

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2015

<u>Group</u>	Note	Second Quarter Ended		Cumulative 6 Months Ended	
		30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Interest income	A20	4,721,989	4,365,224	9,443,829	8,581,221
Interest expense	A21	(2,041,945)	(1,957,804)	(4,158,924)	(3,780,970)
Net interest income		2,680,044	2,407,420	5,284,905	4,800,251
Income from Islamic Banking Scheme operations	A39a	967,101	809,247	1,899,849	1,617,651
Net earned insurance premiums	A22	1,050,308	1,029,434	2,037,423	1,951,661
Other operating income	A24	1,195,409	1,364,904	2,756,004	2,597,032
Total operating income		5,892,862	5,611,005	11,978,181	10,966,595
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A25	(1,004,460)	(1,131,645)	(2,102,267)	(2,052,086)
Net operating income		4,888,402	4,479,360	9,875,914	8,914,509
Overhead expenses	A26	(2,418,613)	(2,086,406)	(4,907,906)	(4,254,804)
Operating profit before impairment losses		2,469,789	2,392,954	4,968,008	4,659,705
Allowances for impairment losses on loans, advances, financing and other debts, net (Allowances for)/writeback of impairment losses on financial investments, net	A27	(300,955)	(154,353)	(548,905)	(364,455)
	A28	(94,002)	(29,053)	(144,685)	85,616
Operating profit		2,074,832	2,209,548	4,274,418	4,380,866
Share of profits in associates and joint ventures		75,651	37,266	118,078	73,736
Profit before taxation and zakat		2,150,483	2,246,814	4,392,496	4,454,602
Taxation and zakat	B5	(529,122)	(627,988)	(1,059,126)	(1,201,277)
Profit for the period		1,621,361	1,618,826	3,333,370	3,253,325
Attributable to:					
Equity holders of the Bank		1,584,534	1,575,531	3,284,919	3,177,116
Non-controlling interests		36,827	43,295	48,451	76,209
		1,621,361	1,618,826	3,333,370	3,253,325
Earnings per share attributable to equity holders of the Bank	B13				
Basic		16.76 sen	17.47 sen	35.02 sen	35.55 sen
Fully diluted		16.76 sen	17.43 sen	35.02 sen	35.48 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 2014 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2015

<u>Group</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Profit for the period	1,621,361	1,618,826	3,333,370	3,253,325
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial gain/(loss)	30,202	(456)	35,087	(12,307)
Income tax effect	(6,825)	(194)	(8,049)	3,090
Share of change in associates' reserve	-	1	-	1
	23,377	(649)	27,038	(9,216)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain on financial investments available-for-sale	(187,011)	319,553	303,008	345,860
Income tax effect	49,291	(79,271)	(72,244)	(86,608)
Net gain/(loss) on foreign exchange translation	560,552	(607,870)	1,125,654	(144,633)
Net (loss)/gain on cash flow hedge	(904)	(4,042)	1,098	(4,042)
Net (loss)/gain on net investment hedge	(136,316)	23,261	(213,282)	18,586
Net gain on revaluation reserve	13	17	28	24
Share of change in associates' reserve	171,229	(76,618)	259,128	64,771
	456,854	(424,970)	1,403,390	193,958
Other comprehensive income/(loss) for the period, net of tax	480,231	(425,619)	1,430,428	184,742
Total comprehensive income for the period	2,101,592	1,193,207	4,763,798	3,438,067
Other comprehensive income for the period attributable to:				
Equity holders of the Bank	508,359	(418,326)	1,424,647	200,125
Non-controlling interests	(28,128)	(7,293)	5,781	(15,383)
	480,231	(425,619)	1,430,428	184,742
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	2,092,893	1,157,205	4,709,566	3,377,241
Non-controlling interests	8,699	36,002	54,232	60,826
	2,101,592	1,193,207	4,763,798	3,438,067

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UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2015

<u>Bank</u>	Note	Second Quarter Ended		Cumulative 6 Months Ended	
		30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Interest income	A20	3,561,974	3,194,311	7,087,578	6,315,702
Interest expense	A21	(1,519,180)	(1,450,597)	(3,085,552)	(2,777,738)
Net interest income		2,042,794	1,743,714	4,002,026	3,537,964
Dividends from subsidiaries and associates	A23	602,768	796,498	602,768	1,197,246
Other operating income	A24	530,446	719,493	1,428,710	1,550,058
		1,133,214	1,515,991	2,031,478	2,747,304
Net operating income		3,176,008	3,259,705	6,033,504	6,285,268
Overhead expenses	A26	(1,300,747)	(925,435)	(2,626,401)	(2,031,884)
Operating profit before impairment losses		1,875,261	2,334,270	3,407,103	4,253,384
Allowances for impairment losses on loans, advances, financing and other debts, net	A27	(66,812)	(17,071)	(99,069)	(130,829)
Writeback of/(allowances for) impairment losses on financial investments, net	A28	24,725	(6,709)	26,149	33,076
Profit before taxation and zakat		1,833,174	2,310,490	3,334,183	4,155,631
Taxation and zakat	B5	(325,214)	(419,557)	(685,436)	(826,442)
Profit for the period		1,507,960	1,890,933	2,648,747	3,329,189

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UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2015

<u>Bank</u>	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Profit for the period	1,507,960	1,890,933	2,648,747	3,329,189
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain on financial investments available-for-sale	(133,511)	310,796	222,573	379,717
Income tax effect	34,826	(77,695)	(54,185)	(94,929)
Net gain/(loss) on foreign exchange translation	388,175	(75,969)	615,766	(90,894)
Other comprehensive income for the period, net of tax	289,490	157,132	784,154	193,894
Total comprehensive income for the period	1,797,450	2,048,065	3,432,901	3,523,083

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	Group		Bank	
		30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
ASSETS					
Cash and short-term funds		47,661,583	52,852,860	32,680,641	34,778,324
Deposits and placements with financial institutions		16,769,041	16,106,137	17,258,874	15,811,015
Financial assets purchased under resale agreements		1,638,620	3,625,291	1,638,620	3,625,291
Financial assets at fair value through profit or loss	A10(i)	17,625,274	23,705,323	5,806,110	9,425,390
Financial investments available-for-sale	A10(ii)	86,811,370	82,630,704	73,951,493	73,630,705
Financial investments held-to-maturity	A10(iii)	13,995,914	9,574,538	13,323,224	9,100,155
Loans, advances and financing	A11	427,015,485	403,513,121	275,758,827	264,524,441
Derivative assets	A35	5,710,015	4,544,001	5,777,947	4,533,709
Reinsurance/retakaful assets and other insurance receivables	A12	4,873,485	4,972,063	-	-
Other assets	A13	11,952,425	10,659,736	6,525,429	6,488,988
Investment properties		649,732	595,493	-	-
Statutory deposits with central banks		15,839,297	15,141,244	7,330,672	7,576,028
Investment in subsidiaries		-	-	20,450,502	20,450,502
Interest in associates and joint ventures		2,878,071	2,527,940	451,518	451,518
Property, plant and equipment		2,692,947	2,688,140	1,302,977	1,308,775
Intangible assets		6,346,279	6,261,415	503,259	506,267
Deferred tax assets		767,006	901,950	232,351	348,350
TOTAL ASSETS		663,226,544	640,299,956	462,992,444	452,559,458
LIABILITIES					
Deposits from customers	A14	453,461,491	439,569,384	312,010,801	306,938,972
Deposits and placements from financial institutions	A15	56,920,630	57,387,398	40,149,439	47,500,184
Obligations on financial assets sold under repurchase agreements		2,996,564	3,166,372	2,996,564	3,166,372
Bills and acceptances payable		2,125,080	2,017,579	1,245,944	1,187,310
Derivative liabilities	A35	5,759,080	5,320,499	5,622,935	5,173,575
Insurance/takaful contract liabilities and other insurance payables	A17	24,426,882	24,798,833	-	-
Other liabilities	A18	12,373,808	11,147,565	14,817,181	8,789,557
Recourse obligation on loans and financing sold to Cagamas		1,111,421	1,058,860	1,111,421	1,058,860
Provision for taxation and zakat		472,349	325,192	366,271	275,373
Deferred tax liabilities		716,287	702,660	-	-
Borrowings	A16(i)	22,739,043	18,521,899	17,476,880	13,846,812
Subordinated obligations	A16(ii)	16,070,434	15,640,057	12,693,090	12,264,578
Capital securities	A16(iii)	5,815,815	5,902,483	6,071,546	6,185,060
TOTAL LIABILITIES		604,988,884	585,558,781	414,562,072	406,386,653

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	Note	Group		Bank	
		30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		9,536,996	9,319,030	9,536,996	9,319,030
Share premium		24,436,199	22,747,922	24,436,199	22,747,922
Shares held-in-trust		(117,069)	(113,463)	(117,069)	(113,463)
Retained profits		12,075,345	12,387,977	2,809,023	3,600,804
Reserves		10,582,410	8,633,103	11,765,223	10,618,512
		56,513,881	52,974,569	48,430,372	46,172,805
Non-controlling interests		1,723,779	1,766,606	-	-
		58,237,660	54,741,175	48,430,372	46,172,805
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		663,226,544	640,299,956	462,992,444	452,559,458
COMMITMENTS AND CONTINGENCIES	A33	674,241,124	551,960,251	639,724,597	519,485,629
<u>CAPITAL ADEQUACY</u>					
	A34				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		11.685%	11.747%	14.844%	16.275%
Tier 1 Capital Ratio		13.365%	13.539%	15.728%	16.275%
Total Capital Ratio		15.753%	16.235%	15.728%	16.275%
Net assets per share attributable to equity holders of the Bank					
		RM5.93	RM5.68	RM5.08	RM4.95

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2015

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

<u>Group</u>	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2015	9,319,030	22,747,922	(113,463)	10,396,000	274,500	(321,842)	(1,917,500)	298,366	(96,421)	12,387,977	52,974,569	1,766,606	54,741,175
Profit for the period	-	-	-	-	-	-	-	-	-	3,284,919	3,284,919	48,451	3,333,370
Other comprehensive income/(loss)	-	-	-	-	-	234,614	1,292,090	-	(102,057)	-	1,424,647	5,781	1,430,428
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	-	26,280	-	26,280	758	27,038
Share of change in associates' reserve	-	-	-	-	-	12,445	162,864	-	83,819	-	259,128	-	259,128
Net gain on foreign exchange translation	-	-	-	-	-	-	1,129,226	-	-	-	1,129,226	(3,572)	1,125,654
Net gain on financial investments available-for-sale	-	-	-	-	-	222,169	-	-	-	-	222,169	8,595	230,764
Net loss on net investment hedge	-	-	-	-	-	-	-	-	(213,282)	-	(213,282)	-	(213,282)
Net gain on cash flow hedge	-	-	-	-	-	-	-	-	1,098	-	1,098	-	1,098
Net gain on revaluation reserve	-	-	-	-	-	-	-	-	28	-	28	-	28
Total comprehensive income/(loss) for the period	-	-	-	-	-	234,614	1,292,090	-	(102,057)	3,284,919	4,709,566	54,232	4,763,798
Carried forward	9,319,030	22,747,922	(113,463)	10,396,000	274,500	(87,228)	(625,410)	298,366	(198,478)	15,672,896	57,684,135	1,820,838	59,504,973

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FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2015

<u>Group</u>	<----- Non-Distributable ----->												
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available-for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Brought forward	9,319,030	22,747,922	(113,463)	10,396,000	274,500	(87,228)	(625,410)	298,366	(198,478)	15,672,896	57,684,135	1,820,838	59,504,973
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	29,194	-	-	29,194	-	29,194
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	5,080	5,080	(19,604)	(14,524)
Transfer to regulatory reserve	-	-	-	-	515,304	-	-	-	-	(515,304)	-	-	-
Transfer to statutory reserves	-	-	-	10,569	-	-	-	-	-	(10,569)	-	-	-
Issue of shares pursuant to ESS (Note A8(i)(a)(A))	11,539	96,393	-	-	-	-	-	(6,863)	-	-	101,069	-	101,069
Issue of shares pursuant to Restricted Share Unit ("RSU") (Note A8(i)(a)(B))	2,784	23,769	9	-	-	-	-	(22,555)	-	(4,007)	-	-	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU") (Note A8(i)(a)(C))	110	910	-	-	-	-	-	(989)	-	(31)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a)(D))	203,533	1,567,205	(3,615)	-	-	-	-	-	-	-	1,767,123	-	1,767,123
Dividends (Note A9)	-	-	-	-	-	-	-	-	-	(3,072,720)	(3,072,720)	(77,455)	(3,150,175)
Total transactions with shareholders/ other equity movements	217,966	1,688,277	(3,606)	10,569	515,304	-	-	(1,213)	-	(3,597,551)	(1,170,254)	(97,059)	(1,267,313)
At 30 June 2015	9,536,996	24,436,199	(117,069)	10,406,569	789,804	(87,228)	(625,410)	297,153	(198,478)	12,075,345	56,513,881	1,723,779	58,237,660

¹ The further breakdown and movement of other reserves are disclosed in Note A19.

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM997.8 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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<===== Non-Distributable =====>

<u>Group</u>	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves RM'000 ¹	Retained Profits RM'000 ²	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	-	(604,112)	(2,727,793)	278,231	(21,597)	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)	-	4,743	-	200,125	(15,383)	184,742
Defined benefit plan actuarial loss	-	-	-	-	-	-	-	-	(9,826)	-	(9,826)	609	(9,217)
Share of change in associates' reserve	-	-	-	-	-	34,900	29,871	-	1	-	64,772	-	64,772
Net loss on foreign exchange translation	-	-	-	-	-	-	(143,656)	-	-	-	(143,656)	(977)	(144,633)
Net gain on financial investments available-for-sale	-	-	-	-	-	274,267	-	-	-	-	274,267	(15,015)	259,252
Net gain on net investment hedge	-	-	-	-	-	-	-	-	18,586	-	18,586	-	18,586
Net loss on cash flow hedge	-	-	-	-	-	-	-	-	(4,042)	-	(4,042)	-	(4,042)
Net gain on revaluation reserve	-	-	-	-	-	-	-	-	24	-	24	-	24
Total comprehensive income/(loss) for the period	-	-	-	-	-	309,167	(113,785)	-	4,743	3,177,116	3,377,241	60,826	3,438,067
Carried forward	8,862,079	19,030,227	(107,248)	9,540,136	-	(294,945)	(2,841,578)	278,231	(16,854)	14,924,600	49,374,648	1,806,018	51,180,666

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

Group	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available-for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves¹ RM'000	Retained Profits² RM'000	Total Shareholders' Equity RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Brought forward	8,862,079	19,030,227	(107,248)	9,540,136	-	(294,945)	(2,841,578)	278,231	(16,854)	14,924,600	49,374,648	1,806,018	51,180,666
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	22,533	188,679	-	-	-	-	-	(13,528)	-	-	197,684	-	197,684
Issue of shares pursuant to Restricted Share Unit ("RSU")	2,832	24,266	(351)	-	-	-	-	(20,253)	-	(6,494)	-	-	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU")	139	1,228	-	-	-	-	-	(933)	-	(434)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	229,810	1,826,992	(3,326)	-	-	-	-	-	-	-	2,053,476	-	2,053,476
Dividends paid	-	-	-	-	-	-	-	-	-	(2,745,942)	(2,745,942)	(20,045)	(2,765,987)
Total transactions with shareholders/ other equity movements	255,314	2,041,165	(3,677)	853,239	-	-	-	2,684	(697)	(3,605,412)	(457,384)	(36,628)	(494,012)
At 30 June 2014	9,117,393	21,071,392	(110,925)	10,393,375	-	(294,945)	(2,841,578)	280,915	(17,551)	11,319,188	48,917,264	1,769,390	50,686,654

¹ The further breakdown and movement of other reserves are disclosed in Note A19.

² 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.

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
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<u>Bank</u>	<===== Non-Distributable =====>						Distributable		Total Equity RM'000	
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000		Retained Profits RM'000
At 1 January 2015	9,319,030	22,747,922	(113,463)	9,860,875	-	(362,553)	821,824	298,366	3,600,804	46,172,805
Profit for the period	-	-	-	-	-	-	-	-	2,648,747	2,648,747
Other comprehensive income	-	-	-	-	-	168,388	615,766	-	-	784,154
Net gain on foreign exchange translation	-	-	-	-	-	-	615,766	-	-	615,766
Net gain on financial investments available-for-sale	-	-	-	-	-	168,388	-	-	-	168,388
Total comprehensive income for the period	-	-	-	-	-	168,388	615,766	-	2,648,747	3,432,901
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	29,194	-	29,194
Transfer to statutory reserve	-	-	-	270	-	-	-	-	(270)	-
Transfer to regulatory reserve	-	-	-	-	363,500	-	-	-	(363,500)	-
Issue of shares pursuant to ESS (Note A8(i)(a)(A))	11,539	96,393	-	-	-	-	-	(6,863)	-	101,069
Issue of shares pursuant to Restricted Share Unit ("RSU") (Note A8(i)(a)(B))	2,784	23,769	9	-	-	-	-	(22,555)	(4,007)	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU") (Note A8(i)(a)(C))	110	910	-	-	-	-	-	(989)	(31)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a)(D))	203,533	1,567,205	(3,615)	-	-	-	-	-	-	1,767,123
Dividends (Note A9)	-	-	-	-	-	-	-	-	(3,072,720)	(3,072,720)
Total transactions with shareholders/ other equity movements	217,966	1,688,277	(3,606)	270	363,500	-	-	(1,213)	(3,440,528)	(1,175,334)
At 30 June 2015	9,536,996	24,436,199	(117,069)	9,861,145	363,500	(194,165)	1,437,590	297,153	2,809,023	48,430,372

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

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Bank	<===== Non-Distributable =====>								
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	Distributable ESS Reserve RM'000	Distributable Retained Profits RM'000	Total Equity 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
Net loss on foreign exchange translation	-	-	-	-	-	(90,894)	-	-	(90,894)
Net gain on financial investments available-for-sale	-	-	-	-	284,788	-	-	-	284,788
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 reserves	-	-	-	832,303	-	-	-	(832,303)	-
Issue of shares pursuant to ESS	22,533	188,679	-	-	-	-	(13,528)	-	197,684
Issue of shares pursuant to Restricted Share Unit ("RSU")	2,832	24,266	(351)	-	-	-	(20,253)	(6,494)	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU")	139	1,228	-	-	-	-	(933)	(434)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	229,810	1,826,992	(3,326)	-	-	-	-	-	2,053,476
Dividends paid	-	-	-	-	-	-	-	(2,745,942)	(2,745,942)
Total transactions with shareholders/ other equity movements	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

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
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	Group		Bank	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	4,392,496	4,454,602	3,334,183	4,155,631
Adjustments for non-operating and non-cash items:				
Depreciation of property, plant and equipment	184,344	156,967	92,519	83,877
Share of profits in associates and joint ventures	(118,078)	(73,736)	-	-
Amortisation of intangible assets	136,206	108,128	51,196	51,185
Net gain on disposal of financial assets at fair value through profit or loss	(115,733)	(88,244)	(26,257)	(40,634)
Net gain on disposal of financial investments available-for-sale	(292,988)	(351,273)	(162,144)	(38,514)
Net loss/(gain) on redemption of financial investments held-to-maturity	2,192	(25)	2,192	(25)
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss and derivatives	267,020	(198,452)	320,307	(249,244)
Allowances for impairment losses on loans, advances and financing, net	810,542	748,528	304,834	454,447
Allowances for impairment losses on other debts	1,933	5,381	1,820	1,844
Dividend income	(64,531)	(51,244)	(609,459)	(1,201,989)
ESS expenses	29,725	37,930	20,778	27,245
Allowances for/(writeback of) impairment losses on financial investments, net	144,685	(85,616)	(26,149)	(33,076)
Other adjustments for non-operating and non-cash items	(49,979)	(13,953)	(86,116)	31,224
Operating profit before working capital changes	<u>5,327,834</u>	<u>4,648,993</u>	<u>3,217,704</u>	<u>3,241,971</u>
Change in deposits and placements with financial institutions	(5,137,088)	(6,428,380)	(6,181,871)	(1,765,726)
Change in financial investments portfolio	(1,780,387)	(3,479,857)	(411,869)	(3,342,779)
Change in loans, advances and financing	(24,312,906)	(13,464,664)	(11,539,220)	(6,837,521)
Change in statutory deposits with central banks	(698,053)	(453,620)	245,356	65,070
Change in deposits from customers	13,892,107	10,918,619	5,071,829	8,506,646
Change in deposits and placements from financial institutions	(466,768)	4,190,612	(7,350,745)	(862,525)
Change in reinsurance/retakaful assets and other insurance receivables	98,578	(1,873,671)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	(371,950)	2,188,923	-	-
Change in other operating activities	669,930	879,437	6,661,106	(1,459,560)
Exchange fluctuation	(201,752)	395,788	430,374	37,804
Cash used in operations	(12,980,455)	(2,477,820)	(9,857,336)	(2,416,620)
Taxes and zakat paid	(829,593)	(1,139,785)	(533,476)	(616,723)
Net cash used in operating activities	<u>(13,810,048)</u>	<u>(3,617,605)</u>	<u>(10,390,812)</u>	<u>(3,033,343)</u>

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2015

	Group		Bank	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Cash flows from investing activities				
Dividends received from:				
- financial investments portfolio	64,531	51,244	6,691	4,743
- associates	-	24,825	788	3,572
- subsidiaries	-	-	749,008	1,193,674
Purchase of property, plant and equipment	(128,309)	(170,267)	(64,173)	(82,531)
Purchase of investment properties	(9,415)	(1,359)	-	-
Proceeds from disposal of property, plant and equipment	4,695	5,914	15	4,877
Purchase of intangible assets	(65,826)	(94,354)	(41,477)	(38,055)
Purchase of additional ordinary shares in existing subsidiaries	-	-	-	(526,718)
Transfer of intangible assets to a subsidiaries, net	-	-	35	-
Net effect arising from transaction with non-controlling interests	(14,523)	1,702	-	1,667
Net cash (used in)/generated from investing activities	(148,847)	(182,295)	650,887	561,229
Cash flows from financing activities				
Proceeds from issuance of shares	1,868,192	2,251,160	1,868,192	2,251,160
Drawdown of borrowings, net	3,747,794	1,474,594	2,600,690	785,914
Redemption of capital securities	(218,876)	-	(218,876)	-
Issuance of subordinated obligations and capital securities	-	2,600,000	-	1,600,000
Recourse obligation on loans and financing sold to Cagamas, net	52,561	(317,666)	52,560	(223,968)
Dividends paid	(3,072,720)	(2,745,942)	(3,072,720)	(2,745,942)
Dividends paid to non-controlling interests	(77,455)	(20,045)	-	-
Net cash generated from financing activities	2,299,496	3,242,101	1,229,846	1,667,164
Net change in cash and cash equivalents	(11,659,399)	(557,799)	(8,510,079)	(804,950)
Cash and cash equivalents at beginning of period *	63,540,533	50,455,923	45,051,913	32,072,279
Cash and cash equivalents at end of period	51,881,134	49,898,124	36,541,834	31,267,329

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

	Group		Bank	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Cash and short-term funds	47,661,583	47,180,787	32,680,641	29,579,115
Deposits with financial institutions maturing within one month	4,219,551	2,717,337	3,861,193	1,688,214
	51,881,134	49,898,124	36,541,834	31,267,329
* Cash and cash equivalents at beginning of period:				
Cash and short-term funds as previously reported	61,546,595	50,870,333	43,373,531	32,430,352
Effects of foreign exchange rate changes	1,993,938	(414,410)	1,678,382	(358,073)
As restated	63,540,533	50,455,923	45,051,913	32,072,279

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2014 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 2014. 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 of the Bank since the financial year ended 31 December 2014.

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 annual financial statements for the financial year ended 31 December 2014 except for adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs") and annual improvements to MFRSs with effective date of 1 July 2014:

- MFRS 119 *Employee Benefits* - Defined Benefits Plans: Employee Contributions (Amendments to MFRS 119)
- Annual Improvements to MFRSs 2010 - 2012 Cycle
- Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above amendments to MFRSs and annual improvements to MFRSs do not have any material impact to the Group's and the Bank's financial statements.

Revised Bank Negara Malaysia's ("BNM") Policy Document on Classification and Impairment Provisions for Loans/Financing

On 6 April 2015, BNM issued a revised Policy Document on Classification and Impairment Provisions for Loans/Financing. This policy applies to banking institutions in Malaysia that covers licensed bank, licensed Islamic bank and licensed investment bank. The issuance of this revised policy document has superseded two guidelines issued by BNM previously, namely Classification and Impairment Provisions for Loans/Financing dated 9 November 2011 and Classification and Impairment Provisions for Loans/Financing – Maintenance of Regulatory Reserves dated 4 February 2014.

The requirements in this revised Policy Document are effective on 1 January 2015, except for the following:

- (i) the requirement to classify loans/financing as rescheduled and restructured in the Central Credit Reference Information System ("CCRIS") will be effective on or after 1 April 2015;

The local banking institutions in the Group and the Bank have completed the assessment and complied with the requirements as at 30 June 2015.

and

- (ii) the requirement for a banking institution to maintain, in aggregate, collective impairment allowance and regulatory reserves of no less than 1.2% of total outstanding loans/financing, net of individual impairment allowance will be effective beginning 31 December 2015.

The local banking institutions in the Group have early adopted this requirement in the previous financial year ended 31 December 2014 based on the existing guideline issued then where it resulted in the Group making a transfer of RM274.5 million from its retained profits to regulatory reserve. The revised policy document will not have any impact to the profit or loss of the Group. The regulatory reserve is not qualified as Common Equity Tier 1 ("CET1") capital under BNM's Capital Adequacy Framework (Capital Components).

During the financial half year ended 30 June 2015, the Group and the Bank have transferred RM515.3 million and RM363.5 million respectively from its retained profits to regulatory reserve.

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A2. Significant Accounting Policies

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2014 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 2014.

A3. Significant Accounting Estimates and Judgements

The preparation of unaudited condensed interim financial statements requires management to make judgements, 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 judgements 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 judgements 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 annual financial statements for the financial year ended 31 December 2014.

A4. Auditors' Report on Preceding Audited Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2014 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 2015.

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

During the financial half year ended 30 June 2015, 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 2015.

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 by the Bank during the financial half year ended 30 June 2015:

(a) **Issuance of Shares**

The issued and paid-up share capital of the Bank increased from RM9,319,029,941 as at 31 December 2014 to RM9,536,995,968 as at 30 June 2015 via:

- (A) issuance of 11,538,700 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 2,784,242 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 110,000 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 203,533,085 new ordinary shares (including 415,502 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 23 sen in respect of the financial year ended 31 December 2014.

(b) **Redemption/issuance of bonds by subsidiaries of PT Bank Internasional Indonesia Tbk**

- (A) On 4 March 2015, PT Wahana Ottomitra Multiartha Tbk, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn an indirect subsidiary of Maybank, redeemed Bond V WOM Series D of IDR619.9 million. The Bonds issued on 4 March 2011 under Bonds V WOM Finance Year 2011 With Fixed Interest Rate.

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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 by the Bank during the financial half year ended 30 June 2015 (cont'd.):

(b) Redemption/issuance of bonds by subsidiaries of PT Bank Internasional Indonesia Tbk (cont'd)

(B) On 2 April 2015, 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 WOM Finance Tranche III Year 2015 Series A of IDR140.0 billion. The Bond is under Shelf Bonds I WOM Finance Tranche III year 2015 With Fixed Interest Rate.

(C) On 2 April 2015, 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 WOM Finance Tranche III Year 2015 Series B of IDR860.0 billion. The Bond is under Shelf Bonds I WOM Finance Tranche III year 2015 With Fixed Interest Rate.

(D) On 7 June 2015, PT BII Finance Center, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn an indirect subsidiary of Maybank, redeemed Bonds I BII Finance Year 2012 with Fixed Interest Rates Series B of IDR 381.0 billion. The Bonds issued on 7 June 2012 under Bonds I BII Finance Year 2012 with Fixed Interest Rates.

(c) SGD600.0 million 6% Capital Securities Callable with Step-Up in 2018 issued by the Bank pursuant to its RM4.0 billion Innovative Tier 1 Capital Securities Programme ("IT1CS")

On 21 January 2015, Maybank had purchased SGD78.0 million out of the SGD600.0 million IT1CS through a private treaty arrangement. The SGD78.0 million IT1CS bought back was cancelled.

(d) Issuance of USD50.0 million Floating Rate Note pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 29 January 2015, Maybank had completed the issuance of USD50.0 million Floating Rate Note with a tenure of 1.5 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(e) Issuance of CNH410.0 million Fixed Rate Notes pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 5 March 2015, Maybank had completed the issuance of CNH410.0 million Fixed Rate Notes with a tenure of 5 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(f) Issuance of SGD50.0 million Fixed Rate Notes pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 10 April 2015, Maybank completed the issuance of SGD50.0 million Fixed Rate Notes with tenure of 2 years under the USD5.0 billion Multicurrency Medium Term Note Programme.

(g) Issuance of Samurai Bonds JPY18.5 billion 3 years Fixed Rate Notes

On 30 April 2015, Maybank completed the issuance of Samurai Bonds JPY18.5 billion 3 years Fixed Rate Notes with tenure of 3 years.

(h) Issuance of Samurai Bonds JPY12.8 billion 5 years Fixed Rate Notes

On 30 April 2015, Maybank completed the issuance of Samurai Bonds JPY12.8 billion 5 years Fixed Rate Notes with tenure of 5 years.

(i) Issuance of JPY12.0 billion Fixed Rate Notes pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 10 June 2015, Maybank completed the issuance of JPY12.0 billion Fixed Rate Notes under the USD5.0 billion Multicurrency Medium Term Note Programme with tenure of 1 year.

(j) Issuance of SGD54.0 million Fixed Rate Notes pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 26 June 2015, Maybank completed the issuance of SGD54.0 million Fixed Rate Notes under the USD5.0 billion Multicurrency Medium Term Note Programme with tenure of 3 years.

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

(ii) The following are the changes in debt securities that were issued and redeemed by the Group and the Bank subsequent to the financial half year ended 30 June 2015 and have not been reflected in the financial statements for the financial half year ended 30 June 2015:

(a) Redemption of bonds by a subsidiary of PT Bank Internasional Indonesia Tbk

On 2 July 2015, PT Wahana Ottomitra Multiartha Tbk, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn an indirect subsidiary of Maybank, redeemed Shelf Bonds I WOM Finance Tranche I Year 2014 Series A of IDR397.0 billion. The Bonds issued on 25 June 2014 under Shelf Bonds I WOM Finance Tranche I Year 2014. Its maturity date was on 5 July 2015.

(b) Issuance of USD160.0 million Callable Zero Coupon Notes pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 7 July 2015, Maybank completed the issuance of USD160.0 million Callable Zero Coupon Notes under the USD5.0 billion Multicurrency Medium Term Note Programme with tenure of 30 years.

(c) Issuance of SGD50.0 million Fixed Rate Notes pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 10 July 2015, Maybank completed the issuance of SGD50.0 million Fixed Rate Notes under the USD5.0 billion Multicurrency Medium Term Note Programme with tenure of 1 year.

(d) Issuance of USD10.0 million Commercial Papers pursuant to the Euro-Commercial Paper Programme of up to USD5.0 billion or its equivalent in alternative currencies in nominal value

On 20 July 2015, Maybank completed the issuance of USD10.0 million Commercial Papers under Euro-Commercial Paper Programme of up to USD5.0 billion or its equivalent in alternative currencies in nominal value with tenure of 3 months.

(e) Issuance of SGD277.8 million Fixed Rate Notes pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 23 July 2015, Maybank completed the issuance of SGD277.8 million Fixed Rate Notes under the USD5.0 billion Multicurrency Medium Term Note Programme with tenure of 1 year.

(f) Issuance of SGD102.0 million Fixed Rate Notes pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 24 July 2015, Maybank completed the issuance of SGD102.0 million Fixed Rate Notes under the USD5.0 billion Multicurrency Medium Term Note Programme with tenure of 1 year.

(g) Issuance of CNY323.0 million Fixed Rate Notes pursuant to the USD5.0 billion Multicurrency Medium Term Note Programme

On 11 August 2015, Maybank completed the issuance of CNY323.0 million Fixed Rate Notes under the USD5.0 billion Multicurrency Medium Term Note Programme with tenure of 3 years.

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 by the Bank.

A9. Dividends Paid

Dividends paid during the financial half year ended 30 June 2015 are as follows:

(a) During the Annual General Meeting held on 7 April 2015, a final dividend in respect of the financial year ended 31 December 2014 of 33 sen single-tier dividend per ordinary share of RM1.00 each was approved by the shareholders.

The dividend consists of cash portion of 10 sen single-tier dividend per ordinary share of RM1.00 each amounting to RM932,698,976 and an electable portion of 23 sen per ordinary share of RM1.00 each amounting to RM2,145,207,646 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 26 May 2015.

(b) Dividends paid by Maybank's subsidiaries to non-controlling interest amounting to RM77,455,000 during the financial half year ended 30 June 2015.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Financial assets at fair value through profit or loss	(i)	17,625,274	23,705,323	5,806,110	9,425,390
Financial investments available-for-sale	(ii)	86,811,370	82,630,704	73,951,493	73,630,705
Financial investments held-to-maturity	(iii)	13,995,914	9,574,538	13,323,224	9,100,155
		118,432,558	115,910,565	93,080,827	92,156,250

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
(a) Financial assets designated upon initial recognition	9,605,378	11,235,695	-	-
(b) Financial assets held-for-trading	8,019,896	12,469,628	5,806,110	9,425,390
	17,625,274	23,705,323	5,806,110	9,425,390

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	90,372	143,255	-	-
Malaysian Government Investment Issues	236,377	477,627	-	-
Negotiable Islamic Certificates of Deposits	243,264	241,010	-	-
Foreign Government Securities	15,169	1,212	-	-
	585,182	863,104	-	-
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	17,932	-	-	-
Unquoted securities:				
Foreign private and Islamic debt securities	198,120	158,179	-	-
Private and Islamic debt securities in Malaysia	8,556,283	10,041,991	-	-
Structured deposits	247,861	172,421	-	-
	9,002,264	10,372,591	-	-
Total financial assets designated upon initial recognition	9,605,378	11,235,695	-	-

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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 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	181,860	283,831	144,763	272,059
Malaysian Government Investment Issues	115,132	63,001	50,697	-
Cagamas Bonds	10,557	-	10,557	-
Negotiable instruments of deposits	270,846	14,026	270,700	41,097
Foreign Government Securities	575,592	1,326,126	232,003	1,221,189
Malaysian Government Treasury Bills	-	155,055	-	155,055
Bank Negara Malaysia Bills and Notes	-	3,361,824	-	3,361,824
Bank Negara Malaysia Monetary Notes	-	2,232,015	-	1,026,617
Foreign Government Treasury Bills	488,509	122,860	488,509	122,860
	1,642,496	7,558,738	1,197,229	6,200,701
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	663,596	651,809	-	-
Private and Islamic debt securities	6,749	9,008	6,749	9,008
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	861,277	674,598	-	-
	1,531,622	1,335,415	6,749	9,008
Unquoted securities:				
Foreign private and Islamic debt securities	2,347,546	828,552	2,908,437	1,418,725
Private and Islamic debt securities in Malaysia	928,592	778,073	707,244	407,083
Foreign Government Bonds	982,965	1,397,132	978,032	1,389,873
Malaysian Government Bonds	8,419	-	8,419	-
Credit linked note	393,707	388,230	-	-
Structured deposits	184,549	183,488	-	-
	4,845,778	3,575,475	4,602,132	3,215,681
Total financial assets held- for-trading	8,019,896	12,469,628	5,806,110	9,425,390

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial investments available-for-sale

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	6,498,025	5,408,214	6,404,719	5,397,916
Malaysian Government Investment Issues	11,927,416	13,121,165	7,427,677	8,241,282
Negotiable instruments of deposits	6,734,381	2,872,883	11,220,831	11,925,585
Foreign Government Securities	7,709,342	5,912,940	6,233,426	3,545,709
Foreign Government Treasury Bills	7,450,889	9,926,497	7,450,889	9,926,497
Khazanah Bonds	2,252,856	2,144,817	2,186,452	2,079,790
Cagamas Bonds	197,936	257,795	197,936	257,795
Bankers' acceptances and Islamic accepted bills	1,369,315	807,490	1,338,602	807,490
Foreign Certificates of Deposits	353,877	34,462	353,877	34,462
	44,494,037	40,486,263	42,814,409	42,216,526
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	3,876,549	3,525,946	145,418	139,515
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	229,010	150,768	988	1,874
Private and Islamic debt securities	8,465	3,856	-	-
Foreign Government Bonds	10,820	-	-	-
	4,124,844	3,680,570	146,406	141,389
At fair value, or at cost for certain unquoted equity instruments, less accumulated impairment losses				
Unquoted securities:				
Shares, trust units and loan stocks in Malaysia	266,388	364,848	270,532	198,617
Shares, trust units and loan stocks outside Malaysia	196,249	19,075	5,268	4,880
Foreign private and Islamic debt securities	17,712,168	16,316,731	17,394,004	16,068,034
Private and Islamic debt securities in Malaysia	16,325,360	19,026,035	9,711,336	12,344,365
Foreign Government Bonds	3,181,445	1,906,897	3,181,445	1,902,802
Malaysian Government Bonds	509,514	829,778	428,093	754,092
Structured deposits	1,365	507	-	-
	38,192,489	38,463,871	30,990,678	31,272,790
Total financial investments available-for-sale	86,811,370	82,630,704	73,951,493	73,630,705

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial investments available-for-sale (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments available-for-sale are as follows:

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
<u>Individual allowance</u>				
At 1 January 2015/2014	1,061,952	1,158,127	736,022	842,487
Allowance made	171,783	219,308	8	21,947
Amount written back in respect of recoveries	(26,070)	(134,651)	(25,129)	(45,423)
Amount written-off	(459,242)	(200,122)	(334,276)	(95,518)
Exchange differences	23,477	19,290	15,349	12,529
At 30 June 2015/31 December 2014	771,900	1,061,952	391,974	736,022

(iii) Financial investments held-to-maturity

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
At amortised cost less accumulated impairment losses				
Money market instruments:				
Malaysian Government Securities	2,010,779	1,660,142	2,010,673	1,660,036
Malaysian Government Investment Issues	4,414,039	2,294,446	4,414,039	2,294,446
Foreign Government Securities	518,074	389,890	-	-
Foreign Government Treasury Bills	619,290	415,501	-	-
Khazanah Bonds	970,926	952,620	970,926	952,620
Foreign Certificates of Deposits	16,782	154,688	-	-
	8,549,890	5,867,287	7,395,638	4,907,102
Unquoted securities:				
Foreign private and Islamic debt securities	161,574	153,754	-	-
Private and Islamic debt securities in Malaysia	5,196,007	3,483,836	5,897,262	4,169,448
Foreign Government Bonds	109,005	90,181	32,129	26,438
Others	2,044	2,044	2,044	2,044
	5,468,630	3,729,815	5,931,435	4,197,930
Accumulated impairment losses	(22,606)	(22,564)	(3,849)	(4,877)
Total financial investments held-to-maturity	13,995,914	9,574,538	13,323,224	9,100,155

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments held-to-maturity (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments held-to-maturity are as follows:

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
<u>Individual allowance</u>				
At 1 January 2015/2014	22,564	35,819	4,877	19,094
Amount written back in respect of recoveries	(1,028)	(14,217)	(1,028)	(14,217)
Exchange differences	1,070	962	-	-
At 30 June 2015/31 December 2014	22,606	22,564	3,849	4,877

A11. Loans, Advances and Financing

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Overdrafts/cashline	19,005,835	18,138,149	10,830,841	10,945,779
Term loans:				
- Housing loans/financing	132,080,846	119,889,076	50,022,594	44,672,509
- Syndicated loans/financing	37,206,433	32,855,680	35,148,280	31,601,404
- Hire purchase receivables	59,344,546	56,406,850	19,286,342	19,857,032
- Lease receivables	46,720	39,392	-	-
- Other loans/financing	214,045,838	206,684,859	107,357,525	106,823,910
Credit card receivables	7,288,366	7,038,186	6,015,823	5,876,466
Bills receivables	4,410,646	4,601,837	4,304,275	4,495,008
Trust receipts	3,377,287	4,653,912	2,729,448	3,863,025
Claims on customers under acceptance credits	10,520,030	11,250,193	6,081,698	6,381,035
Loans/financing to financial institutions (Note A11(x))	3,361,483	3,717,830	15,016,337	12,416,328
Revolving credits	39,124,075	37,123,629	23,710,076	23,099,870
Staff loans	3,250,966	2,997,192	952,331	931,413
Loans to:				
- Executive directors of the Bank	202	103	202	103
- Executive directors of subsidiaries	1,970	2,136	48	152
Others	3,724,730	2,943,423	-	-
	536,789,973	508,342,447	281,455,820	270,964,034
Unearned interest and income	(104,131,873)	(98,870,771)	(1,907,267)	(2,062,021)
Gross loans, advances and financing	432,658,100	409,471,676	279,548,553	268,902,013
Allowances for impaired loans, advances and financing				
- Individual allowance	(1,815,415)	(1,989,856)	(1,090,248)	(1,437,215)
- Collective allowance	(3,827,200)	(3,968,699)	(2,699,478)	(2,940,357)
Net loans, advances and financing	427,015,485	403,513,121	275,758,827	264,524,441

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

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Domestic banking institutions	4,986,274	1,666	16,877,869	8,433,335
Domestic non-banking financial institutions	20,397,158	19,998,134	16,811,114	16,402,458
Domestic business enterprises:				
- Small and medium enterprises	68,894,106	67,993,975	48,597,777	47,097,025
- Others	95,556,281	92,127,010	61,643,403	64,524,510
Government and statutory bodies	10,674,693	9,553,278	3,513,596	2,341,914
Individuals	194,793,798	180,121,112	100,419,079	94,818,974
Other domestic entities	3,908,177	3,371,488	403,643	407,566
Foreign entities	33,447,613	36,305,013	31,282,072	34,876,231
Gross loans, advances and financing	432,658,100	409,471,676	279,548,553	268,902,013

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Malaysia	250,377,218	244,171,063	141,005,993	144,980,885
Singapore	103,456,699	93,566,023	102,568,106	92,899,424
Indonesia	32,209,828	31,380,558	-	-
Labuan Offshore	16,783,472	13,489,148	14,763,962	11,465,169
Hong Kong SAR	14,372,306	13,257,612	13,664,079	12,919,971
United States of America	1,041,149	1,115,815	1,040,615	1,115,321
People's Republic of China	3,690,601	3,048,730	3,690,601	3,048,730
Vietnam	464,777	485,113	350,041	365,772
United Kingdom	1,560,524	1,327,806	1,560,488	1,327,770
Brunei	443,167	367,737	443,167	367,737
Cambodia	1,481,990	1,234,426	-	-
Bahrain	364,104	322,310	364,104	322,310
Philippines	4,550,995	3,905,254	-	-
Papua New Guinea	214,726	230,485	-	-
Thailand	1,512,420	1,446,612	-	-
Laos	97,397	88,924	97,397	88,924
Others	36,727	34,060	-	-
Gross loans, advances and financing	432,658,100	409,471,676	279,548,553	268,902,013

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Fixed rate:				
- Housing loans/financing	20,622,984	15,987,881	18,349,377	13,762,224
- Hire purchase receivables	52,320,478	49,969,818	18,217,777	18,687,300
- Other fixed rate loans/financing	61,775,161	63,187,850	45,622,569	43,073,166
Variable rate:				
- Base rate/base lending rate plus	155,329,254	145,279,666	89,344,223	91,738,308
- Cost plus	55,141,039	55,496,388	50,123,374	49,983,378
- Other variable rates	87,469,184	79,550,073	57,891,233	51,657,637
Gross loans, advances and financing	432,658,100	409,471,676	279,548,553	268,902,013

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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 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Purchase of securities	36,187,975	35,534,953	14,608,611	15,765,694
Purchase of transport vehicles	53,111,125	50,806,098	17,562,872	18,081,840
Purchase of landed properties:				
- Residential	83,482,212	75,963,811	56,683,782	52,285,810
- Non-residential	37,250,971	33,489,178	27,878,975	25,708,907
Purchase of fixed assets (excluding landed properties)	5,699,309	4,874,553	5,661,654	4,834,934
Personal use	9,458,198	9,065,147	6,647,618	6,533,709
Credit card	7,412,428	7,180,708	6,156,636	6,025,445
Purchase of consumer durables	117,065	136,852	116,357	136,134
Constructions	16,593,666	15,764,885	12,116,110	11,603,307
Mergers and acquisitions	394,335	1,479,670	319,661	1,401,701
Working capital	145,695,150	142,597,773	101,637,970	101,740,182
Others	37,255,666	32,578,048	30,158,307	24,784,350
Gross loans, advances and financing	432,658,100	409,471,676	279,548,553	268,902,013

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Within one year	109,229,952	111,129,455	75,220,829	79,973,150
One year to three years	60,574,782	59,591,260	48,316,412	43,262,972
Three years to five years	54,558,851	45,374,115	37,626,626	33,146,625
After five years	208,294,515	193,376,846	118,384,686	112,519,266
Gross loans, advances and financing	432,658,100	409,471,676	279,548,553	268,902,013

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Gross impaired loans, advances and financing at 1 January 2015/2014	6,234,161	5,360,903	4,249,829	3,776,831
Impaired during the financial period/year	3,094,845	4,825,540	1,622,463	2,650,307
Reclassified as non-impaired	(625,662)	(1,157,767)	(284,192)	(542,225)
Amount recovered	(860,035)	(1,692,643)	(484,987)	(1,056,243)
Amount written-off	(1,143,629)	(1,087,768)	(918,919)	(535,199)
Converted to financial investments available-for-sale	(2,540)	(84,500)	(676)	(84,500)
Transferred from a subsidiary	-	-	-	18,366
Exchange differences	67,187	70,396	40,126	22,492
Gross impaired loans, advances and financing at 30 June 2015/31 December 2014	6,764,327	6,234,161	4,223,644	4,249,829
Less: Individual allowance	(1,815,415)	(1,989,856)	(1,090,248)	(1,437,215)
Net impaired loans, advances and financing	4,948,912	4,244,305	3,133,396	2,812,614

Calculation of ratio of net impaired loans:

Gross loans, advances and financing	432,658,100	409,471,676	279,548,553	268,902,013
Less: Individual allowance	(1,815,415)	(1,989,856)	(1,090,248)	(1,437,215)
Net loans, advances and financing	430,842,685	407,481,820	278,458,305	267,464,798
Ratio of net impaired loans, advances and financing	1.15%	1.04%	1.13%	1.05%

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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 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Purchase of securities	301,143	90,425	252,763	34,603
Purchase of transport vehicles	290,361	269,361	106,301	106,169
Purchase of landed properties:				
- Residential	447,789	392,267	306,682	271,851
- Non-residential	148,620	123,213	101,048	77,436
Purchase of fixed assets (excluding landed properties)	1,706	-	-	-
Personal use	129,869	141,800	83,076	67,409
Credit card	90,856	73,348	54,473	45,948
Purchase of consumer durables	14	14	6	6
Constructions	1,364,658	1,119,133	1,038,381	962,682
Working capital	3,540,501	3,499,917	1,986,898	2,481,390
Others	448,810	524,683	294,016	202,335
Impaired loans, advances and financing	6,764,327	6,234,161	4,223,644	4,249,829

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Malaysia	4,297,278	4,527,493	3,586,436	3,835,383
Singapore	438,084	230,236	416,607	210,755
Indonesia	1,504,300	1,019,853	-	-
Labuan Offshore	32,668	36,274	16,404	15,169
Hong Kong SAR	12,413	15,884	12,413	15,884
United States of America	533	495	-	-
People's Republic of China	6,347	8,781	6,347	8,781
Vietnam	43,261	20,510	43,261	20,510
United Kingdom	101,134	126,535	101,134	126,535
Brunei	12,383	11,536	12,383	11,536
Cambodia	52,197	53,607	-	-
Bahrain	4,694	5,276	4,694	5,276
Philippines	169,204	120,194	-	-
Papua New Guinea	4,668	-	-	-
Thailand	28,478	27,143	-	-
Others	56,685	30,344	23,965	-
Impaired loans, advances and financing	6,764,327	6,234,161	4,223,644	4,249,829

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Individual Allowance				
At 1 January 2015/2014	1,989,856	1,939,320	1,437,215	1,502,010
Allowance made	733,912	774,901	473,105	350,055
Amount written back	(66,772)	(235,824)	(42,504)	(198,312)
Amount written-off	(843,541)	(507,946)	(782,437)	(239,488)
Transferred (to)/from collective allowance	(9,230)	842	(7,239)	(7,985)
Transferred from a subsidiary	-	-	-	18,366
Exchange differences	11,190	18,563	12,108	12,569
At 30 June 2015/31 December 2014	1,815,415	1,989,856	1,090,248	1,437,215

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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 (cont'd):

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Collective Allowance				
At 1 January 2015/2014	3,968,699	3,823,303	2,940,357	2,885,470
Allowance made	90,791	676,123	-	295,219
Amount written back	(1,245)	-	(156,660)	-
Amount written-off	(300,088)	(579,822)	(136,482)	(295,711)
Transferred from/(to) individual allowance	9,230	(842)	7,239	7,985
Transferred from a subsidiary	-	-	-	21,321
Exchange differences	59,813	49,937	45,024	26,073
At 30 June 2015/31 December 2014	<u>3,827,200</u>	<u>3,968,699</u>	<u>2,699,478</u>	<u>2,940,357</u>
As a percentage of total loans less individual allowance (including Regulatory Reserve)	<u>1.07%</u>	<u>1.04%</u>	<u>1.10%</u>	<u>1.10%</u>

(x) Included in the Bank's loans/financing to financial institutions is financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, under Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM12,652.9 million (31 December 2014: RM9,521.9 million). The RPSIA is a contract based on the Mudharabah principle between two parties to finance a financing where the Bank acts as the investor who solely provides capital to MIB whereas 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. Reinsurance/Retakaful Assets and Other Insurance Receivables

	Note	Group	
		30 June 2015 RM'000	31 December 2014 RM'000
Reinsurance/retakaful assets	(i)	4,101,283	4,387,302
Other insurance receivables	(ii)	<u>772,202</u>	<u>584,761</u>
		<u>4,873,485</u>	<u>4,972,063</u>
(i) Reinsurance/retakaful assets			
		Group	
		30 June 2015 RM'000	31 December 2014 RM'000
Reinsurers' share of:		3,824,911	4,119,939
Life insurance contract liabilities		<u>24,749</u>	<u>25,865</u>
General insurance contract liabilities		<u>3,800,162</u>	<u>4,094,074</u>
Retakaful operators' share of:		276,372	267,363
Family takaful certificate liabilities		<u>23,031</u>	<u>14,799</u>
General takaful certificate liabilities		<u>253,341</u>	<u>252,564</u>
		<u>4,101,283</u>	<u>4,387,302</u>
(ii) Other insurance receivables			
		Group	
		30 June 2015 RM'000	31 December 2014 RM'000
Due premium including agents/brokers and co-insurers balances		494,129	476,334
Due from reinsurers and cedants/retakaful operators		<u>327,039</u>	<u>156,458</u>
		<u>821,168</u>	<u>632,792</u>
Allowance for impairment losses		<u>(48,966)</u>	<u>(48,031)</u>
		<u>772,202</u>	<u>584,761</u>

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A13. Other Assets

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Other debtors	7,220,577	7,392,566	5,864,691	5,964,158
Amount due from brokers and clients	3,291,873	2,101,414	-	-
Prepayments and deposits	1,271,001	1,023,569	626,396	488,961
Tax recoverable	35,358	16,533	-	-
Foreclosed properties	133,616	125,654	34,342	35,869
	11,952,425	10,659,736	6,525,429	6,488,988

A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	261,123,775	239,932,370	169,481,329	153,969,752
- More than one year	15,834,052	17,185,803	15,008,335	16,402,258
	276,957,827	257,118,173	184,489,664	170,372,010
Money market deposits	14,093,863	22,091,040	14,093,863	22,091,040
Savings deposits	58,144,475	59,282,330	38,032,583	40,685,239
Demand deposits	100,389,703	95,565,804	72,342,796	69,023,934
Structured deposits *	3,875,623	5,512,037	3,051,895	4,766,749
	453,461,491	439,569,384	312,010,801	306,938,972

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

(ii) By type of customer

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Business enterprises	203,741,629	197,053,516	149,532,012	144,105,454
Individuals	186,692,339	180,008,070	140,595,316	136,944,899
Government and statutory bodies	23,510,256	25,405,709	7,023,158	9,782,117
Others	39,517,267	37,102,089	14,860,315	16,106,502
	453,461,491	439,569,384	312,010,801	306,938,972

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Within six months	209,284,698	197,389,967	127,814,217	120,140,244
Six months to one year	51,839,077	42,542,403	41,667,112	33,829,508
One year to three years	15,293,053	16,692,031	14,941,318	16,340,185
Three years to five years	540,999	493,772	67,017	62,073
	276,957,827	257,118,173	184,489,664	170,372,010

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A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Licensed banks	53,504,668	53,954,068	37,844,704	44,877,881
Licensed finance companies	520,338	465,563	281,873	228,000
Licensed investment banks	175,344	290,215	175,344	290,215
Other financial institutions	2,720,280	2,677,552	1,847,518	2,104,088
	56,920,630	57,387,398	40,149,439	47,500,184

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

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
One year or less	55,379,398	56,205,468	39,184,604	46,323,458
More than one year	1,541,232	1,181,930	964,835	1,176,726
	56,920,630	57,387,398	40,149,439	47,500,184

A16. Borrowings, Subordinated Obligations and Capital Securities

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
(i) Borrowings				
Secured				
- Less than one year				
Denominated in:				
- SGD	1,519	1,454	-	-
- PHP	19,042	10,111	-	-
- IDR	916,016	846,922	-	-
- VND	7,656	-	-	-
- INR	13,025	-	-	-
	957,258	858,487	-	-
- More than one year				
Denominated in:				
- SGD	412,104	388,489	-	-
- PHP	533	619	-	-
- IDR	1,038,497	1,052,950	-	-
	1,451,134	1,442,058	-	-
Total secured borrowings	2,408,392	2,300,545	-	-
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	3,390,593	946,123	3,298,525	703,075
- CNY	61,809	114,409	61,809	114,409
- SGD	870,341	302,164	-	-
- THB	711,173	775,320	-	-
- HKD	84,619	9,952	-	-
- IDR	271,455	249,823	-	-
- VND	-	4,696	-	-
- PHP	14,688	13,714	-	-
	5,404,678	2,416,201	3,360,334	817,484

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A16. Borrowings, Subordinated Obligations and Capital Securities (cont'd.)

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
(i) Borrowings (cont'd.)				
Unsecured (cont'd.)				
(a) Borrowings (cont'd.)				
- More than one year				
Denominated in:				
- USD	1,773,545	3,443,068	1,773,545	3,443,068
- JPY	2,345	-	-	-
- PHP	20,784	-	-	-
- IDR	629,747	626,614	-	-
- THB	156,551	149,211	-	-
	2,582,972	4,218,893	1,773,545	3,443,068
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- USD	9,350	4,609	9,350	4,609
- HKD	18,320	16,116	18,320	16,116
- SGD	539	-	539	-
- JPY	371,091	4,178	371,091	4,178
- AUD	860	984	860	984
- CNH	546	132	546	132
	400,706	26,019	400,706	26,019
- More than one year				
Denominated in:				
- USD	4,886,683	4,351,898	4,886,683	4,351,898
- HKD	2,298,977	2,128,399	2,298,977	2,128,399
- JPY	3,931,661	2,807,149	3,931,661	2,807,149
- SGD	291,834	-	291,834	-
- AUD	162,216	160,357	162,216	160,357
- CNH	370,924	112,438	370,924	112,438
	11,942,295	9,560,241	11,942,295	9,560,241
Total unsecured borrowings	20,330,651	16,221,354	17,476,880	13,846,812
Total borrowings	22,739,043	18,521,899	17,476,880	13,846,812
(ii) Subordinated Obligations				
Unsecured				
- More than one year				
Denominated in:				
- RM	9,318,980	9,325,035	6,774,932	6,776,549
- USD	3,096,574	2,828,715	3,096,574	2,828,715
- SGD	2,821,584	2,659,314	2,821,584	2,659,314
- IDR	833,296	826,993	-	-
	16,070,434	15,640,057	12,693,090	12,264,578
(iii) Capital Securities				
Unsecured				
- More than one year				
Denominated in:				
- RM	4,325,792	4,281,802	4,581,523	4,564,379
- SGD	1,490,023	1,620,681	1,490,023	1,620,681
	5,815,815	5,902,483	6,071,546	6,185,060

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A17. Insurance/takaful contract liabilities and other insurance payables

Group	Note	30 June 2015 RM'000	31 December 2014 RM'000
Insurance/takaful contract liabilities	(i)	23,742,926	24,257,364
Other insurance payables	(ii)	683,956	541,469
		24,426,882	24,798,833

(i) Insurance/takaful contract liabilities

At 30 June 2015	Gross contract liabilities RM'000	Reinsurance/ retakaful assets RM'000	Net contract liabilities RM'000
Life insurance/family takaful	17,321,050	(47,780)	17,273,270
General insurance/general takaful	6,421,876	(4,053,503)	2,368,373
	23,742,926	(4,101,283)	19,641,643

At 31 December 2014	Gross contract liabilities RM'000	Reinsurance/ retakaful assets RM'000	Net contract liabilities RM'000
Life insurance/family takaful	17,708,771	(40,664)	17,668,107
General insurance/general takaful	6,548,593	(4,346,638)	2,201,955
	24,257,364	(4,387,302)	19,870,062

(ii) Other insurance payables

	30 June 2015 RM'000	31 December 2014 RM'000
Due to agents and intermediaries	84,879	82,658
Due to reinsurers and cedants	531,017	386,357
Due to retakaful operators	68,060	72,454
	683,956	541,469

A18. Other Liabilities

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
Due to brokers and clients	3,553,504	2,231,478	-	-
Deposits, other creditors and accruals	8,320,608	8,383,355	14,783,078	8,734,808
Defined benefit pension plans	412,418	419,304	-	-
Provisions for commitments and contingencies	37,972	58,695	34,103	54,749
Profit equalisation reserves (IBS operations)	4,869	5,157	-	-
Finance lease liabilities	44,437	49,576	-	-
	12,373,808	11,147,565	14,817,181	8,789,557

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A19. Other Reserves

The breakdown and movement of other reserves are as follows:

<===== Non-Distributable =====>						
<u>Group</u>	Capital Reserve RM'000	Revaluation Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Net Investment Hedge and Cash Flow Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2015	13,557	11,774	34,456	(89,017)	(67,191)	(96,421)
Other comprehensive income/(loss)	-	83,847	-	26,280	(212,184)	(102,057)
Defined benefit plan actuarial gain	-	-	-	26,280	-	26,280
Net loss on net investment hedge	-	-	-	-	(213,282)	(213,282)
Net gain on cash flow hedge	-	-	-	-	1,098	1,098
Net gain on revaluation reserve	-	28	-	-	-	28
Share of change in associates' reserve	-	83,819	-	-	-	83,819
Total comprehensive income/(loss) for the period	-	83,847	-	26,280	(212,184)	(102,057)
At 30 June 2015	13,557	95,621	34,456	(62,737)	(279,375)	(198,478)
<===== Non-Distributable =====>						
<u>Group</u>	Capital Reserve RM'000	Revaluation Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Net Investment Hedge and Cash Flow Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2014	14,254	11,726	34,456	(82,033)	-	(21,597)
Other comprehensive income/(loss)	-	24	-	(9,825)	14,544	4,743
Defined benefit plan actuarial loss	-	-	-	(9,826)	-	(9,826)
Net gain on net investment hedge	-	-	-	-	18,586	18,586
Net loss on cash flow hedge	-	-	-	-	(4,042)	(4,042)
Net gain on revaluation reserve	-	24	-	-	-	24
Share of change in associates' reserve	-	-	-	1	-	1
Total comprehensive income/(loss) for the period	-	24	-	(9,825)	14,544	4,743
Effect of changes in corporate structure within the Group	(697)	-	-	-	-	(697)
Total transactions with shareholders/other equity movement	(697)	-	-	-	-	(697)
At 30 June 2014	13,557	11,750	34,456	(91,858)	14,544	(17,551)

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A20. Interest Income

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Loans, advances and financing	3,666,187	3,348,946	7,312,862	6,656,340
Money at call and deposits and placements with financial institutions	172,261	128,563	347,294	250,641
Financial assets purchased under resale agreements	2,107	523	3,365	2,948
Financial assets at FVTPL	158,675	202,425	345,274	364,360
Financial investments available-for-sale	600,864	610,868	1,197,121	1,182,467
Financial investments held-to-maturity	122,508	67,011	236,473	116,935
	4,722,602	4,358,336	9,442,389	8,573,691
(Amortisation of premiums)/ accretion of discounts, net	(613)	6,888	1,440	7,530
	4,721,989	4,365,224	9,443,829	8,581,221

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Loans, advances and financing	2,662,472	2,398,046	5,288,974	4,776,035
Money at call and deposits and placements with financial institutions	154,026	159,758	309,829	335,576
Financial assets purchased under resale agreements	2,046	524	3,128	671
Financial assets at FVTPL	38,521	47,730	80,855	66,440
Financial investments available-for-sale	537,951	513,939	1,065,743	1,001,862
Financial investments held-to-maturity	133,888	70,879	252,744	129,819
	3,528,904	3,190,876	7,001,273	6,310,403
Accretion of discounts/ (amortisation of premiums), net	33,070	3,435	86,305	5,299
	3,561,974	3,194,311	7,087,578	6,315,702

Included in interest income for the six-month financial period ended 30 June 2015 was interest on impaired assets amounting to approximately RM118,930,000 (30 June 2014: RM79,414,000) for the Group and RM87,370,000 (30 June 2014: RM59,720,000) for the Bank.

A21. Interest Expense

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Deposits and placements from financial institutions	135,998	81,161	295,029	166,467
Deposits from customers	1,560,275	1,496,552	3,146,192	2,946,248
Floating rate certificates of deposits	6,759	8,911	14,647	18,505
Loans sold to Cagamas	8,585	-	16,902	-
Borrowings	155,004	107,745	309,816	218,623
Subordinated notes	154,881	152,988	309,003	271,966
Subordinated bonds	8,529	6,340	16,964	11,432
Capital securities	89,297	96,835	190,526	192,410
Net interest on derivatives	(77,383)	7,272	(140,155)	(44,681)
	2,041,945	1,957,804	4,158,924	3,780,970

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A21. Interest Expense (cont'd.)

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
Bank	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	128,118	82,660	282,886	175,382
Deposits from customers	1,151,013	1,080,601	2,323,053	2,126,104
Floating rate certificates of deposits	6,759	8,911	14,647	18,505
Loans sold to Cagamas	8,585	-	16,902	-
Borrowings	71,299	38,933	143,372	81,937
Subordinated notes	122,001	131,512	242,607	229,731
Capital securities	94,877	100,998	198,802	200,689
Net interest on derivatives	(63,472)	6,982	(136,717)	(54,610)
	1,519,180	1,450,597	3,085,552	2,777,738

A22. Net Earned Insurance Premiums

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
Group	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	1,326,915	912,919	2,624,358	2,451,807
Premiums ceded to reinsurers	(276,607)	116,515	(586,935)	(500,146)
Total net earned insurance premiums	1,050,308	1,029,434	2,037,423	1,951,661

A23. Dividends from Subsidiaries and Associates

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
Bank	RM'000	RM'000	RM'000	RM'000
Gross dividend income from:				
Subsidiaries	601,980	792,926	601,980	1,193,674
Associates	788	3,572	788	3,572
	602,768	796,498	602,768	1,197,246

A24. Other Operating Income

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
Group	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	289,749	254,432	585,863	516,107
Service charges and fees	387,351	317,050	737,830	596,178
Underwriting fees	30,314	48,719	53,029	61,377
Brokerage income	162,617	165,260	348,224	301,794
Fees on loans, advances and financing	75,961	116,344	158,000	211,360
	945,992	901,805	1,882,946	1,686,816
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	38,060	40,865	115,733	88,244
Net gain on disposal of financial investments available-for-sale	154,637	136,693	292,988	351,273
Net gain/(loss) on redemption of financial investments held-to-maturity	-	11	(2,192)	25
Net loss on liquidation of subsidiaries	-	(94)	-	(94)
	192,697	177,475	406,529	439,448

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A24. Other Operating Income (cont'd.)

Group (cont'd.)	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
(c) Gross dividend income from financial investments portfolio	40,621	34,409	64,531	51,244
(d) Unrealised (loss)/gain on revaluation of: Financial assets at FVTPL				
- Designated upon initial recognition	(775)	25,329	68,365	(105,591)
- Held-for-trading	(31,295)	16,250	6,669	41,141
Derivatives	(144,417)	215,348	(342,054)	262,902
	(176,487)	256,927	(267,020)	198,452
(e) Other income:				
Foreign exchange gain/(loss), net	84,123	(78,688)	506,757	111,347
Rental income	12,409	12,091	19,246	21,826
Gain on disposal of property, plant and equipment	255	4,796	2,591	5,027
Gain on disposal of foreclosed properties	594	1,226	1,330	2,186
Sale of development properties	-	2,304	-	3,841
Others	95,205	52,559	139,094	76,845
	192,586	(5,712)	669,018	221,072
Total other operating income	1,195,409	1,364,904	2,756,004	2,597,032
Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
(a) Fee income:				
Commission	250,980	225,087	507,273	454,425
Service charges and fees	311,708	240,830	610,959	465,096
Underwriting fees	11,879	11,315	20,099	21,930
Brokerage income	-	-	10	3
Fees on loans, advances and financing	49,146	66,830	110,062	120,775
	623,713	544,062	1,248,403	1,062,229
(b) Investment income:				
Net (loss)/gain on disposal of financial assets at FVTPL	(20,396)	16,085	26,257	40,634
Net gain/(loss) on disposal of financial investments available-for-sale	60,017	(10,434)	162,144	38,514
Net gain/(loss) on redemption of financial investments held-to-maturity	-	11	(2,192)	25
Gain on liquidation of an associate	-	-	-	1,667
	39,621	5,662	186,209	80,840
(c) Gross dividend income from: Financial investments portfolio	6,011	1,776	6,691	4,743
(d) Unrealised (loss)/gain on revaluation of: Financial assets at FVTPL				
- Held-for-trading	(6,926)	(6,556)	(8,529)	11,238
Derivatives	(120,065)	204,643	(311,778)	238,006
	(126,991)	198,087	(320,307)	249,244
(e) Other income:				
Foreign exchange (loss)/gain, net	(64,592)	(58,150)	260,583	105,061
Rental income	9,226	7,050	16,116	13,435
Gain on disposal of property, plant and equipment	6	4,705	9	4,857
Others	43,452	16,301	31,006	29,649
	(11,908)	(30,094)	307,714	153,002
Total other operating income	530,446	719,493	1,428,710	1,550,058

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A25. Net Insurance Benefits and Claims Incurred, Net Fee and Commission Expenses, Change in Expense Liabilities and Taxation of Life and Takaful Fund

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
Gross benefits and claims paid	1,115,197	964,110	2,468,496	2,127,063
Claims ceded to reinsurers	(106,537)	(195,189)	(326,342)	(709,741)
Gross change to contract liabilities	(623,993)	750,512	(705,767)	2,013,786
Change in contract liabilities ceded to reinsurers	523,455	(454,324)	455,514	(1,535,438)
Net insurance benefits and claims incurred	908,122	1,065,109	1,891,901	1,895,670
Net fee and commission expenses	76,063	40,867	137,974	102,226
Change in expense liabilities	5,247	2,140	28,308	14,110
Taxation of life and takaful fund	15,028	23,529	44,084	40,080
Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	96,338	66,536	210,366	156,416
Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	1,004,460	1,131,645	2,102,267	2,052,086

A26. Overhead Expenses

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,050,152	877,373	2,104,950	1,811,796
Social security cost	8,492	7,694	17,055	15,272
Pension costs - defined contribution plan	112,999	73,032	240,951	185,319
ESS expenses	15,363	20,037	29,725	37,930
Other staff related expenses	186,348	164,667	400,030	329,767
	1,373,354	1,142,803	2,792,711	2,380,084
(b) Establishment costs				
Depreciation of property, plant and equipment	92,383	80,919	184,344	156,967
Amortisation of intangible assets	69,503	54,514	136,206	108,128
Rental of leasehold land and premises	76,577	65,010	148,184	130,811
Repairs and maintenance of property, plant and equipment	34,680	32,446	71,291	66,273
Information technology expenses	117,363	154,379	216,723	260,284
Fair value adjustments on investments properties	(44,879)	60	(44,819)	120
Others	13,818	12,731	25,848	38,917
	359,445	400,059	737,777	761,500
(c) Marketing expenses				
Advertisement and publicity	71,396	132,497	153,897	212,457
Others	111,980	60,099	200,807	115,481
	183,376	192,596	354,704	327,938

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A26. Overhead Expenses (cont'd.)

Group (cont'd.)	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
(d) Administration and general expenses				
Fees and brokerage	190,797	158,212	391,172	318,901
Administrative expenses	183,039	123,220	335,815	275,503
General expenses	124,565	75,333	254,856	189,352
Cost of development property	-	1,524	-	2,546
Others	4,037	(7,341)	40,871	(1,020)
	502,438	350,948	1,022,714	785,282
Total overhead expenses	2,418,613	2,086,406	4,907,906	4,254,804
Cost to income ratio ("CIR")¹	49.2%	46.3%	49.5%	47.4%

¹ Cost to income ratio ("CIR") is computed using the total cost over the net operating 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 operating income amount as stated on the face of income statement.

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015 RM'000	30 June 2014 RM'000	30 June 2015 RM'000	30 June 2014 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	659,513	488,120	1,294,630	1,086,312
Social security cost	3,768	3,324	7,960	6,785
Pension costs - defined contribution plan	88,994	44,580	187,080	131,647
ESS expenses	10,869	14,153	20,778	27,245
Other staff related expenses	103,835	86,665	220,069	185,565
	866,979	636,842	1,730,517	1,437,554
(b) Establishment costs				
Depreciation of property, plant and equipment	46,418	43,977	92,519	83,877
Amortisation of intangible assets	26,607	24,803	51,196	51,185
Rental of leasehold land and premises	35,848	30,091	67,675	59,243
Repairs and maintenance of property, plant and equipment	18,355	17,013	37,598	34,819
Information technology expenses	155,132	185,137	330,495	335,466
Others	2,684	2,351	4,185	4,157
	285,044	303,372	583,668	568,747
(c) Marketing expenses				
Advertisement and publicity	35,594	61,603	82,614	97,023
Others	102,568	51,132	183,054	98,735
	138,162	112,735	265,668	195,758
(d) Administration and general expenses				
Fees and brokerage	138,168	109,045	280,034	210,910
Administrative expenses	85,773	25,269	154,226	84,736
General expenses	25,810	(19,663)	70,603	23,839
Others	2,718	(4,237)	38,696	1,266
	252,469	110,414	543,559	320,751
(e) Overhead expenses allocated to subsidiaries	(241,907)	(237,928)	(497,011)	(490,926)
Total overhead expenses	1,300,747	925,435	2,626,401	2,031,884
Cost to income ratio ("CIR")²	41.0%	28.4%	43.5%	32.3%

² Cost to income ratio ("CIR") is computed using the total cost over the net operating income.

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A27. Allowances for Impairment Losses on Loans, Advances, Financing and Other Debts, net

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- collective allowance (written back)/made, net	(51,847)	182,897	89,546	480,856
- individual allowance made	508,842	163,232	733,912	347,919
- individual allowance written back	(30,217)	(32,888)	(66,772)	(144,775)
Bad debts and financing written-off	28,187	36,452	53,856	64,528
Bad debts and financing recovered	(146,584)	(196,070)	(263,570)	(389,454)
(Writeback of)/allowances for impairment losses on other debts	(7,426)	730	1,933	5,381
	300,955	154,353	548,905	364,455

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- collective allowance (written back)/made, net	(144,568)	97,195	(156,660)	313,650
- individual allowance made	330,919	82,301	473,105	213,857
- individual allowance written back	(18,977)	(27,540)	(42,504)	(119,587)
Bad debts and financing written-off	15,723	27,524	30,893	46,527
Bad debts and financing recovered	(116,454)	(162,683)	(207,585)	(325,462)
Allowances for impairment losses on other debts	169	274	1,820	1,844
	66,812	17,071	99,069	130,829

A28. Allowances for/(Writeback of) Impairment Losses on Financial Investments, net

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Financial investments AFS	94,002	29,053	145,713	(85,616)
Financial investments HTM	-	-	(1,028)	-
	94,002	29,053	144,685	(85,616)

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Financial investments AFS	(24,725)	6,709	(25,121)	(33,076)
Financial investments HTM	-	-	(1,028)	-
	(24,725)	6,709	(26,149)	(33,076)

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A29. 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, trustee services 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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A29. 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.

(iv) Asset Management

Asset Management comprises the asset and fund management services, providing a diverse range of conventional and Islamic investment solutions to retail, corporate and institutional clients.

(c) Insurance and Takaful

Insurance and Takaful comprise the business of underwriting all classes of general and life insurance businesses, offshore investment life insurance business, general takaful and family takaful businesses.

(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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A29. Segment Information (cont'd.)

By Business Segments

Six Months Ended 30 June 2015	<===== Business Segments =====>								Total RM'000
	<===== GB =====>								
	Community Financial Services RM'000	Corporate Banking RM'000	Global Markets RM'000	Investment Banking RM'000	Asset Management RM'000	International Banking RM'000	Insurance and Takaful RM'000	Head Office and Others RM'000	
Net interest income and income from IBS									
- External	3,141,994	858,935	411,429	120,290	3,509	2,461,372	425,990	(238,765)	7,184,754
- Inter-segment	-	-	-	(2,743)	(3,697)	(12,825)	32,596	(13,331)	-
	3,141,994	858,935	411,429	117,547	(188)	2,448,547	458,586	(252,096)	7,184,754
Net interest income and income from IBS	3,141,994	858,935	411,429	117,547	(188)	2,448,547	458,586	(252,096)	7,184,754
Net earned insurance premiums	-	-	-	-	-	-	2,037,423	-	2,037,423
Other operating income	927,210	270,017	497,989	518,837	66,370	614,742	319,102	(458,263)	2,756,004
Total operating income	4,069,204	1,128,952	909,418	636,384	66,182	3,063,289	2,815,111	(710,359)	11,978,181
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	-	-	(2,102,267)	-	(2,102,267)
Net operating income	4,069,204	1,128,952	909,418	636,384	66,182	3,063,289	712,844	(710,359)	9,875,914
Overhead expenses	(2,046,836)	(289,436)	(124,438)	(516,116)	(59,416)	(1,576,849)	(294,815)	-	(4,907,906)
Operating profit before impairment losses	2,022,368	839,516	784,980	120,268	6,766	1,486,440	418,029	(710,359)	4,968,008
Allowances for impairment losses on loans, advances, financing and other debts, net	(117,006)	(50,789)	-	(979)	-	(375,174)	(4,957)	-	(548,905)
Writeback of/(allowances for) impairment losses on financial investments, net	-	-	25,900	(622)	(519)	252	(169,696)	-	(144,685)
Operating profit	1,905,362	788,727	810,880	118,667	6,247	1,111,518	243,376	(710,359)	4,274,418
Share of profits in associates and joint ventures	-	-	-	642	-	118,558	(1,122)	-	118,078
Profit before taxation and zakat	1,905,362	788,727	810,880	119,309	6,247	1,230,076	242,254	(710,359)	4,392,496
Taxation and zakat									(1,059,126)
Profit after taxation and zakat									3,333,370
Non-controlling interests									(48,451)
Profit for the period - attributable to equity holders of the Bank									3,284,919
Included in overhead expenses are:									
Depreciation of property, plant and equipment	(64,365)	(10,738)	(6,147)	(25,102)	(448)	(68,135)	(9,409)	-	(184,344)
Amortisation of intangible assets	(46,957)	(7,741)	(3,847)	(21,749)	(534)	(43,254)	(12,124)	-	(136,206)

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A29. Segment Information (cont'd.)

By Business Segments (cont'd.)

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	Asset Management RM'000	International Banking RM'000	Insurance and Takaful 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	2,338	2,040,814	439,012	(262,937)	6,417,902
- Inter-segment	-	-	-	(591)	(124)	(10,258)	36,979	(26,006)	-
	<u>2,890,480</u>	<u>821,788</u>	<u>395,815</u>	<u>90,001</u>	<u>2,214</u>	<u>2,030,556</u>	<u>475,991</u>	<u>(288,943)</u>	<u>6,417,902</u>
Net interest income and income from IBS	2,890,480	821,788	395,815	90,001	2,214	2,030,556	475,991	(288,943)	6,417,902
Net earned insurance premiums	-	-	-	-	-	-	1,951,661	-	1,951,661
Other operating income	755,247	314,460	391,831	501,189	40,361	766,884	321,260	(494,200)	2,597,032
Total operating income	<u>3,645,727</u>	<u>1,136,248</u>	<u>787,646</u>	<u>591,190</u>	<u>42,575</u>	<u>2,797,440</u>	<u>2,748,912</u>	<u>(783,143)</u>	<u>10,966,595</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	-	-	(2,052,086)	-	(2,052,086)
Net operating income	<u>3,645,727</u>	<u>1,136,248</u>	<u>787,646</u>	<u>591,190</u>	<u>42,575</u>	<u>2,797,440</u>	<u>696,826</u>	<u>(783,143)</u>	<u>8,914,509</u>
Overhead expenses	(1,725,778)	(227,394)	(86,076)	(478,492)	(40,581)	(1,399,454)	(297,029)	-	(4,254,804)
Operating profit before impairment losses	<u>1,919,949</u>	<u>908,854</u>	<u>701,570</u>	<u>112,698</u>	<u>1,994</u>	<u>1,397,986</u>	<u>399,797</u>	<u>(783,143)</u>	<u>4,659,705</u>
Writeback of/(allowances for) impairment losses on loans, advances, financing and other debts, net	66,858	(234,237)	-	6,093	178	(205,461)	2,114	-	(364,455)
Writeback of/(allowances for) impairment losses on financial investments, net	-	-	39,976	(4,222)	-	65,631	(15,769)	-	85,616
Operating profit	<u>1,986,807</u>	<u>674,617</u>	<u>741,546</u>	<u>114,569</u>	<u>2,172</u>	<u>1,258,156</u>	<u>386,142</u>	<u>(783,143)</u>	<u>4,380,866</u>
Share of profits in associates and joint ventures	-	-	-	50	-	73,424	262	-	73,736
Profit before taxation and zakat	<u>1,986,807</u>	<u>674,617</u>	<u>741,546</u>	<u>114,619</u>	<u>2,172</u>	<u>1,331,580</u>	<u>386,404</u>	<u>(783,143)</u>	<u>4,454,602</u>
Taxation and zakat									(1,201,277)
Profit after taxation and zakat									<u>3,253,325</u>
Non-controlling interests									(76,209)
Profit for the period - attributable to equity holders of the Bank									<u>3,177,116</u>
Included in overhead expenses are:									
Depreciation of property, plant and equipment	(54,243)	(9,309)	(5,108)	(22,259)	(313)	(58,154)	(7,581)	-	(156,967)
Amortisation of intangible assets	(35,605)	(6,548)	(3,757)	(20,083)	(115)	(32,648)	(9,372)	-	(108,128)

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A30. 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 2014.

A31. Subsequent Events

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

A32. Changes in the Composition of the Group

There were no significant changes to the composition of the Group during the financial half year ended 30 June 2015.

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A33. 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 their customers. No material losses are anticipated as a result of these transactions.

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows:

Group	As at 30 June 2015			As at 31 December 2014		
	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	12,571,448	10,674,425	7,024,772	12,187,201	9,936,606	6,666,024
Certain transaction-related contingent items	16,264,206	7,904,997	5,767,035	16,785,821	7,184,856	4,977,193
Short-term self-liquidating trade-related contingencies	5,447,810	1,298,153	980,487	7,821,190	1,009,034	769,542
Obligations under underwriting agreements	-	-	-	116,731	15,000	3,000
	34,283,464	19,877,575	13,772,294	36,910,943	18,145,496	12,415,759
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	107,411,715	14,488,359	9,114,727	104,064,366	10,622,636	7,050,985
- Maturity exceeding one year	38,417,708	30,774,878	16,018,967	32,517,024	25,106,218	12,403,146
	145,829,423	45,263,237	25,133,694	136,581,390	35,728,854	19,454,131
Miscellaneous commitments and contingencies	8,934,291	504,481	199,142	9,421,308	2,348,939	384,405
Total credit-related commitments and contingencies	189,047,178	65,645,293	39,105,130	182,913,641	56,223,289	32,254,295
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	226,167,228	5,060,883	1,591,834	176,403,495	3,540,491	1,199,324
- One year to less than five years	24,378,780	1,866,509	829,042	23,388,062	2,579,961	916,983
- Five years and above	4,776,713	1,009,556	714,159	4,383,218	696,938	562,525
	255,322,721	7,936,948	3,135,035	204,174,775	6,817,390	2,678,832
Interest rate related contracts:						
- Less than one year	75,331,310	490,216	269,656	35,185,558	173,406	148,405
- One year to less than five years	104,828,893	3,187,822	1,357,341	90,984,134	2,563,632	873,378
- Five years and above	46,377,160	2,955,701	1,789,968	36,052,649	2,291,274	1,048,738
	226,537,363	6,633,739	3,416,965	162,222,341	5,028,312	2,070,521
Equity and commodity related contracts:						
- Less than one year	2,373,929	293,314	161,074	1,904,917	5,335	1,062
- One year to less than five years	926,270	30,863	6,927	710,914	5,123	893
- Five years and above	33,663	-	-	33,663	-	-
	3,333,862	324,177	168,001	2,649,494	10,458	1,955
Total treasury-related commitments and contingencies	485,193,946	14,894,864	6,720,001	369,046,610	11,856,160	4,751,308
Total commitments and contingencies	674,241,124	80,540,157	45,825,131	551,960,251	68,079,449	37,005,603

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A33. Commitments and Contingencies (cont'd.)

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows (cont'd.):

Bank	As at 30 June 2015			As at 31 December 2014		
	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	10,917,959	9,533,671	5,880,120	10,695,235	8,827,871	5,841,881
Certain transaction-related contingent items	14,240,597	6,764,783	4,687,754	14,889,745	6,159,173	4,012,308
Short-term self-liquidating trade-related contingencies	5,007,039	1,128,044	774,828	7,551,016	852,141	625,394
	30,165,595	17,426,498	11,342,702	33,135,996	15,839,185	10,479,583
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	90,056,263	9,636,955	5,734,704	88,702,119	7,512,199	4,973,650
- Maturity exceeding one year	29,174,779	25,673,315	14,323,237	24,165,790	20,092,805	10,482,536
	119,231,042	35,310,270	20,057,941	112,867,909	27,605,004	15,456,186
Miscellaneous commitments and contingencies	8,700,714	333,480	138,802	9,151,530	2,118,400	219,942
Total credit-related commitments and contingencies	158,097,351	53,070,248	31,539,445	155,155,435	45,562,589	26,155,711
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	223,820,307	5,006,824	1,531,894	173,109,347	3,462,027	1,199,964
- One year to less than five years	25,215,194	1,643,425	710,814	24,267,821	2,422,782	885,140
- Five years and above	4,776,713	797,512	557,337	4,383,218	505,407	456,174
	253,812,214	7,447,761	2,800,045	201,760,386	6,390,216	2,541,278
Interest rate related contracts:						
- Less than one year	75,599,534	482,279	259,254	35,205,558	125,769	56,074
- One year to less than five years	103,512,640	3,085,079	1,278,003	89,144,837	2,481,986	863,438
- Five years and above	46,302,350	3,059,851	1,760,553	36,614,812	2,393,656	1,077,580
	225,414,524	6,627,209	3,297,810	160,965,207	5,001,411	1,997,092
Equity and commodity related contracts:						
- Less than one year	1,677,567	293,314	161,074	1,252,749	5,335	1,062
- One year to less than five years	722,941	30,863	6,927	351,852	5,123	893
	2,400,508	324,177	168,001	1,604,601	10,458	1,955
Total treasury-related commitments and contingencies	481,627,246	14,399,147	6,265,856	364,330,194	11,402,085	4,540,325
Total commitments and contingencies	639,724,597	67,469,395	37,805,301	519,485,629	56,964,674	30,696,036

* 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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A33. Commitments and Contingencies (cont'd.)

- (i) The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risks, 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 rates, 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 2015, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM5,710.0 million (31 December 2014: RM4,544.0 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 2015, the Group and the Bank have posted cash collateral of RM2,177.8 million (31 December 2014: RM2,266.2 million) on their derivative contracts.

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

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

A34. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Under the Bank Negara Malaysia's ("BNM") Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 28 November 2012 on the computation of capital and capital adequacy ratios for conventional banks and Islamic banks respectively, the minimum regulatory capital adequacy ratios based on transitional arrangements are set out as follows:

Calendar Year	Common Equity Tier 1 (CET1)	Tier 1 Capital	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%

* Excluding Capital Conservation Buffer of 2.5% of total risk-weighted assets ("RWA") which is subject to phase-in arrangement effective on 1 January 2016 as well as Countercyclical Capital Buffer ranging between 0% and 2.5% of total RWA and any other capital buffers which may be introduced by BNM.

- (ii) Total RWA is 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 is 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 is not subjected to any further capital charges in the computation of RWA.

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A34. Capital Adequacy (cont'd.)

(b) Compliance and application of capital adequacy ratios

The capital adequacy ratios of the Group and of 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; and
- (C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ending 31 December 2015.

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; and
- (C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ending 31 December 2015.

- (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; and
- (C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ending 31 December 2015.

- (iii) For PT Bank Internasional Indonesia Tbk, the computation of capital adequacy ratios are 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; and
- (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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A34. Capital Adequacy (cont'd.)

(c) The capital adequacy ratios of the Group and of the Bank

With effect from 30 June 2013, the amount of declared dividend to be deducted in the calculation of CET1 Capital under a 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 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 dividend, upon declaration will be deducted in the calculation of CET1 Capital.

For the financial half year ended 30 June 2015, 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 2015, the proposed single-tier interim dividend has not been deducted from the calculation of CET1 Capital.

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

	Group		Bank	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
CET1 Capital Ratio	11.685%	11.747%	14.844%	16.275%
Tier 1 Capital Ratio	13.365%	13.539%	15.728%	16.275%
Total Capital Ratio	15.753%	16.235%	15.728%	16.275%

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A34. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	30 June 2015 RM'000	31 December 2014 RM'000	30 June 2015 RM'000	31 December 2014 RM'000
CET1 Capital				
Paid-up share capital	9,536,996	9,319,030	9,536,996	9,319,030
Share premium	24,436,199	22,747,922	24,436,199	22,747,922
Retained profits ¹	8,488,129	9,173,105	3,261,135	4,052,916
Other reserves ¹	10,515,231	8,600,064	11,766,178	10,629,085
Qualifying non-controlling interests	117,575	124,884	-	-
Less: Shares held-in-trust	(117,069)	(113,463)	(117,069)	(113,463)
CET1 Capital before regulatory adjustments	52,977,061	49,851,542	48,883,439	46,635,490
Less: Regulatory adjustments applied on CET1 Capital:	(9,716,854)	(8,391,750)	(9,415,176)	(5,328,480)
Deferred tax assets	(702,516)	(835,018)	(232,351)	(348,350)
Goodwill	(5,295,795)	(5,144,128)	(81,015)	(81,015)
Other intangibles	(1,012,609)	(1,080,868)	(422,244)	(425,252)
Profit equalisation reserve	(34,456)	(34,456)	-	-
Regulatory reserve	(789,804)	(274,500)	(363,500)	-
Shortfall of total eligible provision to total expected loss	(540,528)	(420,130)	(37,747)	-
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ³	(1,341,146)	(602,650)	(8,278,319)	(4,139,159)
Regulatory adjustments due to insufficient Additional Tier 1 and Tier 2 Capital	-	-	-	(334,704)
Total CET1 Capital	43,260,207	41,459,792	39,468,263	41,307,010
Additional Tier 1 Capital				
Capital securities	6,124,416	6,246,181	6,124,416	6,246,181
Qualifying CET1 and Additional Tier 1 capital instruments held by third parties	98,147	80,409	-	-
Less: Regulatory adjustments due to insufficient Tier 2 Capital	-	-	(3,775,607)	(6,246,181)
Total Tier 1 Capital	49,482,770	47,786,382	41,817,072	41,307,010
Tier 2 Capital				
Subordinated obligations	9,684,020	10,838,880	9,684,020	10,838,880
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	568,994	530,022	-	-
Collective allowance ²	598,934	555,142	190,865	214,426
Surplus of total eligible provision over total expected loss	-	-	-	81,949
Less: Regulatory adjustments not deducted from CET1 Capital or Additional Tier 1 Capital provided under the transitional arrangements ³	(2,011,719)	(2,410,601)	(9,874,885)	(11,135,255)
Total Tier 2 Capital	8,840,229	9,513,443	-	-
Total Capital	58,322,999	57,299,825	41,817,072	41,307,010

¹ For the Group, the amount excludes retained profits and other reserves from insurance and takaful business. For the Bank, the amount includes retained profits and other reserves of Maybank International (L) Ltd.

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

³ For the Bank, the regulatory adjustment includes 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) Maybank 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 investment in insurance and takaful entities.

The capital adequacy ratios of the Group is derived from consolidated balances of the Bank and its subsidiaries, excluding the investments in insurance and takaful entities and associates.

The capital adequacy ratios of the Bank is derived from the Bank and its wholly-owned offshore banking subsidiary, Maybank International (L) Ltd., excluding the investments in subsidiaries and associates (except for Myfin Berhad, Maybank International (L) Ltd. and Mayban Agro Fund Sdn. Bhd. as disclosed above).

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A34. Capital Adequacy (cont'd.)

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

	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Internasional Indonesia Tbk
<u>At 30 June 2015</u>			
CET1 Capital Ratio	11.117%	30.383%	-
Tier 1 Capital Ratio	11.117%	30.383%	-
Total Capital Ratio	14.687%	30.383%	15.681%
<u>At 31 December 2014</u>			
CET1 Capital Ratio	12.003%	30.902%	-
Tier 1 Capital Ratio	12.003%	30.902%	-
Total Capital Ratio	16.088%	30.902%	15.724%

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A34. Capital Adequacy (cont'd.)

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

At 30 June 2015

	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	44,168,156	21,931,344	5,340,020	366,094	28,567,536
Internal Ratings-Based Approach exposure after scaling factor	278,293,168	213,937,593	60,691,612	-	-
Total RWA for credit risk	322,461,324	235,868,937	66,031,632	366,094	28,567,536
Total RWA for credit risk absorbed by Malayan Banking Berhad*	-	-	(6,359,288)	-	-
Total RWA for market risk	14,379,126	9,795,053	667,918	541,669	129,794
Total RWA for operational risk	33,390,304	20,215,402	4,511,955	857,853	4,123,662
Total RWA	370,230,754	265,879,392	64,852,217	1,765,616	32,820,992

At 31 December 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	48,784,842	22,551,830	4,831,718	441,295	28,534,411
Internal Ratings-Based Approach exposure after scaling factor	257,422,482	201,894,673	51,473,277	-	-
Total RWA for credit risk	306,207,324	224,446,503	56,304,995	441,295	28,534,411
Total RWA for credit risk absorbed by Malayan Banking Berhad*	-	-	(3,930,555)	-	-
Total RWA for market risk	14,168,153	9,452,839	573,921	170,661	120,167
Total RWA for operational risk	32,568,977	19,911,571	4,145,952	984,627	3,779,079
Total RWA	352,944,454	253,810,913	57,094,313	1,596,583	32,433,657

* 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.

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A35. 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			Bank		
	Principal Amount RM'000	<---- Fair Value ----> Assets RM'000		Principal Amount RM'000	<---- Fair Value ----> Assets RM'000	
			Liabilities RM'000			Liabilities RM'000
At 30 June 2015						
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	43,677,053	623,923	(231,231)	38,855,998	492,038	(218,278)
- One year to three years	622,257	28,946	(30,060)	622,257	28,946	(30,060)
- More than three years	92,629	1,594	(19,571)	92,629	1,594	(19,571)
	<u>44,391,939</u>	<u>654,463</u>	<u>(280,862)</u>	<u>39,570,884</u>	<u>522,578</u>	<u>(267,909)</u>
Currency swaps:						
- Less than one year	154,069,606	1,668,122	(1,678,951)	156,730,567	1,800,668	(1,673,083)
- One year to three years	817,086	33,321	(566)	817,086	33,321	(566)
- More than three years	105,160	18,443	-	105,160	18,443	-
	<u>154,991,852</u>	<u>1,719,886</u>	<u>(1,679,517)</u>	<u>157,652,813</u>	<u>1,852,432</u>	<u>(1,673,649)</u>
Currency spots:						
- Less than one year	15,169,148	7,881	(29,230)	15,276,643	7,986	(29,329)
Currency options:						
- Less than one year	5,951,682	75,549	(24,790)	5,931,046	75,548	(23,840)
- One year to three years	24,528	827	(19)	24,528	827	(19)
	<u>5,976,210</u>	<u>76,376</u>	<u>(24,809)</u>	<u>5,955,574</u>	<u>76,375</u>	<u>(23,859)</u>
Cross currency interest rate swaps:						
- Less than one year	6,104,506	1,187,472	(154,711)	5,830,820	1,182,363	(126,385)
- One year to three years	11,093,018	477,272	(723,812)	10,837,694	463,037	(690,624)
- More than three years	12,827,660	690,028	(658,210)	13,919,398	797,586	(697,896)
	<u>30,025,184</u>	<u>2,354,772</u>	<u>(1,536,733)</u>	<u>30,587,912</u>	<u>2,442,986</u>	<u>(1,514,905)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	59,494,062	151,544	(185,730)	59,740,286	152,926	(185,730)
- One year to three years	51,961,394	155,858	(177,077)	52,225,456	154,013	(180,499)
- More than three years	86,428,967	813,570	(1,046,607)	86,642,958	810,651	(1,052,150)
	<u>197,884,423</u>	<u>1,120,972</u>	<u>(1,409,414)</u>	<u>198,608,700</u>	<u>1,117,590</u>	<u>(1,418,379)</u>
Interest rate futures:						
- Less than one year	13,490,606	12,796	(8,251)	13,512,606	12,796	(8,251)
- One year to three years	2,830,125	-	(28)	2,830,125	-	(28)
	<u>16,320,731</u>	<u>12,796</u>	<u>(8,279)</u>	<u>16,342,731</u>	<u>12,796</u>	<u>(8,279)</u>
Interest rate options:						
- Less than one year	2,086,269	246	(4,998)	2,086,269	246	(4,998)
- One year to three years	1,446,073	2,009	(53,939)	1,046,073	2,009	(17,218)
- More than three years	6,726,425	15,746	(191,586)	6,636,425	15,622	(175,498)
	<u>10,258,767</u>	<u>18,001</u>	<u>(250,523)</u>	<u>9,768,767</u>	<u>17,877</u>	<u>(197,714)</u>

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A35. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
<u>At 30 June 2015 (cont'd.)</u>	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	31,643	214	(80)	-	-	-
- More than three years	33,662	3,609	-	-	-	-
	<u>65,305</u>	<u>3,823</u>	<u>(80)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	361,594	6,772	(20,176)	45,150	1,714	(1,714)
- One year to three years	289,828	10,134	(8,254)	86,498	8,255	(8,254)
	<u>651,422</u>	<u>16,906</u>	<u>(28,430)</u>	<u>131,648</u>	<u>9,969</u>	<u>(9,968)</u>
Equity swaps:						
- Less than one year	348,275	6,255	(26,181)	-	-	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	148,640	166	(166)	148,640	166	(166)
Commodity swaps:						
- Less than one year	1,483,777	95,047	(95,389)	1,483,777	95,047	(95,389)
- One year to three years	610,431	41,696	(40,946)	610,431	41,696	(40,946)
- More than three years	26,012	3,659	(3,608)	26,012	3,659	(3,608)
	<u>2,120,220</u>	<u>140,402</u>	<u>(139,943)</u>	<u>2,120,220</u>	<u>140,402</u>	<u>(139,943)</u>
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	1,195,233	-	(270,866)	1,195,233	-	(270,866)
- One year to three years	2,304,159	3,447	(314,025)	2,304,159	3,447	(314,025)
- More than three years	1,268,996	-	(169,629)	1,268,996	-	(169,629)
	<u>4,768,388</u>	<u>3,447</u>	<u>(754,520)</u>	<u>4,768,388</u>	<u>3,447</u>	<u>(754,520)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	260,373	211	(4,274)	260,373	211	(4,274)
- One year to three years	1,171,574	792	(15,741)	75,470	266	(11,789)
- More than three years	641,495	7,096	(4,608)	358,483	7,096	(2,482)
	<u>2,073,442</u>	<u>8,099</u>	<u>(24,623)</u>	<u>694,326</u>	<u>7,573</u>	<u>(18,545)</u>
Netting effects under MFRS 132 Amendments						
	-	(434,230)	434,230	-	(434,230)	434,230
Total	<u>485,193,946</u>	<u>5,710,015</u>	<u>(5,759,080)</u>	<u>481,627,246</u>	<u>5,777,947</u>	<u>(5,622,935)</u>

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A35. Derivative Financial Instruments (cont'd.)

At 31 December 2014	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	41,076,794	588,348	(294,309)	36,811,722	482,628	(273,422)
- One year to three years	596,017	21,806	(13,270)	596,017	21,806	(13,270)
- More than three years	144,093	677	(16,515)	144,093	677	(16,515)
	<u>41,816,904</u>	<u>610,831</u>	<u>(324,094)</u>	<u>37,551,832</u>	<u>505,111</u>	<u>(303,207)</u>
Currency swaps:						
- Less than one year	116,377,076	1,339,128	(2,205,414)	117,345,817	1,428,352	(2,212,153)
- One year to three years	637,081	15,316	(361)	637,081	15,316	(361)
- More than three years	146,926	16,982	-	146,926	16,982	-
	<u>117,161,083</u>	<u>1,371,426</u>	<u>(2,205,775)</u>	<u>118,129,824</u>	<u>1,460,650</u>	<u>(2,212,514)</u>
Currency spots:						
- Less than one year	7,295,726	6,337	(8,745)	7,337,074	6,382	(8,770)
Currency options:						
- Less than one year	4,596,069	80,948	(23,938)	4,596,069	80,948	(23,938)
Cross currency interest rate swaps:						
- Less than one year	5,599,660	343,988	(258,596)	5,560,495	343,988	(249,846)
- One year to three years	9,788,547	1,035,022	(375,081)	9,455,307	1,010,158	(341,753)
- More than three years	13,241,977	448,987	(441,727)	14,454,976	487,643	(443,349)
	<u>28,630,184</u>	<u>1,827,997</u>	<u>(1,075,404)</u>	<u>29,470,778</u>	<u>1,841,789</u>	<u>(1,034,948)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	33,384,830	50,224	(49,983)	33,384,830	50,903	(49,983)
- One year to three years	46,517,549	156,692	(185,068)	46,990,591	154,774	(192,655)
- More than three years	70,733,033	755,098	(883,333)	70,977,509	762,423	(885,519)
	<u>150,635,412</u>	<u>962,014</u>	<u>(1,118,384)</u>	<u>151,352,930</u>	<u>968,100</u>	<u>(1,128,157)</u>
Interest rate futures:						
- Less than one year	903,965	130	(421)	923,965	130	(421)
- One year to three years	349,550	-	-	349,550	-	-
	<u>1,253,515</u>	<u>130</u>	<u>(421)</u>	<u>1,273,515</u>	<u>130</u>	<u>(421)</u>
Interest rate options:						
- Less than one year	791,897	747	(423)	791,897	747	(423)
- One year to three years	2,816,393	5,873	(74,644)	2,416,393	5,873	(31,619)
- More than three years	5,103,839	15,680	(254,793)	4,843,839	18,863	(215,970)
	<u>8,712,129</u>	<u>22,300</u>	<u>(329,860)</u>	<u>8,052,129</u>	<u>25,483</u>	<u>(248,012)</u>

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A35. Derivative Financial Instruments (cont'd.)

At 31 December 2014 (cont'd.)	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	78,931	-	(38)	-	-	-
- More than three years	33,663	3,972	-	-	-	-
	112,594	3,972	(38)	-	-	-
Equity options:						
- Less than one year	351,720	874	(11,394)	41,759	810	(810)
- One year to three years	497,251	23,763	(11,146)	138,189	11,076	(11,080)
	848,971	24,637	(22,540)	179,948	11,886	(11,890)
Equity swaps:						
- Less than one year	42,346	86	(1,144)	-	-	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	421,039	2,622	(2,622)	200,109	2,622	(2,622)
Commodity swaps:						
- Less than one year	1,010,881	125,310	(125,194)	1,010,881	125,310	(125,194)
- One year to three years	189,568	27,901	(27,731)	189,568	27,901	(27,731)
- One year to three years	24,095	2,838	(2,791)	24,095	2,838	(2,791)
	1,224,544	156,049	(155,716)	1,224,544	156,049	(155,716)
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	1,458,170	-	(142,278)	1,458,170	-	(142,278)
- One year to three years	1,869,608	6,561	(290,251)	1,869,608	6,561	(290,251)
- More than three years	1,347,031	12,664	(133,955)	1,347,031	12,664	(133,955)
	4,674,809	19,225	(566,484)	4,674,809	19,225	(566,484)
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	104,866	2,721	(11,135)	104,866	2,721	(11,135)
- One year to three years	1,254,256	696	(22,053)	181,767	603	(13,751)
- More than three years	262,163	-	(136)	-	-	-
	1,621,285	3,417	(33,324)	286,633	3,324	(24,886)
Netting effects under MFRS 132 Amendments						
	-	(547,990)	547,990	-	(547,990)	547,990
Total	369,046,610	4,544,001	(5,320,499)	364,330,194	4,533,709	(5,173,575)

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A36. Fair Value Measurements of Financial Instruments

Fair value hierarchy

For disclosure purposes, the level in the hierarchy within which the instruments are classified in its entirety is based on the lowest level input that is significant to the position's 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 for which all significant inputs are, or are based on, observable market data

Refers to inputs other than quoted prices included 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 for which significant inputs are not based on observable market data

Refers to financial instruments where fair value is measured using significant unobservable inputs. The valuation techniques used are consistent with the Level 2 but 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 2015 and 31 December 2014.

Group	<u>Valuation technique using</u>			Total
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 30 June 2015				
Financial assets measured at fair value:				
Financial assets held-for-trading	1,531,622	6,488,274	-	8,019,896
Money market instruments	-	1,642,496	-	1,642,496
Quoted securities	1,531,622	-	-	1,531,622
Unquoted securities	-	4,845,778	-	4,845,778
Financial assets designated at fair value through profit or loss	-	9,605,378	-	9,605,378
Money market instruments	-	585,182	-	585,182
Quoted securities	-	17,932	-	17,932
Unquoted securities	-	9,002,264	-	9,002,264
Financial investments available-for-sale	4,124,844	82,204,279	482,247	86,811,370
Money market instruments	-	44,494,037	-	44,494,037
Quoted securities	4,124,844	-	-	4,124,844
Unquoted securities	-	37,710,242	482,247	38,192,489
Derivative assets	48	5,698,985	10,982	5,710,015
Foreign exchange related contracts	-	4,816,825	-	4,816,825
Interest rate related contracts	-	1,159,020	848	1,159,868
Equity and commodity related contracts	48	157,370	10,134	167,552
Netting effects under MFRS 132 Amendments	-	(434,230)	-	(434,230)
	5,656,514	103,996,916	493,229	110,146,659
Financial liabilities measured at fair value:				
Derivative liabilities	711	5,619,354	139,015	5,759,080
Foreign exchange related contracts	-	4,305,671	-	4,305,671
Interest rate related contracts	-	1,563,958	128,881	1,692,839
Equity and commodity related contracts	711	183,955	10,134	194,800
Netting effects under MFRS 132 Amendments	-	(434,230)	-	(434,230)

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A36. Fair Value Measurements of Financial Instruments (cont'd.)

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 31 December 2014				
Financial assets measured at fair value:				
Financial assets held-for-trading	1,359,305	11,110,323	-	12,469,628
Money market instruments	23,890	7,534,848	-	7,558,738
Quoted securities	1,335,415	-	-	1,335,415
Unquoted securities	-	3,575,475	-	3,575,475
Financial assets designated at fair value through profit or loss	-	11,235,695	-	11,235,695
Money market instruments	-	863,104	-	863,104
Unquoted securities	-	10,372,591	-	10,372,591
Financial investments available-for-sale	3,680,570	78,531,345	418,789	82,630,704
Money market instruments	-	40,486,263	-	40,486,263
Quoted securities	3,680,570	-	-	3,680,570
Unquoted securities	-	38,045,082	418,789	38,463,871
Derivative assets	64	4,529,425	14,512	4,544,001
Foreign exchange related contracts	-	3,916,764	-	3,916,764
Interest rate related contracts	-	987,861	-	987,861
Equity and commodity related contracts	64	172,790	14,512	187,366
Netting effects under MFRS 132 Amendments	-	(547,990)	-	(547,990)
	<u>5,039,939</u>	<u>105,406,788</u>	<u>433,301</u>	<u>110,880,028</u>
Financial liabilities measured at fair value:				
Derivative liabilities	19,325	5,063,576	237,598	5,320,499
Foreign exchange related contracts	-	4,204,440	-	4,204,440
Interest rate related contracts	-	1,258,903	223,086	1,481,989
Equity and commodity related contracts	19,325	148,223	14,512	182,060
Netting effects under MFRS 132 Amendments	-	(547,990)	-	(547,990)

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A36. Fair Value Measurements of Financial Instruments (cont'd.)

Bank At 30 June 2015	<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	
Financial assets measured at fair value:				
Financial assets held-for-trading	6,749	5,799,361	-	5,806,110
Money market instruments	-	1,197,229	-	1,197,229
Quoted securities	6,749	-	-	6,749
Unquoted securities	-	4,602,132	-	4,602,132
Financial investments available-for-sale	146,406	73,453,837	351,250	73,951,493
Money market instruments	-	42,814,409	-	42,814,409
Quoted securities	146,406	-	-	146,406
Unquoted securities	-	30,639,428	351,250	30,990,678
Derivative assets	-	5,767,090	10,857	5,777,947
Foreign exchange related contracts	-	4,905,804	-	4,905,804
Interest rate related contracts	-	1,155,113	723	1,155,836
Equity and commodity related contracts	-	140,403	10,134	150,537
Netting effects under MFRS 132 Amendments	-	(434,230)	-	(434,230)
	153,155	85,020,288	362,107	85,535,550

Financial liabilities measured at fair value:

Derivative liabilities	-	5,536,729	86,206	5,622,935
Foreign exchange related contracts	-	4,264,171	-	4,264,171
Interest rate related contracts	-	1,566,845	76,072	1,642,917
Equity and commodity related contracts	-	139,943	10,134	150,077
Netting effects under MFRS 132 Amendments	-	(434,230)	-	(434,230)

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A36. Fair Value Measurements of Financial Instruments (cont'd.)

Bank At 31 December 2014	<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	
Financial assets measured at fair value:				
Financial assets held-for-trading	9,008	9,416,382	-	9,425,390
Money market instruments	-	6,200,701	-	6,200,701
Quoted securities	9,008	-	-	9,008
Unquoted securities	-	3,215,681	-	3,215,681
Financial investments available-for-sale	141,389	73,219,682	269,634	73,630,705
Money market instruments	-	42,216,526	-	42,216,526
Quoted securities	141,389	-	-	141,389
Unquoted securities	-	31,003,156	269,634	31,272,790
Derivative assets	-	4,519,197	14,512	4,533,709
Foreign exchange related contracts	-	3,914,105	-	3,914,105
Interest rate related contracts	-	997,037	-	997,037
Equity and commodity related contracts	-	156,045	14,512	170,557
Netting effects under MFRS132 Amendments	-	(547,990)	-	(547,990)
	150,397	87,155,261	284,146	87,589,804

Financial liabilities measured at fair value:

Derivative liabilities	-	5,021,006	152,569	5,173,575
Foreign exchange related contracts	-	4,149,861	-	4,149,861
Interest rate related contracts	-	1,263,419	138,057	1,401,476
Equity and commodity related contracts	-	155,716	14,512	170,228
Netting effects under MFRS132 Amendments	-	(547,990)	-	(547,990)

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.

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A36. 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 2015	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 into Level 3	Transfer out from Level 3	At 30 June 2015
At 30 June 2015	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											
Unquoted securities	418,789	(286)	-	5,062	84,483	(10,234)	(12,678)	8,736	-	(11,625)	482,247
	418,789	(286)	-	5,062	84,483	(10,234)	(12,678)	8,736	-	(11,625)	482,247
Derivative assets											
Interest rate related contracts	-	6,102	1,521	-	-	-	(6,775)	-	-	-	848
Equity and commodity related contracts	14,512	3,623	(3,586)	-	1,972	-	(6,387)	-	-	-	10,134
	14,512	9,725	(2,065)	-	1,972	-	(13,162)	-	-	-	10,982
Total Level 3 financial assets	433,301	9,439	(2,065)	5,062	86,455	(10,234)	(25,840)	8,736	-	(11,625)	493,229
Derivative liabilities											
Interest rate related contracts	(223,086)	1,213	(3,428)	-	-	-	96,420	-	-	-	(128,881)
Equity and commodity related contracts	(14,512)	(3,623)	3,586	-	(1,972)	-	6,387	-	-	-	(10,134)
Total Level 3 financial liabilities	(237,598)	(2,410)	158	-	(1,972)	-	102,807	-	-	-	(139,015)
Total net Level 3 financial assets/ (liabilities)	195,703	7,029	(1,907)	5,062	84,483	(10,234)	76,967	8,736	-	(11,625)	354,214

* Included within 'Other operating income'.

** The settlement amount of financial investments available-for-sale for the 6 months financial period ended 30 June 2015 was mainly comprised of redemption of loan stocks of RM12.1 million.

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A36. 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 2014 RM'000	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 RM'000	Purchases RM'000	Sales RM'000	Settlements[^] RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out of Level 3 RM'000	At 31 December 2014 RM'000
Financial assets held-for-trading											
Unquoted securities	576,574	(138)	5,295	-	-	(10,043)	-	-	-	(571,688)	-
	576,574	(138)	5,295	-	-	(10,043)	-	-	-	(571,688)	-
Financial assets designated at fair value through profit or loss											
Unquoted securities	156,937	-	-	-	-	-	-	-	-	(156,937)	-
	156,937	-	-	-	-	-	-	-	-	(156,937)	-
Financial investments available-for-sale											
Unquoted securities	666,340	111,099	-	(2,122)	128,738	(13,947)	(375,148)	4,689	32,739	(133,599)	418,789
	666,340	111,099	-	(2,122)	128,738	(13,947)	(375,148)	4,689	32,739	(133,599)	418,789
Derivative assets											
Foreign exchange related contracts	1,754	(2,421)	438	-	1,565	-	(1,336)	-	-	-	-
Equity and commodity related contracts	30,097	(3,758)	3,463	-	5,260	-	(5,829)	-	-	(14,721)	14,512
	31,851	(6,179)	3,901	-	6,825	-	(7,165)	-	-	(14,721)	14,512
Total Level 3 financial assets	1,431,702	104,782	9,196	(2,122)	135,563	(23,990)	(382,313)	4,689	32,739	(876,945)	433,301
Derivative liabilities											
Foreign exchange related contracts	(2,033)	2,557	(438)	-	(1,565)	-	1,479	-	-	-	-
Interest rate related contracts	(302,074)	9,050	59,184	-	(13,885)	-	24,639	-	-	-	(223,086)
Equity and commodity related contracts	(12,087)	3,737	(6,713)	-	(5,259)	-	5,810	-	-	-	(14,512)
Total Level 3 financial liabilities	(316,194)	15,344	52,033	-	(20,709)	-	31,928	-	-	-	(237,598)
Total net Level 3 financial assets/ (liabilities)	1,115,508	120,126	61,229	(2,122)	114,854	(23,990)	(350,385)	4,689	32,739	(876,945)	195,703

* Included within 'Other operating income'.

[^] The settlement amount of financial investments available-for-sale for the financial year ended 31 December 2014 included a redemption of loan stock of RM342.1 million.

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A36. 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	Total	Total				Exchange	Transfer into	Transfer out of	At
At 30 June 2015	2015	realised	unrealised	unrealised	Purchases	Sales	Settlements**	differences	Level 3	Level 3	30 June
	RM'000	gains/(losses)	gains/(losses)	gains/(losses)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	2015
		recognised in	recognised in	recognised in							RM'000
		income	income	other							
		statements*	statements*	comprehensive							
		RM'000	RM'000	income							
				RM'000							
Financial investments available-for-sale											
Unquoted securities	269,634	(285)	-	5,323	84,483	-	(12,678)	4,773	-	-	351,250
	269,634	(285)	-	5,323	84,483	-	(12,678)	4,773	-	-	351,250
Derivative assets											
Interest rate related contracts	-	1,334	886	-	-	-	(1,497)	-	-	-	723
Equity and commodity related contracts	14,512	3,623	(3,586)	-	1,972	-	(6,387)	-	-	-	10,134
	14,512	4,957	(2,700)	-	1,972	-	(7,884)	-	-	-	10,857
Total Level 3 financial assets	284,146	4,672	(2,700)	5,323	86,455	-	(20,562)	4,773	-	-	362,107
Derivative liabilities											
Interest rate related contracts	(138,057)	857	(10,018)	-	-	-	71,146	-	-	-	(76,072)
Equity and commodity related contracts	(14,512)	(3,623)	3,586	-	(1,972)	-	6,387	-	-	-	(10,134)
Total Level 3 financial liabilities	(152,569)	(2,766)	(6,432)	-	(1,972)	-	77,533	-	-	-	(86,206)
Total net Level 3 financial assets/											
(liabilities)	131,577	1,906	(9,132)	5,323	84,483	-	56,971	4,773	-	-	275,901

* Included within 'Other operating income'.

** The settlement amount of financial investments available-for-sale for the 6 months financial period ended 30 June 2015 was mainly comprised of redemption of loan stocks of RM12.1 million.

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A36. 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	Total	Total				Exchange	Transfer into	Transfer out from	At
At 31 December 2014	2014	realised	unrealised	unrealised	Purchases	Sales	Settlements[^]	differences	Level 3	Level 3	31 December
	RM'000	gains/(losses)	gains/(losses)	gains/(losses)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	2014
		recognised in	recognised in	recognised in							RM'000
		income	income	other							
		statements*	statements*	comprehensive							
		RM'000	RM'000	income							
				RM'000							
Financial investments available-for-sale											
Unquoted securities	332,271	37,065	-	-	36,770	-	(170,758)	4,538	29,748	-	269,634
	332,271	37,065	-	-	36,770	-	(170,758)	4,538	29,748	-	269,634
Derivative assets											
Foreign exchange related contracts	1,729	(2,466)	438	-	1,565	-	(1,266)	-	-	-	-
Equity and commodity related contracts	12,087	(3,738)	6,713	-	5,260	-	(5,810)	-	-	-	14,512
	13,816	(6,204)	7,151	-	6,825	-	(7,076)	-	-	-	14,512
Total Level 3 financial assets	346,087	30,861	7,151	-	43,595	-	(177,834)	4,538	29,748	-	284,146
Derivative liabilities											
Foreign exchange related contracts	(1,729)	2,466	(438)	-	(1,565)	-	1,266	-	-	-	-
Interest rate related contracts	(212,726)	9,050	40,980	-	-	-	24,639	-	-	-	(138,057)
Equity and commodity related contracts	(12,087)	3,738	(6,713)	-	(5,260)	-	5,810	-	-	-	(14,512)
Total Level 3 financial liabilities	(226,542)	15,254	33,829	-	(6,825)	-	31,715	-	-	-	(152,569)
Total net Level 3 financial assets/ (liabilities)	119,545	46,115	40,980	-	36,770	-	(146,119)	4,538	29,748	-	131,577

* Included within 'Other operating income'.

[^] The settlement amount of financial investments available-for-sale for the financial year ended 31 December 2014 included a redemption of loan stock of RM139.2 million.

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 6 months financial period ended 30 June 2015.

Movements in Level 3 financial instruments measured at fair value

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

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A37. Credit Exposure Arising from Credit Transactions with Connected Parties

	Group		Bank	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Outstanding credit exposures with connected parties (RM'000)	23,055,585	20,144,156	24,678,246	26,381,577
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	3.4%	3.1%	4.9%	5.5%
Percentage of outstanding credit exposures to connected parties which is impaired or in default	-	-	-	-

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

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A38. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business

Pursuant to Paragraph 10.5(iv) of Bank Negara Malaysia's Financial Reporting Policy issued on 28 January 2015, 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 2015

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014	30 June 2015	30 June 2014
Six-Month Ended	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	205,306	226,593	155,753	151,416	29,378	27,520	80,449	81,893	470,886	487,422
Interest expense	-	-	-	-	-	-	(16,964)	(11,432)	(16,964)	(11,432)
Net interest income	205,306	226,593	155,753	151,416	29,378	27,520	63,485	70,461	453,922	475,990
Net earned insurance premiums	537,633	520,124	620,391	550,346	438,416	377,108	440,983	504,083	2,037,423	1,951,661
Other operating income	143,639	136,975	123,224	97,688	7,736	2,378	44,496	84,219	319,095	321,260
Total operating income	886,578	883,692	899,368	799,450	475,530	407,006	548,964	658,763	2,810,440	2,748,911
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(740,171)	(804,807)	(796,914)	(775,763)	(471,733)	(407,346)	(144,919)	(113,521)	(2,153,737)	(2,101,437)
Net operating income	146,407	78,885	102,454	23,687	3,797	(340)	404,045	545,242	656,703	647,474
Overhead expenses	(92,593)	(71,805)	(17,291)	(19,971)	(403)	(511)	(184,245)	(213,944)	(294,532)	(306,231)
Operating profit before impairment losses	53,814	7,080	85,163	3,716	3,394	(851)	219,800	331,298	362,171	341,243
(Allowances for)/writeback of impairment losses on loans, advances and financing, net	(741)	(1,030)	(491)	3,887	(2,240)	853	(1,486)	(1,595)	(4,958)	2,115
Allowances for impairment losses on financial investments, net	(53,073)	(6,050)	(84,672)	(7,603)	(1,154)	(2)	(30,796)	(2,114)	(169,695)	(15,769)
Operating profit	-	-	-	-	-	-	187,518	327,589	187,518	327,589
Share of profits in associates	-	-	-	-	-	-	(1,122)	262	(1,122)	262
Profit before taxation and zakat	-	-	-	-	-	-	186,396	327,851	186,396	327,851
Taxation and zakat	-	-	-	-	-	-	(68,622)	(94,839)	(68,622)	(94,839)
Profit for the period	-	-	-	-	-	-	117,774	233,012	117,774	233,012

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A38. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business (cont'd.)

Pursuant to Paragraph 10.5(iv) of Bank Negara Malaysia's Financial Reporting Policy issued on 28 January 2015, 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 2015

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
	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	327,367	53,254	64,236	50,364	85,523	49,612	202,835	140,400	679,961	293,630
Deposits and placements with financial institutions	834,255	598,475	707,785	374,121	166,414	118,495	842,570	616,214	2,551,024	1,707,305
Financial assets at fair value through profit or loss	7,479,148	8,977,758	4,141,198	4,490,284	-	-	-	-	11,620,346	13,468,042
Financial investments available-for-sale	1,452,808	1,056,052	3,690,577	3,361,546	1,321,080	1,349,788	3,718,653	3,849,271	10,183,118	9,616,657
Loans, advances and financing	272,049	276,085	5,300	7,300	-	-	29,819	30,646	307,168	314,031
Derivative assets	10,281	14,936	-	-	-	-	-	-	10,281	14,936
Reinsurance/retakaful assets and other insurance receivables	65,212	64,153	139,550	121,948	367,991	339,827	4,300,732	4,446,135	4,873,485	4,972,063
Other assets	37,134	108,217	10,491	112,213	1,139	2,056	57,462	202,718	106,226	425,204
Investment properties	546,498	536,895	-	-	-	-	96,115	51,035	642,613	587,930
Interest in associates	-	-	-	-	-	-	10,668	10,974	10,668	10,974
Property, plant and equipment	73,871	77,070	-	-	-	-	71,216	72,916	145,087	149,986
Intangible assets	11,591	12,967	-	-	-	-	26,284	23,451	37,875	36,418
Deferred tax assets	9,490	6,581	16,121	16,027	5,768	8,761	33,110	35,563	64,489	66,932
TOTAL ASSETS	11,119,704	11,782,443	8,775,258	8,533,803	1,947,915	1,868,539	9,389,464	9,479,323	31,232,341	31,664,108
LIABILITIES										
Derivative liabilities	27,659	15,135	-	-	-	-	-	-	27,659	15,135
Insurance/takaful contract liabilities and other insurance payables	8,803,372	9,544,425	8,548,312	8,217,200	1,759,491	1,650,190	5,315,707	5,387,018	24,426,882	24,798,833
Other liabilities #	2,214,537	2,162,437	205,193	309,793	170,042	206,533	(1,523,772)	(1,759,346)	1,066,000	919,417
Provision for taxation and zakat	39,107	26,429	18,714	5,445	13,429	7,012	(73,734)	(64,430)	(2,484)	(25,544)
Deferred tax liabilities	35,029	34,017	3,039	1,365	4,953	4,804	477,354	460,814	520,375	501,000
Subordinated obligations	-	-	-	-	-	-	811,240	811,334	811,240	811,334
TOTAL LIABILITIES	11,119,704	11,782,443	8,775,258	8,533,803	1,947,915	1,868,539	5,006,795	4,835,390	26,849,672	27,020,175
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE SUBSIDIARIES										
Share capital	-	-	-	-	-	-	252,005	252,005	252,005	252,005
Other reserves	-	-	-	-	-	-	4,130,664	4,391,928	4,130,664	4,391,928
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	11,119,704	11,782,443	8,775,258	8,533,803	1,947,915	1,868,539	9,389,464	9,479,323	31,232,341	31,664,108

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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A39. The Operations of Islamic Banking Scheme

A39a. Unaudited Income Statements for the Financial Half Year Ended 30 June 2015

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	1,656,712	1,307,099	3,252,236	2,566,068
Income derived from investment of Islamic Banking Funds	96,064	80,323	179,904	163,736
Allowances for impairment losses on financing and advances	(85,384)	(38,025)	(170,081)	(57,520)
Total distributable income	1,667,392	1,349,397	3,262,059	2,672,284
Income attributable to the depositors	(962,041)	(713,663)	(1,892,792)	(1,416,823)
Total net income	705,351	635,734	1,369,267	1,255,461
Finance cost	(23,261)	(26,954)	(46,559)	(37,503)
Overhead expenses	(286,836)	(267,835)	(574,102)	(551,374)
Profit before taxation and zakat	395,254	340,945	748,606	666,584
Taxation	(111,333)	(79,290)	(194,174)	(158,781)
Zakat	(1,824)	(5,493)	(6,523)	(10,754)
Profit for the period	282,097	256,162	547,909	497,049

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

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	1,656,712	1,307,099	3,252,236	2,566,068
Income derived from investment of Islamic Banking Funds	96,064	80,323	179,904	163,736
Total income before allowances for impairment losses on financing and advances and overhead expenses	1,752,776	1,387,422	3,432,140	2,729,804
Income attributable to the depositors	(962,041)	(713,663)	(1,892,792)	(1,416,823)
	790,735	673,759	1,539,348	1,312,981
Finance cost	(23,261)	(26,954)	(46,559)	(37,503)
Net of intercompany income and expenses	199,627	162,442	407,060	342,173
Income from Islamic Banking Scheme	967,101	809,247	1,899,849	1,617,651

A39b. Unaudited Statements of Comprehensive Income for the Financial Half Year Ended 30 June 2015

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	282,097	256,162	547,909	497,049
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net gain/(loss) on foreign exchange translation	13,619	(32,773)	(13,237)	(8,118)
Net (loss)/gain on financial investments available-for-sale	(1,568)	13,402	65,907	17,358
Income tax relating to components of other comprehensive income	392	(3,888)	(16,477)	(5,087)
Other comprehensive income for the period, net of tax	12,443	(23,259)	36,193	4,153
Total comprehensive income for the period	294,540	232,903	584,102	501,202

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39c. Unaudited Statement of Financial Position as at 30 June 2015

<u>Group</u>	Note	30 June 2015 RM'000	31 December 2014 RM'000
ASSETS			
Cash and short-term funds		10,829,049	17,893,965
Deposits and placements with financial institutions		1,217,845	763
Financial investments portfolio		9,283,117	9,464,746
Financing and advances	A39e	122,044,365	108,814,883
Derivative assets		260,715	169,535
Other assets		14,527,784	7,981,518
Statutory deposit with central banks		4,348,000	3,778,000
Property, plant and equipment		981	1,162
Intangible assets		303	658
Deferred tax assets		19,718	35,963
Total Assets		162,531,877	148,141,193
LIABILITIES			
Deposits from customers	A39f	106,712,829	99,996,856
Deposits and placements from financial institutions		43,691,226	36,625,916
Bills and acceptances payable		29,383	5,947
Derivatives liabilities		385,569	273,865
Other liabilities		347,352	288,384
Provision for taxation and zakat		75,029	54,994
Subordinated sukuk	A39g	2,527,200	2,527,629
Total Liabilities		153,768,588	139,773,591
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		1,141,780	1,175,774
Share premium		4,099,344	4,099,344
Retained profits		2,703,666	2,470,137
Other reserves		818,499	622,347
		8,763,289	8,367,602
Total Liabilities and Islamic Banking Capital Funds		162,531,877	148,141,193
COMMITMENTS AND CONTINGENCIES			
		44,186,694	37,876,493

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2015

<u>Group</u>	←----- Non-distributable ----->										Total RM'000
	Islamic Banking Funds RM'000	Share Premium RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	Statutory Reserve RM'000	*Equity contribution from the holding company RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Regulatory Reserve RM'000	Distributable Retained Profits RM'000	
At 1 January 2015	1,175,774	4,099,344	(99,618)	1,830	409,672	1,697	34,456	(190)	274,500	2,470,137	8,367,602
Profit for the period	-	-	-	-	-	-	-	-	-	547,909	547,909
Other comprehensive income/(loss)	-	-	49,430	(13,237)	-	-	-	-	-	-	36,193
Net loss on foreign exchange translation	-	-	-	(13,237)	-	-	-	-	-	-	(13,237)
Net gain on financial investments available-for-sale	-	-	49,430	-	-	-	-	-	-	-	49,430
Total comprehensive income/ (loss) for the period	-	-	49,430	(13,237)	-	-	-	-	-	547,909	584,102
Transfer (to)/from conventional banking operations	(33,994)	-	-	11,609	-	-	-	-	-	3,959	(18,426)
Transfer to regulatory reserve	-	-	-	-	-	-	-	-	148,350	(148,350)	-
Dividends paid	-	-	-	-	-	-	-	-	-	(169,989)	(169,989)
At 30 June 2015	1,141,780	4,099,344	(50,188)	202	409,672	1,697	34,456	(190)	422,850	2,703,666	8,763,289

* This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Financial Half Year Ended 30 June 2015

<u>Group</u>	←----- Non-distributable -----→										<u>Total</u>
	<u>Islamic Banking Funds</u>	<u>Share Premium</u>	<u>Available-for-sale Reserve</u>	<u>Exchange Fluctuation Reserve</u>	<u>Statutory Reserve</u>	<u>*Equity contribution from the holding company</u>	<u>Profit Equalisation Reserve</u>	<u>Defined Benefit Reserve</u>	<u>Regulatory Reserve</u>	<u>Distributable Retained Profits</u>	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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
Net loss on foreign exchange translation	-	-	-	(8,118)	-	-	-	-	-	-	(8,118)
Net gain on financial investments available-for-sale	-	-	12,271	-	-	-	-	-	-	-	12,271
Total comprehensive income/ (loss) for the period	-	-	12,271	(8,118)	-	-	-	-	-	497,049	501,202
Transfer from/(to) conventional banking operations	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

* This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances

Group	Bai'	Murabahah	Musyarakah	Al-Ijarah Thummah	Ijarah	Istisna'	Others	Total
As at 30 June 2015	RM'000	RM'000	RM'000	Al-Bai (AITAB)	RM'000	RM'000	RM'000	Financing and Advances
				RM'000				RM'000
Cashline	-	3,181,002	-	-	-	-	-	3,181,002
Term financing								
- Housing financing	21,525,952	52,277,087	2,784,738	-	-	-	-	76,587,777
- Syndicated financing	-	852,927	-	-	-	-	-	852,927
- Hire purchase receivables	-	-	-	34,968,164	-	-	-	34,968,164
- Other term financing	38,874,646	51,292,722	1,708,641	-	491,186	173,687	2,228	92,543,110
Bills receivables	-	3,487	-	-	-	-	3,228	6,715
Trust receipts	-	191,932	-	-	-	-	-	191,932
Claims on customers under acceptance credits	-	3,616,505	-	-	-	-	-	3,616,505
Staff financing	908,886	909,453	11,826	142,749	-	-	39,293	2,012,207
Credit card receivables	-	-	-	-	-	-	541,562	541,562
Revolving credit	-	9,930,428	-	-	-	-	-	9,930,428
	61,309,484	122,255,543	4,505,205	35,110,913	491,186	173,687	586,311	224,432,329
Unearned income								(101,440,106)
Gross financing and advances*								122,992,223
Allowances for impaired financing and advances:								
- Individual allowance								(258,447)
- Collective allowance								(689,411)
Net financing and advances								122,044,365

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances (cont'd.)

Group	Bai'	Murabahah	Musarakah	Al-Ijarah Thummah	Ijarah	Istisna'	Others	Total Financing and Advances
As at 31 December 2014	RM'000	RM'000	RM'000	Al-Bai (AITAB) RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	2,423,156	-	-	-	-	-	2,423,156
Term financing								
- Housing financing	22,413,253	44,643,817	2,823,380	-	-	-	-	69,880,450
- Syndicated financing	-	35,105	-	-	-	-	-	35,105
- Hire purchase receivables	-	-	-	32,340,140	-	-	-	32,340,140
- Other term financing	43,829,655	39,773,412	1,806,647	-	161,882	174,983	528	85,747,107
Bills receivables	-	-	-	-	-	-	-	-
Trust receipts	-	193,885	-	-	-	-	-	193,885
Claims on customers under acceptance credits	-	4,080,986	-	-	-	-	-	4,080,986
Staff financing	966,347	605,961	9,220	130,348	-	-	39,881	1,751,757
Credit card receivables	-	-	-	-	-	-	475,704	475,704
Revolving credit	-	8,800,225	-	-	-	-	-	8,800,225
	<u>67,209,255</u>	<u>100,556,547</u>	<u>4,639,247</u>	<u>32,470,488</u>	<u>161,882</u>	<u>174,983</u>	<u>516,113</u>	<u>205,728,515</u>
Unearned income								(96,088,908)
Gross financing and advances*								<u>109,639,607</u>
Allowances for impaired financing and advances:								
- Individual allowance								(212,945)
- Collective allowance								(611,779)
Net financing and advances								<u>108,814,883</u>

* Included in gross financing and advances are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA") amounting to RM12,634.6 million (31 December 2014: RM9,548.2 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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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances (cont'd.)

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

<u>Group</u>	30 June 2015 RM'000	31 December 2014 RM'000
Gross impaired financing and advances at 1 January 2015/2014	697,954	531,627
Newly impaired	437,732	728,670
Reclassified as non-impaired	(170,191)	(285,316)
Amount recovered	(110,688)	(153,007)
Amount written-off	(77,336)	(124,020)
Gross impaired financing and advances at 30 June 2015/ 31 December 2014	<u>777,471</u>	<u>697,954</u>
Less: Individual allowance	<u>(258,447)</u>	<u>(212,945)</u>
Net impaired financing and advances at 30 June 2015/ 31 December 2014	<u>519,024</u>	<u>485,009</u>
Gross financing and advances (excluding RPSIA financing)	110,357,612	100,091,424
Less: Individual allowance	<u>(258,447)</u>	<u>(212,945)</u>
Net financing and advances	<u>110,099,165</u>	<u>99,878,479</u>
Net impaired financing and advances as a percentage of net financing and advances	<u>0.47%</u>	<u>0.49%</u>

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

<u>Group</u>	30 June 2015 RM'000	31 December 2014 RM'000
<u>Individual allowance</u>		
At 1 January 2015/2014	212,945	172,880
Allowance made	91,298	123,302
Amount written back in respect of recoveries	(10,962)	(12,071)
Amount written-off	(32,727)	(69,249)
Transferred to collective allowance	(2,107)	(2,356)
Exchange differences	-	439
At 30 June 2015/31 December 2014	<u>258,447</u>	<u>212,945</u>
<u>Collective allowance</u>		
At 1 January 2015/2014	611,779	591,146
Allowance made *	119,525	84,488
Amount written-off	(44,609)	(65,700)
Transferred from individual allowance	2,107	2,356
Transferred to holding company	-	(1,224)
Exchange differences	609	713
At 30 June 2015/31 December 2014	<u>689,411</u>	<u>611,779</u>
As a percentage of gross financing and advances (excluding RPSIA financing) less individual allowance (including Regulatory Reserve)	<u>1.01%</u>	<u>0.89%</u>

* As at 30 June 2015, the gross exposures to RPSIA financing is RM12,634.6 million (31 December 2014: RM9,548.2 million) which is excluded from gross financing and advances for the individual and collective allowances computation. The collective allowance relating to this RPSIA amounting to RM88.1 million (31 December 2014: RM43.2 million) is recognised in the Group's conventional operations. There is no individual allowance provided on this RPSIA financing.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39f. Deposits from Customers

<u>Group</u>	30 June 2015 RM'000	31 December 2014 RM'000
Savings deposit		
Wadiah	11,000,519	9,977,407
Mudharabah	971,235	888,056
	<u>11,971,754</u>	<u>10,865,463</u>
Demand deposit		
Wadiah	8,747,980	8,282,093
Mudharabah	12,856,831	12,780,538
	<u>21,604,811</u>	<u>21,062,631</u>
Term deposit		
Murabahah	70,124,241	53,655,446
Negotiable Islamic Debt Certificated (NIDC)		
- Bai al-inah	140,191	151,380
Hybrid (Bai' Bithaman Ajil and Murabahah)	843,040	763,556
General investment account		
- Mudharabah	2,028,792	13,498,380
	<u>73,136,264</u>	<u>68,068,762</u>
Total deposits from customers	<u>106,712,829</u>	<u>99,996,856</u>

A39g. Subordinated Sukuk

<u>Group</u>	30 June 2015 RM'000	31 December 2014 RM'000
RM1.0 billion Islamic subordinated Sukuk due in 2021	1,010,608	1,010,841
RM1.5 billion Islamic subordinated Sukuk Murabahah due in 2024	1,516,592	1,516,788
	<u>2,527,200</u>	<u>2,527,629</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 RM3,284.9 million for the six-month financial period ended 30 June 2015, an increase of RM107.8 million or 3.4% compared to the corresponding six-month financial period ended 30 June 2014.

The Group's net interest income and Islamic Banking income for the six-month financial period ended 30 June 2015 increased by RM766.8 million or 11.9% to RM7,184.7 million compared to the corresponding six-month financial period ended 30 June 2014. This was largely due to the growth in the Group's gross loans, advances and financing.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM85.8 million to RM2,037.4 million for the six-month financial period ended 30 June 2015 compared to the corresponding six-month financial period ended 30 June 2014.

Other operating income of the Group for the six-month financial period ended 30 June 2015 was RM2,756.0 million, an increase of RM159.0 million or 6.1% from RM2,597.0 million in the corresponding six-month financial period ended 30 June 2014. The increase was mainly attributable to higher foreign exchange gain of RM395.4 million, higher fee income of RM196.1 million and higher unrealised mark-to-market gain on financial assets at fair value through profit or loss ("FVTPL") of RM139.5 million. The increase was, however, offset by unrealised mark-to-market loss on derivatives of RM342.1 million, compared to unrealised mark-to-market gain on derivatives of RM262.9 million in the corresponding six-month financial period ended 30 June 2014 and lower investment income of RM32.9 million.

The Group's overhead expenses for the six-month financial period ended 30 June 2015 recorded an increase of RM653.1 million or 15.3% to RM4,907.9 million compared to the corresponding six-month financial period ended 30 June 2014. The increase in overhead expenses was mainly due to higher personnel expenses of RM412.6 million and higher administration and general expenses of RM237.4 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts increased by RM184.5 million to RM548.9 million for the six-month financial period ended 30 June 2015. The increase was mainly due to higher individual allowance ("IA") made and lower bad debts and financing recovered, mitigated by lower collective allowance ("CA") made during the six-month financial period ended 30 June 2015. The Group's CA ratio (including Regulatory Reserve) was 1.07% as at 30 June 2015, compared to 1.04% as at 31 December 2014.

The Group's posted an allowance for impairment losses on financial investments of RM144.7 million compared to a writeback of impairment losses on financial investments of RM85.6 million in the corresponding six-month financial period ended 30 June 2014.

The improvement in the Group's profit before tax for the six-month financial period ended 30 June 2015 compared to the corresponding six-month financial period ended 30 June 2014 is further segmented based on the operating segments of the Group as follows:

Community Financial Services ("CFS"), Malaysia

CFS' profit before tax decreased by RM81.4 million or 4.1% to RM1,905.4 million for the six-month financial period ended 30 June 2015 from RM1,986.8 million for the corresponding six-month financial period ended 30 June 2014. The decrease was driven by higher overhead expenses of RM321.1 million and higher allowance for impairment losses on loans, advances, financing and other debts of RM183.9 million. The decrease was, however, mitigated by higher net interest income and Islamic Banking income of RM251.5 million arising from strong year-on-year loan growth in mortgage of 14.6%, SME/BB of 9.6% and auto finance of 9.0%, and higher other operating income of RM172.0 million.

Global Banking

a) Corporate Banking, Malaysia

Corporate Banking's profit before tax increased by RM114.1 million or 16.9% to RM788.7 million for the six-month financial period ended 30 June 2015 from RM674.6 million for the corresponding six-month financial period ended 30 June 2014. The increase was driven by lower allowance for impairment losses on loans, advances, financing and other debts of RM183.4 million and higher net interest income and Islamic Banking income of RM37.1 million. The increase was, however, offset by higher overhead expenses of RM62.0 million and lower other operating income of RM44.4 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 increased by RM69.4 million or 9.4% to RM810.9 million for the six-month financial period ended 30 June 2015 from RM741.5 million for the corresponding six-month financial period ended 30 June 2014. The increase was driven by higher other operating income of RM106.2 million and higher net interest income and Islamic Banking income of RM15.6 million. The increase was, however, offset by higher overhead expenses of RM38.4 million and lower writeback of impairment losses on financial investments of RM14.1 million.

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

Investment Banking's profit before tax increased by RM4.7 million or 4.1% to RM119.3 million for the six-month financial period ended 30 June 2015 from RM114.6 million for the corresponding six-month financial period ended 30 June 2014. The increase was driven by higher net interest income and Islamic Banking income of RM27.5 million, higher other operating income of RM17.6 million and lower allowance for impairment losses on financial investments of RM3.6 million. The increase was, however, mitigated by higher overhead expenses of RM37.6 million and higher allowance for impairment losses on loans, advances, financing and other debts of RM7.1 million.

d) Asset Management

Asset Management's profit before tax increased by RM4.0 million to RM6.2 million for the six-month financial period ended 30 June 2015 from RM2.2 million in the corresponding six-month financial period ended 30 June 2014. The increase was driven by higher other operating income of RM26.0 million. The increase was, however, offset by higher overhead expenses of RM18.8 million and lower net interest income of RM2.4 million.

International Banking

International Banking's profit before tax decreased by RM101.5 million or 7.6% to RM1,230.1 million for the six-month financial period ended 30 June 2015 from RM1,331.6 million for the corresponding six-month financial period ended 30 June 2014. The decrease was mainly due to higher overhead expenses of RM177.4 million, higher allowance for impairment losses on loans, advances, financing and other debts of RM169.7 million, lower other operating income of RM152.1 million and lower writeback of impairment losses on financial investments of RM65.4 million. The decrease was, however, mitigated by higher net interest income and Islamic Banking income of RM418.0 million.

Higher net interest income was contributed by strong year-on-year loan growth of 79.1% at Labuan, 33.0% at Greater China, 20.0% at Singapore and 7.4% at BII.

Insurance and Takaful

Profit before tax for Insurance and Takaful decreased by RM144.1 million or 37.3% to RM242.3 million for the six-month financial period ended 30 June 2015 from RM386.4 million for the corresponding six-month financial period ended 30 June 2014. The decrease was contributed mainly by higher allowance for impairment losses on financial investments of RM153.9 million, lower net interest income of RM17.4 million and higher allowance for impairment losses on loans, advances, financing and other debts of RM7.1 million. The decrease was, however, mitigated by higher net earned insurance premium of RM85.8 million.

(ii) Current Quarter vs Previous Period Corresponding Quarter

The Group posted profit after tax attributable to equity holders of RM1,584.5 million for the quarter ended 30 June 2015, an increase of RM9.0 million or 0.6% over the previous period corresponding quarter ended 30 June 2014.

The Group's net interest income and Islamic Banking income for the quarter ended 30 June 2015 increased by RM430.5 million or 13.4% compared to the previous period corresponding quarter ended 30 June 2014. This was largely due to the growth in the Group's gross loans, advances and financing.

The Group's other operating income for the quarter ended 30 June 2015 decreased by RM169.5 million or 12.4% to RM1,195.4 million for the quarter ended 30 June 2015 compared to the previous period corresponding quarter ended 30 June 2014. The decrease was mainly contributed by unrealised mark-to-market loss on revaluation of financial assets at FVTPL and derivatives of RM176.5 million compared to unrealised mark-to-market gain on revaluation of financial assets of FVTPL and derivatives of RM256.9 million in the previous period corresponding quarter ended 30 June 2014. The decrease was, however, mitigated by net foreign exchange gain in current quarter of RM84.1 million compared to net foreign exchange loss of RM78.7 million in the previous corresponding quarter ended 30 June 2014 and higher fee income of RM44.2 million.

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B1. Performance Review (cont'd.)

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

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund decreased by RM127.2 million to RM1,004.5 million compared to the previous period corresponding quarter ended 30 June 2014. The decrease was mainly attributable to lower net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM157.0 million. The decrease was, however, offset by higher net fee and commission expenses of RM35.2 million.

The Group's overhead expenses for the quarter ended 30 June 2015 increased by RM332.2 million or 15.9% compared to the previous period corresponding quarter ended 30 June 2014. The increase was mainly contributed by the increase in personnel expenses of RM230.6 million and administration and general expenses of RM151.5 million. The increase was, however, mitigated by lower establishment costs and marketing expenses of RM40.6 million and RM9.2 million respectively.

The Group's allowance for impairment losses on loans, advances, financing and other debts for the quarter ended 30 June 2015 increased by RM146.6 million compared to the previous period corresponding quarter ended 30 June 2014. The increase was mainly due to higher net IA made of RM348.3 million. The increase was, however, mitigated by writeback of CA of RM51.8 million in current quarter ended 30 June 2015 as compared to CA made of RM183.0 million in the previous period corresponding quarter ended 30 June 2014.

The Group's allowance for impairment losses on financial investments for the quarter ended 30 June 2015 increased by RM64.9 million compared to the previous period corresponding quarter ended 30 June 2014.

The improvement in the Group's profit before tax for the quarter ended 30 June 2015 as compared to the previous period corresponding quarter ended 30 June 2014 is further segmented based on the operating segments of the Group as follows:

Community Financial Services ("CFS"), Malaysia

CFS' profit before tax increased by RM46.5 million or 4.5% to RM1,079.1 million for the quarter ended 30 June 2015 from RM1,032.6 million for the previous period corresponding quarter ended 30 June 2014. The increase was driven by higher net interest income and Islamic Banking income of RM137.0 million arising from strong year-on-year loan growth in mortgage of 14.6%, SME/BB of 9.6% and auto finance of 9.0%, and higher other operating income of RM108.2 million. The increase was, however, offset by higher overhead expenses of RM163.1 million and higher allowance for impairment losses on loans, advances, financing and other debts of RM35.6 million.

Global Banking

a) Corporate Banking, Malaysia

Corporate Banking's profit before tax decreased by RM60.7 million or 13.5% to RM389.7 million for the quarter ended 30 June 2015 from RM450.4 million for the previous period corresponding quarter ended 30 June 2014. The decrease was mainly due to higher overhead expenses of RM42.8 million and lower other operating income of RM38.8 million. The decrease was, however, mitigated by higher net interest income and Islamic Banking income of RM14.8 million and lower allowance for impairment losses on loans, advances, financing and other debts of RM6.0 million.

b) Global Markets, Malaysia

Global Markets' profit before tax increased by RM61.0 million or 17.8% to RM403.3 million for the quarter ended 30 June 2015 from RM342.3 million for the previous period corresponding quarter ended 30 June 2014. The increase was driven by higher other operating income of RM71.0 million and higher writeback of impairment losses on financial investments of RM23.9 million. The increase was, however, offset by higher overhead expenses of RM33.9 million.

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

Investment Banking's profit before tax decreased by RM14.7 million or 18.8% to RM63.8 million for the quarter ended 30 June 2015 from RM78.5 million for the previous period corresponding quarter ended 30 June 2014. The decrease was mainly due to lower other operating income of RM41.1 million and higher overhead expenses of RM1.9 million. The decrease was, however, mitigated by higher net interest income and Islamic Banking income of RM19.3 million, higher writeback of impairment losses on financial investments of RM6.0 million and higher writeback of impairment losses on loans, advances, financing and other debts of RM3.0 million.

d) Asset Management

Asset Management's profit before tax increased by RM3.3 million to RM1.4 million for the quarter ended 30 June 2015 from loss before tax of RM1.9 million in the previous period corresponding quarter ended 30 June 2014. The increase was driven by higher other operating income of RM12.3 million. The increase was, however, offset by higher overhead expenses of RM7.4 million and lower net interest income of RM1.1 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 RM4.3 million or 0.7% to RM602.6 million for the quarter ended 30 June 2015 from RM606.9 million for the previous period corresponding quarter ended 30 June 2014. The decrease was driven by higher allowance for impairment losses on loans, advances, financing and other debts of RM117.6 million, higher overhead expenses of RM107.0 million and lower other operating income of RM24.5 million. The decrease was, however, mitigated by higher net interest income and Islamic Banking income of RM198.5 million and higher writeback of impairment losses on financial investments of RM6.6 million.

Higher net interest income was contributed by strong year-on-year loan growth of 79.1% at Labuan, 33.0% at Greater China, 20.0% at Singapore and 7.4% at BII.

Insurance and Takaful

Profit before tax for Insurance and Takaful decreased by RM65.0 million or 29.0% to RM159.6 million for the quarter ended 30 June 2015 from RM224.6 million for the previous period corresponding quarter ended 30 June 2014. The decrease was contributed mainly by lower other operating income of RM113.0 million, higher allowance for impairment losses on financial investments of RM100.9 million and lower net interest income of RM19.3 million. The decrease was, however, mitigated by lower net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund by the Insurance and Takaful subsidiaries of RM127.2 million and lower overhead expenses of RM23.8 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 2015 decreased by RM115.9 million or 6.8% to RM1,584.5 million against the preceding quarter ended 31 March 2015.

The Group's net interest income for the quarter ended 30 June 2015 increased by RM75.1 million to RM2,680.0 million against the preceding quarter of RM2,604.9 million. Income from Islamic Banking Scheme operations increased by RM34.4 million to RM967.1 million for the quarter ended 30 June 2015 compared to RM932.7 million in the preceding quarter ended 31 March 2015.

The Group's net earned insurance premiums for the quarter ended 30 June 2015 increased by RM63.2 million to RM1,050.3 million compared to RM987.1 million in the preceding quarter ended 31 March 2015.

Other operating income of the Group for the quarter ended 30 June 2015 decreased by RM365.2 million or 23.4% to RM1,195.4 million compared to RM1,560.6 million in the preceding quarter ended 31 March 2015. The decrease was mainly attributable to lower net foreign exchange gain of RM338.5 million, higher unrealised mark-to-market loss on revaluation of financial investments at FVTPL and derivatives of RM86.0 million and lower gain on disposal of financial assets at FVTPL of RM39.6 million. This decrease was, however, mitigated by higher gain on disposal of financial investment AFS and higher dividend income from financial investment portfolio of RM16.3 million and RM16.7 million respectively.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund decreased by RM93.3 million to RM1,004.5 million for the quarter ended 30 June 2015 compared to RM1,097.8 million in the preceding quarter ended 31 March 2015. The decrease was mainly due to lower net insurance benefits and claims incurred amounting to RM75.6 million.

The Group posted a decrease of RM70.7 million or 2.8% in overhead expenses to RM2,418.6 million for the quarter ended 30 June 2015 compared to RM2,489.3 million in the preceding quarter ended 31 March 2015. The decrease was mainly due to lower personal expenses of RM46.0 million and lower establishment cost of RM18.9 million. The decrease was, however, offset by higher marketing expenses of RM12.0 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts increased by RM53.0 million to RM301.0 million in the quarter ended 30 June 2015 compared to RM248.0 million in the preceding quarter ended 31 March 2015.

The Group's allowance for impairment losses on financial investments increased by RM43.3 million to RM94.0 million for the quarter ended 30 June 2015 compared to RM50.7 million in the preceding quarter ended 31 March 2015.

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B3. Prospects

Amid current market volatility, the global economy is expected to grow at a slightly lower growth of 3.3% in 2015 (3.4% in 2014) as sustained growth and recovery momentum in the major advanced economies are tempered by the downside risks to the large emerging economies. While US growth appeared to be holding up well, China's growth rate shows signs of struggling to maintain its targeted 7% growth rate. In line with this, the ASEAN-6 economies are expected to have a real GDP growth of 4.6% (4.5% in 2014) amid a relatively firmer growth in the Philippines, Thailand and Vietnam. In the Group's core markets of Malaysia, Singapore and Indonesia, all are expected to slow down.

Malaysia's real GDP growth is expected to slow to 4.9% in 2015 (6.0% in 2014) with lower commodity prices (oil, palm oil and rubber in particular) and the short term impact of the introduction of the Goods and Services Tax (GST) in April. With the slowing domestic demand, Bank Negara Malaysia is expected to keep the Overnight Policy Rate (OPR) unchanged at 3.25%, and the Group has a target loan growth of 6% to 7% for Malaysia.

Likewise, Indonesia's real GDP growth is expected to be slightly lower (4.9% vs 5.0% in 2014). We expect another 25bps interest rate cut later this year to 7.25%. The Group's subsidiary, PT Bank Internasional Indonesia (BII), will continue to grow its retail and business banking segments and develop its fee income from transaction banking, cash management and global market transactions.

In Singapore, real GDP growth is also expected to slow down from 2.9% in 2014 to 2.2% this year, with the Group targeting loan growth of 5% to 6% for Singapore this year while trying to seek regional deals via banking and investment banking franchise.

Meanwhile, the Group will also continue to develop its franchises in other ASEAN economies and facilitate trade flows between ASEAN and Greater China. This effort is enhanced by the setting up of branches in Kunming and Myanmar.

The world economy has entered into a period of greater volatility since August, beginning with a modest 2% depreciation of the Renminbi (Yuan) and a sharp drop in its stock markets. This accelerated the outflow of funds from emerging markets with the expectation of a Federal Reserve rate hike in September. Regional currencies by and large depreciated sharply, as have their stock markets. Malaysia's Ringgit depreciation has been among the sharpest. Even as China and other emerging economies try to stabilise this increased volatility, it is likely that growth in the real economies would be impacted, and expectations need to be reassessed with it.

To sustain performance amidst this more challenging environment and market conditions, the Group will continue to focus on deposit taking, being more selective on asset growth, and emphasise the proactive management of asset quality while redoubling its efforts at raising operational and capital efficiencies. The Group continues to maintain strong capital level well above regulatory requirements.

Barring any unforeseen circumstances, the Group expects its financial performance for 2015 to be satisfactory in a more challenging regional environment. The Group has set two Headline Key Performance Indicators ("KPI") of Return on Equity ("ROE") of between 12% to 13% and Group Loans Growth of 8% to 9%.

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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 financial half year ended 30 June 2015.

B5. Taxation and Zakat

The analysis of the tax expense for the financial half year ended 30 June 2015 are as follows:

Group	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	481,791	433,006	871,595	733,444
Foreign income tax	33,128	70,315	91,363	86,949
	514,919	503,321	962,958	820,393
Under/(over) provision in respect of prior period:				
Malaysian income tax	-	33,240	-	(135,184)
Foreign income tax	946	1,915	962	1,160
	515,865	538,476	963,920	686,369
Deferred tax				
- Relating to origination and reversal of temporary differences	6,871	283,489	82,374	500,660
- Reversal of deferred tax no longer required	-	(201,664)	-	-
	6,871	81,825	82,374	500,660
Tax expense for the financial period	522,736	620,301	1,046,294	1,187,029
Zakat	6,386	7,687	12,832	14,248
	529,122	627,988	1,059,126	1,201,277

The Group's effective tax rate for the second quarter and six-month financial period ended 30 June 2015 was lower than the statutory tax rate due to certain income not subject to tax.

Bank	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	339,265	322,071	619,047	546,484
Foreign income tax	4,061	1,052	5,394	1,461
	343,326	323,123	624,441	547,945
Under/(over) provision in respect of prior period:				
Malaysian income tax	-	33,240	-	66,480
Foreign income tax	-	-	(66)	-
	343,326	356,363	624,375	614,425
Deferred tax				
- Relating to origination and reversal of temporary differences	(18,112)	63,194	61,061	212,017
	(18,112)	63,194	61,061	212,017
Tax expense for the financial period	325,214	419,557	685,436	826,442
Zakat	-	-	-	-
	325,214	419,557	685,436	826,442

The Bank's effective tax rate for the second quarter and six-month financial period ended 30 June 2015 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 chargeable profit for the financial year. 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

Proposed disposal of the entire equity interest in Maybank (PNG) Limited and Mayban Property (PNG) Limited

On 18 May 2015, Malayan Banking Berhad ("Maybank") announced the proposed disposal of Maybank's entire equity interest in Maybank (PNG) Limited ("MPNG") and Mayban Property (PNG) Limited ("MPPNG") to Kina Ventures ("Proposed Disposal").

The Proposed Disposal involves the sale of Maybank's entire equity interest in MPNG and MPPNG to Kina Ventures for a total cash consideration of approximately Kina 319.0 million (equivalent to approximately RM418.0 million based on the exchange rate of Kina 1 = RM1.31 as at 18 May 2015), plus the difference in the value of the net assets of MPNG as at the completion of the Proposed Disposal compared to 31 December 2014. The completion of the Proposed Disposal is expected to occur in the second half of year 2015, upon achieving IT and operational readiness as prescribed in the share sale agreement ("SSA").

MPNG and MPPNG, wholly-owned subsidiaries of Maybank, were incorporated in Papua New Guinea and are involved in commercial banking activities and property investment respectively. The Proposed Disposal is undertaken as part of Maybank's continuous effort to evaluate its international operations with a specific focus on maximising capital use as well as optimising resources in the most efficient manner.

The Proposed Disposal is subject to the approval of the Bank of Papua New Guinea, which was obtained on 12 May 2015. MPNG and MPPNG will cease to be subsidiaries of Maybank with effect from the completion of the Proposed Disposal.

The Proposed Disposal will not have any effect on the issued and paid-up share capital and shareholdings of the substantial shareholders of Maybank, and it is not expected to have material effect on the earnings per share, net assets per share and gearing of the Group for the financial year ending 31 December 2015.

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 A14, A15 and A16.

B9. Derivative Financial Instruments

Please refer to note A35.

B10. Changes in Material Litigation

- (a) 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.

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

(a) (cont'd.)

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.

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 was withdrawn on 29 September 2014 as the said Review Application cannot be heard by the Federal Court until the court order in respect of the Decision is sealed. The Federal Court allowed the withdrawal of the Review Application.

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.

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

The credit facilities consisted of a bridging loan of RM58.5 million and a revolving credit facility of RM4.0 million which were granted by Maybank IB and the three syndicated lenders. Maybank IB's rights as lender were subsequently vested to Malayan Banking Berhad, one of the other three syndicated lenders. Maybank IB retained its agency role. The loan was subsequently restructured to RM38.0 million with terms for repayment. In 2006, Maybank IB and the three syndicated lenders filed a suit against the corporate borrower and a guarantor for the recovery of the said credit facilities. The two claims were heard together.

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

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

The Appeal came up for hearing on 10 February 2012, wherein all parties agreed for the matter to be mediated. As the parties could not come to any consensus at the mediation on 9 March 2012, they proceeded with the Appeal which concluded on 23 January 2013.

On 27 September 2013, the Court of Appeal delivered its judgment in favour of Maybank IB and the three syndicated lenders, allowing the Appeal with costs of RM120,000. Judgment was entered against the corporate borrower and its guarantor for the sum of RM47,232,496.11 as at 30 September 2008 with interest of 2% per annum from 1 Oct 2008 until full settlement. The Court of Appeal also directed payment of Maybank IB's agency fees of RM50,000 as at 1 June 2008 and subsequent annual fees of RM50,000 to be paid every 1st June with interest of 8% per annum thereon from 2 June 2008 until full settlement.

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

(b) (cont'd.)

On 25 October 2013, the corporate borrower and its guarantor filed a motion for leave to appeal to the Federal Court in respect of the decision of the Court of Appeal against the corporate borrower and its guarantor dated 27 September 2013.

On 29 January 2014, the Federal Court dismissed the leave application. On 20 November 2014, the corporate borrower and its guarantor filed a motion to the Federal Court for the Federal Court to review and set aside its own decision in dismissing the leave application on 29 January 2014 ('Review Application'). The Review Application which was earlier fixed on 30 July 2015 has been adjourned. The Federal Court will notify parties of the next hearing date. Maybank IB's solicitors are of the view that the Review Application is without merit.

The actions for recovery of the loan sums will still continue as there is no stay of the Court of Appeal decision on 27 September 2013 in favour of Maybank IB.

The corporate borrower has been wound up by way of an order filed in the Court of Appeal and an Official Receiver has been appointed as liquidator of the corporate borrower. On 3 March 2015, the corporate borrower had obtained a stay of the Court of Appeal's winding-up order pending disposal of its application to the Federal Court for leave to appeal against the winding-up order.

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 2015 RM'000	31 December 2014 RM'000
Retained profits of the Group:		
- Realised	10,440,346	11,014,533
- Unrealised	508,245	382,111
- in respect of deferred tax recognised in the income statement	(37,759)	38,569
- in respect of other items of income and expense	546,004	343,542
	10,948,591	11,396,644
Share of retained profits from associates and joint ventures:		
- Realised	569,403	422,306
- Unrealised	-	-
	569,403	422,306
Consolidation adjustments	557,351	569,027
Total Group's retained profits	12,075,345	12,387,977

B12. Dividend

The Board of Directors have declared a single-tier interim dividend in respect of the financial year ending 31 December 2015 of 24 sen (30 June 2014: 24.0 sen) per ordinary share.

The Board of Directors have also determined that the Dividend Reinvestment Plan will apply to the single-tier interim 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 EPS

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.

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	1,584,534	1,575,531	3,284,919	3,177,116
Weighted average number of ordinary shares in issue ('000)	9,452,680	9,020,269	9,379,900	8,936,479
Basic earnings per share	16.76 sen	17.47 sen	35.02 sen	35.55 sen

Diluted EPS

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").

In the diluted EPS calculation, it was assumed that certain number of ordinary shares under the ESS relating to the RSU are vested and awarded to employees through issuance of additional ordinary shares. A calculation is done to determine the number of ordinary shares that could have been issued at fair value (determined as the average price of the Bank's shares during the quarter/period) based on the monetary value of the ESS entitlement attached to the outstanding RSU granted. 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 is made to the net profit for the quarter/period.

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2015	30 June 2014	30 June 2015	30 June 2014
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	1,584,534	1,575,531	3,284,919	3,177,116
Weighted average number of ordinary shares in issue ('000)	9,452,680	9,020,269	9,379,900	8,936,479
Effects of dilution ('000)	177	19,364	845	18,464
Adjusted weighted average number of ordinary shares in issue ('000)	9,452,857	9,039,633	9,380,745	8,954,943
Diluted earnings per share	16.76 sen	17.43 sen	35.02 sen	35.48 sen

By Order of the Board

Edleen Rehanie binti Ariffin
LS0009515
Company Secretary
27 August 2015