirect subsidiary of Maybank, had issued Subordinated Bond of IDR1.5 trillion under Shelf Subordinated Bonds II Bank BII Tranche I Year 2014.

(b) **Issuance of IDR300 billion Sukuk Mudharabah under Shelf Sukuk Mudharabah I Bank BII Tranche I Year 2014**

On 8 July 2014, PT Bank Internasional Indonesia Tbk, an indirect subsidiary of Maybank, had issued Sukuk Mudharabah of IDR300 billion under Shelf Sukuk Mudharabah I Bank BII Tranche I Year 2014.

(c) **Issuance of HKD707.0 million Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 15 August 2014, Maybank had completed the issuance of HKD707.0 million Senior Fixed Rate Notes in nominal value with a tenure of 10 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(d) **Issuance of JPY20.0 million Senior Fixed Rate Notes in nominal value pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme**

On 21 August 2014, Maybank had completed the issuance of JPY20.0 million Senior Fixed Rate Notes in nominal value with a tenure of 5 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(iii) Establishment of additional Tier 1 Capital Securities ("AT1CS") Programme of up to RM10.0 billion in nominal value

Maybank had obtained approval and authorisation from the Securities Commission Malaysia vide its letter dated 14 August 2014 for the establishment of the AT1CS Programme and the issuance of AT1CS thereunder.

In addition, the approval from Bank Negara Malaysia ("BNM") for the establishment of AT1CS Programme had also been obtained on 14 July 2014 (upon terms and conditions therein contained).

The AT1CS to be issued under the AT1CS Programme will qualify as Additional Tier 1 capital of Maybank subject to compliance with the requirements as specified in BNM's Capital Adequacy Framework (Capital Components) issued on 28 November 2012.

The AT1CS Programme will have a perpetual tenure from the date of first issuance of the AT1CS under the AT1CS Programme and each of the AT1CS shall have a perpetual tenure with a call date of no earlier than five (5) years from the issue date of that tranche of AT1CS. Each issuance of AT1CS under the AT1CS Programme, shall have a callable option allowing Maybank, subject to the redemption conditions being satisfied, to redeem (in whole or in part) that tranche of AT1CS on the call date at their principal amount together with accrued but unpaid coupon (if any).

The proceeds from the issuance of the AT1CS will be utilised to fund Maybank's working capital, general banking and other corporate purposes, including the refinancing of any borrowings incurred and/or any debt instruments issued by Maybank and/or relating thereto.

The AT1CS Programme has been successfully established on 19 August 2014.

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 the Bank.

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A9. Dividends Paid

Dividends paid during the financial half year ended 30 June 2014 are as follows:

- (a) During the Annual General Meeting held on 7 April 2014, a final dividend in respect of the financial year ended 31 December 2013 of 31 sen single-tier dividend per ordinary share of RM1.00 each on 8,870,196,423 ordinary shares of RM1.00 each, amounting to a net dividend paid of RM2,749,760,891 was approved by the shareholders.

The dividend consists of cash portion of 4 sen single-tier dividend per ordinary share of RM1.00 each and an electable portion of 27 sen per ordinary share of RM1.00 each where the electable portion could be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The payment date for cash dividends and crediting of shares under the DRP was completed on 30 May 2014.

- (b) Dividends paid by Maybank's subsidiaries to non-controlling interest amounting to RM20,045,000 during the financial half year ended 30 June 2014.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Financial assets at fair value through profit or loss	(i)	20,279,742	19,166,565	7,004,053	5,546,091
Financial investments available-for-sale	(ii)	83,046,182	82,836,922	64,103,761	64,532,797
Financial investments held-to-maturity	(iii)	8,516,388	5,668,174	8,176,454	5,354,097
		111,842,312	107,671,661	79,284,268	75,432,985

(i) Financial assets at fair value through profit or loss

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
(a) Financial assets designated upon initial recognition	10,980,506	11,177,612	-	-
(b) Financial assets held-for-trading	9,299,236	7,988,953	7,004,053	5,546,091
	20,279,742	19,166,565	7,004,053	5,546,091

(a) Financial assets designated upon initial recognition are as follows:

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	402,006	284,447	-	-
Malaysian Government Investment Issues	719,857	1,048,283	-	-
Negotiable Islamic Certificates of Deposits	238,366	237,013	-	-
	1,360,229	1,569,743	-	-
Unquoted securities:				
Private and Islamic debt securities in Malaysia	9,421,684	9,375,999	-	-
Foreign Private Debt Securities	125,287	-	-	-
Structured deposits	73,306	231,870	-	-
	9,620,277	9,607,869	-	-
Total financial assets designated upon initial recognition	10,980,506	11,177,612	-	-

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A10. Financial Investments Portfolio (cont'd.)

(i) Financial assets at fair value through profit or loss (cont'd.)

(b) Financial assets held-for-trading are as follows:

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	1,242,414	545,022	1,232,156	545,022
Malaysian Government Treasury Bills	-	9,701	-	9,701
Malaysian Government Investment Issues	826,077	233,270	581,391	20,292
Bank Negara Malaysia Bills and Notes	157,842	2,096,486	157,842	2,096,486
Khazanah Bonds	-	44,950	-	44,950
Bank Negara Malaysia Monetary Notes	-	1,121,248	-	797,797
Foreign Government Treasury Bills	754,081	1,127	754,081	1,127
Foreign Government Securities	2,058,174	418,568	1,187,462	261,875
Cagamas Bonds	-	10,128	-	10,128
Negotiable instruments of deposits	15,166	15,238	-	-
	5,053,754	4,495,738	3,912,932	3,787,378
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	649,037	476,290	-	-
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	140,876	158,774	-	-
	789,913	635,064	-	-
Unquoted securities:				
Private and Islamic debt securities in Malaysia	816,539	1,416,190	477,149	1,066,773
Foreign private debt securities	843,289	661,092	1,395,567	487,645
Foreign Government Bonds	1,222,544	204,295	1,218,405	204,295
Credit linked note	389,837	386,954	-	-
Structured Deposits	183,360	189,620	-	-
	3,455,569	2,858,151	3,091,121	1,758,713
Total financial assets held- for-trading	9,299,236	7,988,953	7,004,053	5,546,091

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial investments available-for-sale

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
At fair value, or at cost less impairment losses for certain unquoted equity instruments				
Money market instruments:				
Malaysian Government Securities	6,538,288	5,376,329	6,464,724	5,334,570
Cagamas Bonds	328,615	335,958	328,615	335,958
Foreign Government Securities	7,051,737	7,123,882	4,299,091	4,198,384
Malaysian Government Investment Issues	14,224,157	12,873,722	9,005,983	7,304,355
Foreign Government Treasury Bills	7,398,674	8,464,589	7,398,674	8,464,589
Negotiable instruments of deposits	3,055,598	2,973,885	2,585,172	3,991,945
Bankers' acceptances and Islamic accepted bills	778,935	1,782,763	778,935	1,756,523
Khazanah Bonds	2,025,167	1,764,019	1,948,458	1,664,091
Malaysian Government Treasury Bills	-	28,153	-	28,153
Foreign Certificates of Deposits	31,748	32,292	31,748	32,292
	41,432,919	40,755,592	32,841,400	33,110,860
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	3,102,937	2,605,959	66,667	85,400
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	40,339	271,424	2,890	8,112
	3,143,276	2,877,383	69,557	93,512
Unquoted securities:				
Shares, trust units and loan stocks in Malaysia	569,287	696,820	306,797	379,536
Shares, trust units and loan stocks outside Malaysia	120,022	8,247	18,331	6,026
Private and Islamic debt securities in Malaysia	17,034,905	15,826,042	10,916,395	9,945,610
Malaysian Government Bonds	766,718	1,049,980	697,024	857,172
Foreign Government Bonds	3,734,633	5,526,754	3,730,697	5,442,869
Foreign private and Islamic debt securities	16,220,065	16,038,018	15,523,560	14,697,212
Structured deposits	24,357	58,086	-	-
	38,469,987	39,203,947	31,192,804	31,328,425
Total financial investments available-for-sale	83,046,182	82,836,922	64,103,761	64,532,797

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments held-to-maturity

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
At amortised cost less impairment losses				
Money market instruments:				
Malaysian Government Securities	1,657,809	337,658	1,657,703	337,551
Foreign Government Securities	353,308	376,652	-	-
Malaysian Government Investment Issues	2,292,820	1,362,378	2,292,820	1,362,378
Foreign Government Treasury Bills	486,814	468,262	-	-
Khazanah Bonds	934,698	813,573	934,698	813,573
Foreign Certificate of Deposit	96,612	91,260	-	-
	5,822,061	3,449,783	4,885,221	2,513,502
Unquoted securities:				
Private and Islamic debt securities in Malaysia	2,544,184	2,113,241	3,227,282	2,795,425
Foreign Government Bonds	118,734	122,425	66,833	62,220
Foreign private and Islamic debt securities	50,990	16,500	-	-
Others	2,044	2,044	2,044	2,044
	2,715,952	2,254,210	3,296,159	2,859,689
Accumulated impairment losses	(21,625)	(35,819)	(4,926)	(19,094)
Total financial investments held-to-maturity	8,516,388	5,668,174	8,176,454	5,354,097

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A11. Loans, Advances and Financing

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Overdrafts/cashline	18,488,968	17,765,336	11,110,163	10,935,875
Term loans				
- Housing loans/financing	102,687,263	88,740,412	41,311,650	40,332,480
- Syndicated loans/financing	26,337,601	25,671,242	25,159,009	22,323,927
- Hire purchase receivables	54,028,292	52,431,837	20,954,876	22,830,752
- Lease receivables	20,014	20,929	3,272	3,272
- Other loans/financing	189,588,598	181,341,680	99,482,659	94,617,421
Credit card receivables	6,514,281	6,509,680	5,479,500	5,514,077
Bills receivables	6,528,305	5,216,010	6,421,452	5,135,423
Trust receipts	3,308,088	3,835,055	2,670,366	2,986,724
Claims on customers under acceptance credits	10,648,599	11,310,833	6,416,154	6,890,688
Loans/financing to financial institutions (Note A11(x))	2,732,888	4,337,601	10,791,606	12,105,137
Revolving credits	33,180,802	32,981,166	20,386,272	20,172,891
Staff loans	2,791,653	2,777,136	1,002,722	1,078,108
Loans to				
- Executive directors of subsidiaries	2,049	4,495	67	346
Others	3,289,244	2,673,826	-	-
	<u>460,146,645</u>	<u>435,617,238</u>	<u>251,189,768</u>	<u>244,927,121</u>
Unearned interest and income	(85,787,305)	(74,237,088)	(2,249,876)	(2,568,362)
Gross loans, advances and financing	<u>374,359,340</u>	<u>361,380,150</u>	<u>248,939,892</u>	<u>242,358,759</u>
Allowances for impaired loans, advances and financing				
- Individual allowance	(1,982,266)	(1,939,320)	(1,487,159)	(1,502,010)
- Collective allowance	(4,043,410)	(3,823,303)	(3,098,378)	(2,885,470)
Net loans, advances and financing	<u>368,333,664</u>	<u>355,617,527</u>	<u>244,354,355</u>	<u>237,971,279</u>

(i) Loans, advances and financing analysed by type of customer are as follows:

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Domestic banking institutions	1,896	1,912	7,313,896	7,320,684
Domestic non-banking financial institutions				
- Stockbroking companies	-	364	-	364
- Others	17,258,922	16,199,389	14,605,483	14,354,628
Domestic business enterprises				
- Small and medium enterprises	66,697,666	67,988,292	47,182,852	50,143,013
- Others	81,992,198	76,836,223	57,757,806	52,282,888
Government and statutory bodies	9,176,974	8,745,359	2,406,560	2,433,691
Individuals	167,916,338	159,668,593	91,494,507	90,745,812
Other domestic entities	2,822,185	2,408,475	380,125	348,604
Foreign entities	28,493,161	29,531,543	27,798,663	24,729,075
Gross loans, advances and financing	<u>374,359,340</u>	<u>361,380,150</u>	<u>248,939,892</u>	<u>242,358,759</u>

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

(ii) Loans, advances and financing analysed by geographical location are as follows:

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Malaysia	226,904,255	224,392,074	140,133,394	145,129,943
Singapore	86,213,027	81,162,326	85,498,439	80,410,679
Indonesia	29,918,279	28,576,749	-	-
Labuan Offshore	9,370,526	6,799,926	7,390,017	1,551,035
Hong Kong SAR	10,964,622	9,310,531	10,319,354	9,126,352
United States of America	891,445	954,907	890,992	954,445
People's Republic of China	2,733,005	2,796,912	2,733,005	2,796,912
Vietnam	380,086	388,768	327,855	340,355
United Kingdom	953,806	1,397,833	953,754	1,397,754
Brunei	337,396	318,179	337,396	318,179
Cambodia	966,017	895,358	-	-
Bahrain	308,092	287,965	308,092	287,965
The Philippines	3,046,193	2,781,552	-	-
Papua New Guinea	201,830	167,495	-	-
Thailand	1,092,016	1,072,617	-	-
Laos	47,594	45,140	47,594	45,140
Others	31,151	31,818	-	-
Gross loans, advances and financing	374,359,340	361,380,150	248,939,892	242,358,759

(iii) Loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Fixed rate				
- Housing loans/financing	13,386,938	13,906,768	11,471,695	11,221,554
- Hire purchase receivables	47,722,556	46,181,266	19,451,157	21,015,764
- Other fixed rate loans/financing	56,402,103	56,572,652	40,553,424	41,692,920
Variable rate				
- Base lending rate plus	135,733,568	129,042,645	89,769,308	89,281,956
- Cost plus	49,655,294	48,681,566	45,490,389	43,204,043
- Other variable rates	71,458,881	66,995,253	42,203,919	35,942,522
Gross loans, advances and financing	374,359,340	361,380,150	248,939,892	242,358,759

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

(iv) Loans, advances and financing analysed by economic purpose are as follows:

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Purchase of securities	33,470,719	31,545,546	14,106,749	12,824,405
Purchase of transport vehicles	49,160,848	47,901,056	19,260,547	20,865,446
Purchase of landed properties				
- Residential	69,548,921	65,773,530	49,601,201	48,640,714
- Non-residential	29,830,808	29,271,455	23,594,587	24,169,305
Purchase of fixed assets (excluding landed properties)	4,557,950	4,692,156	4,520,976	4,609,831
Personal use	8,429,617	8,137,882	6,302,338	6,285,258
Credit card	6,698,795	6,717,193	5,668,973	5,726,412
Purchase of consumer durables	163,724	452,606	163,154	451,881
Constructions	13,968,935	13,206,415	10,182,654	9,526,319
Mergers and acquisitions	3,574,537	3,922,495	3,574,537	3,922,495
Working capital	130,975,685	126,731,269	94,820,547	90,334,005
Others	23,978,801	23,028,547	17,143,629	15,002,688
Gross loans, advances and financing	374,359,340	361,380,150	248,939,892	242,358,759

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

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Within one year	98,771,524	103,617,415	72,603,584	77,819,709
One year to three years	53,411,899	48,189,831	41,031,120	36,423,888
Three years to five years	50,008,254	50,776,490	36,261,549	35,223,650
After five years	172,167,663	158,796,414	99,043,639	92,891,512
Gross loans, advances and financing	374,359,340	361,380,150	248,939,892	242,358,759

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

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Gross impaired loans at 1 January	5,360,903	5,654,352	3,776,831	4,162,301
Newly impaired	1,976,113	4,485,865	935,042	2,687,492
Reclassified as non-impaired	(566,165)	(1,260,300)	(302,200)	(661,304)
Amount recovered	(726,260)	(1,840,674)	(423,840)	(1,270,299)
Amount written off	(392,759)	(1,579,965)	(235,871)	(1,105,782)
Converted to financial investments available-for-sale	(78,541)	(152,544)	(78,541)	(152,544)
Transferred from a subsidiary	-	-	16,866	-
Exchange differences and expenses debited	23,454	54,169	21,874	116,967
Gross impaired loans at 30 June 2014/ 31 December 2013	5,596,745	5,360,903	3,710,161	3,776,831
Less: Individual allowance	(1,982,266)	(1,939,320)	(1,487,159)	(1,502,010)
Net impaired loans, advances and financing	3,614,479	3,421,583	2,223,002	2,274,821
Ratio of net impaired loans	0.97%	0.95%	0.90%	0.94%

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

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

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Purchase of securities	77,722	66,448	31,991	31,499
Purchase of transport vehicles	265,047	227,798	111,534	96,811
Purchase of landed properties				
- Residential	442,822	454,877	333,067	343,461
- Non-residential	130,166	119,014	96,562	95,277
Purchase of fixed assets (excluding landed properties)	-	346	-	-
Personal use	129,848	120,696	51,083	49,749
Credit card	80,381	76,022	48,797	49,433
Purchase of consumer durables	9	8	6	6
Constructions	308,545	197,055	260,111	153,846
Working capital	3,797,017	3,542,034	2,565,335	2,549,415
Others	365,188	556,605	211,675	407,334
Impaired loans, advances and financing	5,596,745	5,360,903	3,710,161	3,776,831

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

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Malaysia	3,883,518	3,795,548	3,287,005	3,258,707
Singapore	236,961	243,157	223,134	229,187
Indonesia	1,036,828	797,355	-	-
Labuan Offshore	39,607	46,349	16,893	-
Hong Kong SAR	16,648	17,601	15,771	16,706
United States of America	452	462	-	-
People's Republic of China	1,583	1,598	1,583	1,598
Vietnam	15,006	15,437	15,006	15,437
United Kingdom	135,878	241,583	135,878	241,583
Brunei	8,082	6,567	8,082	6,567
Cambodia	51,213	52,689	-	-
Bahrain	6,809	7,046	6,809	7,046
The Philippines	110,466	80,933	-	-
Papua New Guinea	770	754	-	-
Thailand	25,172	25,478	-	-
Others	27,752	28,346	-	-
Impaired loans, advances and financing	5,596,745	5,360,903	3,710,161	3,776,831

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

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

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Individual Allowance				
At 1 January	1,939,320	2,228,535	1,502,010	1,719,455
Allowance made	347,919	920,763	213,857	722,580
Amount written back	(144,775)	(324,954)	(119,587)	(270,734)
Amount written off	(144,137)	(872,595)	(112,173)	(678,686)
Transferred from/(to) collective allowance	816	(13,663)	(9,975)	(12,001)
Transferred from a subsidiary	-	-	16,866	-
Exchange differences	(16,877)	1,234	(3,839)	21,396
At 30 June 2014/31 December 2013	<u>1,982,266</u>	<u>1,939,320</u>	<u>1,487,159</u>	<u>1,502,010</u>
	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Collective Allowance				
At 1 January	3,823,303	3,744,994	2,885,470	2,726,849
Allowance made	508,735	845,532	313,650	550,371
Amount written back	(27,879)	(37,769)	-	-
Amount written off	(248,622)	(707,370)	(123,698)	(427,096)
Transferred (to)/from individual allowance	(816)	13,663	9,975	12,001
Transferred from a subsidiary	-	-	19,580	-
Exchange differences	(11,311)	(35,747)	(6,599)	23,345
At 30 June 2014/31 December 2013	<u>4,043,410</u>	<u>3,823,303</u>	<u>3,098,378</u>	<u>2,885,470</u>
As a percentage of total loans less individual allowance	<u>1.09%</u>	<u>1.06%</u>	<u>1.25%</u>	<u>1.20%</u>

(x) Included in the Bank's loans/financing to financial institutions are the financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, under Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM8,684.8 million (31 December 2013: RM8,336.3 million). The RPSIA is a contract based on the Mudharabah principle between two parties to provide financing where the Bank acts as the investor who solely provides capital to MIB and the business venture is managed solely by MIB as an entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Bank.

A12. Other Assets

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Other debtors	5,176,869	5,989,578	4,412,481	4,862,054
Amount due from brokers and clients	2,342,862	1,536,260	-	-
Development properties for sale	56,744	75,251	-	-
Prepayments and deposits	942,219	787,472	443,481	421,354
Tax recoverable	31,333	27,253	-	-
Foreclosed properties	113,355	90,104	36,022	36,029
	<u>8,663,382</u>	<u>8,505,918</u>	<u>4,891,984</u>	<u>5,319,437</u>

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A13. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	224,667,234	220,782,166	143,986,979	142,237,799
- More than one year	14,484,001	14,760,420	13,773,931	14,075,299
	239,151,235	235,542,586	157,760,910	156,313,098
Money market deposits	17,578,406	14,177,439	17,578,406	14,177,439
Savings deposits	57,981,648	56,735,219	40,013,111	39,300,089
Demand deposits	87,209,598	86,001,254	62,777,719	61,212,708
Structured deposits *	4,608,542	3,154,312	4,046,880	2,667,046
	406,529,429	395,610,810	282,177,026	273,670,380

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

(ii) By type of customer

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Business enterprises	183,003,184	183,775,722	131,858,485	128,843,008
Individuals	168,486,601	162,631,813	130,000,604	125,901,762
Government and statutory bodies	18,235,790	17,908,268	6,077,235	5,464,782
Others	36,803,854	31,295,007	14,240,702	13,460,828
	406,529,429	395,610,810	282,177,026	273,670,380

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

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Due within six months	182,196,369	176,430,070	107,899,228	111,663,342
Six months to one year	42,470,865	44,352,096	36,087,751	30,574,457
One year to three years	13,980,621	14,272,102	13,676,789	13,954,438
Three years to five years	503,380	488,318	97,142	120,861
	239,151,235	235,542,586	157,760,910	156,313,098

A14. Deposits and Placements from Financial Institutions

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Licensed banks	42,729,519	38,230,867	33,862,169	34,285,883
Licensed finance companies	429,290	405,180	247,809	239,360
Licensed investment banks	170,608	66,778	120,608	66,778
Other financial institutions	3,000,276	3,436,256	2,489,466	2,990,556
	46,329,693	42,139,081	36,720,052	37,582,577

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A14. Deposits and Placements from Financial Institutions (cont'd.)

The maturity profile of deposits and placements from financial institutions are as follows:

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
One year or less	44,626,749	39,547,359	35,187,957	35,105,495
More than one year	1,702,944	2,591,722	1,532,095	2,477,082
	46,329,693	42,139,081	36,720,052	37,582,577

A15. Borrowings, Subordinated Obligations and Capital Securities

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
(i) Borrowings				
Secured				
- Less than one year				
Denominated in:				
- THB	-	259,138	-	-
- PHP	9,440	3,530	-	-
- SGD	1,392	-	-	-
- IDR	481,415	292,697	-	-
- VND	-	1,631	-	-
	492,247	556,996	-	-
- More than one year				
Denominated in:				
- SGD	377,650	383,087	-	-
- PHP	695	914	-	-
- IDR	1,081,287	1,025,832	-	-
	1,459,632	1,409,833	-	-
Total secured borrowings	1,951,879	1,966,829	-	-
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	552,084	325,810	292,420	226,884
- CNY	104,486	215,632	104,486	215,632
- SGD	316,348	220,550	-	-
- THB	696,821	294,834	-	-
- HKD	475,872	-	-	-
- IDR	138,723	217,052	-	-
- PHP	29,015	21,626	-	-
	2,313,349	1,295,504	396,906	442,516
- More than one year				
Denominated in:				
- USD	3,049,500	3,337,900	3,049,500	3,337,900
- IDR	795,519	792,754	-	-
	3,845,019	4,130,654	3,049,500	3,337,900

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A16. Other Liabilities

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
Due to brokers and clients	2,141,244	1,459,900	-	-
Deposits, other creditors and accruals	7,916,936	6,289,871	8,920,649	9,326,572
Defined benefit pension plans	370,468	356,842	-	-
Provisions for commitments and contingencies	56,780	76,421	53,371	73,086
Profit equalisation reserves (IBS operations)	4,207	16,977	-	-
Finance lease liabilities	81,430	85,691	81,430	85,691
	10,571,065	8,285,702	9,055,450	9,485,349

A17. Interest Income

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Loans, advances and financing	3,348,946	3,177,365	6,656,340	6,351,273
Money at call and deposits and placements with financial institutions	128,563	197,675	250,641	320,511
Financial assets purchased under resale agreements	523	4,705	2,948	6,821
Financial assets at FVTPL	202,425	234,315	364,360	359,394
Financial investments available-for-sale	610,868	424,635	1,182,467	944,474
Financial investments held-to-maturity	67,011	22,792	116,935	40,102
	4,358,336	4,061,487	8,573,691	8,022,575
Accretion of discounts / (amortisation of premiums), net	6,888	(12,557)	7,530	(31,381)
	4,365,224	4,048,930	8,581,221	7,991,194

Bank	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Loans, advances and financing	2,398,046	2,264,071	4,776,035	4,522,441
Money at call and deposits and placements with financial institutions	159,758	179,944	335,576	277,200
Financial assets purchased under resale agreements	524	1,171	671	1,511
Financial assets at FVTPL	47,730	17,088	66,440	37,342
Financial investments available-for-sale	513,939	389,414	1,001,862	768,525
Financial investments held-to-maturity	70,879	20,204	129,819	38,319
	3,190,876	2,871,892	6,310,403	5,645,338
Accretion of discounts / (amortisation of premiums), net	3,435	(10,942)	5,299	(28,470)
	3,194,311	2,860,950	6,315,702	5,616,868

Included in interest income for the financial half year ended 30 June 2014 was interest on impaired assets amounting to approximately RM79,414,000 (30 June 2013: RM81,222,000) for the Group and RM59,720,000 (30 June 2013: RM65,840,000) for the Bank.

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A18. Interest Expense

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	81,161	54,399	166,467	143,723
Deposits from customers	1,496,552	1,237,295	2,946,248	2,378,872
Floating rate certificates of deposits	8,911	4,030	18,505	7,557
Borrowings	107,745	107,871	218,623	211,924
Subordinated notes	152,988	123,576	271,966	243,785
Subordinated bonds	6,340	9,042	11,432	27,688
Capital securities	96,835	99,765	192,410	198,458
Net interest on derivatives	7,272	31,458	(44,681)	(29,702)
	1,957,804	1,667,436	3,780,970	3,182,305

Bank	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	82,660	57,722	175,382	150,364
Deposits from customers	1,080,601	930,276	2,126,104	1,776,701
Floating rate certificates of deposits	8,911	4,030	18,505	7,557
Borrowings	38,933	38,186	81,937	73,279
Subordinated notes	131,512	99,244	229,731	195,595
Subordinated bonds	-	9,116	-	27,762
Capital securities	100,998	99,765	200,689	198,458
Net interest on derivatives	6,982	29,761	(54,610)	(33,988)
	1,450,597	1,268,100	2,777,738	2,395,728

A19. Net Income from Insurance and Takaful Business

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	912,919	1,405,810	2,451,807	2,738,666
Premium ceded to reinsurers	116,515	(270,129)	(500,146)	(476,118)
Net earned premiums	1,029,434	1,135,681	1,951,661	2,262,548
Gross benefits and claims paid	(964,110)	(830,770)	(2,127,063)	(1,635,981)
Claims ceded to reinsurers	195,189	95,828	709,741	138,906
Gross change to contract liabilities	(750,512)	(357,255)	(2,013,786)	(701,492)
Change in contract liabilities ceded to reinsurers	454,324	(7,249)	1,535,438	6,141
Net benefits and claims	(1,065,109)	(1,099,446)	(1,895,670)	(2,192,426)
Net fee and commission expenses	(40,867)	(84,308)	(102,226)	(158,889)
Change in expense liabilities	(2,140)	(8,092)	(14,110)	(30,619)
Taxation of life and takaful fund	(23,529)	1,115	(40,080)	(13,805)
Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(66,536)	(91,285)	(156,416)	(203,313)
Total net income from insurance and takaful business	(102,211)	(55,050)	(100,425)	(133,191)

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A20. Non-Interest Income

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	254,432	223,796	516,107	453,499
Service charges and fees	317,050	321,423	596,178	624,517
Underwriting fees	48,719	33,275	61,377	47,538
Brokerage income	165,260	213,631	301,794	443,326
Fees on loans, advances and financing	116,344	102,322	211,360	185,137
	901,805	894,447	1,686,816	1,754,017
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	40,865	65,173	88,244	181,430
Net gain on disposal of financial investments available-for-sale	136,693	318,418	351,273	637,033
Net gain/(loss) on redemption of financial investments held-to-maturity	11	-	25	(1)
Net loss on liquidation of subsidiaries	(94)	-	(94)	-
	177,475	383,591	439,448	818,462
(c) Gross dividend income from financial investments portfolio	34,409	36,694	51,244	57,077
(d) Unrealised gain/(loss) on revaluation of:				
Financial assets at FVTPL				
- Designated upon initial recognition	25,329	(67,905)	(105,591)	(67,905)
- Held-for-trading	16,250	(3,077)	41,141	(18,656)
Derivatives	215,348	(6,844)	262,902	(213,510)
	256,927	(77,826)	198,452	(300,071)
(e) Other income:				
Foreign exchange (loss)/gain, net	(78,688)	407,838	111,347	600,524
Rental income	12,091	9,012	21,826	14,493
Gain on disposal of property, plant and equipment	4,796	272	5,027	1,086
Gain on disposal of foreclosed properties	1,226	1,563	2,186	2,306
Sale of development properties	2,304	612	3,841	1,456
Others	52,559	49,160	76,845	120,248
	(5,712)	468,457	221,072	740,113
Total non-interest income	1,364,904	1,705,363	2,597,032	3,069,598

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A20. Non-Interest Income (cont'd.)

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Bank				
(a) Fee income:				
Commission	225,087	196,293	454,425	395,016
Service charges and fees	240,830	237,966	465,096	472,819
Underwriting fees	11,315	15,825	21,930	26,759
Brokerage income	-	29	3	83
Fees on loans, advances and financing	66,830	40,907	120,775	67,606
	544,062	491,020	1,062,229	962,283
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	16,085	26,116	40,634	99,036
Net (loss)/gain on disposal of financial investments available-for-sale	(10,434)	141,809	38,514	241,637
Net gain/(loss) on redemption of financial investments held-to-maturity	11	-	25	(1)
Net gain on disposal of subsidiaries	-	-	-	700
Gain on liquidation of an associate	-	-	1,667	-
	5,662	167,925	80,840	341,372
(c) Gross dividend income from:				
Financial investments portfolio	1,776	5,716	4,743	6,480
Subsidiaries	792,926	31,611	1,193,674	239,632
Associates	3,572	8,292	3,572	8,292
	798,274	45,619	1,201,989	254,404
(d) Unrealised gain/(loss) on revaluation of:				
Financial assets at FVTPL				
- Held-for-trading	(6,556)	(25,867)	11,238	(25,119)
Derivatives	204,643	(49,613)	238,006	(210,046)
	198,087	(75,480)	249,244	(235,165)
(e) Other income:				
Foreign exchange (loss)/gain, net	(58,150)	397,563	105,061	558,269
Rental income	7,050	5,534	13,435	10,900
Gain/(loss) on disposal of property, plant and equipment	4,705	(253)	4,857	(221)
Others	16,301	19,139	29,649	32,856
	(30,094)	421,983	153,002	601,804
Total non-interest income	1,515,991	1,051,067	2,747,304	1,924,698

A21. Overhead Expenses

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	877,373	968,620	1,811,796	1,909,579
Pension costs - defined contribution plan	73,032	107,762	185,319	218,324
ESS expenses	20,037	28,545	37,930	49,719
Other staff related expenses	172,361	174,572	345,039	323,339
	1,142,803	1,279,499	2,380,084	2,500,961

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A21. Overhead Expenses (cont'd.)

Group (cont'd.)	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
(b) Establishment costs				
Depreciation of property, plant and equipment	80,919	65,159	156,967	130,330
Amortisation of intangible assets	54,514	48,642	108,128	95,532
Rental of leasehold land and premises	65,010	63,552	130,811	129,332
Repairs and maintenance of property, plant and equipment	32,446	35,369	66,273	68,414
Information technology expenses	154,379	154,414	260,284	296,911
Others	12,791	2,220	39,037	1,675
	400,059	369,356	761,500	722,194
(c) Marketing expenses				
Advertisement and publicity	132,497	105,056	212,457	227,921
Others	60,099	50,084	115,481	90,004
	192,596	155,140	327,938	317,925
(d) Administration and general expenses				
Fees and brokerage	158,212	130,551	318,901	275,565
Administrative expenses	123,220	140,331	275,503	274,037
General expenses	75,333	135,356	189,352	272,690
Cost of development property	1,524	372	2,546	951
Others	(7,341)	3,689	(1,020)	7,931
	350,948	410,299	785,282	831,174
Total overhead expenses	2,086,406	2,214,294	4,254,804	4,372,254
Cost to income ratio ("CIR")¹	46.3%	46.7%	47.4%	48.0%

¹ Cost to income ratio ("CIR") is computed using the total cost over the net income. Total cost of the Group is the total overhead expenses, excluding amortisation of intangible assets for PT Bank Internasional Indonesia Tbk and Maybank Kim Eng Holdings Limited. Income refers to net income amount, as stated on the face of income statement.

Bank	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	488,120	589,056	1,086,312	1,162,941
Pension costs - defined contribution plan	44,580	85,744	131,647	170,048
ESS expenses	14,153	21,534	27,245	38,870
Other staff related expenses	89,989	90,072	192,350	167,566
	636,842	786,406	1,437,554	1,539,425
(b) Establishment costs				
Depreciation of property, plant and equipment	43,977	33,066	83,877	67,205
Amortisation of intangible assets	24,803	22,827	51,185	44,930
Rental of leasehold land and premises	30,091	24,946	59,243	50,656
Repairs and maintenance of property, plant and equipment	17,013	17,074	34,819	32,738
Information technology expenses	185,137	122,030	335,466	233,175
Others	2,351	1,235	4,157	2,705
	303,372	221,178	568,747	431,409

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A21. Overhead Expenses (cont'd.)

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Bank (cont'd.)	RM'000	RM'000	RM'000	RM'000
(c) Marketing expenses				
Advertisement and publicity	61,603	44,518	97,023	106,616
Others	51,132	43,181	98,735	77,310
	112,735	87,699	195,758	183,926
(d) Administration and general expenses				
Fees and brokerage	109,045	108,152	210,910	221,693
Administrative expenses	25,269	67,302	84,736	122,318
General expenses	(19,663)	36,092	23,839	84,185
Others	(4,237)	3,098	1,266	7,055
	110,414	214,644	320,751	435,251
(e) Overhead expenses allocated to subsidiaries	(237,928)	(189,636)	(490,926)	(385,105)
Total overhead expenses	925,435	1,120,291	2,031,884	2,204,906
Cost to income ratio ("CIR")²	28.4%	42.4%	32.3%	42.8%

² Cost to income ratio ("CIR") is computed using the total cost over the net income. Income refers to net income amount, as stated on the face of income statement.

A22. Allowances for Impairment Losses on Loans, Advances and Financing, net

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Group	RM'000	RM'000	RM'000	RM'000
Allowances for loans, advances and financing:				
- collective allowance made, net	182,897	301,042	480,856	467,900
- individual allowance made	163,232	360,513	347,919	527,347
- individual allowance written back	(32,888)	(25,796)	(144,775)	(100,194)
Bad debts and financing written off	36,452	28,464	64,528	53,942
Bad debts and financing recovered	(196,070)	(231,697)	(389,454)	(416,186)
Allowance for other debts	730	(4,917)	5,381	(19,206)
	154,353	427,609	364,455	513,603
Bank	RM'000	RM'000	RM'000	RM'000
Allowances for loans, advances and financing:				
- collective allowance made, net	97,195	210,022	313,650	335,053
- individual allowance made	82,301	300,442	213,857	427,753
- individual allowance written back	(27,540)	(7,868)	(119,587)	(59,623)
Bad debts and financing written off	27,524	24,294	46,527	46,987
Bad debts and financing recovered	(162,683)	(167,885)	(325,462)	(320,891)
Allowance for other debts	274	1,241	1,844	1,335
	17,071	360,246	130,829	430,614

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A23. Segment Information

By business segments

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

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

(a) Community Financial Services ("CFS"), Malaysia

(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

SME Banking comprises the full range of products and services offered to small and medium enterprises in Malaysia. The products and services offered including 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 including 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 Banking ("GB")

(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 including 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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A23. Segment Information (cont'd.)

(b) Global Banking ("GB") (cont'd.)

(iii) Investment Banking (Maybank IB and Maybank Kim Eng)

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 including 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 GB. For the purpose of management reporting, the GB performance is shown separately and comprises Corporate Banking and Global Markets in Malaysia as well as the Investment Banking business, whilst the International Banking performance comprises both the wholesale banking and CFS business outside of Malaysia, for example, Singapore and Indonesia.

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A23. Segment Information (cont'd.)

By Business Segments

Six Months Ended 30 June 2014	<===== Business Segments =====>							Total RM'000
	<===== GB =====>							
	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 income from IBS								
- External	2,890,480	821,788	395,815	90,592	2,040,814	441,350	(262,937)	6,417,902
- Inter-segment	-	-	-	(591)	(10,258)	36,855	(26,006)	-
	2,890,480	821,788	395,815	90,001	2,030,556	478,205	(288,943)	6,417,902
Net interest income and income from IBS	2,890,480	821,788	395,815	90,001	2,030,556	478,205	(288,943)	6,417,902
Net income from insurance and takaful business	-	-	-	-	-	(100,425)	-	(100,425)
Non-interest income	755,247	314,460	391,831	501,189	766,884	361,621	(494,200)	2,597,032
Net income	3,645,727	1,136,248	787,646	591,190	2,797,440	739,401	(783,143)	8,914,509
Overhead expenses	(1,725,778)	(227,394)	(86,076)	(478,492)	(1,399,454)	(337,610)	-	(4,254,804)
Operating profit before impairment losses	1,919,949	908,854	701,570	112,698	1,397,986	401,791	(783,143)	4,659,705
Writeback of/(allowances for) impairment losses on loans, advances and financing, net	66,858	(234,237)	-	6,093	(205,461)	2,292	-	(364,455)
Writeback of/(allowances for) impairment losses on financial investments, net	-	-	39,976	(4,222)	65,631	(15,769)	-	85,616
Operating profit	1,986,807	674,617	741,546	114,569	1,258,156	388,314	(783,143)	4,380,866
Share of profits in associates and joint ventures	-	-	-	50	73,424	262	-	73,736
Profit before taxation and zakat	1,986,807	674,617	741,546	114,619	1,331,580	388,576	(783,143)	4,454,602
Taxation and zakat								(1,201,277)
Profit after taxation and zakat								3,253,325
Non-controlling interests								(76,209)
Profit for the period								3,177,116
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(54,243)	(9,309)	(5,108)	(22,259)	(58,154)	(7,894)	-	(156,967)
Amortisation of intangible assets	(35,605)	(6,548)	(3,757)	(20,083)	(32,648)	(9,487)	-	(108,128)

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A23. Segment Information (cont'd.)

By Business Segments (cont'd.)

Six Months Ended 30 June 2013	<----- Business Segments ----->							Total RM'000
	<----- GB ----->							
	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 income from IBS								
- External	2,807,637	801,972	392,777	108,052	1,822,876	439,446	(278,422)	6,094,338
- Inter-segment	-	-	-	(752)	(12,272)	16,340	(3,316)	-
	2,807,637	801,972	392,777	107,300	1,810,604	455,786	(281,738)	6,094,338
Net interest income and income from IBS	2,807,637	801,972	392,777	107,300	1,810,604	455,786	(281,738)	6,094,338
Net income from insurance and takaful business	-	-	-	-	-	(133,191)	-	(133,191)
Non-interest income	724,539	304,778	518,205	676,442	786,178	447,250	(387,794)	3,069,598
Net income	3,532,176	1,106,750	910,982	783,742	2,596,782	769,845	(669,532)	9,030,745
Overhead expenses	(1,784,575)	(200,575)	(120,442)	(526,178)	(1,389,457)	(351,027)	-	(4,372,254)
Operating profit before impairment losses	1,747,601	906,175	790,540	257,564	1,207,325	418,818	(669,532)	4,658,491
(Allowances for)/writeback of impairment losses on loans, advances and financing, net	(128,280)	(324,639)	-	921	(86,988)	25,383	-	(513,603)
Writeback of/(allowances for) impairment losses on financial investments, net	-	-	13,517	(9,851)	290	(10,366)	-	(6,410)
Operating profit	1,619,321	581,536	804,057	248,634	1,120,627	433,835	(669,532)	4,138,478
Share of profits in associates and joint ventures	-	-	-	702	76,086	310	-	77,098
Profit before taxation and zakat	1,619,321	581,536	804,057	249,336	1,196,713	434,145	(669,532)	4,215,576
Taxation and zakat								(1,034,371)
Profit after taxation and zakat								3,181,205
Non-controlling interests								(107,257)
Profit for the period								3,073,948
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(47,280)	(3,903)	(2,632)	(21,370)	(47,798)	(7,347)	-	(130,330)
Amortisation of intangible assets	(28,167)	(5,589)	(3,488)	(20,842)	(29,222)	(8,224)	-	(95,532)

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A24. 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, if any. 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 year ended 31 December 2013.

A25. Subsequent Events

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

A26. Changes in the Composition of the Group

There were no changes to the composition of the Group during the financial half year ended 30 June 2014.

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A27. Commitments and Contingencies

In the normal course of business, the Group and the Bank 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 Group and the Bank as at the following reporting dates are as follows:

Group	As at 30 June 2014			As at 31 December 2013		
	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
Contingent liabilities						
Direct credit substitutes	11,707,124	9,895,180	6,450,675	12,294,758	11,889,416	7,616,259
Certain transaction-related contingent items	14,794,557	6,957,186	4,894,824	14,849,519	7,341,034	4,687,252
Short-term self-liquidating trade-related contingencies	5,001,777	983,163	789,691	4,133,782	939,225	653,222
Obligations under underwriting agreements	1,181,219	15,000	3,000	30,000	15,000	3,000
	32,684,677	17,850,529	12,138,190	31,308,059	20,184,675	12,959,733
Commitments						
Irrevocable commitments to extend credit:						
- Maturity within one year	98,997,713	9,251,829	5,870,703	102,118,957	15,282,805	10,240,767
- Maturity exceeding one year	30,688,925	20,234,676	9,079,111	26,685,600	22,230,898	9,877,562
	129,686,638	29,486,505	14,949,814	128,804,557	37,513,703	20,118,329
Miscellaneous commitments and contingencies	10,720,395	473,889	239,318	10,429,751	438,052	211,879
Total credit-related commitments and contingencies	173,091,710	47,810,923	27,327,322	170,542,367	58,136,430	33,289,941
Derivative financial instruments						
Foreign exchange related contracts:						
- Less than one year	180,735,156	2,037,698	378,727	131,531,710	3,256,512	867,241
- One year to less than five years	17,725,331	2,820,363	906,725	16,198,153	3,033,341	1,072,652
- Five years and above	2,899,792	11,082	8,168	1,959,984	15,189	11,113
	201,360,279	4,869,143	1,293,620	149,689,847	6,305,042	1,951,006
Interest rate related contracts:						
- Less than one year	31,675,901	565,333	172,343	22,432,115	735,818	277,530
- One year to less than five years	83,995,422	1,803,525	1,162,493	70,825,618	2,162,852	748,432
- Five years and above	19,579,579	1,702,111	445,521	18,581,046	2,191,070	871,753
	135,250,902	4,070,969	1,780,357	111,838,779	5,089,740	1,897,715
Equity and commodity related contracts:						
- Less than one year	967,215	83,229	33,927	801,936	-	-
- One year to less than five years	1,351,444	-	-	922,441	14,011	7,219
- Five years and above	33,663	-	-	33,663	-	-
	2,352,322	83,229	33,927	1,758,040	14,011	7,219
Credit related contracts:						
- Five years and above	6,420	-	-	-	-	-
Total treasury-related commitments and contingencies	338,969,923	9,023,341	3,107,904	263,286,666	11,408,793	3,855,940
Total commitments and contingencies	512,061,633	56,834,264	30,435,226	433,829,033	69,545,223	37,145,881

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A27. Commitments and Contingencies (cont'd.)

Bank	As at 30 June 2014			As at 31 December 2013		
	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>Contingent liabilities</u>						
Direct credit substitutes	9,960,759	8,578,876	5,358,267	10,344,133	9,957,772	5,799,117
Certain transaction-related contingent items	12,992,116	5,837,899	3,778,709	12,775,293	6,322,016	3,754,051
Short-term self-liquidating trade-related contingencies	4,449,697	803,469	595,787	3,739,333	777,478	494,551
	27,402,572	15,220,244	9,732,763	26,858,759	17,057,266	10,047,719
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	83,588,805	7,013,213	4,414,038	84,328,505	12,991,311	8,569,659
- Maturity exceeding one year	23,581,582	16,680,219	7,518,690	19,612,994	18,532,016	8,112,467
	107,170,387	23,693,432	11,932,728	103,941,499	31,523,327	16,682,126
Miscellaneous commitments and contingencies	10,195,272	299,998	127,630	10,261,298	246,154	89,410
Total credit-related commitments and contingencies	144,768,231	39,213,674	21,793,121	141,061,556	48,826,747	26,819,255
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	176,095,686	1,835,670	271,775	128,323,975	3,154,265	792,147
- One year to less than five years	18,544,456	2,462,904	793,728	15,139,124	2,874,342	968,379
- Five years and above	2,951,152	11,082	8,168	3,201,700	15,189	11,113
	197,591,294	4,309,656	1,073,671	146,664,799	6,043,796	1,771,639
Interest rate related contracts:						
- Less than one year	31,866,099	485,443	149,785	23,397,950	620,364	261,083
- One year to less than five years	82,430,286	1,632,754	1,066,588	69,313,334	2,034,705	660,798
- Five years and above	19,504,579	1,702,111	445,521	18,506,046	2,191,070	871,753
	133,800,964	3,820,308	1,661,894	111,217,330	4,846,139	1,793,634
Equity and commodity related contracts:						
- Less than one year	769,654	83,229	33,927	705,972	-	-
- One year to less than five years	559,737	-	-	136,575	14,011	7,219
	1,329,391	83,229	33,927	842,547	14,011	7,219
Total treasury-related commitments and contingencies	332,721,649	8,213,193	2,769,492	258,724,676	10,903,946	3,572,492
Total commitments and contingencies	477,489,880	47,426,867	24,562,613	399,786,232	59,730,693	30,391,747

* The credit equivalent amount and the risk-weighted amount are arrived at using the credit conversion factors and risk-weights respectively as specified by Bank Negara Malaysia for regulatory capital adequacy purposes.

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A27. 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 counterparty may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 30 June 2014, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM2,867.2 million (31 December 2013: RM3,944.7 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 30 June 2014, the Group and the Bank have posted cash collateral of RM508.2 million (31 December 2013: RM850.4 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 derivative financial contracts; and
- (c) the related accounting policies.

A28. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 28 November 2012 released the updated guidelines for Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for conventional banks and Islamic banks respectively commencing from 1 January 2013 and subject to transitional arrangements as set out in paragraph 36 of the said frameworks.

- (ii) The minimum regulatory capital adequacy ratios are set out as follows:

Calendar Year	Common Equity Tier 1 (CET1) Capital Ratio	Tier 1 Capital Ratio	Total Capital Ratio
2013	3.5%	4.5%	8.0%
2014	4.0%	5.5%	8.0%
2015 onwards	4.5%	6.0%	8.0%

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A28. Capital Adequacy (cont'd.)

(a) Capital Adequacy Framework (cont'd.)

- (iii) Total risk-weighted assets ("RWA") shall be calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with the Capital Adequacy Framework (Basel II - Risk Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued by BNM on 28 November 2012 for conventional banks and Islamic banks respectively.

The sum of the above shall be further adjusted to take into account any profit-sharing investment accounts ("PSIA") recognised as risk absorbent for capital adequacy purposes, in the manner stipulated under the Guidelines on Recognition and Measurement of PSIA as Risk Absorbent as updated by BNM on 26 July 2011.

Any exposures which are deducted in the calculation of CET1 Capital, Tier 1 Capital and Total Capital shall not be subjected to any further capital charges in the computation of RWA.

(b) Compliance and Application of Capital Adequacy Ratios

The capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 28 November 2012. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach
- (B) Market risk under Standardised Approach
- (C) Operational risk under Basic Indicator Approach

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.0%, 5.5% and 8.0% of total RWA for the current financial year ending 31 December 2014.

On an entity level basis, the computation of capital adequacy ratios of the banking subsidiaries of the Group are as follows:

- (i) For Maybank Islamic Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 28 November 2012. The total RWA are computed based on the following approaches:
- (A) Credit risk under Internal Ratings-Based Approach
 - (B) Market risk under Standardised Approach
 - (C) Operational risk under Basic Indicator Approach

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.0%, 5.5% and 8.0% of total RWA for the current financial year ending 31 December 2014.

- (ii) For Maybank Investment Bank Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 28 November 2012. The total RWA are computed based on the following approaches:

- (A) Credit risk under Standardised Approach
- (B) Market risk under Standardised Approach
- (C) Operational risk under Basic Indicator Approach

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.0%, 5.5% and 8.0% of total RWA for the current financial year ending 31 December 2014.

- (iii) For PT Bank Internasional Indonesia Tbk, the computation of capital adequacy ratio is in accordance with local requirements, which is based on the Basel II capital accord. The total RWA are computed based on the following approaches:

- (A) Credit risk under Standardised Approach
- (B) Market risk under Standardised Approach
- (C) Operational risk under Basic Indicator Approach

The minimum regulatory capital adequacy requirement for PT Bank Internasional Indonesia Tbk is 9% - 10% of total RWA.

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A28. Capital Adequacy (cont'd.)

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

With effect from 30 June 2013, the amount of declared dividend to be deducted in the calculation of CET1 Capital under a Dividend Reinvestment Plan ("DRP") shall be determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) ("Implementation Guidance") issued on 8 May 2013. Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of declared dividend to be deducted in the calculation of CET1 Capital may be reduced as follows:

- (i) where an irrevocable written undertaking from the shareholder has been obtained to reinvest the electable portion of the dividend; or
- (ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates subject to the amount being not more than 50% of the total electable portion of the dividend.

In addition, the cash portion of the interim dividend, upon declaration will be deducted in the calculation of CET1 Capital.

For the financial half year ended 30 June 2014, the Bank has proposed a single-tier interim dividend of 24 sen, which consists of a cash portion of 4 sen and an electable portion of 20 sen per ordinary share of RM1.00 each. The electable portion can be elected to be reinvested in new ordinary shares in accordance with the DRP.

In arriving the capital adequacy ratios for the financial half year ended 30 June 2014, the proposed dividend has not been deducted from the calculation of CET1 Capital.

Based on the above, the capital adequacy ratios of the Group and the Bank are as follows:

	Group		Bank	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
CET1 Capital Ratio	11.637%	11.253%	16.500%	15.925%
Tier 1 Capital Ratio	13.189%	13.059%	16.500%	15.925%
Total Capital Ratio	16.159%	15.664%	16.500%	15.925%

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A28. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	30 June 2014 RM'000	31 December 2013 RM'000	30 June 2014 RM'000	31 December 2013 RM'000
CET1 Capital				
Paid-up share capital	9,117,393	8,862,079	9,117,393	8,862,079
Share premium	21,071,392	19,030,227	21,071,392	19,030,227
Retained profits	8,090,125	8,908,590	3,519,593	4,257,076
Other reserves	7,479,361	6,382,362	10,306,571	9,268,717
Qualifying non-controlling interests	106,253	112,628	-	-
Less: Shares held-in-trust	(110,925)	(107,248)	(110,925)	(107,248)
CET1 capital before regulatory adjustments	45,753,599	43,188,638	43,904,024	41,310,851
Less: Regulatory adjustments applied on CET1 Capital:				
Capital:	(8,553,339)	(8,449,692)	(6,392,925)	(5,364,790)
Deferred tax assets	(1,075,616)	(1,623,489)	(746,627)	(1,053,598)
Goodwill	(4,924,895)	(4,924,662)	(81,015)	(81,015)
Other intangibles	(1,011,251)	(1,088,882)	(389,634)	(446,805)
Profit equalisation reserve	(34,456)	(34,456)	-	-
Shortfall of total eligible provision over total expected loss	(894,960)	(778,203)	(14,389)	(39,421)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(612,161)	-	(4,055,505)	-
Regulatory adjustments due to insufficient Additional Tier 1 and Tier 2 Capital	-	-	(1,105,755)	(3,743,951)
Total CET1 Capital	37,200,260	34,738,946	37,511,099	35,946,061
Additional Tier 1 Capital				
Capital securities	4,880,864	5,490,972	4,880,864	5,490,972
Qualifying CET1, Additional Tier 1 capital instruments held by third parties	81,091	82,848	-	-
Less: Regulatory adjustment due to insufficient Tier 2 Capital	-	-	(4,880,864)	(5,490,972)
Total Tier 1 Capital	42,162,215	40,312,766	37,511,099	35,946,061
Tier 2 Capital				
Subordinated obligations	10,838,880	10,319,618	10,838,880	10,319,618
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	472,735	12,099	-	-
Collective allowance ¹	630,967	535,331	244,354	247,746
Less: Regulatory adjustment not deducted from CET1 Capital or Additional Tier 1 Capital provided under the transitional arrangements ²	(2,448,643)	(2,824,682)	(11,083,234)	(10,567,364)
Total Tier 2 Capital	9,493,939	8,042,366	-	-
Total Capital	51,656,154	48,355,132	37,511,099	35,946,061

¹ Excludes collective allowance for impaired loans, advances and financing restricted from Tier 2 Capital of the Group and of the Bank.

² For the Bank, the regulatory adjustment includes deduction for cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM176,385,000 and (iii) Mayban Agro Fund Sdn Bhd of RM10,845,000, as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes carrying amount of associates and deduction for cost of investment in insurance/takaful entities.

The capital adequacy ratios of the Group consist of Total Capital and RWA derived from consolidated balances of the Bank and its subsidiaries, except for insurance/takaful entities and associates.

The capital adequacy ratios of the Bank consist of Total Capital and RWA derived from the Bank and its wholly-owned offshore banking subsidiary, Maybank International (L) Ltd.

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A28. Capital Adequacy (cont'd.)

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

	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Internasional Indonesia Tbk
<u>At 30 June 2014</u>			
CET1 Capital Ratio	12.093%	33.076%	-
Tier 1 Capital Ratio	12.093%	33.076%	-
Total Capital Ratio	<u>16.511%</u>	<u>33.076%</u>	<u>11.983%</u>
<u>At 31 December 2013</u>			
CET1 Capital Ratio	11.761%	33.133% #	-
Tier 1 Capital Ratio	11.761%	33.133% #	-
Total Capital Ratio	<u>13.711%</u>	<u>33.133% #</u>	<u>12.716%</u>

Comparatives for prior year have been restated to conform with current year's presentation.

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A28. Capital Adequacy (cont'd.)

(f) The breakdown of RWA by each major risk categories are as follows:

At 30 June 2014

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Internasional Indonesia Tbk RM'000
Standardised Approach exposure	45,969,723	21,205,084	4,677,223	445,042	28,240,580
Internal Ratings-Based Approach exposure after scaling factor	230,998,088	177,908,648	45,778,503	-	-
Total RWA for credit risk	276,967,811	199,113,732	50,455,726	445,042	28,240,580
Total RWA for credit risk absorbed by Malayan Banking Berhad*	-	-	(1,380,237)	-	-
Total RWA for market risk	10,971,410	8,418,269	419,214	303,239	321,084
Total RWA for operational risk	31,727,016	19,814,129	3,810,146	913,772	3,643,296
Total RWA	319,666,237	227,346,130	53,304,849	1,662,053	32,204,960

At 31 December 2013

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Internasional Indonesia Tbk RM'000
Standardised Approach exposure	43,834,264	22,077,993	3,902,334	765,298 #	27,053,526
Internal Ratings-Based Approach exposure after scaling factor	226,139,730	178,911,435	42,043,918	-	-
Total RWA for credit risk	269,973,994	200,989,428	45,946,252	765,298	27,053,526
Total RWA for credit risk absorbed by Malayan Banking Berhad*	-	-	(1,210,230)	-	-
Total RWA for market risk	7,928,149	5,338,195	729,512	196,959	232,889
Total RWA for operational risk	30,801,508	19,400,252	3,619,234	876,244	3,227,265
Total RWA	308,703,651	225,727,875	49,084,768	1,838,501	30,513,680

* 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 capital adequacy ratios calculation.

Comparatives for prior year have been restated to conform with current year's presentation.

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A29. 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.

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 <---- Fair Value ---->			Bank <---- Fair Value ---->		
	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
At 30 June 2014						
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	40,154,652	267,973	(329,108)	35,583,639	253,469	(268,351)
- One year to three years	378,045	4,762	(8,442)	378,045	4,762	(8,442)
- More than three years	200,735	1,947	(7,492)	200,735	1,947	(7,492)
	<u>40,733,432</u>	<u>274,682</u>	<u>(345,042)</u>	<u>36,162,419</u>	<u>260,178</u>	<u>(284,285)</u>
Currency swaps:						
- Less than one year	109,738,430	630,126	(467,044)	109,750,063	609,794	(465,886)
- One year to three years	256,478	4,440	(418)	256,478	4,440	(418)
- More than three years	158,652	7,995	-	158,652	7,995	-
	<u>110,153,560</u>	<u>642,561</u>	<u>(467,462)</u>	<u>110,165,193</u>	<u>622,229</u>	<u>(466,304)</u>
Currency spots:						
- Less than one year	20,066,649	4,088	(6,812)	20,111,881	4,077	(6,854)
Currency options:						
- Less than one year	4,203,166	10,658	(6,090)	4,203,166	10,658	(6,090)
- One year to three years	38,520	648	(373)	38,520	648	(373)
	<u>4,241,686</u>	<u>11,306</u>	<u>(6,463)</u>	<u>4,241,686</u>	<u>11,306</u>	<u>(6,463)</u>
Cross currency interest rate swaps:						
- Less than one year	5,522,787	113,056	(175,766)	5,535,827	133,341	(165,553)
- One year to three years	7,284,727	921,834	(154,321)	6,920,253	895,385	(122,721)
- More than three years	8,720,264	132,128	(109,119)	9,955,223	175,077	(116,697)
	<u>21,527,778</u>	<u>1,167,018</u>	<u>(439,206)</u>	<u>22,411,303</u>	<u>1,203,803</u>	<u>(404,971)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	26,594,237	31,775	(49,672)	26,674,435	34,009	(49,672)
- One year to three years	35,859,561	169,197	(190,970)	35,972,699	158,896	(194,439)
- More than three years	55,805,445	421,482	(617,866)	56,078,297	435,658	(619,357)
	<u>118,259,243</u>	<u>622,454</u>	<u>(858,508)</u>	<u>118,725,431</u>	<u>628,563</u>	<u>(863,468)</u>
Interest rate futures:						
- Less than one year	3,867,309	145	(3,053)	3,977,309	145	(3,053)
- One year to three years	4,734,755	-	-	4,734,756	-	-
	<u>8,602,064</u>	<u>145</u>	<u>(3,053)</u>	<u>8,712,065</u>	<u>145</u>	<u>(3,053)</u>
Interest rate options:						
- Less than one year	521,438	7,503	(1)	521,438	7,503	(1)
- One year to three years	1,947,414	1,502	(17,270)	1,897,414	1,502	(11,902)
- More than three years	2,140,883	6,899	(277,874)	1,530,883	6,899	(187,643)
	<u>4,609,735</u>	<u>15,904</u>	<u>(295,145)</u>	<u>3,949,735</u>	<u>15,904</u>	<u>(199,546)</u>

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A29. Derivative Financial Instruments (cont'd.)

	Group <---- Fair Value ---->			Bank <---- Fair Value ---->		
	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
At 30 June 2014 (cont'd.)						
Trading derivatives (cont'd.)						
<u>Equity related derivatives</u>						
Index futures:						
- Less than one year	19,267	-	(257)	-	-	-
- More than three years	33,663	4,979	-	-	-	-
	<u>52,930</u>	<u>4,979</u>	<u>(257)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	212,332	1,362	(41,439)	34,038	1,362	(1,362)
- One year to three years	657,549	17,089	(5,084)	96,418	4,707	(4,707)
- More than three years	9,646	928	-	-	-	-
	<u>879,527</u>	<u>19,379</u>	<u>(46,523)</u>	<u>130,456</u>	<u>6,069</u>	<u>(6,069)</u>
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	144,354	4,602	(4,602)	144,354	4,602	(4,602)
- One year to three years	220,930	4	-	-	-	-
	<u>365,284</u>	<u>4,606</u>	<u>(4,602)</u>	<u>144,354</u>	<u>4,602</u>	<u>(4,602)</u>
Commodity swaps:						
- Less than one year	591,262	9,956	(10,099)	591,262	9,956	(10,099)
- One year to three years	463,319	12,630	(12,501)	463,319	12,630	(12,501)
	<u>1,054,581</u>	<u>22,586</u>	<u>(22,600)</u>	<u>1,054,581</u>	<u>22,586</u>	<u>(22,600)</u>
<u>Credit-related contract</u>						
Credit default swaps						
- More than three years	6,420	9	-	-	-	-
	<u>6,420</u>	<u>9</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hedging derivatives						
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	692,917	4,005	(30,837)	692,917	4,005	(30,836)
- One year to three years	2,339,824	12,642	(25,166)	1,214,449	2,270	(17,980)
- More than three years	747,119	1,483	(12,186)	506,367	1,483	(11,968)
	<u>3,779,860</u>	<u>18,130</u>	<u>(68,189)</u>	<u>2,413,733</u>	<u>7,758</u>	<u>(60,784)</u>
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	1,049,472	54,440	(16,189)	911,110	26,285	(16,189)
- One year to three years	2,865,202	1,044	(112,102)	2,865,202	1,044	(112,102)
- More than three years	722,500	3,840	(1,772)	722,500	3,841	(1,772)
	<u>4,637,174</u>	<u>59,324</u>	<u>(130,063)</u>	<u>4,498,812</u>	<u>31,170</u>	<u>(130,063)</u>
Total derivative assets / (liabilities)	<u>338,969,923</u>	<u>2,867,171</u>	<u>(2,693,925)</u>	<u>332,721,649</u>	<u>2,818,390</u>	<u>(2,459,062)</u>

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A29. Derivative Financial Instruments (cont'd.)

	Group <---- Fair Value ---->			Bank <---- Fair Value ---->		
	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
At 31 December 2013						
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	19,029,752	391,278	(125,097)	16,125,005	274,429	(101,681)
- One year to three years	403,658	6,902	(14,537)	403,577	6,901	(14,537)
- More than three years	260,669	5,253	(12,386)	260,669	5,253	(12,386)
	<u>19,694,079</u>	<u>403,433</u>	<u>(152,020)</u>	<u>16,789,251</u>	<u>286,583</u>	<u>(128,604)</u>
Currency swaps:						
- Less than one year	91,496,189	1,459,828	(1,600,516)	91,374,670	1,440,008	(1,504,364)
- One year to three years	844,032	9,608	(381)	844,032	9,608	(381)
- More than three years	186,622	12,952	-	186,622	12,952	-
	<u>92,526,843</u>	<u>1,482,388</u>	<u>(1,600,897)</u>	<u>92,405,324</u>	<u>1,462,568</u>	<u>(1,504,745)</u>
Currency spots:						
- Less than one year	14,757,296	3,668	(9,014)	14,786,077	3,718	(9,044)
Currency options:						
- Less than one year	1,668,456	22,892	(13,790)	1,668,456	22,892	(13,790)
Cross currency interest rate swaps:						
- Less than one year	4,067,782	868,421	(211,248)	3,857,532	836,839	(183,344)
- One year to three years	7,009,536	253,935	(236,446)	6,927,934	255,795	(189,430)
- More than three years	6,665,397	139,447	(241,220)	7,071,297	166,405	(241,220)
	<u>17,742,715</u>	<u>1,261,803</u>	<u>(688,914)</u>	<u>17,856,763</u>	<u>1,259,039</u>	<u>(613,994)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	15,329,470	25,585	(43,202)	16,185,305	26,970	(43,203)
- One year to three years	32,388,613	162,138	(225,915)	31,507,494	160,220	(208,782)
- More than three years	45,961,585	463,117	(579,248)	46,945,901	486,182	(595,142)
	<u>93,679,668</u>	<u>650,840</u>	<u>(848,365)</u>	<u>94,638,700</u>	<u>673,372</u>	<u>(847,127)</u>
Interest rate futures:						
- Less than one year	5,380,100	4,189	(22)	5,490,100	4,189	(22)
- One year to three years	5,877,399	-	(150)	5,897,399	-	(150)
	<u>11,257,499</u>	<u>4,189</u>	<u>(172)</u>	<u>11,387,499</u>	<u>4,189</u>	<u>(172)</u>
Interest rate options:						
- Less than one year	554,073	1,744	-	554,073	1,744	-
- One year to three years	1,954,192	2,108	(9,355)	1,954,192	2,108	(9,355)
- More than three years	1,820,126	-	(302,172)	1,245,126	-	(212,824)
	<u>4,328,391</u>	<u>3,852</u>	<u>(311,527)</u>	<u>3,753,391</u>	<u>3,852</u>	<u>(222,179)</u>

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A29. Derivative Financial Instruments (cont'd.)

	Group <---- Fair Value ---->			Bank <---- Fair Value ---->		
	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Principal Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
At 31 December 2013 (cont'd.)						
<u>Trading derivatives (cont'd.)</u>						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	20,184	228	-	-	-	-
- More than three years	33,663	4,757	-	-	-	-
	<u>53,847</u>	<u>4,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	124,080	5,062	(14,785)	48,300	5,062	(4,992)
- One year to three years	465,942	16,132	(5,739)	101,005	5,208	(5,208)
- More than three years	200,000	2,325	-	-	-	-
	<u>790,022</u>	<u>23,519</u>	<u>(20,524)</u>	<u>149,305</u>	<u>10,270</u>	<u>(10,200)</u>
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	27,580	1	(1)	27,580	1	(1)
- One year to three years	256,499	1,890	(1,885)	35,570	1,885	(1,885)
	<u>284,079</u>	<u>1,891</u>	<u>(1,886)</u>	<u>63,150</u>	<u>1,886</u>	<u>(1,886)</u>
Commodity swaps:						
- Less than one year	630,092	9,582	(9,366)	630,092	9,582	(9,366)
	<u>630,092</u>	<u>9,582</u>	<u>(9,366)</u>	<u>630,092</u>	<u>9,582</u>	<u>(9,366)</u>
<u>Hedging derivatives</u>						
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	1,168,472	3,853	(48,152)	1,168,472	3,853	(48,107)
- One year to three years	436,849	1,305	(21,080)	252,849	-	(19,475)
- More than three years	967,900	12,344	(7,910)	16,419	297	(12)
	<u>2,573,221</u>	<u>17,502</u>	<u>(77,142)</u>	<u>1,437,740</u>	<u>4,150</u>	<u>(67,594)</u>
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	512,235	5,319	(29,593)	512,235	5,319	(29,593)
- One year to three years	2,083,822	43,482	(97,699)	1,942,292	7,366	(97,699)
- More than three years	704,401	5,347	(76,471)	704,401	5,347	(76,471)
	<u>3,300,458</u>	<u>54,148</u>	<u>(203,763)</u>	<u>3,158,928</u>	<u>18,032</u>	<u>(203,763)</u>
Total derivative assets / (liabilities)	<u>263,286,666</u>	<u>3,944,692</u>	<u>(3,937,380)</u>	<u>258,724,676</u>	<u>3,760,133</u>	<u>(3,632,464)</u>

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A30. Fair Value Measurements of Financial Instruments

Fair value hierarchy

The Group and the Bank classify its financial instruments measured at fair value according to the following hierarchy, reflecting the significance of the inputs in making the fair value measurements:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, and those prices which represent actual and regularly occurring market transactions in an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on exchange.

- (b) Level 2: Valuation techniques using observable inputs for which all significant inputs are, or are based on, observable market data

Refers to inputs other than quoted prices included those within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Examples of Level 2 financial instruments include over-the-counter ("OTC") derivatives, corporate and other government bonds and illiquid equities.

- (c) Level 3: Valuation techniques using significant unobservable inputs for which significant inputs are not based on observable market data

Refers to financial instruments where fair value is measured using significant unobservable market data. The valuation technique is consistent with the Level 2. The chosen valuation technique incorporates the Group's and the Bank's own assumptions and data. Examples of Level 3 instruments include corporate bonds in illiquid markets and private equity investments.

The following tables show the Group's and the Bank's financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 30 June 2014 and 31 December 2013.

Group	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 30 June 2014				
Financial assets measured at fair value:				
Financial assets held-for-trading	859,351	8,050,049	389,836	9,299,236
Money market instruments	-	5,053,754	-	5,053,754
Non-money market instruments	859,351	2,996,295	389,836	4,245,482
Financial assets designated at fair value through profit or loss	-	10,980,506	-	10,980,506
Money market instruments	-	1,360,229	-	1,360,229
Non-money market instruments	-	9,620,277	-	9,620,277
Financial investments available-for-sale	3,077,705	79,534,238	434,239	83,046,182
Money market instruments	-	41,432,919	-	41,432,919
Non-money market instruments	3,077,705	38,101,319	434,239	41,613,263
Derivative assets	-	2,838,302	28,869	2,867,171
Foreign exchange related contracts	-	2,158,493	486	2,158,979
Interest rate related contracts	-	656,285	348	656,633
Equity and commodity related contracts	-	23,515	28,035	51,550
Credit related contracts	-	9	-	9
	3,937,056	101,403,095	852,944	106,193,095
Financial liabilities measured at fair value:				
Derivative liabilities	26,188	2,368,255	299,482	2,693,925
Foreign exchange related contracts	-	1,394,613	435	1,395,048
Interest rate related contracts	-	936,518	288,377	1,224,895
Equity and commodity related contracts	26,188	37,124	10,670	73,982

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A30. Fair Value Measurements of Financial Instruments (cont'd.)

Group	Quoted Market Price (Level 1) RM'000	Valuation technique using		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 31 December 2013				
Financial assets measured at fair value:				
Financial assets held-for-trading	722,702	6,689,677	576,574	7,988,953
Money market instruments	-	4,495,738	-	4,495,738
Non-money market instruments	722,702	2,193,939	576,574	3,493,215
Financial assets designated at fair value through profit or loss	-	11,020,675	156,937	11,177,612
Money market instruments	-	1,569,743	-	1,569,743
Non-money market instruments	-	9,450,932	156,937	9,607,869
Financial investments available-for-sale	2,906,759	79,263,823	666,340	82,836,922
Money market instruments	-	40,755,592	-	40,755,592
Non-money market instruments	2,906,759	38,508,231	666,340	42,081,330
Derivative assets	69	3,912,772	31,851	3,944,692
Foreign exchange related contracts	-	3,226,578	1,754	3,228,332
Interest rate related contracts	-	676,383	-	676,383
Equity and commodity related contracts	69	9,811	30,097	39,977
	3,629,530	100,886,947	1,431,702	105,948,179
Financial liabilities measured at fair value:				
Derivative liabilities	9,791	3,611,395	316,194	3,937,380
Foreign exchange related contracts	-	2,666,365	2,033	2,668,398
Interest rate related contracts	-	935,132	302,074	1,237,206
Equity and commodity related contracts	9,791	9,898	12,087	31,776

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A30. Fair Value Measurements of Financial Instruments (cont'd.)

Bank At 30 June 2014	Valuation technique using			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial assets held-for-trading	-	7,004,053	-	7,004,053
Money market instruments	-	3,912,932	-	3,912,932
Non-money market instruments	-	3,091,121	-	3,091,121
Financial investments available-for-sale	69,557	63,776,607	257,597	64,103,761
Money market instruments	-	32,841,400	-	32,841,400
Non-money market instruments	69,557	30,935,207	257,597	31,262,361
Derivative assets	-	2,807,285	11,105	2,818,390
Foreign exchange related contracts	-	2,132,328	435	2,132,763
Interest rate related contracts	-	652,370	-	652,370
Equity and commodity related contracts	-	22,587	10,670	33,257
	69,557	73,587,945	268,702	73,926,204

Financial liabilities measured at fair value:

Derivative liabilities	-	2,255,194	203,868	2,459,062
Foreign exchange related contracts	-	1,298,505	435	1,298,940
Interest rate related contracts	-	934,088	192,763	1,126,851
Equity and commodity related contracts	-	22,601	10,670	33,271

Bank At 31 December 2013	Valuation technique using			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial assets held-for-trading	-	5,546,091	-	5,546,091
Money market instruments	-	3,787,378	-	3,787,378
Non-money market instruments	-	1,758,713	-	1,758,713
Financial investments available-for-sale	171,192	64,029,334	332,271	64,532,797
Money market instruments	-	33,110,860	-	33,110,860
Non-money market instruments	171,192	30,918,474	332,271	31,421,937
Derivative assets	69	3,746,248	13,816	3,760,133
Foreign exchange related contracts	-	3,051,103	1,729	3,052,832
Interest rate related contracts	-	685,563	-	685,563
Equity and commodity related contracts	69	9,582	12,087	21,738
	171,261	73,321,673	346,087	73,839,021

Financial liabilities measured at fair value:

Derivative liabilities	-	3,405,922	226,542	3,632,464
Foreign exchange related contracts	-	2,472,211	1,729	2,473,940
Interest rate related contracts	-	924,346	212,726	1,137,072
Equity and commodity related contracts	-	9,365	12,087	21,452

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A30. Fair Value Measurements of Financial Instruments (cont'd.)

Valuation techniques

The valuation techniques used for the financial instruments that are not determined by reference to quoted prices (Level 1), are described below:

Derivatives

The fair values of the Group's and the Bank's derivative instruments are derived using discounted cash flows analysis, option pricing and benchmarking models.

Financial assets designated at fair value through profit or loss, financial assets held-for-trading and financial investments available-for-sale

The fair values of financial assets and financial investments are determined by reference to prices quoted by independent data providers and independent broker quotations.

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A30. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in level 3 of the fair value hierarchy:

Group	At 1 January	Total realised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in other comprehensive income	Purchases	Sales	Settlements**	Exchange differences	Transfer in to Level 3	Transfer out of Level 3	At 30 June
At 30 June 2014	2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets held-for-trading											
Non-money market instruments	576,574	(66)	6,819	-	-	(3,871)	-	-	-	(189,620)	389,836
	576,574	(66)	6,819	-	-	(3,871)	-	-	-	(189,620)	389,836
Financial assets designated at fair value through profit or loss											
Non-money market instruments	156,937	-	-	-	-	-	-	-	-	(156,937)	-
	156,937	-	-	-	-	-	-	-	-	(156,937)	-
Financial investments available-for-sale											
Non-money market instruments	666,340	107,962	-	(345)	98,217	(13,865)	(340,087)	(1,923)	2,991	(85,051)	434,239
	666,340	107,962	-	(345)	98,217	(13,865)	(340,087)	(1,923)	2,991	(85,051)	434,239
Derivative assets											
Foreign exchange related contracts	1,754	(2,507)	455	-	1,556	-	(772)	-	-	-	486
Interest rate related contracts	-	-	4,149	-	-	-	-	-	-	(3,801)	348
Equity and commodity related contracts	30,097	(3,620)	6,570	-	-	-	(5,012)	-	-	-	28,035
	31,851	(6,127)	11,174	-	1,556	-	(5,784)	-	-	(3,801)	28,869
Total Level 3 financial assets	1,431,702	101,769	17,993	(345)	99,773	(17,736)	(345,871)	(1,923)	2,991	(435,409)	852,944
Derivative liabilities											
Foreign exchange related contracts	(2,033)	2,599	(429)	-	(1,556)	-	984	-	-	-	(435)
Interest rate related contracts	(302,074)	-	27,584	-	(13,887)	-	-	-	-	-	(288,377)
Equity and commodity related contracts	(12,087)	3,600	(7,175)	-	-	-	4,992	-	-	-	(10,670)
Total Level 3 financial liabilities	(316,194)	6,199	19,980	-	(15,443)	-	5,976	-	-	-	(299,482)
Total net Level 3 financial assets/ (liabilities)	1,115,508	107,968	37,973	(345)	84,330	(17,736)	(339,895)	(1,923)	2,991	(435,409)	553,462

* Included within 'Non-interest income'.

** The settlement amount of financial investments available-for-sale for the financial period ended 30 June 2014 comprised redemption of loan stocks of RM340.1million.

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A30. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in level 3 of the fair value hierarchy: (cont'd)

Group	At 1 January 2013 RM'000	Total realised gains/(losses) recognised in income statements* RM'000	Total unrealised gains/(losses) recognised in income statements* RM'000	Total unrealised gains/(losses) recognised in other comprehensive income RM'000	Purchases RM'000	Sales RM'000	Settlements^ RM'000	Exchange differences RM'000	Transfer in to Level 3 RM'000	Transfer out of Level 3 RM'000	At 31 December 2013 RM'000
Financial assets held-for-trading											
Non-money market instruments	269,692	1,664	(13,909)	-	329,759	(10,632)	-	-	-	-	576,574
	269,692	1,664	(13,909)	-	329,759	(10,632)	-	-	-	-	576,574
Financial assets designated at fair value through profit or loss											
Non-money market instruments	228,547	(3,528)	7,073	-	-	(75,155)	-	-	-	-	156,937
	228,547	(3,528)	7,073	-	-	(75,155)	-	-	-	-	156,937
Financial investments available-for-sale											
Money market instruments	139,233	-	-	-	-	-	-	-	-	(139,233)	-
Non-money market instruments	645,606	(3,918)	-	(32,434)	79,310	(8,902)	(11,762)	(1,144)	10,613	(11,029)	666,340
	784,839	(3,918)	-	(32,434)	79,310	(8,902)	(11,762)	(1,144)	10,613	(150,262)	666,340
Derivative assets											
Foreign exchange related contracts	1,006	(2,535)	(5,088)	-	10,018	-	(1,647)	-	-	-	1,754
Interest rate related contracts	3,920	4,077	(1,421)	-	210	-	(6,786)	-	-	-	-
Equity and commodity related contracts	14,133	-	(1,963)	-	17,927	-	-	-	-	-	30,097
	19,059	1,542	(8,472)	-	28,155	-	(8,433)	-	-	-	31,851
Total Level 3 financial assets	1,302,137	(4,240)	(15,308)	(32,434)	437,224	(94,689)	(20,195)	(1,144)	10,613	(150,262)	1,431,702
Derivative liabilities											
Foreign exchange related contracts	(404)	1,779	4,510	-	(10,323)	-	2,405	-	-	-	(2,033)
Interest rate related contracts	(190,773)	(22,662)	8,898	-	(189,871)	-	92,334	-	-	-	(302,074)
Equity and commodity related contracts	(10,189)	-	854	-	(2,752)	-	-	-	-	-	(12,087)
Total Level 3 financial liabilities	(201,366)	(20,883)	14,262	-	(202,946)	-	94,739	-	-	-	(316,194)
Total net Level 3 financial assets/ (liabilities)	1,100,771	(25,123)	(1,046)	(32,434)	234,278	(94,689)	74,544	(1,144)	10,613	(150,262)	1,115,508

* Included within 'Non-interest income'.

^ The settlement amount of financial investments available-for-sale for the financial year ended 31 December 2013 included a redemption of capital investment of RM6.5 million.

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A30. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in level 3 of the fair value hierarchy: (cont'd)

Bank	At 1 January	Total realised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in other comprehensive income	Purchases	Sales	Settlements**	Exchange differences	Transfer in to Level 3	Transfer out of Level 3	At 30 June
At 30 June 2014	2014	statements*	statements*	income	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial investments available-for-sale											
Non-money market instruments	332,271	33,982	-	-	28,957	-	(135,690)	(1,923)	-	-	257,597
	332,271	33,982	-	-	28,957	-	(135,690)	(1,923)	-	-	257,597
Derivative assets											
Foreign exchange related contracts	1,729	(2,507)	429	-	1,556	-	(772)	-	-	-	435
Interest rate related contracts	-	-	3,801	-	-	-	-	-	-	(3,801)	-
Equity and commodity related contracts	12,087	(3,600)	7,175	-	-	-	(4,992)	-	-	-	10,670
	13,816	(6,107)	11,405	-	1,556	-	(5,764)	-	-	(3,801)	11,105
Total Level 3 financial assets	346,087	27,875	11,405	-	30,513	-	(141,454)	(1,923)	-	(3,801)	268,702
Derivative liabilities											
Foreign exchange related contracts	(1,729)	2,507	(429)	-	(1,556)	-	772	-	-	-	(435)
Interest rate related contracts	(212,726)	-	19,963	-	-	-	-	-	-	-	(192,763)
Equity and commodity related contracts	(12,087)	3,600	(7,175)	-	-	-	4,992	-	-	-	(10,670)
Total Level 3 financial liabilities	(226,542)	6,107	12,359	-	(1,556)	-	5,764	-	-	-	(203,868)
Total net Level 3 financial assets/ (liabilities)	119,545	33,982	23,764	-	28,957	-	(135,690)	(1,923)	-	(3,801)	64,834

* Included within 'Non-interest income'.

** The settlement amount of financial investments available-for-sale for the financial period ended 30 June 2014 comprised redemption of loan stocks of RM135.7 million.

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A30. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in level 3 of the fair value hierarchy: (cont'd)

Bank	At 1 January	Total realised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in income statements*	Total unrealised gains/(losses) recognised in other comprehensive income	Purchases	Sales	Settlements[^]	Transfer in to Level 3	Transfer out of Level 3	At 31 December 2013
At 31 December 2013	2013	recognised in	recognised in	comprehensive	RM'000	RM'000	RM'000	RM'000	RM'000	2013
	RM'000	RM'000	RM'000	income	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial investments available-for-sale										
Money market instruments	139,232	-	-	-	-	-	-	-	(139,232)	-
Non-money market instruments	323,804	(3,844)	-	-	24,310	-	(11,762)	-	(237)	332,271
	<u>463,036</u>	<u>(3,844)</u>	<u>-</u>	<u>-</u>	<u>24,310</u>	<u>-</u>	<u>(11,762)</u>	<u>-</u>	<u>(139,469)</u>	<u>332,271</u>
Derivative assets										
Foreign exchange related contracts	404	(1,779)	(4,509)	-	10,018	-	(2,405)	-	-	1,729
Interest rate related contracts	3,920	4,077	(1,421)	-	210	-	(6,786)	-	-	-
Equity related contracts	9,502	-	(167)	-	2,752	-	-	-	-	12,087
	<u>13,826</u>	<u>2,298</u>	<u>(6,097)</u>	<u>-</u>	<u>12,980</u>	<u>-</u>	<u>(9,191)</u>	<u>-</u>	<u>-</u>	<u>13,816</u>
Total Level 3 financial assets	<u>476,862</u>	<u>(1,546)</u>	<u>(6,097)</u>	<u>-</u>	<u>37,290</u>	<u>-</u>	<u>(20,953)</u>	<u>-</u>	<u>(139,469)</u>	<u>346,087</u>
Derivative liabilities										
Foreign exchange related contracts	(404)	1,779	4,509	-	(10,018)	-	2,405	-	-	(1,729)
Interest rate related contracts	(128,379)	(22,665)	4,897	-	(158,913)	-	92,334	-	-	(212,726)
Equity related contracts	(10,189)	-	854	-	(2,752)	-	-	-	-	(12,087)
Total Level 3 financial liabilities	<u>(138,972)</u>	<u>(20,886)</u>	<u>10,260</u>	<u>-</u>	<u>(171,683)</u>	<u>-</u>	<u>94,739</u>	<u>-</u>	<u>-</u>	<u>(226,542)</u>
Total net Level 3 financial assets/ (liabilities)	<u>337,890</u>	<u>(22,432)</u>	<u>4,163</u>	<u>-</u>	<u>(134,393)</u>	<u>-</u>	<u>73,786</u>	<u>-</u>	<u>(139,469)</u>	<u>119,545</u>

* Included within 'Non-interest income'.

[^] The settlement amount of financial investments available-for-sale for the financial year ended 31 December 2013 included a redemption of capital investment of RM6.5 million.

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A30. Fair Value Measurements of Financial Instruments (cont'd.)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the end of the reporting period.

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the financial half year ended 30 June 2014.

Movements in Level 3 financial instruments measured at fair value

During the financial half year ended 30 June 2014, the Group transferred certain financial investments available-for-sale from Level 2 into Level 3 of the fair value hierarchy. The reason for the transfer is that inputs to the valuation models ceased to be observable. Prior to the transfer, the fair value of the instruments was determined using observable market transactions or binding broker quotes for the same or similar instruments. Since the transfer, these instruments have been valued using valuation models incorporating significant unobservable market inputs.

The Group has transferred certain financial assets held-for-trading, financial assets designated at fair value through profit or loss, financial investments available-for-sale and derivatives out from Level 3 due to the market for some securities became more liquid, which led to a change in the method used to determine fair value. Prior to the transfer, the fair value of the instruments was determined using unobservable market transactions or binding broker quotes for the same or similar instruments. Since the transfer, these instruments have been valued using valuation models incorporating significant observable market inputs.

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A31. Credit Exposure Arising from Credit Transactions with Connected Parties

	Group		Bank	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Outstanding credit exposures with connected parties (RM'000)	<u>13,803,406</u>	<u>14,252,988</u>	<u>12,915,136</u>	<u>14,503,489</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>3.7%</u>	<u>4.0%</u>	<u>5.3%</u>	<u>6.1%</u>
Percentage of outstanding credit exposures to connected parties which is impaired or in default	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The credit exposures above are based on Paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

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A32. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business

Pursuant to Paragraph 11.5(iv) of Bank Negara Malaysia's Financial Reporting Policy issued on 28 June 2013, the breakdown of unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows:

(a) Unaudited Income Statements for the Financial Half Year Ended 30 June 2014

Group Six-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	226,593	205,724	151,416	164,220	27,520	20,881	81,893	64,032	487,422	454,857
Interest expense	-	-	-	-	-	-	(11,432)	-	(11,432)	-
Net interest income	226,593	205,724	151,416	164,220	27,520	20,881	70,461	64,032	475,990	454,857
Net income from insurance and takaful business	(284,683)	(347,756)	(225,417)	(227,986)	(30,238)	(47,859)	390,562	445,782	(149,776)	(177,819)
	(58,090)	(142,032)	(74,001)	(63,766)	(2,718)	(26,978)	461,023	509,814	326,214	277,038
Non-interest income	136,975	213,904	97,688	76,176	2,378	27,628	84,219	84,855	321,260	402,563
Net income	78,885	71,872	23,687	12,410	(340)	650	545,242	594,669	647,474	679,601
Overhead expenses	(71,805)	(71,060)	(19,971)	(16,650)	(511)	(547)	(213,944)	(199,105)	(306,231)	(287,362)
Operating profit before impairment losses	7,080	812	3,716	(4,240)	(851)	103	331,298	395,564	341,243	392,239
Allowances for impairment losses on loans, advances and financing, net	(1,030)	396	3,887	10,836	853	344	(1,595)	13,808	2,115	25,384
Impairment losses on financial investments, net	(6,050)	(1,208)	(7,603)	(6,596)	(2)	(447)	(2,114)	(2,115)	(15,769)	(10,366)
Operating profit	-	-	-	-	-	-	327,589	407,257	327,589	407,257
Share of profits in associates	-	-	-	-	-	-	262	310	262	310
Profit before taxation and zakat	-	-	-	-	-	-	327,851	407,567	327,851	407,567
Taxation and zakat	-	-	-	-	-	-	(94,839)	(126,012)	(94,839)	(126,012)
Profit for the period	-	-	-	-	-	-	233,012	281,555	233,012	281,555

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A32. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business (cont'd.)

Pursuant to Paragraph 11.5(iv) of Bank Negara Malaysia's Financial Reporting Policy issued on 28 June 2013, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows (cont'd.):

(b) Unaudited Statements of Financial Position as at 30 June 2014

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	As at 30 June 2014	As at 31 December 2013	As at 30 June 2014	As at 31 December 2013	As at 30 June 2014	As at 31 December 2013	As at 30 June 2014	As at 31 December 2013	As at 30 June 2014	As at 31 December 2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
Cash and short-term funds	72,995	55,313	53,984	90,009	43,694	53,033	257,475	140,250	428,148	338,605
Deposits and placements with financial institutions	748,771	902,179	507,706	493,643	36,939	319,559	1,372,170	1,379,348	2,665,586	3,094,729
Financial assets at fair value through profit or loss	8,917,734	8,546,946	4,261,361	4,571,735	-	-	-	-	13,179,095	13,118,681
Financial investments available-for-sale	1,067,700	1,190,548	3,253,521	2,781,462	1,337,674	1,039,781	3,519,195	3,165,842	9,178,090	8,177,633
Loans, advances and financing	277,831	276,629	5,211	7,309	-	-	32,213	33,181	315,255	317,119
Derivative assets	17,687	18,035	-	-	-	-	-	-	17,687	18,035
Reinsurance/retakaful assets and other insurance receivables	84,406	66,498	203,676	155,836	365,112	282,157	3,570,472	1,845,504	4,223,666	2,349,995
Other assets	38,840	33,576	22,741	4,216	786	7,671	35,235	89,232	97,602	134,695
Investment properties	525,750	524,392	-	-	-	-	51,041	51,062	576,791	575,454
Interest in associates and joint ventures	-	-	-	-	-	-	9,168	9,110	9,168	9,110
Property, plant and equipment	62,337	61,007	-	-	-	-	82,975	74,364	145,312	135,371
Intangible assets	12,139	15,961	-	67	-	3	18,928	11,482	31,067	27,513
Deferred tax assets	1,923	1,692	5,928	5,544	10,401	10,303	24,865	20,903	43,117	38,442
TOTAL ASSETS	11,828,113	11,692,776	8,314,128	8,109,821	1,794,606	1,712,507	8,973,737	6,820,278	30,910,584	28,335,382
LIABILITIES										
Derivative liabilities	-	2,961	-	-	-	-	-	-	-	2,961
Insurance/takaful contract liabilities and other insurance payables	9,778,383	9,811,717	8,127,882	7,779,115	1,603,119	1,485,201	4,479,678	2,724,106	23,989,062	21,800,139
Other liabilities #	1,981,654	1,822,276	182,197	326,024	186,770	222,254	(1,406,190)	(1,369,185)	944,431	1,001,369
Provision for taxation and zakat	33,081	12,054	2,822	(1,805)	(318)	(318)	(64,038)	21,934	(28,453)	31,865
Deferred tax liabilities	34,995	43,768	1,227	6,487	5,035	5,370	420,214	359,345	461,471	414,970
Subordinated obligations	-	-	-	-	-	-	811,149	510,184	811,149	510,184
TOTAL LIABILITIES	11,828,113	11,692,776	8,314,128	8,109,821	1,794,606	1,712,507	4,240,813	2,246,384	26,177,660	23,761,488
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE SUBSIDIARIES										
Share capital	-	-	-	-	-	-	252,005	252,005	252,005	252,005
Other reserves	-	-	-	-	-	-	4,480,919	4,321,889	4,480,919	4,321,889
	-	-	-	-	-	-	4,732,924	4,573,894	4,732,924	4,573,894
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,828,113	11,692,776	8,314,128	8,109,821	1,794,606	1,712,507	8,973,737	6,820,278	30,910,584	28,335,382

Included in other liabilities are the amounts due to/(from) life, general and investment-linked funds which are unsecured, not subject to any interest elements and are repayable on demand.

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A33. The Operations of Islamic Banking Scheme

A33a. Unaudited Income Statements for the Financial Half Year Ended 30 June 2014

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Income derived from investment of depositors' funds	1,307,099	1,108,402	2,566,068	2,125,970
Income derived from investment of Islamic Banking Funds	80,323	65,680	163,736	136,035
Allowance for impairment losses on financing and advances	(38,025)	(24,892)	(57,520)	(18,111)
Total distributable income	1,349,397	1,149,190	2,672,284	2,243,894
Income attributable to the depositors	(713,663)	(543,348)	(1,416,823)	(1,041,143)
Total net income	635,734	605,842	1,255,461	1,202,751
Finance cost	(26,954)	(10,377)	(37,503)	(20,926)
Overhead expenses	(267,835)	(216,768)	(551,374)	(440,288)
Profit before taxation and zakat	340,945	378,697	666,584	741,537
Taxation	(79,290)	(88,605)	(158,781)	(175,853)
Zakat	(5,493)	(4,050)	(10,754)	(7,279)
Profit for the period	256,162	286,042	497,049	558,405

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

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Income derived from investment of depositors' funds	1,307,099	1,108,402	2,566,068	2,125,970
Income derived from investment of Islamic Banking Funds	80,323	65,680	163,736	136,035
Total income before allowance for impairment losses on financing and advances and overhead expenses	1,387,422	1,174,082	2,729,804	2,262,005
Income attributable to the depositors	(713,663)	(543,348)	(1,416,823)	(1,041,143)
	673,759	630,734	1,312,981	1,220,862
Finance cost	(26,954)	(10,377)	(37,503)	(20,926)
Net of intercompany income and expenses	162,442	45,774	342,173	85,513
Income from Islamic Banking Scheme	809,247	666,131	1,617,651	1,285,449

A33b. Unaudited Statements of Comprehensive Income for the Financial Half Year Ended 30 June 2014

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Profit for the period	256,162	286,042	497,049	558,405
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net gain/(loss) on financial investments available-for-sale	13,402	(63,753)	17,358	(71,245)
Foreign currency translation	(32,773)	8,320	(8,118)	46,680
Income tax effect	(3,888)	15,505	(5,087)	17,351
Other comprehensive (loss)/income for the period, net of tax	(23,259)	(39,928)	4,153	(7,214)
Total comprehensive income for the period	232,903	246,114	501,202	551,191

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A33. The Operations of Islamic Banking Scheme (cont'd.)

A33c. Unaudited Statements of Financial Position as at 30 June 2014

<u>Group</u>	Note	30 June 2014 RM'000	31 December 2013 RM'000
ASSETS			
Cash and short-term funds		18,605,719	17,763,716
Deposits and placements with financial institutions		597	63,380
Financial investments portfolio		8,832,400	9,193,509
Financing and advances	A33e	95,041,992	87,395,117
Derivative assets		107,794	134,141
Other assets		8,291,303	9,101,475
Statutory deposit with central banks		3,458,000	3,084,000
Property, plant and equipment		1,043	1,203
Intangible assets		1,080	1,520
Deferred tax assets		61,310	268,231
Total Assets		134,401,238	127,006,292
LIABILITIES			
Deposits from customers	A33f	92,317,490	83,376,255
Deposits and placements from financial institutions		29,742,161	33,431,855
Bills and acceptances payable		64,503	62,124
Derivatives liabilities		225,476	247,952
Other liabilities		745,678	278,481
Recourse obligation on financing sold to Cagamas		527,277	620,976
Provision for taxation and zakat		28,602	206,479
Subordinated sukuk	A33g	2,526,833	1,010,782
Total Liabilities		126,178,020	119,234,904
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		1,358,902	1,278,853
Share premium		4,099,343	3,725,969
Retained profits		2,432,325	2,445,492
Other reserves		332,648	321,074
		8,223,218	7,771,388
Total Liabilities and Islamic Banking Capital Funds		134,401,238	127,006,292
COMMITMENTS AND CONTINGENCIES			
		33,346,615	34,079,257

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A33. The Operations of Islamic Banking Scheme (cont'd.)

A33d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2014

<u>Group</u>	----- Non-distributable ----->									<u>Total</u> RM'000
	<u>Islamic Banking Funds</u> RM'000	<u>Share Premium</u> RM'000	<u>Unrealised Holding Reserve</u> RM'000	<u>Exchange Fluctuation Reserve</u> RM'000	<u>Statutory Reserve</u> RM'000	<u>*Equity contribution from the holding company</u> RM'000	<u>Profit Equalisation Reserve</u> RM'000	<u>Defined Benefit Reserve</u> RM'000	<u>Distributable Retained Profits</u> RM'000	
At 1 January 2014	1,278,853	3,725,969	(124,889)	328	409,672	1,697	34,456	(190)	2,445,492	7,771,388
Profit for the period	-	-	-	-	-	-	-	-	497,049	497,049
Other comprehensive income/(loss)	-	-	12,271	(8,118)	-	-	-	-	-	4,153
Total comprehensive income/(loss) for the period	-	-	12,271	(8,118)	-	-	-	-	497,049	501,202
Transfer from/(to) Head Office	52,675	-	-	7,421	-	-	-	-	(2,111)	57,985
Issue of ordinary shares	27,374	373,374	-	-	-	-	-	-	-	400,748
Dividends paid	-	-	-	-	-	-	-	-	(508,105)	(508,105)
At 30 June 2014	1,358,902	4,099,343	(112,618)	(369)	409,672	1,697	34,456	(190)	2,432,325	8,223,218

<u>Group</u>	----- Non-distributable ----->									<u>Total</u> RM'000
	<u>Islamic Banking Funds</u> RM'000	<u>Share Premium</u> RM'000	<u>Unrealised Holding Reserve</u> RM'000	<u>Exchange Fluctuation Reserve</u> RM'000	<u>Statutory Reserve</u> RM'000	<u>*Equity contribution from the holding company</u> RM'000	<u>Profit Equalisation Reserve</u> RM'000	<u>Defined Benefit Reserve</u> RM'000	<u>Distributable Retained Profits</u> RM'000	
At 1 January 2013	863,719	2,687,480	36,751	(1,033)	147,338	1,697	34,456	(190)	1,714,977	5,485,195
Profit for the period	-	-	-	-	-	-	-	-	558,405	558,405
Other comprehensive (loss)/income	-	-	(53,894)	46,680	-	-	-	-	-	(7,214)
Total comprehensive (loss)/income for the period	-	-	(53,894)	46,680	-	-	-	-	558,405	551,191
Transfer from/(to) Head Office	136,757	-	-	(45,243)	-	-	-	-	1,354	92,868
At 30 June 2013	1,000,476	2,687,480	(17,143)	404	147,338	1,697	34,456	(190)	2,274,736	6,129,254

* Arose from waiver of intercompany balance between respective subsidiaries on the instruction of the holding company.

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A33. The Operations of Islamic Banking Scheme (cont'd.)

A33e. Financing and Advances

Group	Bai'	Murabahah	Musyarakah	Al-Ijarah Thummah	Ijarah	Istisna'	Others	Total Financing and Advances
As at 30 June 2014	RM'000	RM'000	RM'000	Al-Bai (AITAB) RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	2,860,956	-	-	-	471	-	2,861,427
Term financing								
- Housing financing	23,256,598	30,577,809	2,800,353	-	-	-	-	56,634,760
- Syndicated financing	-	50,260	13,284	-	-	-	-	63,544
- Hire purchase receivables	-	-	-	29,576,130	-	-	-	29,576,130
- Other term financing	46,128,768	28,726,219	1,892,362	-	186,713	178,959	532	77,113,553
Bills receivables	-	205	-	-	-	-	-	205
Trust receipts	-	159,016	-	-	-	-	-	159,016
Claims on customers under acceptance credits	-	3,637,454	-	-	-	-	-	3,637,454
Staff financing	1,029,162	334,814	9,510	117,290	-	-	37,023	1,527,799
Credit card receivables	-	-	-	-	-	-	397,759	397,759
Revolving credit	-	6,777,886	-	-	-	-	-	6,777,886
	70,414,528	73,124,619	4,715,509	29,693,420	186,713	179,430	435,314	178,749,533
Unearned income								(82,908,960)
Gross financing and advances*								95,840,573
Allowances for impaired financing and advances:								
- Individual allowance								(187,658)
- Collective allowance								(610,923)
Net financing and advances								95,041,992

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A33. The Operations of Islamic Banking Scheme (cont'd.)

A33e. Financing and Advances (cont'd.)

Group	Bai'	Murabahah	Musarakah	Al-Ijarah	Ijarah	Istisna'	Others	Total
As at 31 December 2013	RM'000	RM'000	RM'000	Al-Bai (AITAB)	RM'000	RM'000	RM'000	Financing
				RM'000				and
								Advances
								RM'000
Cashline	-	2,762,316	-	-	-	630	-	2,762,946
Term financing								
- Housing financing	22,881,526	18,521,856	2,726,672	-	-	-	-	44,130,054
- Syndicated financing	-	420,933	24,071	-	-	-	-	445,004
- Hire purchase receivables	-	-	-	26,432,037	-	-	-	26,432,037
- Other term financing	46,254,057	24,733,658	1,953,048	-	214,442	180,206	934	73,336,345
Bills receivables	-	3,241	-	-	-	-	474	3,715
Trust receipts	-	198,607	-	-	-	-	-	198,607
Claims on customers under acceptance credits	-	3,978,452	-	-	-	-	-	3,978,452
Staff financing	1,070,418	188,580	9,646	100,524	-	-	37,407	1,406,575
Credit card receivables	-	-	-	-	-	-	424,425	424,425
Revolving credit	-	6,096,862	-	-	-	-	-	6,096,862
	<u>70,206,001</u>	<u>56,904,505</u>	<u>4,713,437</u>	<u>26,532,561</u>	<u>214,442</u>	<u>180,836</u>	<u>463,240</u>	<u>159,215,022</u>
Unearned income								(71,055,879)
Gross financing and advances*								88,159,143
Allowances for impaired financing and advances:								
- Individual allowance								(172,880)
- Collective allowance								(591,146)
Net financing and advances								<u>87,395,117</u>

* Included in gross financing and advances are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA") amounting to RM8,708.5 million (31 December 2013: RM8,328.8 million), an arrangement between Maybank Islamic Berhad ("MIB") and the Bank, where the risks and rewards of the RPSIA will be accounted for by the Bank including the individual and collective allowances for the impaired financing arising thereon.

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A33. The Operations of Islamic Banking Scheme (cont'd.)

A33e. Financing and Advances (cont'd.)

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

<u>Group</u>	30 June 2014 RM'000	31 December 2013 RM'000
Gross impaired financing and advances at 1 January 2014/2013	531,627	531,048
Newly impaired	321,195	533,271
Reclassified as non-impaired	(80,097)	(218,605)
Amount recovered	(154,196)	(245,716)
Amount written off	(42,164)	(73,313)
Expenses debited to customers' accounts	2,585	4,942
Gross impaired financing and advances at 30 June 2014/31 December 2013	<u>578,950</u>	<u>531,627</u>
Less: Individual allowance	<u>(187,658)</u>	<u>(172,880)</u>
Net impaired financing and advances at 30 June 2014/31 December 2013	<u>391,292</u>	<u>358,747</u>
Gross financing and advances (excluding RPSIA financing)	87,132,105	79,830,300
Less: Individual allowance	(187,658)	(172,880)
Net financing and advances	<u>86,944,447</u>	<u>79,657,420</u>
Net impaired financing and advances as a percentage of net financing and advances	<u>0.45%</u>	<u>0.45%</u>

(ii) Movements in the allowances for impaired financing and advances are as follows:

<u>Group</u>	30 June 2014 RM'000	31 December 2013 RM'000
<u>Individual allowance</u>		
At 1 January 2014/2013	172,880	95,836
Allowance made	52,797	97,931
Amount written back in respect of recoveries	(7,003)	(19,419)
Amount written off	(31,065)	-
Transferred to collective allowance	-	(74)
Exchange differences	49	(1,394)
At 30 June 2014/31 December 2013	<u>187,658</u>	<u>172,880</u>
<u>Collective allowance</u>		
At 1 January 2014/2013	591,146	607,837
Allowance made *	46,284	56,839
Amount written off	(21,634)	(73,313)
Transferred from individual allowance	-	74
Transferred to holding company	(4,646)	-
Exchange differences	(227)	(291)
At 30 June 2014/31 December 2013	<u>610,923</u>	<u>591,146</u>
As a percentage of gross financing and advances (excluding RPSIA financing) less individual allowance	<u>0.70%</u>	<u>0.74%</u>

* As at 30 June 2014, the gross exposures to RPSIA financing of RM8,708.5 million (31 December 2013: RM8,328.8 million) is excluded from gross financing and advances for the individual and collective allowances computation. The collective allowance relating to this RPSIA amounting to RM26.4 million (31 December 2013: RM27.8 million) is recognised in the Group's conventional operations. There is no individual allowance provided for this RPSIA financing.

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A33. The Operations of Islamic Banking Scheme (cont'd.)

A33f. Deposits from Customers

<u>Group</u>	30 June 2014 RM'000	31 December 2013 RM'000
Savings deposit		
Wadiah	9,848,419	8,878,413
Mudharabah	840,359	741,952
	<u>10,688,778</u>	<u>9,620,365</u>
Demand deposit		
Wadiah	8,920,979	8,178,609
Mudharabah	10,085,555	9,221,790
	<u>19,006,534</u>	<u>17,400,399</u>
Term deposit		
Murabahah	38,421,048	40,652,099
Negotiable Islamic Debt Certificated (NIDC)		
- Mudharabah	127,351	143,345
Hybrid (Bai' Bithaman Ajil and Murabahah)	579,694	505,255
General investment account		
- Mudharabah	23,494,085	15,054,792
	<u>62,622,178</u>	<u>56,355,491</u>
Total deposits from customers	<u>92,317,490</u>	<u>83,376,255</u>

A32g. Subordinated Sukuk

<u>Group</u>	30 June 2014 RM'000	31 December 2013 RM'000
RM1.0 billion Islamic subordinated Sukuk due in 2021	1,010,435	1,010,782
RM1.5 billion Islamic subordinated Sukuk Murabahah due in 2024	1,516,398	-
	<u>2,526,833</u>	<u>1,010,782</u>

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

B1. Performance Review

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date

The Group posted profit after tax attributable to equity holders of RM3,177.1 million for the six-month financial period ended 30 June 2014, an increase of RM103.2 million or 3.4% over the corresponding six-month financial period ended 30 June 2013.

The Group's net interest income and Islamic Banking income for the six-month financial period ended 30 June 2014 increased by RM323.6 million or 5.3% to RM6,417.9 million compared to the corresponding six-month financial period ended 30 June 2013. This was largely due to the 13.0% year-on-year growth in the Group's net loans, advances and financing, mainly contributed from Islamic Banking operations.

The Group's net loss from insurance and takaful business for the six-month financial period ended 30 June 2014 decreased by RM32.8 million to RM100.4 million compared to a net loss from insurance and takaful business of RM133.2 million in the corresponding six-month financial period ended 30 June 2013. The decrease was mainly attributable to lower net benefits and claims and lower net fee and commission expenses of RM296.8 million and RM56.7 million respectively. However, this was offset by lower net earned premiums of RM310.9 million.

Non-interest income of the Group for the six-month financial period ended 30 June 2014 recorded a decrease of RM472.6 million or 15.4% to RM2,597.0 million. The decrease was mainly due to lower gain on disposal of financial investments available-for-sale of RM285.8 million, lower gain on disposal of financial assets at fair value through profit or loss ("FVTPL") of RM93.2 million and lower foreign exchange gain of RM489.2 million. The decrease was, however, mitigated by unrealised gain on revaluation of financial assets at FVTPL and derivatives of RM198.5 million as compared to unrealised loss on revaluation of financial assets at FVTPL and derivatives of RM300.1 in the corresponding six-month financial period ended 30 June 2013.

The Group's overhead expenses for the six-month financial period ended 30 June 2014 recorded a decrease of RM117.5 million or 2.7% to RM4,254.8 million compared to the corresponding six-month financial period ended 30 June 2013. The decrease in overhead expenses was mainly due to lower personnel expenses of RM120.9 million and lower administration and general expenses of RM45.9 million. The decrease was, however, offset by higher establishment costs of RM39.3 million and higher marketing expenses of RM10.0 million.

The Group's allowance for impairment losses on loans, advances and financing decreased by RM149.1 million to RM364.5 million for the six-month financial period ended 30 June 2014. The decrease was mainly due to lower individual allowance ("IA") made and higher IA written back for the six-month financial period ended 30 June 2014. The Group's collective allowance ("CA") ratio increased to 1.09% as at 30 June 2014 compared to 1.06% as at 31 December 2013.

The Group had written back impairment losses on financial investments of RM85.6 million for the six-month financial period ended 30 June 2014 due to recoveries from impaired loan stocks, compared to allowance made for impairment losses on financial investments of RM6.4 million in the corresponding six-month financial period ended 30 June 2013.

The improvement in the Group's profit before tax for the six-month financial period ended 30 June 2014 as compared to the corresponding six-month financial period ended 30 June 2013 is further segmented based on the operating segments of the Group as follows:

Community Financial Services ("CFS"), Malaysia

CFS' profit before tax increased by RM367.5 million or 22.7% to RM1,986.8 million for the six-month financial period ended 30 June 2014 from RM1,619.3 million in the corresponding six-month financial period ended 30 June 2013. The increase was driven by net writeback of impairment losses on loans, advances and financing of RM195.1 million, higher net interest income and Islamic Banking income of RM82.8 million arising from strong year-on-year loan growth in unit trust loans of 12.9%, auto finance of 12.7% and mortgage of 11.5%, lower overhead expenses of RM58.8 million and higher non-interest income of RM30.7 million.

Global Banking

a) Corporate Banking, Malaysia

Corporate Banking's profit before tax increased by RM93.1 million or 16.0% to RM674.6 million for the six-month financial period ended 30 June 2014 from RM581.5 million in the corresponding six-month financial period ended 30 June 2013. The increase was driven by lower allowance made for impairment losses on loans, advances and financing of RM90.4 million, higher net interest income and Islamic Banking income of RM19.8 million and higher non-interest income of RM9.7 million. This increase was, however, offset by higher overhead expenses of RM26.8 million.

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B1. Performance Review (cont'd.)

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date (cont'd.)

Global Banking (cont'd.)

b) Global Markets, Malaysia

Global Markets' profit before tax decreased by RM62.6 million or 7.8% to RM741.5 million for the six-month financial period ended 30 June 2014 from RM804.1 million in the corresponding six-month financial period ended 30 June 2013. The decrease was mainly due to lower non-interest income of RM126.4 million. This decrease was, however, mitigated by lower overhead expenses of RM34.4 million and higher net writeback of impairment losses on financial investments of RM26.5 million.

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

Investment Banking's profit before tax decreased by RM134.7 million or 54.0% to RM114.6 million for the six-month financial period ended 30 June 2014 from RM249.3 million in the corresponding six-month financial period ended 30 June 2013. The decrease was due to lower non-interest income of RM175.3 million primarily from lower brokerage and underwriting income. This decrease was, however, mitigated by lower overhead expenses of RM47.7 million, lower impairment losses on financial investments of RM5.6 million and higher writeback of impairment losses on loans, advances and financing of RM5.2 million.

International Banking

International Banking's profit before tax increased by RM134.9 million or 11.3% to RM1,331.6 million for the six-month financial period ended 30 June 2014 from RM1,196.7 million in the corresponding six-month financial period ended 30 June 2013. The increase was driven by higher net interest income of RM220.0 million and higher writeback of impairment losses on financial investments of RM65.3 million. This increase was, however, offset by higher impairment losses on loans, advances and financing of RM118.5 million, lower non-interest income of RM19.3 million and higher overhead expenses of RM10.0 million.

Higher net interest income was mainly contributed by strong year-on-year loan growth of 66.6% at Maybank Labuan operations, 39.4% at Greater China and 21.9% at Singapore.

Insurance, Takaful and Asset Management

Insurance, Takaful and Asset Management registered a decrease in profit before tax of RM45.5 million or 10.5% to RM388.6 million for the six-month financial period ended 30 June 2014 from RM434.1 million in the corresponding six-month financial period ended 30 June 2013. The decrease was mainly due to lower non-interest income of RM85.6 million, higher impairment losses on loans, advances and financing of RM23.1 million and higher impairment losses on financial investments of RM5.4 million. This decrease was, however, mitigated by higher net income from insurance and takaful business of RM32.8 million, higher net interest income of RM22.4 million and lower overhead expenses of RM13.4 million.

(ii) Current Quarter vs Previous Period Corresponding Quarter

The Group posted profit after tax attributable to equity holders of RM1,575.5 million for the quarter ended 30 June 2014, an increase of RM7.8 million or 0.5% over the previous period corresponding quarter ended 30 June 2013.

The Group's net interest income and Islamic Banking income for the quarter ended 30 June 2014 increased by RM169.0 million or 5.5% compared to the previous period corresponding quarter ended 30 June 2013. This was largely due to the growth in the Group's net loans, advances and financing, mainly contributed from Islamic Banking operations.

The Group's net loss from insurance and takaful business for the quarter ended 30 June 2014 increase by RM47.2 million to RM102.2 million compared to the previous period corresponding quarter ended 30 June 2013. The increase was mainly attributable to lower net earned premiums of RM106.2 million. However, this was mitigated by lower net benefits and claims and lower net fee and commission expenses of RM34.3 million and RM43.4 million respectively.

The Group's non-interest income for the quarter ended 30 June 2014 decreased by RM340.5 million or 20.0% compared to the previous period corresponding quarter ended 30 June 2013. The decrease was mainly contributed by net foreign exchange loss in current quarter of RM78.7 million as compared to net foreign exchange gain of RM407.8 million in previous period corresponding quarter and lower gain on disposal of financial assets at FVTPL and financial investments available-for-sale of RM206.1 million. The decrease was, however, mitigated by higher unrealised gain on revaluation of financial assets at FVTPL and derivatives of RM334.8 million.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter (cont'd.)

The Group's overhead expenses for the quarter ended 30 June 2014 decreased by RM127.9 million or 5.8% compared to the previous period corresponding quarter ended 30 June 2013. The decrease was mainly contributed by the decrease in personnel expenses of RM136.7 million and administration and general expenses of RM59.4 million. The decrease was, however, offset by higher establishment cost and marketing expenses of RM30.7 million and RM37.5 million respectively.

The Group's allowance for impairment losses on loans, advances and financing for the quarter ended 30 June 2014 decreased by RM273.3 million compared to the previous period corresponding quarter ended 30 June 2013. The decrease was mainly due to lower net individual allowance made and lower net collective allowance made of RM204.4 million and RM118.1 million respectively.

The improvement in the Group's profit before tax for the quarter ended 30 June 2014 as compared to the previous period corresponding quarter ended 30 June 2013 is further segmented based on the operating segments of the Group as follows:

Community Financial Services ("CFS"), Malaysia

CFS' profit before tax increased by RM243.8 million or 30.9% to RM1,032.6 million for the quarter ended 30 June 2014 from RM788.8 million in the previous period corresponding quarter ended 30 June 2013. The increase was driven by writeback of impairment losses on loans, advances and financing of RM3.7 million for the quarter ended 30 June 2014, compared to allowance made for impairment losses on loans, advances and financing of RM98.3 million in the previous period corresponding quarter ended 30 June 2013, lower overhead expenses of RM73.6 million, higher net interest income and Islamic Banking income of RM54.8 million or 3.9% arising from strong year-on-year loan growth in unit trust loans of 12.9%, auto finance of 12.7% and mortgage of 11.5% and higher non-interest income of RM13.5 million.

Global Banking

a) Corporate Banking, Malaysia

Corporate Banking's profit before tax increased by RM323.8 million to RM450.4 million for the quarter ended 30 June 2014 from RM126.6 million in the previous period corresponding quarter ended 30 June 2013. The increase was driven by higher writeback of impairment losses on loans, advances and financing of RM292.0 million, higher net interest income and Islamic Banking income of RM21.2 million, higher non-interest income of RM8.9 million and lower overhead expenses of RM1.7 million.

b) Global Markets, Malaysia

Global Markets' profit before tax decreased by RM73.7 million or 17.7% to RM342.3 million for the quarter ended 30 June 2014 from RM416.0 million in the previous period corresponding quarter ended 30 June 2013. The decrease was mainly due to lower non-interest income of RM106.4 million or 38.2% primarily from lower gains on trading activities (securities portfolio, interest rate derivatives and rates trading) and lower net interest income of RM8.6 million. This decrease was, however, mitigated by lower overhead expenses of RM33.9 million and writeback of impairment losses on financial investments of RM0.6 million compared to allowance made for impairment losses on financial investments of RM6.8 million in the previous period corresponding quarter ended 30 June 2013.

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

Investment Banking's profit before tax decreased by RM39.5 million or 33.5% to RM78.5 million for the quarter ended 30 June 2014 from RM118.0 million in the corresponding quarter ended 30 June 2013. The decrease was due to lower non-interest income of RM50.1 million primarily from lower brokerage and underwriting income, higher impairment losses on financial investments of RM4.0 million and higher impairment losses on loans, advances and financing of RM1.9 million. This decrease was, however, mitigated by lower overhead expenses of RM15.3 million and higher net interest income and Islamic Banking income of RM1.4 million.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter (cont'd.)

International Banking

International Banking's profit before tax decreased by RM6.7 million or 1.1% to RM606.9 million for the quarter ended 30 June 2014 from RM613.6 million in the previous period corresponding quarter ended 30 June 2013. The decrease was due to higher allowance made for impairment losses on loans, advances and financing of RM113.9 million, lower non-interest income of RM45.1 million, higher overhead expenses of RM9.6 million and allowance made for impairment losses on financial investments of RM6.4 million compared to a writeback of impairment losses on financial investments of RM1.9 million in the previous period corresponding quarter ended 30 June 2013. This decrease was, however, mitigated by higher net interest income of RM174.4 million.

Higher net interest income was mainly contributed by strong year-on-year loan growth of 66.6% at Maybank Labuan operations, 39.4% at Greater China and 21.9% at Singapore.

Insurance, Takaful and Asset Management

Insurance, Takaful and Asset Management registered a decrease in profit before tax of RM15.1 million or 6.3% to RM222.7 million for the quarter ended 30 June 2014 from RM237.8 million in the previous period corresponding quarter ended 30 June 2013. The decrease was mainly due to lower net income from insurance and takaful business of RM47.2 million, higher allowance for impairment losses on financial investments of RM15.4 million, higher allowance for impairment losses on loans, advances and financing of RM4.8 million. This decrease was, however, mitigated by higher net interest income of RM19.8 million, higher non-interest income of RM19.5 million and lower overhead expenses of RM13.1 million.

B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax attributable to equity holders in this quarter ended 30 June 2014 decreased by RM26.1 million or 1.6% to RM1,575.5 million against the preceding quarter ended 31 March 2014.

The Group's net interest income for the quarter ended 30 June 2014 increased by RM14.6 million or 0.6% to RM2,407.4 million against the preceding quarter of RM2,392.8 million. Income from Islamic Banking Scheme operations increased by RM0.8 million to RM809.2 million for the quarter ended 30 June 2014.

The Group's net income from insurance and takaful business for the quarter ended 30 June 2014 decreased by RM104.0 million to a net loss of RM102.2 million compared to a net income of RM1.8 million in the preceding quarter ended 31 March 2014.

Non-interest income of the Group for the quarter ended 30 June 2014 increased by RM132.8 million or 10.8% to RM1,364.9 million compared to RM1,232.1 million in the preceding quarter ended 31 March 2014. The increase was mainly due to unrealised gain on revaluation of financial assets at FVTPL and derivatives of RM256.9 million for the quarter ended 30 June 2014 compared to unrealised loss of RM58.5 million in the preceding quarter ended 31 March 2014 and higher fee income of RM116.8 million. This increase was, however, offset by a net foreign exchange loss of RM78.7 million for the quarter ended 30 June 2014 compared to a net foreign exchange gain of RM190.0 million in the preceding quarter ended 31 March 2014 and lower gain on disposal of financial investments available-for-sale of RM77.9 million.

The Group posted a decrease of RM82.0 million or 3.8% in overhead expenses to RM2,086.4 million for the quarter ended 30 June 2014 compared to RM2,168.4 million in the preceding quarter ended 31 March 2014. The decrease was mainly due to lower personnel expenses and lower administration and general expenses of RM94.5 million and RM83.4 million respectively. This decrease was, however, offset by higher establishment costs and marketing expenses of RM38.6 million and RM57.3 million respectively.

The Group's allowance for impairment losses on loans, advances and financing for the quarter ended 30 June 2014 decreased by RM55.7 million over the preceding quarter ended 31 March 2014. The decrease was mainly due to lower CA made and IA made of RM115.1 million and RM21.5 million respectively. The decrease was, however, offset by lower IA written back of RM79.0 million.

The Group posted an allowance made for impairment losses on financial investments of RM29.1 million for the quarter ended 30 June 2014 compared to a writeback of impairment losses on financial investments of RM114.7 million in the preceding quarter ended 31 March 2014. The significant writeback of impairment losses on financial investments in the preceding quarter ended 31 March 2014 was attributable to recoveries from impaired loan stocks.

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B3. Prospects

The global economy is expected to grow by 3.4% in 2014 from 3.2% in 2013. The major advanced economies – US, Europe and Japan – simultaneously expanded for the first time since 2010 amid continued sub-8% expansion in China and the generally lackluster growth in other large emerging economies. Economic growth trends in ASEAN are expected to be mixed, reflecting the tailwinds from firmer external demand and headwinds to domestic demand that include structural challenges, macroeconomic policy adjustments and political uncertainty.

Malaysia's macroeconomic outlook is positive given the robust growth momentum (GDP 2014E: 6.0%; 2013: 4.7%), tightening fiscal policy by reduction in energy subsidies and the impending implementation of Goods and Services Tax ("GST") to address the budget deficit. However, the fiscal consolidation measures are expected to create some inflationary pressures. This has prompted Bank Negara Malaysia to raise the Overnight Policy Rate by 25bps in July 2014. We expect another 25bps hike in September or November this year.

One of the Group's strategic priorities is to accelerate the pace of regionalisation. An enhanced organisation structure was introduced on 1 January 2014, which was designed to improve synergies throughout the Maybank Group. A new matrix structure was introduced within the organisation to ensure that greater value and collaboration is achieved in the markets that we operate in. It was also supported by greater alignment of information technology, operating policies and processes.

In Malaysia, the banking system's loans growth came in at 10.6% YoY in December 2013, supported by household loans growth of 12% YoY. For 2014, the industry is expected to grow at 9%-10% on the back of an improved GDP outlook, in part by expectations of a moderation in household loan demand. Nonetheless, Maybank's operations are expected to perform ahead of the industry.

In Singapore, the economy expanded by 3.6% in 1H 2014, consistent with the forecast of a slower 3.3% full-year GDP growth in 2014 (2013: 4.1%) as the pick-up in external demand from the improving global economic conditions is tempered by domestic challenges arising from structural and cyclical factors such as demography, costs, competitiveness and property downturn. Industry loan growth is expected to moderate to 9%-10% in 2014 due to slower housing loan growth at 4%-6%, reflecting a slowing property market, but will be compensated by strong business loan growth of 12%-14%. The Group will continue to implement strategies to capture greater synergies across its Singapore-based entities to optimise business opportunities from its combined customer base. It will focus on enlarging domestic and regional client coverage, as well as rolling out regional financial services and solutions, including wealth management, cash management and global markets.

In Indonesia, GDP growth in 1H 2014 was 5.2% YoY, in line with the full-year forecast of 5.2% (2013: 5.8%) amid a "political year" following the Parliament and Presidential elections in April 2014 and July 2014 respectively. Maybank Group will continue to realise opportunities from an expanded network and drive loan and deposit growth across all its business segments.

The deepening of Maybank's business portfolio in the region is another near-term priority for the Group in 2014. It includes improving client interface within the Global Banking business, providing cross border banking solutions via the Maybank Islamic business and expansion of insurance and takaful services in other markets. Additionally, the Group continues to focus on controlling cost and improving productivity to enhance profit.

The Group has remained proactive in capital management and planning in order to support its strategic agenda and regionalisation initiatives and thereby enhancing shareholders' value. As usual, the Group will continue to maintain capital levels sufficiently above the regulatory minimum capital requirements as prescribed under Bank Negara Malaysia's Capital Adequacy Framework (Capital Components) issued on 28 November 2012. With prudent capital planning and proactive capital management across the Group, the Group is confident that its common equity Tier 1 ("CET1") capital ratio will be well ahead of the minimum level of 7% (inclusive of capital conservation buffer) as required by 2019.

Barring any unforeseen circumstances, the Group expects its financial performance for the financial year ending 31 December 2014 to remain satisfactory.

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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 second quarter and 6 months ended 30 June 2014.

B5. Tax Expense and Zakat

The analysis of the tax expense for the second quarter and 6 months ended 30 June 2014 are as follows:

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Group				
Malaysian income tax	433,006	404,181	733,444	894,189
Foreign income tax	70,315	48,086	86,949	131,351
	<u>503,321</u>	<u>452,267</u>	<u>820,393</u>	<u>1,025,540</u>
Under/(over) provision in respect of prior period:				
Malaysian income tax	33,240	(122,709)	(135,184)	(124,404)
Foreign income tax	1,915	(170)	1,160	(5,629)
	<u>538,476</u>	<u>329,388</u>	<u>686,369</u>	<u>895,507</u>
Deferred tax expense				
- Origination and reversal of temporary differences	81,825	133,612	500,660	131,585
	<u>81,825</u>	<u>133,612</u>	<u>500,660</u>	<u>131,585</u>
Tax expense for the period	<u>620,301</u>	<u>463,000</u>	<u>1,187,029</u>	<u>1,027,092</u>
Zakat	7,687	2,940	14,248	7,279
	<u>627,988</u>	<u>465,940</u>	<u>1,201,277</u>	<u>1,034,371</u>

The Group's effective tax rate for the second quarter and 6 months ended 30 June 2014 was higher than the statutory tax rate due to the effects of certain non-deductible expenses.

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014 RM'000	30 June 2013 RM'000	30 June 2014 RM'000	30 June 2013 RM'000
Bank				
Malaysian income tax	322,071	232,829	546,484	581,715
Foreign income tax	1,052	(3,336)	1,461	2,555
	<u>323,123</u>	<u>229,493</u>	<u>547,945</u>	<u>584,270</u>
Under/(over) provision in respect of prior period:				
Malaysian income tax	33,240	(118,347)	66,480	(118,347)
	<u>356,363</u>	<u>111,146</u>	<u>614,425</u>	<u>465,923</u>
Deferred tax expense				
- Origination and reversal of temporary differences	63,194	106,526	212,017	82,758
Tax expense for the period	<u>419,557</u>	<u>217,672</u>	<u>826,442</u>	<u>548,681</u>
Zakat	-	-	-	-
	<u>419,557</u>	<u>217,672</u>	<u>826,442</u>	<u>548,681</u>

The Bank's effective tax rate for the second quarter and 6 months ended 30 June 2014 was lower than the statutory tax rate due to certain income not subject to tax.

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.

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B6. Status of Corporate Proposals Announced but Not Completed

There are no corporate proposals announced but not completed during the financial half year ended 30 June 2014 .

B7. Status of Utilisation of Proceeds Raised from Corporate Proposal

The proceeds raised from the issuance of subordinated obligations and capital securities have been used for working capital, general banking and other corporate purposes, as intended.

B8. Deposits and Placements of Financial Institutions and Debt Securities

Please refer to note A13, A14 and A15.

B9. Derivative Financial Instruments

Please refer to note A29.

B10. Changes in Material Litigation

In 2005, a subsidiary, Maybank 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 RM535.0 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 ("Penalty Charges"). However, the Court of Appeal allowed MTB and the other defendant to seek indemnity against the issuer of the bonds ("Issuer") 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 (collectively the "Associated Defendants") 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 and the Associated Defendants) ("the 1/3 Indemnity"). The Federal Court had on 5 April 2012 granted MTB and the other parties to the suit leave to appeal against the decision of the Court of Appeal. The appeal concluded on 4 January 2013.

Separately, and unrelated to this suit, a third party had, pursuant to a winding-up petition against a defendant (the issuer of the bonds) (Winding-Up Petition), 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.

Further to the Winding-Up Petition, the third party had on 22 March 2013 obtained the order of the High Court to wind up the said defendant. Subsequently, MTB had on 16 April 2013 obtained the leave of the High Court to continue with the pending actions against the said defendant given that the Federal Court has yet to deliver its decision.

The Federal Court had on 10 February 2014 delivered its decision ("Decision") wherein it had, among others, allowed MTB a full indemnity against the Issuer and the Associated Defendants and reduced the judgment sum against MTB to RM107 million with no liability apportioned to the other defendant. The Federal Court also allowed MTB's appeal against the Penalty Charges. In addition, one of the plaintiffs was allowed to set aside the 1/3 Indemnity.

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B10. Changes in Material Litigation (cont'd.)

The Issuer's Chief Executive Officer and associate companies of the said Chief Executive Officer have filed an application for the Federal Court to review its Decision against them ("Review Application"). The Review Application is now fixed for hearing on 29 September 2014.

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 RM150.0 million with three (3) other re-insurers.

B11. Disclosure of Realised and Unrealised Retained Earnings

The breakdown of the retained profits of the Group as at the statements of financial position date into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants.

	30 June 2014 RM'000	31 December 2013 RM'000
Retained profits of the Group:		
- Realised	8,796,395	8,266,525
- Unrealised	1,345,854	2,251,983
	10,142,249	10,518,508
Share of retained profits from associates:		
- Realised	398,729	349,817
Consolidation adjustments	778,210	879,159
	11,319,188	11,747,484

B12. Interim Dividend

The Board of Directors have declared a single-tier interim dividend in respect of the financial year ending 31 December 2014 of 24 sen (30 June 2013: 22.5 sen) per ordinary share.

The Board of Directors have also determined that the Dividend Reinvestment Plan will apply to the single-tier interim cash dividend in which an electable portion of 20 sen per ordinary share can be elected to be reinvested in new ordinary shares and the remaining portion of 4 sen per ordinary share will be paid in cash.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the interim dividend will be paid no later than three (3) months from the date of declaration.

The Book Closure Date will be announced by the Bank at a later date.

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B13. 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 period.

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Net profit for the quarter/period (RM'000)	1,575,531	1,567,734	3,177,116	3,073,948
Weighted average number of ordinary shares in issue ('000)	9,020,269	8,597,673	8,936,479	8,513,310
Basic earnings per share	17.47 sen	18.23 sen	35.55 sen	36.11 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 certain number of shares under the ESS relating to the RSU were vested and awarded to employees through issuance of additional ordinary shares. A calculation is done to determine the number of shares that could have been issued at fair value (determined as the average price of the Bank's shares during the quarter/period) based on the monetary value of the ESS entitlement attached to the outstanding RSU. 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.

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Net profit for the quarter/period (RM'000)	1,575,531	1,567,734	3,177,116	3,073,948
Weighted average number of ordinary shares in issue ('000)	9,020,269	8,597,673	8,936,479	8,513,310
Effects of dilution ('000)	19,364	11,174	18,464	12,176
Adjusted weighted average number of ordinary shares in issue ('000)	9,039,633	8,608,847	8,954,943	8,525,486
Diluted earnings per share	17.43 sen	18.21 sen	35.48 sen	36.06 sen

By Order of the Board

Mohd Nazlan Mohd Ghazali
LS0008977
Company Secretary
28 August 2014