

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013

<u>Group</u>	<u>Note</u>	2nd Quarter Ended		Cumulative 6 Months Ended	
		30 June 2013	30 June 2012 (Restated)	30 June 2013	30 June 2012 (Restated)
		RM'000	RM'000	RM'000	RM'000
Interest income	A17	4,032,083	3,898,266	7,958,252	7,651,994
Interest expense	A18	(1,667,436)	(1,605,517)	(3,182,305)	(3,147,965)
Net interest income		2,364,647	2,292,749	4,775,947	4,504,029
Income from Islamic Banking Scheme operations	A33a	666,131	566,841	1,285,449	1,101,667
		3,030,778	2,859,590	6,061,396	5,605,696
Net income from insurance and takaful business:	A19				
Net earned premiums		1,135,681	1,143,644	2,262,548	2,164,471
Net benefits and claims		(1,098,331)	(1,007,892)	(2,206,231)	(2,190,263)
		37,350	135,752	56,317	(25,792)
		3,068,128	2,995,342	6,117,713	5,579,904
Non-interest income	A20	1,745,346	1,380,818	3,165,707	3,005,558
Net income		4,813,474	4,376,160	9,283,420	8,585,462
Overhead expenses	A21	(2,329,015)	(2,153,271)	(4,625,585)	(4,315,747)
Operating profit before impairment losses		2,484,459	2,222,889	4,657,835	4,269,715
Allowances for impairment losses on loans, advances and financing, net	A22	(428,424)	(200,371)	(512,947)	(385,527)
Impairment losses on financial investments, net		(8,825)	(43,790)	(6,410)	(45,879)
Operating profit		2,047,210	1,978,728	4,138,478	3,838,309
Share of profits of associates		41,640	47,740	77,098	82,731
Profit before taxation and zakat		2,088,850	2,026,468	4,215,576	3,921,040
Taxation and zakat	B5	(465,940)	(546,367)	(1,034,371)	(1,075,269)
Profit for the period		1,622,910	1,480,101	3,181,205	2,845,771
Attributable to:					
Equity holders of the Bank		1,567,734	1,437,906	3,073,948	2,784,787
Non-controlling interest		55,176	42,195	107,257	60,984
		1,622,910	1,480,101	3,181,205	2,845,771
Earnings per share attributable to equity holders of the Bank	B13				
Basic		18.23 sen	18.65 sen	36.11 sen	36.28 sen
Fully diluted		18.21 sen	18.65 sen	36.06 sen	36.28 sen

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 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 2013

<u>Group</u>	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Profit for the period	1,622,910	1,480,101	3,181,205	2,845,771
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Defined benefit plan actuarial loss	-	(13,259)	-	(13,259)
Income tax effect	-	3,324	-	3,324
	-	(9,935)	-	(9,935)
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net (loss)/gain on financial investments available-for-sale	(703,937)	63,375	(860,621)	15,279
Foreign currency translation differences for foreign operations	48,143	426,239	142,117	(164,492)
Income tax effect	150,779	(42,517)	185,766	(16,286)
Other reserves	3,713	(380)	51	1,085
Other comprehensive income/(loss) for the period, net of tax	(501,302)	446,717	(532,687)	(164,414)
Total comprehensive income for the period	1,121,608	1,916,883	2,648,518	2,671,422
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	1,063,404	1,866,143	2,549,023	2,603,158
Non-controlling interest	58,204	50,740	99,495	68,264
	1,121,608	1,916,883	2,648,518	2,671,422

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013

<u>Bank</u>	Note	2nd Quarter Ended		Cumulative 6 Months Ended	
		30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Interest income	A17	2,860,950	2,807,273	5,616,868	5,509,834
Interest expense	A18	(1,268,100)	(1,280,833)	(2,395,728)	(2,473,010)
Net interest income		1,592,850	1,526,440	3,221,140	3,036,824
Non-interest income	A20	1,051,067	803,159	1,924,698	1,898,933
Net income		2,643,917	2,329,599	5,145,838	4,935,757
Overhead expenses	A21	(1,120,291)	(1,082,361)	(2,204,906)	(2,151,166)
Operating profit before impairment losses		1,523,626	1,247,238	2,940,932	2,784,591
Allowances for impairment losses on loans, advances and financing, net	A22	(360,246)	(76,491)	(430,614)	(221,215)
Impairment losses on financial investments, net		(6,523)	1,962	14,078	15,749
Profit before taxation and zakat		1,156,857	1,172,709	2,524,396	2,579,125
Taxation and zakat	B5	(217,672)	(321,150)	(548,681)	(645,919)
Profit for the period		939,185	851,559	1,975,715	1,933,206

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UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013

<u>Bank</u>	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	939,185	851,559	1,975,715	1,933,206
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	(577,714)	71,913	(642,053)	(26,308)
Foreign currency translation differences for foreign operations	27,119	157,223	45,367	106,467
Income tax effect	144,428	(17,978)	160,513	6,577
Other comprehensive income/(loss) for the period, net of tax	(406,167)	211,158	(436,173)	86,736
Total comprehensive income for the period	533,018	1,062,717	1,539,542	2,019,942

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	Group			Bank	
		30 June 2013 RM'000	31 December 2012 (Restated) RM'000	1 January 2012 (Restated) RM'000	30 June 2013 RM'000	31 December 2012 RM'000
ASSETS						
Cash and short-term funds		42,079,581	40,018,633	49,387,882	26,341,421	23,153,242
Deposits and placements with financial institutions		17,484,184	11,949,150	7,161,651	25,734,580	10,039,999
Financial assets purchased under resale agreements		628,600	798,180	1,397,235	628,600	650,314
Financial assets at fair value through profit or loss	A10(i)	26,459,170	29,156,692	18,393,752	8,121,208	10,719,937
Financial investments available-for-sale	A10(ii)	75,782,194	60,792,374	63,585,045	57,824,042	47,366,309
Financial investments held-to-maturity	A10(iii)	3,848,064	2,870,768	2,689,806	2,671,998	2,556,849
Loans, advances and financing	A11	325,963,082	311,824,735	276,252,853	218,258,224	214,852,046
Derivative assets	A29	3,879,148	2,880,492	1,987,502	3,773,400	2,812,148
Reinsurance/retakaful assets and other insurance receivables		3,000,657	2,555,727	2,173,794	-	-
Other assets	A12	10,177,604	6,680,257	4,749,820	6,761,197	2,713,063
Investment properties		581,311	572,662	542,477	-	-
Statutory deposits with central banks		13,611,366	12,298,362	10,577,416	7,399,867	6,888,916
Investment in subsidiaries		-	-	-	17,970,969	17,634,469
Interest in associates		2,312,130	2,235,233	2,406,462	451,518	456,512
Property, plant and equipment		2,404,378	2,402,821	2,217,483	1,216,639	1,205,788
Intangible assets		6,583,482	6,531,336	6,748,053	770,836	697,066
Deferred tax assets		1,472,074	1,343,474	1,360,916	888,015	810,015
TOTAL ASSETS		536,267,025	494,910,896	451,632,147	378,812,514	342,556,673
LIABILITIES						
Deposits from customers	A13	372,510,144	347,155,510	314,692,245	264,352,733	237,402,079
Deposits and placements from financial institutions	A14	41,593,191	33,887,376	36,760,978	32,707,510	29,198,776
Obligations on financial assets sold under repurchase agreements		2,740,256	-	267,652	2,740,256	-
Bills and acceptances payable		2,060,124	2,269,513	4,472,872	1,416,890	1,553,312
Derivative liabilities	A29	3,939,825	2,376,979	2,162,709	3,767,152	2,243,617
Insurance/takaful contract liabilities and other insurance payables		22,883,176	21,928,872	20,090,908	-	-
Other liabilities	A16	10,409,318	9,779,648	6,561,522	9,556,375	8,645,423
Recourse obligation on loans and financing sold to Cagamas		1,380,650	1,592,974	2,214,873	672,395	687,793
Provision for taxation and zakat		999,956	1,051,798	382,562	707,792	758,446
Deferred tax liabilities		699,238	674,872	670,633	-	-
Borrowings	A15(i)	12,449,235	10,714,266	7,185,230	8,187,634	7,382,719
Subordinated obligations	A15(ii)	12,090,243	13,510,041	14,160,553	10,215,219	11,638,850
Capital securities	A15(iii)	6,150,782	6,150,351	6,113,761	6,150,782	6,150,351
TOTAL LIABILITIES		489,906,138	451,092,200	415,736,498	340,474,738	305,661,366

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	Note	Group			Bank	
		30 June 2013 RM'000	31 December 2012 (Restated) RM'000	1 January 2012 (Restated) RM'000	30 June 2013 RM'000	31 December 2012 RM'000
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK						
Share capital		8,697,261	8,440,046	7,639,437	8,697,261	8,440,046
Share premium		17,674,819	15,639,646	9,598,847	17,674,819	15,639,646
Shares held-in-trust		(105,282)	(102,405)	-	(105,282)	(102,405)
Retained profits		11,250,213	11,113,915	10,391,942	3,256,418	4,179,482
Other reserves		7,033,694	7,008,053	6,716,370	8,814,560	8,738,538
		44,550,705	42,099,255	34,346,596	38,337,776	36,895,307
Non-controlling interests		1,810,182	1,719,441	1,549,053	-	-
		46,360,887	43,818,696	35,895,649	38,337,776	36,895,307
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		536,267,025	494,910,896	451,632,147	378,812,514	342,556,673
COMMITMENTS AND CONTINGENCIES	A27	442,561,628	379,695,035	369,791,836	395,724,314	338,799,380
CAPITAL ADEQUACY	A28					
Based on credit, market and operational risk:						
CET1 capital ratio		10.321%	-	-	15.055%	-
Tier 1 capital ratio		12.152%	-	-	15.055%	-
Total capital ratio		14.763%	-	-	15.055%	-
Before deducting proposed dividend:						
Core capital ratio		-	13.66%	11.74%	-	17.43%
Risk-weighted capital ratio		-	17.47%	16.46%	-	17.43%
After deducting proposed dividend:						
Core capital ratio:						
- full electable portion paid in cash		-	12.81%	10.95%	-	16.27%
- full electable portion reinvested		-	13.54%	11.65%	-	17.27%
Risk-weighted capital ratio:						
- full electable portion paid in cash		-	16.62%	15.66%	-	16.27%
- full electable portion reinvested		-	17.35%	16.37%	-	17.27%
Net assets per share attributable to equity holders of the Bank		RM5.12	RM4.99	RM4.50	RM4.41	RM4.37

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013

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

Group	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000	ESS Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Retained Profits¹ RM'000	Total Shareholders' Equity RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2013															
- as previously stated	8,440,046	15,639,646	(102,405)	8,023,712	14,254	707,690	(1,877,640)	7,986	226,142	34,456	-	11,115,006	42,228,893	1,725,464	43,954,357
- effect of adopting revised MFRS 119	-	-	-	-	-	-	956	-	-	-	(129,503)	(1,091)	(129,638)	(6,023)	(135,661)
At 1 January 2013, as restated	8,440,046	15,639,646	(102,405)	8,023,712	14,254	707,690	(1,876,684)	7,986	226,142	34,456	(129,503)	11,113,915	42,099,255	1,719,441	43,818,696
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	3,073,948	3,073,948	107,257	3,181,205
Other comprehensive (loss)/income	-	-	-	-	-	(662,758)	137,811	22	-	-	-	-	(524,925)	(7,762)	(532,687)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(662,758)	137,811	22	-	-	-	3,073,948	2,549,023	99,495	2,648,518
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	-	49,719	-	-	-	49,719	-	49,719
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(500)	(500)	219	(281)
Transfer to statutory reserves	-	-	-	532,300	-	-	-	-	-	-	-	(532,300)	-	-	-
Issue of shares pursuant to ESS (Note A8(A)(i)(a))	55,752	463,762	-	-	-	-	-	-	(31,453)	-	-	-	488,061	-	488,061
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(A)(i)(b))	201,463	1,571,411	(2,877)	-	-	-	-	-	-	-	-	-	1,769,997	-	1,769,997
Dividends paid (Note A9(a)&(b))	-	-	-	-	-	-	-	-	-	-	-	(2,404,850)	(2,404,850)	(8,973)	(2,413,823)
Total transactions with shareholders	257,215	2,035,173	(2,877)	532,300	-	-	-	-	18,266	-	-	(2,937,650)	(97,573)	(8,754)	(106,327)
At 30 June 2013	8,697,261	17,674,819	(105,282)	8,556,012	14,254	44,932	(1,738,873)	8,008	244,408	34,456	(129,503)	11,250,213	44,550,705	1,810,182	46,360,887

¹ The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary, net of tax at 25% which amounted to RM770.5 million. 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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FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013

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

Group	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	Revaluation Reserve RM'000	ESS Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Retained Profits¹ RM'000	Total Shareholders' Equity RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2012															
- as previously stated	7,639,437	9,598,847	-	6,926,383	15,250	681,351	(969,382)	8,817	127,317	34,456	-	10,393,767	34,456,243	1,554,320	36,010,563
- effect of adopting revised MFRS 119	-	-	-	-	-	-	-	-	-	-	(107,822)	(1,825)	(109,647)	(5,267)	(114,914)
At 1 January 2012, as restated	7,639,437	9,598,847	-	6,926,383	15,250	681,351	(969,382)	8,817	127,317	34,456	(107,822)	10,391,942	34,346,596	1,549,053	35,895,649
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	2,784,787	2,784,787	60,984	2,845,771
Other comprehensive income/(loss)	-	-	-	(445)	256	(13,540)	(158,189)	-	-	-	(9,711)	-	(181,629)	7,280	(174,349)
Total comprehensive income/ (loss) for the period	-	-	-	(445)	256	(13,540)	(158,189)	-	-	-	(9,711)	2,784,787	2,603,158	68,264	2,671,422
Effect of net acquisition from/ disposal to non-controlling interests	-	-	-	-	(323)	-	13,011	-	-	-	-	13,065	25,753	(932)	24,821
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	-	60,142	-	-	-	60,142	-	60,142
Transfer to statutory reserves	-	-	-	506,052	-	-	-	-	-	-	-	(506,052)	-	-	-
Issue of shares pursuant to ESS	12	98	-	-	-	-	-	-	(7)	-	-	-	103	-	103
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	202,854	1,419,373	-	-	-	-	-	-	-	-	-	-	1,622,227	-	1,622,227
Issue of shares-held-in-trust	11,455	88,545	(100,000)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(2,062,651)	(2,062,651)	(7,703)	(2,070,354)
Total transactions with shareholders	214,321	1,508,016	(100,000)	506,052	(323)	-	13,011	-	60,135	-	-	(2,555,638)	(354,426)	(8,635)	(363,061)
At 30 June 2012	7,853,758	11,106,863	(100,000)	7,431,990	15,183	667,811	(1,114,560)	8,817	187,452	34,456	(117,533)	10,621,091	36,595,328	1,608,682	38,204,010

¹ The retained profits of the Group include the non-par unallocated surplus from an insurance subsidiary, net of tax at 25% which amounted to RM745.0 million. This unallocated 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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FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013

<u>Bank</u>	<----- Non-Distributable ----->							Distributable	Total
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000		
At 1 January 2013	8,440,046	15,639,646	(102,405)	7,805,342	393,286	313,768	226,142	4,179,482	36,895,307
Profit for the period	-	-	-	-	-	-	-	1,975,715	1,975,715
Other comprehensive (loss)/income	-	-	-	-	(481,540)	45,367	-	-	(436,173)
Total comprehensive (loss)/income for the period	-	-	-	-	(481,540)	45,367	-	1,975,715	1,539,542
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	49,719	-	49,719
Transfer to statutory reserve	-	-	-	493,929	-	-	-	(493,929)	-
Issue of shares pursuant to ESS (Note A8(A)(i)(a))	55,752	463,762	-	-	-	-	(31,453)	-	488,061
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(A)(i)(b))	201,463	1,571,411	(2,877)	-	-	-	-	-	1,769,997
Dividends paid (Note A9(a))	-	-	-	-	-	-	-	(2,404,850)	(2,404,850)
Total transactions with shareholders	257,215	2,035,173	(2,877)	493,929	-	-	18,266	(2,898,779)	(97,073)
At 30 June 2013	8,697,261	17,674,819	(105,282)	8,299,271	(88,254)	359,135	244,408	3,256,418	38,337,776

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013

<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	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Retained Profits RM'000	
At 1 January 2012	7,639,437	9,598,847	-	6,728,866	417,205	227,772	127,317	4,895,012	29,634,456
Profit for the period	-	-	-	-	-	-	-	1,933,206	1,933,206
Other comprehensive (loss)/income	-	-	-	-	(19,731)	106,467	-	-	86,736
Total comprehensive (loss)/income for the period	-	-	-	-	(19,731)	106,467	-	1,933,206	2,019,942
Transfer to statutory reserves	-	-	-	483,300	-	-	-	(483,300)	-
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	60,142	-	60,142
Issue of shares pursuant to ESS	12	98	-	-	-	-	(7)	-	103
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	202,854	1,419,373	-	-	-	-	-	-	1,622,227
Issue of shares-held-in-trust	11,455	88,545	(100,000)	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(2,062,651)	(2,062,651)
Total transactions with shareholders	214,321	1,508,016	(100,000)	483,300	-	-	60,135	(2,545,951)	(380,179)
At 30 June 2012	7,853,758	11,106,863	(100,000)	7,212,166	397,474	334,239	187,452	4,282,267	31,274,219

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013

	Group		Bank	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	4,215,576	3,921,040	2,524,396	2,579,125
Adjustments for non-operating and non-cash items:				
Depreciation of property, plant and equipment	130,330	108,441	67,205	57,717
Share of associates' profits	(77,098)	(82,731)	-	-
Amortisation of intangible assets	95,532	77,449	44,930	21,292
Net gain on disposal of financial assets at fair value through profit or loss	(181,430)	(172,850)	(99,036)	(34,967)
Net gain on disposal of financial investments available-for-sale	(637,033)	(371,228)	(241,637)	(131,953)
Net loss/(gain) on redemption of financial investments held-to-maturity	1	(16,488)	1	(16,488)
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss and derivatives	300,071	(26,068)	235,165	(37,819)
Allowances for impairment losses on loans, advances and financing, net	948,995	841,664	750,170	547,362
Allowance made for other debts	(19,862)	(11,646)	1,335	1,619
Dividend income	(57,077)	(45,208)	(254,404)	(265,278)
Share options granted under ESS	49,719	60,057	38,870	50,847
Impairment losses/(writeback of impairment losses) on financial investments, net	6,410	45,879	(14,078)	(15,749)
Other adjustments for non-operating and non-cash items	32,662	(73,630)	(28,676)	(85,861)
Operating profit before working capital changes	4,806,796	4,254,681	3,024,241	2,669,847
Change in deposits and placements with financial institutions	(5,850,199)	(3,746,931)	(16,768,783)	(3,149,787)
Change in financial investments portfolio	(13,502,442)	(2,983,975)	(8,258,105)	(2,077,113)
Change in loans, advances and financing	(15,087,343)	(21,860,911)	(4,156,347)	(15,034,052)
Change in statutory deposits with central banks	(1,313,004)	(1,148,242)	(510,951)	(837,137)
Change in deposits from customer	25,354,634	25,572,387	26,950,654	20,342,433
Change in deposits and placements from financial institutions	7,705,815	5,780,637	3,508,734	1,656,384
Change in reinsurance/retakaful assets and other insurance receivables	(444,930)	(260,141)	-	-
Change in insurance/takaful contract liabilities and other related liabilities	954,304	905,325	-	-
Change in other operating activities	196,933	1,898,358	(160,840)	(2,595,190)
Exchange fluctuation	107,603	1,131,894	(67,902)	678,198
Cash generated from operations	2,928,167	9,543,082	3,560,701	1,653,583
Taxes and zakat paid	(967,462)	(844,245)	(516,577)	(381,842)
Net cash generated from operating activities	1,960,705	8,698,837	3,044,124	1,271,741

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UNAUDITED CASH FLOW STATEMENTS
FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2013

	Group		Bank	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Cash flows from investing activities				
Dividend received				
- from securities	57,077	45,208	6,480	5,885
- from associates	-	6,452	8,292	6,452
- from subsidiaries	-	-	239,632	252,941
Purchase of property, plant and equipment	(128,083)	(153,003)	(74,856)	(85,870)
Proceeds from disposal of property, plant and equipment	3,000	4,509	261	7,405
Purchase of intangible assets	(134,486)	(161,745)	(122,318)	(147,630)
Subscription to additional ordinary shares and private debt securities in associates	4,994	-	(330,806)	(289,584)
Proceeds from transaction with non-controlling interests	(281)	24,821	-	-
Net cash used in investing activities	(197,779)	(233,758)	(273,315)	(250,401)
Cash flows from financing activities				
Proceeds from share issuance	2,258,058	1,622,330	2,258,058	1,622,330
Drawdown of borrowings	1,285,617	3,086,272	630,690	3,062,981
Redemption of subordinated obligations	(1,500,000)	(2,452,950)	(1,500,000)	(2,452,950)
Issuance of subordinated obligations	-	2,100,000	-	2,100,000
Loans sold to Cagamas, net	(212,324)	(218,852)	(15,398)	(14,750)
Dividends paid	(2,404,850)	(2,062,651)	(2,404,850)	(2,062,651)
Dividends paid to non-controlling interests	(8,973)	(7,703)	-	-
Net cash (used in)/generated from financing activities	(582,472)	2,066,446	(1,031,500)	2,254,960
Net change in cash and cash equivalents	1,180,454	10,531,525	1,739,309	3,276,300
Cash and cash equivalents at beginning of period *	42,745,352	50,396,369	26,009,083	36,691,677
Cash and cash equivalents at end of period	43,925,806	60,927,894	27,748,392	39,967,977

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

	Group		Bank	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Cash and short-term funds	42,079,581	60,766,155	26,341,421	39,755,210
Deposits with financial institutions maturing within 1 month	1,846,225	161,739	1,406,971	212,767
	43,925,806	60,927,894	27,748,392	39,967,977

* Cash and cash equivalents at beginning of period

Cash and short-term funds as previously reported	42,180,022	51,022,866	25,634,415	37,031,903
Effects of foreign exchange rate changes	565,330	(626,497)	374,668	(340,226)
As restated	42,745,352	50,396,369	26,009,083	36,691,677

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 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* issued by the International Accounting Standards Board (“IASB”).

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2012. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the year ended 31 December 2012.

The unaudited condensed interim financial statements incorporated those activities relating to the businesses of banking and finance, Islamic banking, investment banking including stock broking, underwriting of general and life insurance, general and family takaful, trustee and nominee services, asset management and venture capital, which have been undertaken by the Group.

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2012 except for adoption of the following Malaysian Financial Reporting Standards (“MFRSs”), amendments to MFRSs, Interpretations of the Issues Committee (“IC Interpretations”) and Annual Improvements 2009-2011 Cycle with effective dates of 1 July 2012 and 1 January 2013:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards - Government Loans (Amendments to MFRS 1)*
- MFRS 3 *Business Combinations (IFRS Business Combinations issued by IASB March 2004)*
- MFRS 7 *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7)*
- MFRS 10 *Consolidated Financial Statements*
- MFRS 11 *Joint Arrangements*
- MFRS 12 *Disclosure of Interests in Other Entities*
- MFRS 13 *Fair Value Measurement*
- MFRS 101 *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)*
- MFRS 119 *Employee Benefits (IAS 19 as amended by IASB in June 2011)*
- MFRS 127 *Consolidated and Separate Financial Statements (IAS 27 Consolidated and Separate Financial Statements revised by IASB in December 2013)*
- MFRS 127 *Separate Financial Statements (IAS 27 as amended by IASB in May 2011)*
- MFRS 128 *Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)*
- IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*

Annual Improvements 2009-2011 Cycle:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards - Repeated application of MFRS 1 and borrowing costs*
- MFRS 101 *Presentation of Financial Statements - Clarification of the requirements for comparative information*
- MFRS 116 *Property, Plant and Equipment - Classification of servicing equipment*
- MFRS 132 *Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments*
- MFRS 134 *Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities*

The adoption of the above MFRSs, amendments to MFRSs, IC Interpretations and Annual Improvements 2009-2011 Cycle did not have any material impact on the financial statements of the Group and the Bank, except for the adoption of following MFRSs and amendments to MFRSs:

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A1. Basis of Preparation (cont'd.)

MFRS 101 Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on financial investments available-for-sale) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans).

The Group and the Bank have adopted the amendment and the new presentation requirements for other comprehensive income has been effected retrospectively, as disclosed in the Statement of Comprehensive Income of the Group and the Bank.

MFRS 10 Consolidated Financial Statements ("MFRS 10")

MFRS 10 replaces the requirements of MFRS 127 Consolidated and Separate Financial Statements that address the accounting for consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities. Under MFRS 10, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group has applied MFRS 10 retrospectively in accordance with the transition provisions of MFRS 10.

Based on the preliminary assessment performed, the Group assessed that adoption of MFRS 10 did not result in any change in the consolidation status of its subsidiaries as at 30 June 2013.

MFRS 13 Fair Value Measurement ("MFRS 13")

MFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by MFRS. MFRS 13 also requires fair value disclosures for financial instruments to be included in the interim financial report.

The Group and the Bank have adopted the above standard and the fair value disclosures for financial instruments are disclosed in Note A30.

MFRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)

The main changes set out in the amendment to MFRS 119 are:

- The option to delay the recognition of actuarial variances (i.e. the 'corridor' approach) has been removed. Actuarial gains/losses are recognised immediately in other comprehensive income as they occur, and are not subsequently recycled to the income statement.
- Unvested past service costs can no longer be deferred over the future vesting period, instead they are recognised immediately in the income statement as incurred.
- Any changes in asset ceiling and the differences between the net interest income and the actual asset returns are recognised in other comprehensive income.

The adoption of this amendment will result in a change in accounting policy and to be accounted for retrospectively in accordance with MFRS 108 *Accounting Policies, Change in Accounting Estimates and Errors*.

The financial effects of the adoption of this amendment on the Group's financial statements are disclosed in Note A32.

Certain entities within the Group are still assessing the financial impact of this amendment and expect to be in the position to report the impact before the end of the financial year ending 31 December 2013.

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A1. Basis of Preparation (cont'd.)

Change in Presentation of "Net income from insurance and takaful business" in Income Statement of the Group

Prior to this, the Group has been reporting the other income (mainly comprised of fee and commission income, investment income, realised gains/losses and fair value gains/losses) and other expenses (mainly comprised of management expenses, change in expense liabilities, fee and commission expenses and other operating expenses) derived from insurance and takaful business in the "Net income from insurance and takaful business", a line item in the income statements of the Group.

Upon adoption of new standards such as MFRS 10 *Consolidated Financial Statements* and MFRS 12 *Disclosure of Interests in Other Entities*, the Group has decided to improve the presentation of "Net income from insurance and takaful business" by reclassifying other income (RM1.65 billion) and other expenses (RM1.93 billion) that form part of "Net income from insurance and takaful business" to respective line items in the income statements of the Group for the period ended 30 June 2012. The effects of reclassification are disclosed in Note A32.

New Financial Reporting Guidelines issued by Bank Negara Malaysia ("BNM")

Pursuant to the Financial Services Act 2013 that came into force on 30 June 2013, BNM has issued a new Financial Reporting Guidelines which set out the financial reporting requirements for both banking institutions and insurers. A banking institution is required to comply with these new guidelines effective on 30 June 2013, while for insurer, its effective date is for financial years beginning on and after 30 June 2013. These new guidelines require insurance business-related information to be disclosed in the interim financial statements. The additional disclosures are statement of financial position and statement of comprehensive income for insurance business which showing separately the life business, family takaful business, general business and general takaful business.

The Group has adopted the new BNM's Financial Reporting Guidelines and the additional insurance business-related information are disclosed in Note A34.

A2. Significant Accounting Policies

The audited financial statements of the Group and the Bank for the year ended 31 December 2012 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS"). The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012 except for those disclosed in Note A1 above.

A3. Significant Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving higher degree of judgment and complexity, are as follows:

(i) Fair Value Estimation of Financial Assets at Fair Value Through Profit or Loss (Note A10(i)), Financial Investments Available-For-Sale (Note A10(ii)) and Derivative Financial Instruments (Note A29)

The fair value of financial assets and derivatives that are not traded in an active market are determined using appropriate valuation techniques. Valuation techniques include the discounted cash flows method, options pricing models, credit models and other relevant valuation models.

(ii) Valuation of Investment Properties

The measurement of the fair value for investment properties is arrived at by reference to market evidence of transaction prices for similar properties and is performed by independent valuers who hold a recognised and relevant professional qualification and recent experience in the locations and category of the properties being valued.

(iii) Impairment of Goodwill

The Group tests annually whether the goodwill that has an indefinite life is impaired by measuring the recoverable amount of the goodwill based on the value-in-use method, which requires the use of estimates of future cash flow projections, terminal growth rates and discount rates. Changes to the assumptions used by management, particularly the discount rate and the terminal value, may affect the results of the impairment assessment.

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

(iv) Amortisation of Other Intangible Assets

The Group's and the Bank's intangible assets that can be separated and sold, and have a finite useful life are amortised over their estimated useful life. The determination of the estimated useful life of these intangible assets requires management's judgment which includes analysing the circumstances, the industry and market practice.

(v) Liabilities of Insurance Business

(a) Life insurance and family takaful businesses

There are several sources of uncertainty that need to be considered in the estimation of life insurance and family takaful liabilities.

The main assumptions used relate to mortality, morbidity, longevity, expenses, withdrawal rates and discount rates.

These estimates, adjusted when appropriate to reflect the subsidiary's unique risk exposure, provide the basis for the valuation of future policy benefits payable.

For family takaful certificates, estimates are made for future deaths, disabilities, maturities, investment returns in accordance with the subsidiary's experience. The family takaful fund bases the estimate of expected number of deaths on applied mortality tables, adjusted where appropriate to reflect the fund's unique risk exposures. The estimated number of deaths determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient cover by reserves, which in return is monitored against current and future contributions.

For those certificates that cover risks related to disability, estimates are made based on recent past experience and emerging trends.

At each reporting date, these estimates are reassessed for adequacy and changes will be reflected as adjustments to the liability.

(b) General insurance and general takaful businesses

The principal uncertainty in the general business and general takaful business arises from the technical provisions which include the premium/ contribution liabilities and claim liabilities.

Premium liabilities for general insurance are reported at the higher of the aggregate of the unearned premium reserves for all lines of business or the best estimate value of the reinsurer's unexpired risk reserves ("URR") at the end of the financial year and a provision of risk margin for adverse deviation calculated at the overall fund level. The URR is set at above 75% level of sufficiency.

Contribution liabilities for takaful business are reported at the higher of the aggregate of the unearned contribution reserves for all line of business or the total general takaful fund's unexpired risk reserves at above 75% confidence level at the end of the financial year.

Generally, claim liabilities are determined based upon historical claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Particularly relevant is past experience with similar cases, historical claims, development trends, legislative changes, judicial decisions, economic conditions and claims handling procedures. It is certain that actual future contribution and claim liabilities will not exactly develop as projected and they vary from the projections.

(vi) Deferred Tax and Income Taxes

The Group and the Bank are subject to income taxes in many jurisdictions and significant judgment is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice on the tax treatment where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax and deferred tax provisions in the period in which the estimate is revised or the final liability is established.

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

(vi) Deferred Tax and Income Taxes (cont'd.)

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

(vii) Impairment Losses on Loans, Advances and Financing

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

Loans, advances and financing that have been assessed individually but for which no impairment is required and all individually insignificant loans, advances and financing are then assessed collectively, in groups of assets with similar credit risk characteristics, to determine whether allowances should be made due to incurred loss events for which there is objective evidence but whose effects of which are not yet evident. The collective assessment takes account of data from the loans, advances and financing portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios etc.) and judgments on the effects of concentrations of risks (such as the performance of different individual groups).

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

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

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

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

- (i) The Group determines whether its investments are impaired following certain indicators of impairment such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes in the economic environment; and
- (ii) Depending on their nature and the location in which the investments relate to, judgments are made by management to select suitable methods of valuation such as, amongst others, discounted future cash flows or estimated fair value based on quoted market price of the most recent transactions.

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

Sensitivity to changes in assumptions

Management believes that no reasonably expected possible change in the key assumptions described above would cause the carrying amounts of the investments to materially exceed their recoverable amounts.

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

(ix) Impairment of Financial Investments Portfolio

The Group and the Bank review the financial investments portfolio of financial assets at FVTPL, financial investments AFS and financial investments HTM at each reporting date to assess whether there is any objective evidence that the investment is impaired. If there are indicators or objective evidence, the investments are subject to impairment review.

In carrying out the impairment review, the following management's judgment are required :

- (i) Determination whether the investment is impaired based on certain indicators such as, amongst others, prolonged decline in fair value, significant financial difficulties of the issuers or obligors, the disappearance of an active trading market and deterioration of the credit quality of the issuers or obligors; and
- (ii) Determination of "significant" or "prolonged" requires judgment and management evaluation on various factors, such as historical fair value movement, the duration and extent of reduction in fair value.

A4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2012 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 2013.

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

During the financial half year ended 30 June 2013, 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 2013.

A8. Changes in Debt and Equity Securities

(A) The following are the changes in debt and equity securities that were issued by the Group and the Bank during the financial half year ended 30 June 2013:

(i) Issuance of Shares

The issued and paid-up share capital of the Bank increased from RM8,440,046,735 as at 31 December 2012 to RM8,697,261,183 as at 30 June 2013 via:

- (a) issuance of 55,751,500 new ordinary shares of RM1 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; and
- (b) issuance of 201,462,948 new ordinary shares (including 326,881 new ordinary shares issued to ESOS Trust Fund ("ETF") Pool) of RM1 each arising from the Dividend Reinvestment Plan ("DRP") relating to electable portion of the final dividend of 24.5 sen (net), comprising a franked dividend of 13.5 sen (net) and a single-tier dividend of 11 sen in respect of financial year ended 31 December 2012.

(ii) Issuance of USD200.0 million Senior Notes under USD5.0 billion Multicurrency Medium Term Note Programme

On 15 May 2013, Maybank issued USD200.0 million Senior Notes in nominal value under the USD5.0 billion Multicurrency Medium Term Note Programme.

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

(A) The following are the changes in debt and equity securities that were issued by the Group and the Bank during the financial half year ended 30 June 2013 (cont'd.):

(iii) Redemption of Islamic Subordinated Bonds of RM1.5 billion with a tenure of 12 years from issue date on a 12 non-callable 7 basis

On 15 May 2013, Maybank had fully redeemed the Islamic Subordinated Bonds of RM1.5 billion. The Islamic Subordinated Bonds were issued on 15 May 2006 under the Shariah principle of Bai' Bithaman Ajil.

(iv) Issuance/redemption of bonds and medium term notes by subsidiaries of PT Bank Internasional Indonesia Tbk

The issuance/redemption of bonds and medium term notes by subsidiaries of PT Bank Internasional Indonesia Tbk during the financial half year ended 30 June 2013 are as follows:

- (a) On 26 February 2013, PT BII Finance Center, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn a subsidiary of Maybank, had issued Medium-term Notes V (MTN V) BII Finance with a nominal value of IDR200.0 billion (equivalent to RM63.6 million).
- (b) On 4 March 2013, PT Wahana Ottomitra Multiartha Tbk, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn a subsidiary of Maybank, had redeemed Bonds V Series B of IDR120.0 billion (equivalent to RM38.2 million). The Bonds were issued on 4 March 2011 under Bonds V WOM Finance Year 2011 With Fixed Interest Rate.
- (c) On 17 May 2013, PT BII Finance Center, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn a subsidiary of Maybank, had redeemed Medium-term Notes IV of IDR300.0 billion (equivalent to RM95.4 million). The Medium-term Notes IV were issued on 17 November 2011 under Medium-term notes IV BII Finance.
- (d) On 12 June 2013, PT BII Finance Center, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn a subsidiary of Maybank, had redeemed Bonds I Series A of IDR101.0 billion (equivalent to RM32.1 million). The Bonds were issued on 7 June 2012 under Bonds I BII Finance Year 2012 with Fixed Interest Rates.
- (e) On 19 June 2013, PT BII Finance Center, a subsidiary of PT Bank Internasional Indonesia Tbk, which in turn a subsidiary of Maybank, had issued Bonds II BII Finance Year 2013 with a nominal value of IDR1,300.0 billion (equivalent to RM413.4 million). These Bonds II are series bonds consisting of Bonds II Series A with a nominal value of IDR775.0 billion (equivalent to RM246.5 million) and Bonds II Series B with a nominal value of IDR525.0 billion (equivalent to RM166.9 million).

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

The issuance/redemption of medium term notes by Maybank Kim Eng Holdings Limited and its subsidiary during the financial half year ended 30 June 2013 are as follows:

- (a) On 28 January 2013, Maybank Kim Eng Holdings Limited, a subsidiary of Maybank, had issued medium term notes amounting to SGD100 million (equivalent to RM250.3 million) under the SGD800 million Multicurrency Medium Term Note Programme.
- (b) On 28 May 2013, Maybank Kim Eng Securities Pte. Ltd., a subsidiary of Maybank Kim Eng Holdings Limited which in turn is a subsidiary of Maybank, had issued medium term notes amounting to SGD50 million (equivalent to RM125.2 million) under the SGD800 million Multicurrency Medium Term Note Programme.
- (c) On 21 June 2013, Maybank Kim Eng Holdings Limited, a subsidiary of Maybank, had redeemed medium term notes amounting to SGD150 million (equivalent to RM375.5 million) under the SGD800 million Multicurrency Medium Term Note Programme.

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

(B) The following is the change in debt securities that were issued by the Group subsequent to the financial half year ended 30 June 2013 and has not been reflected in the financial statements for the current financial half year ended 30 June 2013:

(i) **Issuance of Tier 2 Capital Subordinated Bonds of RM500.0 million by Etiqa Insurance Berhad**

On 5 July 2013, Etiqa Insurance Berhad, an indirect subsidiary of Maybank, issued Tier 2 Capital Subordinated Bonds of RM500.0 million in nominal value with a tenure of 10 years on a 10 non-callable 5 basis.

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

A9. Dividends Paid

(a) Dividend paid during the financial half year ended 30 June 2013 is as follows:

During the Annual General Meeting held on 28 March 2013, a final dividend in respect of the financial year ended 31 December 2012 of 18 sen less 25% taxation and 15 sen single-tier dividend on 8,449,810,735 ordinary shares of RM1.00 each, amounting to a net dividend paid of RM2,408,196,164 (net 28.5 sen per ordinary share) was approved by the shareholders.

The dividend consists of cash portion of 4 sen single-tier dividend per ordinary share and an electable portion of 29 sen (net 24.5 sen) per ordinary share, where the electable portion comprises of 11 sen single-tier dividend and 18 sen franked dividend (net 13.5 sen) per ordinary shares of RM1.00 each. 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 Dividend Reinvestment Plan was completed on 29 May 2013.

(b) Dividends paid by Maybank's subsidiaries to non-controlling interest amounting to RM8,973,000 during the financial half year ended 30 June 2013.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		30 June 2013	31 December 2012	30 June 2013	31 December 2012
		RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through profit or loss	(i)	26,459,170	29,156,692	8,121,208	10,719,937
Financial investments available-for-sale	(ii)	75,782,194	60,792,374	57,824,042	47,366,309
Financial investments held-to-maturity	(iii)	3,848,064	2,870,768	2,671,998	2,556,849
		106,089,428	92,819,834	68,617,248	60,643,095

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

	Group		Bank	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
(a) Financial assets designated upon initial recognition	12,294,244	12,436,881	-	-
(b) Financial assets held-for-trading	14,164,926	16,719,811	8,121,208	10,719,937
	26,459,170	29,156,692	8,121,208	10,719,937

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

	Group		Bank	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	314,798	383,210	-	-
Malaysian Government Investment Issues	1,085,711	1,015,317	-	-
Negotiable Islamic certificates of deposits	395,266	409,798	-	-
	1,795,775	1,808,325	-	-
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	-	33,024	-	-
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	-	57,783	-	-
	-	90,807	-	-

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A10. Financial Investments Portfolio (cont'd.)

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

(a) Financial assets designated upon initial recognition are as follows (cont'd.):

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Unquoted securities:				
Shares, trust units and loan stocks in Malaysia	-	53,683	-	-
Private and Islamic debt securities in Malaysia	10,346,148	10,309,201	-	-
Structured deposits	152,321	174,865	-	-
	10,498,469	10,537,749	-	-
Total financial assets designated upon initial recognition	12,294,244	12,436,881	-	-

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	841,986	273,752	821,755	273,752
Malaysian Government Treasury Bills	20,597	-	20,597	-
Malaysian Government Investment Issues	500,967	86,256	338,745	10,098
Bank Negara Malaysia Bills and Notes	4,570,378	5,945,044	4,570,378	5,945,044
Khazanah Bonds	79,605	50,399	79,605	50,399
Bank Negara Malaysia Monetary Notes	4,871,514	6,945,597	994,264	2,897,212
Foreign Government Securities	257,434	196,235	171,253	-
Foreign Certificates of Deposits	-	132,982	-	-
Cagamas Bonds	5,095	43,781	5,095	43,781
Negotiable instruments of deposits	205,580	15,389	-	-
	11,353,156	13,689,435	7,001,692	9,220,286
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	435,727	412,620	-	-
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	143,392	165,125	-	4,269
	579,119	577,745	-	4,269

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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 (cont'd.):

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Unquoted securities:				
Private and Islamic debt securities in Malaysia	1,115,876	1,474,973	572,466	952,615
Foreign private debt securities	673,767	696,590	511,389	539,532
Foreign Government Bonds	35,661	-	35,661	-
Malaysian Government Bonds	-	3,235	-	3,235
Credit linked note	399,200	261,960	-	-
Equity linked note	-	7,731	-	-
Mutual funds	8,147	8,142	-	-
	2,232,651	2,452,631	1,119,516	1,495,382
Total financial assets held-for-trading	14,164,926	16,719,811	8,121,208	10,719,937

(ii) Financial investments available-for-sale

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
At fair value, or at cost less impairment losses for certain unquoted equity instruments				
Money market instruments:				
Malaysian Government Securities	4,422,169	5,121,448	4,416,888	5,095,673
Sukuk Bank Negara Malaysia Ijarah	7,120	7,013	7,120	7,013
Cagamas Bonds	264,699	323,934	254,484	293,349
Foreign Government Securities	7,302,657	8,294,004	4,678,171	5,602,205
Malaysian Government Investment Issues	8,691,829	3,783,570	4,328,624	1,453,972
Foreign Government Treasury Bills	9,671,043	5,170,641	9,671,043	4,735,477
Negotiable instruments of deposits	1,713,880	1,441,463	1,988,300	4,557,768
Bankers' acceptances and Islamic accepted bills	2,407,025	1,930,357	2,108,267	1,409,568
Khazanah Bonds	1,892,602	1,710,195	1,534,402	1,530,073
Bank Negara Malaysia Monetary Notes	-	771,005	-	503,994
Malaysian Government Treasury Bills	27,712	65,113	27,712	65,113
Foreign Certificates of Deposits	40,859	69,762	40,859	69,762
	36,441,595	28,688,505	29,055,870	25,323,967

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A10. Financial Investments Portfolio (cont'd.)

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	2,606,928	2,470,261	72,515	77,318
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	272,615	267,440	10,841	15,045
	2,879,543	2,737,701	83,356	92,363
Unquoted securities:				
Shares, trust units and loan stocks in Malaysia	741,428	636,886	387,117	382,884
Shares, trust units and loan stocks outside Malaysia	9,599	15,703	5,854	5,711
Private and Islamic debt securities in Malaysia	14,919,596	14,216,359	8,805,676	8,343,202
Malaysian Government Bonds	813,620	387,805	627,493	202,172
Foreign Government Bonds	4,671,154	1,263,050	4,588,542	1,181,207
Foreign private and Islamic debt securities	15,277,163	12,818,785	14,270,134	11,834,803
Structured deposits	28,496	27,580	-	-
	36,461,056	29,366,168	28,684,816	21,949,979
Total financial investments available-for-sale	75,782,194	60,792,374	57,824,042	47,366,309

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments held-to-maturity

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
At amortised cost less impairment losses				
Money market instruments:				
Malaysian Government Securities	107	101,423	-	101,314
Foreign Government Securities	301,686	303,894	-	-
Malaysian Government Investment Issues	40,793	40,907	40,793	40,907
Foreign Government Treasury Bills	471,127	-	-	-
Khazanah Bonds	798,590	784,033	798,590	784,033
Foreign Certificate of Deposit	168,794	-	-	-
	1,781,097	1,230,257	839,383	926,254
Unquoted securities:				
Private and Islamic debt securities in Malaysia	1,804,839	1,578,372	1,804,806	1,578,338
Foreign Government Bonds	254,064	70,246	45,038	69,993
Foreign private and Islamic debt securities	28,505	12,843	-	-
Others	2,044	2,044	2,044	2,044
	2,089,452	1,663,505	1,851,888	1,650,375
Accumulated impairment losses	(22,485)	(22,994)	(19,273)	(19,780)
Total financial investments held-to-maturity	3,848,064	2,870,768	2,671,998	2,556,849

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A11. Loans, Advances and Financing

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Overdrafts/cashline	17,847,357	16,805,906	11,236,322	10,846,799
Term loans				
- Housing loans/financing	72,429,001	64,613,005	37,731,068	36,797,266
- Syndicated loans/financing	24,474,084	23,784,574	20,474,060	20,055,951
- Hire purchase receivables	54,129,822	52,760,832	25,176,443	26,773,064
- Lease receivables	17,935	18,952	3,272	3,272
- Other loans/financing	156,005,762	143,562,892	87,509,717	86,136,841
Credit card receivables	6,419,562	6,384,428	5,449,886	5,401,470
Bills receivable	4,576,026	5,239,068	4,513,636	5,123,928
Trust receipts	3,157,803	3,025,183	2,433,136	2,457,392
Claims on customers under acceptance credits	10,496,253	11,591,582	6,703,789	7,885,049
Loans/financing to financial institutions	6,008,784	3,498,525	5,438,251	3,137,467
Revolving credits	29,555,179	27,321,888	18,429,396	16,902,982
Staff loans	2,355,071	2,265,706	911,354	965,668
Loans to				
- Executive directors of subsidiaries	3,060	3,633	76	89
Others	2,691,726	2,384,062	-	-
	390,167,425	363,260,236	226,010,406	222,487,238
Unearned interest and income	(57,808,405)	(45,461,972)	(2,904,828)	(3,188,888)
Gross loans, advances and financing	332,359,020	317,798,264	223,105,578	219,298,350
Allowances for impaired loans, advances and financing				
- Individual allowance	(2,577,527)	(2,228,535)	(2,015,616)	(1,719,455)
- Collective allowance	(3,818,411)	(3,744,994)	(2,831,738)	(2,726,849)
Net loans, advances and financing	325,963,082	311,824,735	218,258,224	214,852,046

(i) By type of customer

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Domestic banking institutions	34,100	32,783	34,100	32,783
Domestic non-banking financial institutions				
- Stockbroking companies	-	328	-	328
- Others	19,878,422	17,738,858	14,235,133	11,984,198
Domestic business enterprise				
- Small and medium enterprise	65,163,602	60,719,447	47,695,857	44,736,984
- Others	68,810,679	68,664,118	49,570,532	50,738,758
Government and statutory bodies	3,196,021	3,351,642	2,402,867	2,541,100
Individuals	146,654,759	140,275,982	88,861,335	89,603,634
Other domestic entities	3,395,318	2,690,875	366,710	240,043
Foreign entities	25,226,119	24,324,231	19,939,044	19,420,522
Gross loans, advances and financing	332,359,020	317,798,264	223,105,578	219,298,350

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

(ii) By geographical distribution

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Malaysia	210,693,903	201,304,578	140,544,251	139,271,620
Singapore	70,896,777	68,857,389	70,150,469	68,234,190
Indonesia	28,055,348	26,319,888	-	-
Hong Kong SAR	7,894,322	7,130,389	7,777,890	7,039,787
Labuan Offshore	5,625,828	5,157,739	-	-
Philippines	2,450,589	2,396,795	-	-
People's Republic of China	1,586,533	1,448,137	1,586,533	1,448,137
United Kingdom	1,169,219	1,315,839	1,169,176	1,315,781
United States of America	920,808	1,014,176	920,360	1,013,744
Vietnam	357,515	409,880	315,812	379,544
Cambodia	754,145	732,966	-	-
Bahrain	313,222	307,445	313,222	307,445
Brunei	309,202	288,102	309,202	288,102
Papua New Guinea	176,485	152,330	-	-
Thailand	1,107,290	934,561	-	-
Laos	18,663	-	18,663	-
Others	29,171	28,050	-	-
Gross loans, advances and financing	332,359,020	317,798,264	223,105,578	219,298,350

(iii) By interest/profit rate sensitivity

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Fixed rate				
- Housing loans/financing	12,946,247	11,752,382	10,046,479	8,777,190
- Hire purchase receivables	44,499,864	43,062,478	22,419,767	23,746,588
- Other fixed rate loans/financing	52,553,320	50,705,753	35,834,664	34,011,928
Variable rate				
- Base lending rate plus	120,205,706	113,308,022	87,625,493	87,141,642
- Cost plus	42,573,476	42,241,585	38,071,171	37,316,635
- Other variable rates	59,580,407	56,728,044	29,108,004	28,304,367
Gross loans, advances and financing	332,359,020	317,798,264	223,105,578	219,298,350

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

(iv) Total loans by economic purpose

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Purchase of securities	29,047,175	25,836,149	13,017,774	13,308,681
Purchase of transport vehicles	46,023,513	44,535,008	22,090,649	23,287,778
Purchase of landed properties				
- Residential	60,894,516	57,852,853	45,772,691	44,803,229
- Non-residential	26,118,795	23,967,058	22,034,101	20,748,526
Purchase of fixed assets (excluding landed properties)	4,545,044	4,348,868	4,474,329	4,298,286
Personal use	8,135,457	7,802,384	6,442,353	6,334,909
Credit card	6,413,274	6,434,284	5,442,115	5,450,367
Purchase of consumer durables	308,927	316,346	308,370	316,338
Construction	13,543,136	14,089,293	10,336,443	10,878,595
Mergers and acquisitions	3,937,150	3,989,396	3,937,150	3,989,396
Working capital	116,985,425	111,403,485	78,579,535	75,121,156
Others	16,406,608	17,223,140	10,670,068	10,761,089
Gross loans, advances and financing	332,359,020	317,798,264	223,105,578	219,298,350

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Maturing within one year	96,937,755	87,158,292	73,249,000	66,393,924
One year to three years	43,540,366	44,301,625	30,144,110	32,875,684
Three years to five years	44,880,199	44,782,443	29,986,084	28,706,237
After five years	147,000,700	141,555,904	89,726,384	91,322,505
Gross loans, advances and financing	332,359,020	317,798,264	223,105,578	219,298,350

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Gross impaired loans at 1 January 2013/2012	5,654,352	8,036,844	4,162,301	6,245,836
Newly impaired	2,360,413	4,154,947	1,578,179	2,651,324
Reclassified as non-impaired	(663,279)	(2,144,303)	(302,559)	(1,509,585)
Amount recovered	(743,958)	(2,106,649)	(457,316)	(1,691,603)
Amount written off	(481,210)	(2,291,938)	(304,681)	(1,533,675)
Converted to financial investments				
available-for-sale	-	(13,792)	-	(13,792)
Exchange differences and expenses debited	51,393	21,457	41,805	53,289
Disposal of subsidiaries	-	(2,214)	-	-
Transferred to a newly incorporated subsidiary	-	-	-	(39,493)
Gross impaired loans at 30 June 2013/ 31 December 2012	6,177,711	5,654,352	4,717,729	4,162,301
Less: Individual allowance	(2,577,527)	(2,228,535)	(2,015,616)	(1,719,455)
Net impaired loans, advances and financing	3,600,184	3,425,817	2,702,113	2,442,846
Ratio of net impaired loans	1.09%	1.09%	1.22%	1.12%

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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 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Purchase of securities	66,925	69,999	33,449	39,201
Purchase of transport vehicles	277,470	228,932	135,785	88,835
Purchase of landed properties				
- Residential	511,983	566,412	401,611	464,062
- Non-residential	136,823	139,013	100,000	86,285
Personal use	109,993	121,789	61,725	76,925
Credit card	75,844	77,528	56,294	58,058
Purchase of consumer durables	33	232	30	230
Construction	234,934	227,472	140,010	136,180
Working capital	4,111,079	3,504,561	3,316,327	2,697,689
Others	652,627	718,414	472,498	514,836
	6,177,711	5,654,352	4,717,729	4,162,301

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Malaysia	4,591,528	4,007,515	4,019,981	3,469,194
Singapore	361,971	363,344	315,484	289,364
Indonesia	512,373	572,768	-	-
Labuan Offshore	143,945	138,160	-	-
Hong Kong SAR	16,925	16,367	16,058	15,531
Brunei	2,734	2,107	2,734	2,107
Vietnam	19,172	19,051	19,172	19,051
United Kingdom	250,126	277,477	250,126	277,477
People's Republic of China	1,387	-	1,387	-
Cambodia	33,647	31,653	-	-
Papua New Guinea	792	-	-	-
Philippines	96,383	83,971	-	-
United States of America	448	431	-	-
Bahrain	92,787	89,577	92,787	89,577
Thailand	26,018	25,486	-	-
Others	27,475	26,445	-	-
	6,177,711	5,654,352	4,717,729	4,162,301

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

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Individual Allowance				
At 1 January 2013/2012	2,228,535	2,813,107	1,719,455	2,102,421
Allowance made	527,347	1,172,015	427,753	985,402
Amount written back	(100,194)	(437,932)	(59,623)	(368,351)
Amount written off	(65,962)	(1,222,716)	(62,623)	(904,764)
Transferred to collective allowance	(8,801)	(60,216)	(7,162)	(57,882)
Disposal of subsidiaries	-	(2,720)	-	-
Transferred to a newly incorporated subsidiary	-	-	-	(36,822)
Exchange differences	(3,398)	(33,003)	(2,184)	(549)
At 30 June 2013/31 December 2012	<u>2,577,527</u>	<u>2,228,535</u>	<u>2,015,616</u>	<u>1,719,455</u>
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Collective Allowance				
At 1 January 2013/2012	3,744,994	4,169,974	2,726,849	3,097,366
Allowance made	496,679	628,222	335,053	205,091
Amount written back	(28,779)	-	-	-
Amount written off	(415,248)	(1,069,222)	(242,058)	(628,911)
Transferred from individual allowance	8,801	60,216	7,162	57,882
Transferred to a newly incorporated subsidiary	-	-	-	(5,488)
Exchange differences	11,964	(44,196)	4,732	909
At 30 June 2013/31 December 2012	<u>3,818,411</u>	<u>3,744,994</u>	<u>2,831,738</u>	<u>2,726,849</u>
As a percentage of total loans less individual allowance	<u>1.16%</u>	<u>1.19%</u>	<u>1.28%</u>	<u>1.25%</u>

A12. Other Assets

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
Other debtors	6,451,053	4,038,562	6,269,331	2,528,814
Amount due from brokers and clients	2,588,977	2,001,113	-	-
Development properties	59,446	60,287	-	-
Prepayments and deposits	915,187	469,615	455,864	148,248
Tax recoverable	53,489	1,070	-	-
Foreclosed properties	109,452	109,610	36,002	36,001
	<u>10,177,604</u>	<u>6,680,257</u>	<u>6,761,197</u>	<u>2,713,063</u>

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A13. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
	Fixed deposits and negotiable instruments of deposits			
- One year or less	208,583,544	196,782,059	139,678,307	125,296,329
- More than one year	14,513,170	8,647,667	13,749,126	7,880,567
	223,096,714	205,429,726	153,427,433	133,176,896
Money market deposits	19,276,389	16,650,666	19,276,389	16,650,666
Savings deposits	54,145,045	50,360,812	37,406,143	35,261,690
Demand deposits	73,236,609	71,743,387	51,955,597	49,689,559
Structured deposits *	2,755,387	2,970,919	2,287,171	2,623,268
	372,510,144	347,155,510	264,352,733	237,402,079

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

(ii) By type of customer

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
	Business enterprises	170,414,510	157,471,152	122,959,005
Individuals	163,115,849	151,607,808	125,535,137	114,881,786
Government and statutory bodies	13,982,343	15,575,973	4,360,029	5,596,117
Others	24,997,442	22,500,577	11,498,562	10,338,213
	372,510,144	347,155,510	264,352,733	237,402,079

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
	Due within six months	155,048,665	164,637,372	95,922,339
Six months to one year	53,534,879	32,144,687	43,755,968	24,624,463
One year to three years	14,088,015	8,111,389	13,615,338	7,733,734
Three years to five years	425,155	536,278	133,788	146,834
	223,096,714	205,429,726	153,427,433	133,176,896

A14. Deposits and Placements from Financial Institutions

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
	Licensed banks	37,531,727	30,144,507	29,268,148
Licensed finance companies	233,275	383,162	176,023	337,539
Licensed investment banks	482,774	236,162	482,774	218,162
Other financial institutions	3,345,415	3,123,545	2,780,565	2,536,171
	41,593,191	33,887,376	32,707,510	29,198,776

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

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

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
One year or less	40,120,740	32,037,435	31,360,751	27,524,525
More than one year	1,472,451	1,849,941	1,346,759	1,674,251
	41,593,191	33,887,376	32,707,510	29,198,776

A15. Borrowings, Subordinated Obligations and Capital Securities

	Group		Bank	
	30 June 2013 RM'000	31 December 2012 RM'000	30 June 2013 RM'000	31 December 2012 RM'000
(i) Borrowings				
Secured				
- Less than one year	325,769	440,727	-	-
- More than one year	716,443	902,832	-	-
	1,042,212	1,343,559	-	-
Unsecured				
- Less than one year	1,812,722	1,093,098	308,494	168,248
- More than one year	9,594,301	8,277,609	7,879,140	7,214,471
	11,407,023	9,370,707	8,187,634	7,382,719
	12,449,235	10,714,266	8,187,634	7,382,719
(ii) Subordinated obligations				
Unsecured				
- More than one year	12,090,243	13,510,041	10,215,219	11,638,850
(iii) Capital Securities				
Unsecured				
- More than one year	6,150,782	6,150,351	6,150,782	6,150,351

A16. Other Liabilities

	Group		
	30 June 2013 RM'000	31 December 2012 (Restated) RM'000	1 January 2012 (Restated) RM'000
Due to brokers and clients	2,514,133	1,841,282	1,216,056
Deposits and other creditors	4,905,303	4,720,114	2,674,582
Provisions and accruals	2,972,598	3,158,400	2,611,032
Profit equalisation reserves	17,284	59,852	59,852
	10,409,318	9,779,648	6,561,522

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A16. Other Liabilities

	Bank	
	30 June 2013 RM'000	31 December 2012 RM'000
Deposits and other creditors	8,268,989	6,988,101
Provisions and accruals	1,287,386	1,657,322
	9,556,375	8,645,423

A17. Interest Income

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013 RM'000	30 June 2012 (Restated) RM'000	30 June 2013 RM'000	30 June 2012 (Restated) RM'000
Loans, advances and financing	3,160,518	3,039,212	6,318,331	5,908,718
Money at call and deposits and placements with financial institutions	197,675	153,004	320,511	332,245
Financial assets purchased under resale agreements	4,705	909	6,821	1,962
Financial assets at FVTPL	234,315	228,369	359,394	346,916
Financial investments available-for-sale	424,635	323,633	944,474	756,864
Financial investments held-to-maturity	22,792	107,787	40,102	225,692
	4,044,640	3,852,914	7,989,633	7,572,397
Amortisation of premiums less accretion of discounts, net	(12,557)	45,352	(31,381)	79,597
	4,032,083	3,898,266	7,958,252	7,651,994

Bank	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Loans, advances and financing	2,264,071	2,200,905	4,522,441	4,277,313
Money at call and deposits and placements with financial institutions	179,944	142,543	277,200	289,830
Financial assets purchased under resale agreements	1,171	314	1,511	386
Financial assets at FVTPL	17,088	25,891	37,342	54,679
Financial investments available-for-sale	389,414	283,501	768,525	599,695
Financial investments held-to-maturity	20,204	94,818	38,319	197,993
	2,871,892	2,747,972	5,645,338	5,419,896
Amortisation of premiums less accretion of discounts, net	(10,942)	59,301	(28,470)	89,938
	2,860,950	2,807,273	5,616,868	5,509,834

Included in interest income for the 6 months financial period ended 30 June 2013 was interest on impaired assets amounting to approximately RM81,222,000 (30 June 2012: RM77,936,000) for the Group and RM65,840,000 (30 June 2012: RM60,103,000) for the Bank.

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A18. Interest Expense

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012 (Restated)	30 June 2013	30 June 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	54,399	156,432	143,723	275,999
Deposits from customers	1,237,295	1,125,461	2,378,872	2,209,827
Floating rate certificates of deposits	4,030	1,668	7,557	2,310
Borrowings	107,871	74,476	211,924	187,444
Subordinated notes	123,576	124,475	243,785	211,676
Subordinated bonds	9,042	20,006	27,688	53,715
Capital Securities	99,765	99,824	198,458	198,796
Net interest on derivatives	31,458	3,175	(29,702)	8,198
	1,667,436	1,605,517	3,182,305	3,147,965

Bank	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012 (Restated)	30 June 2013	30 June 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	57,722	150,667	150,364	273,558
Deposits from customers	930,276	886,534	1,776,701	1,711,903
Floating rate certificates of deposits	4,030	1,668	7,557	2,310
Borrowings	38,186	33,842	73,279	57,127
Subordinated notes	99,244	90,018	195,595	177,219
Subordinated bonds	9,116	20,006	27,762	53,715
Capital Securities	99,765	99,824	198,458	198,796
Net interest on derivatives	29,761	(1,726)	(33,988)	(1,618)
	1,268,100	1,280,833	2,395,728	2,473,010

A19. Net Income from Insurance and Takaful Business

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012 (Restated)	30 June 2013	30 June 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	1,231,529	1,350,521	3,002,150	2,824,948
Premium ceded to reinsurers	(95,848)	(206,877)	(739,602)	(660,477)
Net earned premiums	1,135,681	1,143,644	2,262,548	2,164,471
Gross benefits and claims paid	(872,261)	(643,118)	(1,692,392)	(1,690,993)
Claims ceded to reinsurers	95,828	34,343	138,906	90,521
Gross change to contract liabilities	(314,649)	(480,897)	(658,886)	(679,744)
Change in contract liabilities ceded to reinsurers	(7,249)	81,780	6,141	89,953
Net benefits and claims	(1,098,331)	(1,007,892)	(2,206,231)	(2,190,263)
Total net income from insurance and takaful business	37,350	135,752	56,317	(25,792)

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A20. Non-Interest Income

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012 (Restated)	30 June 2013	30 June 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	236,160	222,017	497,010	443,243
Service charges and fees	321,366	407,570	624,460	661,957
Underwriting fees	33,275	40,447	47,538	49,386
Brokerage income	213,631	128,450	443,326	274,043
Fees on loans, advances and financing	119,169	133,433	218,079	272,130
	923,601	931,917	1,830,413	1,700,759
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	65,173	90,546	181,430	172,850
Net gain on disposal of financial investments available-for-sale	318,418	98,739	637,033	371,228
Net (loss)/gain on redemption of financial investments held-to-maturity	-	16,471	(1)	16,488
Gain on disposal of associates	-	8,881	-	8,881
Net gain from sale of subsidiary company	-	8,348	-	8,348
	383,591	222,985	818,462	577,795
(c) Gross dividend from financial investments portfolio	36,694	31,076	57,077	45,208
(d) Unrealised (loss)/gain on revaluation of:				
Financial assets at FVTPL	(70,982)	(32,199)	(86,561)	(26,789)
Derivatives	(6,844)	(85,278)	(213,510)	52,857
	(77,826)	(117,477)	(300,071)	26,068
(e) Other income:				
Foreign exchange gain, net	407,838	220,075	600,524	447,537
Rental income	9,012	10,595	14,493	21,460
Gain on disposal of property, plant and equipment	272	3,902	1,086	5,627
Gain on disposal of foreclosed properties	1,563	218	2,306	397
Sale of development properties	612	2,558	1,456	14,378
Others	59,989	74,969	139,961	166,329
	479,286	312,317	759,826	655,728
Total non-interest income	1,745,346	1,380,818	3,165,707	3,005,558

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

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Bank	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	196,293	182,682	395,016	356,308
Service charges and fees	237,966	274,912	472,819	492,751
Underwriting fees	15,825	24,758	26,759	31,448
Brokerage income	29	84	83	149
Fees on loans, advances and financing	40,907	51,224	67,606	102,013
	491,020	533,660	962,283	982,669
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	26,116	9,880	99,036	34,967
Net gain on disposal of financial investments available-for-sale	141,809	58,507	241,637	131,953
Gain on disposal of subsidiaries	-	-	700	-
Net gain on redemption of financial investments held-to-maturity	-	16,471	(1)	16,488
	167,925	84,858	341,372	183,408
(c) Gross dividend income from:				
Financial investments portfolio	5,716	4,815	6,480	5,885
Subsidiaries	31,611	31,741	239,632	252,941
Associates	8,292	-	8,292	6,452
	45,619	36,556	254,404	265,278
(d) Unrealised gain/(loss) on revaluation of:				
Financial assets at FVTPL	(25,867)	29,719	(25,119)	17,809
Derivatives	(49,613)	(138,383)	(210,046)	20,010
	(75,480)	(108,664)	(235,165)	37,819
(e) Other income:				
Foreign exchange gain, net	397,563	229,222	558,269	375,684
Rental income	5,534	5,980	10,900	11,414
Gain on disposal of property, plant and equipment	(253)	3,104	(221)	4,481
Others	19,139	18,443	32,856	38,180
	421,983	256,749	601,804	429,759
Total non-interest income	1,051,067	803,159	1,924,698	1,898,933

A21. Overhead Expenses

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Group	RM'000	RM'000	RM'000	RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	975,227	918,213	1,922,709	1,789,985
Pension costs - defined contribution plan	107,762	100,617	218,324	200,998
ESS expenses	28,545	28,766	49,719	60,057
Other staff related expenses	163,520	150,526	302,340	299,694
	1,275,054	1,198,122	2,493,092	2,350,734

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A21. Overhead Expenses (cont'd.)

Group (cont'd.)	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013 RM'000	30 June 2012 (Restated) RM'000	30 June 2013 RM'000	30 June 2012 (Restated) RM'000
(b) Establishment costs				
Depreciation of property, plant and equipment	65,159	54,817	130,330	108,441
Amortisation of intangible assets	48,642	38,831	95,532	77,449
Rental of leasehold land and premises	63,552	57,305	129,332	112,783
Repairs and maintenance of property, plant and equipment	35,369	35,318	68,414	68,909
Information technology expenses	154,414	135,997	296,911	270,358
Others	2,220	10,234	1,675	12,673
	369,356	332,502	722,194	650,613
(c) Marketing expenses				
Advertisement and publicity	180,751	184,313	390,070	375,010
Others	50,084	40,816	90,004	73,024
	230,835	225,129	480,074	448,034
(d) Administration and general expenses				
Fees and brokerage	130,551	131,524	275,565	266,484
Administrative expenses	159,475	174,358	325,655	322,268
General expenses	159,683	120,682	320,123	285,482
Cost of development property	372	(1,215)	951	9,358
Others	3,689	(27,831)	7,931	(17,226)
	453,770	397,518	930,225	866,366
Total overhead expenses	2,329,015	2,153,271	4,625,585	4,315,747
Cost to income ratio ("CIR")¹	48.0%	48.7%	49.4%	49.8%

¹ Cost to income ratio ("CIR") is computed using the total cost over the net income and after incorporating the effect of change in presentation of "Net income from insurance and takaful business" in the income statement. 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 is referring to net income amount, as stated on the face of income statement.

Bank	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	589,056	562,165	1,162,941	1,111,045
Pension costs - defined contribution plan	85,744	82,411	170,048	163,197
ESS expenses	21,534	23,886	38,870	50,847
Other staff related expenses	90,072	87,021	167,566	182,584
	786,406	755,483	1,539,425	1,507,673
(b) Establishment costs				
Depreciation of property, plant and equipment	33,066	28,417	67,205	57,717
Amortisation of computer software	22,827	10,669	44,930	21,292
Rental of leasehold land and premises	24,946	21,620	50,656	47,076
Repairs and maintenance of property, plant and equipment	17,074	15,961	32,738	30,827
Information technology expenses	122,030	106,426	233,175	212,666
Others	1,235	1,564	2,705	3,167
	221,178	184,657	431,409	372,745

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A21. Overhead Expenses (cont'd.)

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Bank (cont'd.)	RM'000	RM'000	RM'000	RM'000
(c) Marketing expenses				
Advertisement and publicity	44,518	46,248	106,616	94,107
Others	43,181	32,903	77,310	59,663
	<u>87,699</u>	<u>79,151</u>	<u>183,926</u>	<u>153,770</u>
(d) Administration and general expenses				
Fees and brokerage	108,152	104,762	221,693	216,730
Administrative expenses	67,302	57,144	122,318	113,211
General expenses	36,092	32,602	84,185	71,785
Others	3,098	(270)	7,055	1,562
	<u>214,644</u>	<u>194,238</u>	<u>435,251</u>	<u>403,288</u>
(e) Overhead expenses allocated to subsidiaries	(189,636)	(131,168)	(385,105)	(286,310)
Total overhead expenses	<u>1,120,291</u>	<u>1,082,361</u>	<u>2,204,906</u>	<u>2,151,166</u>
Cost to income ratio ("CIR")²	42.4%	46.5%	42.8%	43.6%

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

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

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012 (Restated)	30 June 2013	30 June 2012 (Restated)
Group	RM'000	RM'000	RM'000	RM'000
Allowances for loans, advances and financing:				
- collective allowance made	301,042	256,236	467,900	492,482
- individual allowance made	360,513	283,095	527,347	573,147
- individual allowance written back	(25,796)	(146,387)	(100,194)	(280,385)
Bad debts and financing written off	28,464	30,946	53,942	56,420
Bad debts and financing recovered	(231,697)	(220,101)	(416,186)	(444,491)
Allowance for other debts	(4,102)	(3,418)	(19,862)	(11,646)
	<u>428,424</u>	<u>200,371</u>	<u>512,947</u>	<u>385,527</u>
Bank	RM'000	RM'000	RM'000	RM'000
Allowances for loans, advances and financing:				
- collective allowance made	210,022	163,648	335,053	295,647
- individual allowance made	300,442	196,754	427,753	459,077
- individual allowance written back	(7,868)	(145,022)	(59,623)	(261,000)
Bad debts and financing written off	24,294	30,036	46,987	53,638
Bad debts and financing recovered	(167,885)	(169,815)	(320,891)	(327,766)
Allowance for other debts	1,241	890	1,335	1,619
	<u>360,246</u>	<u>76,491</u>	<u>430,614</u>	<u>221,215</u>

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A23. Segment Information

By business segments

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

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

(a) Community Financial Services ("CFS")

(i) Consumer Banking

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

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

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

(iii) Business Banking

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

(b) Global 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 include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(ii) Global Markets Malaysia

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

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A23. Segment Information (cont'd.)

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

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

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

(c) Insurance, Takaful and Asset Management

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

(d) International banking

On the International front, the domestic CFS business is driven in-country whilst the wholesale banking for each country has a reporting line to the Global Banking ("GB"). For purpose of management information 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 banking outside of Malaysia for example, Singapore and Indonesia.

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A23. Segment Information (cont'd.)

By Business Segments

Six Months Ended 30 June 2013	<===== Business Segments =====>							Total RM'000
	<===== GB =====>							
	Community Financial Services RM'000	Corporate Banking RM'000	Global Markets RM'000	Investment Banking RM'000	International Banking RM'000	Insurance, Takaful and Asset Management RM'000	Head Office and Others RM'000	
Net interest income and Islamic banking income								
- External	2,807,637	801,972	392,777	108,052	1,789,934	439,446	(278,422)	6,061,396
- Inter-segment	-	-	-	(752)	(12,272)	16,340	(3,316)	-
	2,807,637	801,972	392,777	107,300	1,777,662	455,786	(281,738)	6,061,396
Net interest income and Islamic banking income	2,807,637	801,972	392,777	107,300	1,777,662	455,786	(281,738)	6,061,396
Net income from insurance and takaful business	-	-	-	-	-	56,317	-	56,317
Non-interest income	724,539	304,778	518,205	676,442	838,776	490,761	(387,794)	3,165,707
Net income	3,532,176	1,106,750	910,982	783,742	2,616,438	1,002,864	(669,532)	9,283,420
Overhead expenses	(1,784,575)	(200,575)	(120,442)	(526,178)	(1,409,768)	(584,047)	-	(4,625,585)
Operating profit before impairment losses	1,747,601	906,175	790,540	257,564	1,206,670	418,817	(669,532)	4,657,835
Allowance for impairment losses on loans, advances and financing, net	(128,280)	(324,639)	-	921	(86,332)	25,383	-	(512,947)
Impairment losses on financial investments, net	-	-	13,517	(9,851)	290	(10,366)	-	(6,410)
Operating profit	1,619,321	581,536	804,057	248,634	1,120,628	433,834	(669,532)	4,138,478
Share of profits in associates	-	-	-	702	76,086	310	-	77,098
Profit before taxation and zakat	1,619,321	581,536	804,057	249,336	1,196,714	434,144	(669,532)	4,215,576
Taxation and zakat								(1,034,371)
Profit after taxation and zakat								3,181,205
Non-controlling interests								(107,257)
Profit for the period								3,073,948
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(47,280)	(3,903)	(2,632)	(21,370)	(47,798)	(7,347)	-	(130,330)
Amortisation of intangible assets	(28,167)	(5,589)	(3,488)	(20,842)	(29,222)	(8,224)	-	(95,532)

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A23. Segment Information (cont'd.)

By Business Segments (cont'd.)

Six Months Ended 30 June 2012	<----- Business Segments ----->							Total RM'000
	Community Financial Services RM'000	Corporate Banking RM'000	Global Markets RM'000	Investment Banking RM'000	International Banking RM'000	Insurance, Takaful and Asset Management RM'000	Head Office and Others RM'000	
Net interest income and Islamic banking income								
- External	2,532,819	663,820	382,629	201,925	1,704,536	413,803	(293,836)	5,605,696
- Inter-segment	-	-	-	(878)	(13,365)	11,307	2,936	-
	<u>2,532,819</u>	<u>663,820</u>	<u>382,629</u>	<u>201,047</u>	<u>1,691,171</u>	<u>425,110</u>	<u>(290,900)</u>	<u>5,605,696</u>
Net interest income and Islamic banking income	2,532,819	663,820	382,629	201,047	1,691,171	425,110	(290,900)	5,605,696
Net income from insurance and takaful business	-	-	-	-	-	(25,792)	-	(25,792)
Non-interest income	719,042	364,766	511,817	520,369	878,285	440,412	(429,133)	3,005,558
Net income	<u>3,251,861</u>	<u>1,028,586</u>	<u>894,446</u>	<u>721,416</u>	<u>2,569,456</u>	<u>839,730</u>	<u>(720,033)</u>	<u>8,585,462</u>
Overhead expenses	(1,731,410)	(172,676)	(108,160)	(470,601)	(1,265,436)	(567,464)	-	(4,315,747)
Operating profit before impairment losses	<u>1,520,451</u>	<u>855,910</u>	<u>786,286</u>	<u>250,815</u>	<u>1,304,020</u>	<u>272,266</u>	<u>(720,033)</u>	<u>4,269,715</u>
Allowance for impairment losses on loans, advances and financing, net	(145,424)	61,285	-	3,322	(314,644)	9,934	-	(385,527)
Impairment losses on financial investments, net	-	-	7,726	(1,205)	(33,277)	(19,123)	-	(45,879)
Operating profit	<u>1,375,027</u>	<u>917,195</u>	<u>794,012</u>	<u>252,932</u>	<u>956,099</u>	<u>263,077</u>	<u>(720,033)</u>	<u>3,838,309</u>
Share of profits in associates	-	-	-	1,267	81,301	163	-	82,731
Profit before taxation and zakat	<u>1,375,027</u>	<u>917,195</u>	<u>794,012</u>	<u>254,199</u>	<u>1,037,400</u>	<u>263,240</u>	<u>(720,033)</u>	<u>3,921,040</u>
Taxation and zakat								(1,075,269)
Profit after taxation and zakat								<u>2,845,771</u>
Non-controlling interests								(60,984)
Profit for the period								<u>2,784,787</u>
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(41,651)	(3,161)	(1,009)	(17,491)	(39,569)	(5,560)	-	(108,441)
Amortisation of intangible assets	(12,287)	(2,512)	(2,255)	(23,773)	(31,030)	(5,592)	-	(77,449)

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A24. Carrying Amount of Revalued Assets

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. 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 2012.

A25. Subsequent Events

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

A26. Changes in the Composition of the Group

There were no changes to the composition of the Group during the financial half year ended 30 June 2013.

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A27. Commitments and Contingencies

In the normal course of business, the Bank and its subsidiaries make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

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

Group	As at 30 June 2013			As at 31 December 2012		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk weighted amount* RM'000
Credit-related						
Direct credit substitutes	11,281,586	10,468,283	7,341,871	9,835,215	9,330,230	5,923,432
Certain transaction-related contingent items	13,673,587	6,575,019	4,507,284	12,386,664	6,086,424	4,548,217
Short-term self-liquidating trade-related contingencies	3,817,014	886,352	750,241	4,149,665	968,455	702,003
Obligations under underwriting agreements	65,350	15,000	3,000	30,000	15,000	3,000
Irrevocable commitments to extend credit:						
- Maturity within one year	109,003,928	16,121,339	11,301,286	92,616,125	15,352,562	9,652,404
- Maturity exceeding one year	24,149,053	20,404,817	9,568,624	34,602,180	20,418,739	8,169,932
Miscellaneous commitments and contingencies	8,004,996	867,913	295,598	9,773,807	798,322	201,617
Total credit-related commitments and contingencies	169,995,514	55,338,723	33,767,904	163,393,656	52,969,732	29,200,605
Derivative financial instruments						
Foreign exchange related contracts:						
- Less than one year	134,261,622	3,709,132	998,227	95,679,030	1,897,261	520,511
- One year to less than five years	20,690,867	2,934,570	1,225,648	18,646,950	3,391,757	1,444,007
- Five years and above	2,556,113	75,550	34,443	1,780,543	1,780,543	891,778
	157,508,602	6,719,252	2,258,318	116,106,523	7,069,561	2,856,296
Interest rate related contracts:						
- Less than one year	18,968,840	658,930	230,225	19,401,506	550,359	199,287
- One year to less than five years	75,378,627	2,586,111	928,675	63,714,009	1,824,999	569,365
- Five years and above	19,368,614	1,988,627	803,735	16,401,202	9,974	2,286
	113,716,081	5,233,668	1,962,635	99,516,717	2,385,332	770,938
Equity and commodity related contracts:						
- Less than one year	369,679	-	-	260,907	-	-
- One year to less than five years	915,868	-	-	365,646	-	-
- Five years and above	33,663	-	-	30,198	-	-
	1,319,210	-	-	656,751	-	-
Credit related contracts:						
- Five years and above	22,221	-	-	21,388	-	-
Total treasury-related commitments and contingencies	272,566,114	11,952,920	4,220,953	216,301,379	9,454,893	3,627,234
Total commitments and contingencies	442,561,628	67,291,643	37,988,857	379,695,035	62,424,625	32,827,839

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A27. Commitments and Contingencies (cont'd.)

Bank	As at 30 June 2013			As at 31 December 2012		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk weighted amount* RM'000
<u>Credit-related</u>						
Direct credit substitutes	8,992,280	8,693,497	5,610,434	7,442,874	7,442,874	4,459,633
Certain transaction-related contingent items	11,774,764	5,593,072	3,572,668	10,752,852	5,156,128	3,749,803
Short-term self-liquidating trade-related contingencies	3,449,824	717,031	573,422	3,775,633	652,838	390,388
Irrevocable commitments to extend credit:						
- Maturity within one year	88,954,086	13,459,030	9,291,399	74,529,072	12,760,456	7,776,780
- Maturity exceeding one year	18,232,586	16,700,331	7,913,269	29,371,486	16,843,478	6,482,755
Miscellaneous commitments and contingencies	7,883,044	664,334	158,920	9,616,211	613,053	149,236
Total credit-related commitments and contingencies	139,286,584	45,827,295	27,120,112	135,488,128	43,468,827	23,008,595
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	126,633,366	3,582,434	951,999	90,499,688	1,842,737	501,780
- One year to less than five years	19,605,813	2,757,781	1,095,155	17,371,300	3,289,005	1,354,451
- Five years and above	2,556,113	20,073	16,124	1,780,543	1,780,543	890,710
	148,795,292	6,360,288	2,063,278	109,651,531	6,912,285	2,746,941
Interest rate related contracts:						
- Less than one year	18,187,218	627,570	223,642	18,785,656	510,253	188,501
- One year to less than five years	69,922,324	2,414,756	798,135	58,128,406	1,589,845	393,724
- Five years and above	19,223,763	1,985,465	802,154	16,340,036	9,974	2,286
	107,333,305	5,027,791	1,823,931	93,254,098	2,110,072	584,511
Equity and commodity related contracts:						
- Less than one year	180,672	-	-	260,907	-	-
- One year to less than five years	128,461	-	-	144,716	-	-
	309,133	-	-	405,623	-	-
Total treasury-related commitments and contingencies	256,437,730	11,388,079	3,887,209	203,311,252	9,022,357	3,331,452
Total commitments and contingencies	395,724,314	57,215,374	31,007,321	338,799,380	52,491,184	26,340,047

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

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A27. Commitments and Contingencies (cont'd.)

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

Market Risk

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

Credit Risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 30 June 2013, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM3,879.1 million (31 December 2012: RM2,880.5 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

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

- (ii) Cash requirements of the derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at 30 June 2013, the Group and the Bank have posted cash collateral of RM1,011.2 million (31 December 2012: RM321.0 million) on their derivative contracts.

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

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

A28. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 28 November 2012 released the updated guidelines for the computation of capital and capital adequacy ratios for conventional banks and Islamic banks in accordance with Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) respectively commencing from 1 January 2013 and subjected to transitional arrangements as set out in paragraphs 36.1 to 36.17 of the said frameworks.
- (ii) The minimum regulatory capital adequacy ratios are set out as follows:

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

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A28. Capital Adequacy (cont'd.)

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

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

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

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

(b) Compliance and Application of Capital Adequacy Ratios

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

- (a) The capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk Weighted Assets) issued on 28 November 2012. For MIB, on a standalone basis, the computation of capital is 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 risk weighted assets are computed based on the following approaches:
- (i) Credit risk under IRB Approach
 - (ii) Market risk under Standardised Approach
 - (iii) Operational risk under Basic Indicator Approach

The minimum regulatory capital adequacy requirement is 8% of total risk weighted assets.

- (b) Maybank Investment Bank Berhad's ratio, on a standalone basis, is 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 risk weighted assets are computed based on Standardised Approach for credit risk and market risk and Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8% of total risk weighted assets.
- (c) PT Bank Internasional Indonesia Tbk's ratio, on a standalone basis, is computed in accordance with Bank Indonesia's requirements, which is based on Standardised Approach for credit risk and market risk and Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8% of total risk weighted assets.

Capital adequacy disclosures relating to dates prior to 1 January 2013 are calculated in accordance with the then prevailing RWCAF and are thus not directly comparable to those pertaining to dates from 1 January 2013 which are calculated in accordance with Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components).

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A28. Capital Adequacy (cont'd.)

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

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

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

In addition, the cash portion of the declared dividend will be deducted in the calculation of CET1.

For the financial half year ended 30 June 2013, the Bank has proposed a single-tier interim dividend of 22.5 sen, which consists of a cash portion of 6.5 sen and an electable portion of 16.0 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 2013, the proposed dividend has not been deducted from the calculation of CET1 Capital.

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

	Group		Bank	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
CET1 capital ratio	10.321%	-	15.055%	-
Tier 1 capital ratio	12.152%	-	15.055%	-
Total capital ratio	14.763%	-	15.055%	-
Before deducting proposed dividend:				
Core capital ratio	-	13.66%	-	17.43%
Risk-weighted capital ratio	-	17.47%	-	17.43%
After deducting proposed dividend:				
Core capital ratio:				
- full electable portion paid in cash	-	12.81%	-	16.27%
- full electable portion reinvested	-	13.54%	-	17.27%
Risk-weighted capital ratio:				
- full electable portion paid in cash	-	16.62%	-	16.27%
- full electable portion reinvested	-	17.35%	-	17.27%

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A28. Capital Adequacy (cont'd.)

(d) Components of Tier 1 and Tier 2 capital:

<u>At 30 June 2013</u>	Group RM '000	Bank RM '000
Paid-up share capital	8,697,261	8,697,261
Share premium	17,674,819	17,674,819
Retained profits	8,298,216	3,872,342
Other reserves	6,936,655	8,836,381
Qualifying non-controlling interests	82,881	-
Less: Shares-held-in-trust	<u>(105,282)</u>	<u>(105,282)</u>
CET1 capital before regulatory adjustments	41,584,550	38,975,521
Less: Other regulatory adjustments	(9,762,797)	(2,659,519)
Regulatory adjustments due to insufficient additional Tier 1 and Tier 2 capital	-	<u>(2,401,163)</u>
Total CET1 capital	31,821,753	33,914,839
Capital securities	5,490,972	5,490,972
Qualifying CET1 and additional Tier 1 capital instruments held by third parties	154,252	-
Less: Regulatory adjustment due to insufficient Tier 2 capital	-	<u>(5,490,972)</u>
Total Tier 1 capital	<u>37,466,977</u>	<u>33,914,839</u>
Subordinated obligations	10,129,743	10,129,743
Qualifying CET1, additional Tier 1 and Tier 2 capital instruments held by third parties	22,066	-
Collective allowance ¹	690,493	283,541
Less: Regulatory adjustment not deducted from CET1 capital or additional Tier 1 capital provided under the transitional arrangements	<u>(2,791,050)</u>	<u>(10,413,284)</u>
Total Tier 2 capital	<u>8,051,252</u>	<u>-</u>
Total Capital	<u>45,518,229</u>	<u>33,914,839</u>

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A28. Capital Adequacy (cont'd.)

(d) Components of Tier 1 and Tier 2 capital (cont.d):

<u>At 31 December 2012</u>	Group RM '000	Bank RM '000
Eligible Tier 1 capital		
Paid-up share capital	8,440,046	8,440,046
Share premium	15,639,646	15,639,646
Other reserves	15,354,878	13,139,299
Capital securities	6,093,421	6,093,421
Less: Shares held-in-trust	(102,405)	(102,405)
Total Tier 1 capital	<u>45,425,586</u>	<u>43,210,007</u>
Less: Deferred tax assets	(1,281,136)	(810,015)
Goodwill	(5,588,553)	(81,015)
Deductions in excess of Tier 2 capital	-	(6,299,127)
Total Eligible Tier 1 capital	<u>38,555,897</u>	<u>36,019,850</u>
Eligible Tier 2 capital		
Subordinated obligations	13,394,620	11,546,020
Collective allowance ¹	728,806	294,552
Surplus of total expected loss over total eligible provision	(664,291)	(267,512)
Total Tier 2 capital (subject to limits)	<u>13,459,135</u>	<u>11,573,060</u>
Less: Investment in subsidiaries and associates ²	<u>(2,709,503)</u>	<u>(17,872,187)</u>
Total deductions	<u>(2,709,503)</u>	<u>(17,872,187)</u>
Total deductions from Tier 2 capital	<u>(2,709,503)</u>	<u>(11,573,060)</u>
Total Eligible Tier 2 capital	<u>10,749,632</u>	<u>-</u>
Capital base	<u>49,305,529</u>	<u>36,019,850</u>

¹ Excluding collective allowance for certain loans, advances and financing.

² Excludes the cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM176,385,000 and (iii) Mayban Agro Fund Sdn Bhd of RM11,041,000, as its assets are included in the Bank's risk-weighted assets. For the Group, the cost of investment in insurance companies and associates are deducted from capital base.

The capital adequacy ratios of the Group consist of total capital/capital base and risk-weighted assets derived from consolidated balances of the Bank and its subsidiaries, excluding the investments in insurance entities and associates.

The capital adequacy ratios of the Bank consist of total capital/capital base and risk-weighted assets derived from the Bank and its wholly-owned offshore banking subsidiary, Maybank International (L) Ltd., excluding the cost of investment 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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A28. Capital Adequacy (cont'd.)

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

	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Internasional Indonesia Tbk
<u>At 30 June 2013</u>			
CET1 capital ratio	10.092%	29.655%	-
Tier 1 capital ratio	10.092%	29.655%	-
Total capital ratio	12.289%	29.655%	12.959%
<u>At 31 December 2012</u>			
Before deducting proposed dividends*:			
Core capital ratio	10.83%	40.30%	-
Risk-weighted capital ratio	12.59%	40.30%	12.83%
After deducting proposed dividends:			
Core capital ratio	10.83%	30.10%	-
Risk-weighted capital ratio	12.59%	30.10%	12.83%

* In arriving at the capital adequacy ratio calculations of banking subsidiaries of the Group, the proposed dividend for respective financial year were not deducted.

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A28. Capital Adequacy (cont'd.)

(f) The breakdown of assets and credit equivalent values (including Off-Balance Sheet items) according to risk-weights is as follows:

At 30 June 2013

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Internasional Indonesia Tbk RM'000
Standardised Approach exposure	50,523,079	24,498,700	3,523,116	688,099	26,608,980
Internal Ratings-Based Approach exposure after scaling factor	217,487,435	174,093,764	37,320,104	-	-
Total risk-weighted assets for credit risk	268,010,514	198,592,464	40,843,220	688,099	26,608,980
Total risk-weighted assets for credit risk absorbed by Malayan Banking Berhad*	-	-	(1,188,245)	-	-
Total risk-weighted assets for market risk	10,957,284	7,941,131	528,248	517,621	387,002
Total risk-weighted assets for operational risk	29,357,763	18,744,717	3,327,134	818,655	3,801,001
Total risk-weighted assets	308,325,561	225,278,312	43,510,357	2,024,375	30,796,983

At 31 December 2012

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Internasional Indonesia Tbk RM'000
Standardised Approach exposure	60,849,458	27,460,623	2,411,358	813,260	24,835,685
Internal Ratings-Based Approach exposure after scaling factor	184,779,754	154,769,118	32,563,904	-	-
Total risk-weighted assets for credit risk	245,629,212	182,229,741	34,975,262	813,260	24,835,685
Total risk-weighted assets for credit risk absorbed by Malayan Banking Berhad*	-	-	(127,317)	-	-
Total risk-weighted assets for market risk	8,913,850	6,200,948	747,905	200,322	637,943
Total risk-weighted assets for operational risk	27,685,920	18,180,446	2,959,425	716,690	3,282,868
Additional risk-weighted assets due to capital floor	-	-	968,148	-	-
Total risk-weighted assets	282,228,982	206,611,135	39,523,423	1,730,272	28,756,496

* 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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A29. Derivative Financial Instruments

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

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

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
<u>At 30 June 2013</u>	Assets Amount RM'000	Liabilities Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000	Assets Amount RM'000	Liabilities Amount RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange related contracts</u>						
Currency forward						
- Less than one year	19,682,921	227,448	(111,200)	16,067,065	174,935	(96,829)
- One year to three years	590,448	1,724	(4,749)	590,448	1,724	(4,749)
- More than three years	211,471	1,636	(1,675)	211,471	1,636	(1,675)
	<u>20,484,840</u>	<u>230,808</u>	<u>(117,624)</u>	<u>16,868,984</u>	<u>178,295</u>	<u>(103,253)</u>
Currency swaps						
- Less than one year	91,773,938	1,811,779	(2,135,907)	88,006,557	1,835,373	(2,123,249)
- One year to three years	934,880	5,043	(4,260)	916,909	4,932	(4,260)
- More than three years	203,146	2,160	(1,398)	203,146	2,160	(1,398)
	<u>92,911,964</u>	<u>1,818,982</u>	<u>(2,141,565)</u>	<u>89,126,612</u>	<u>1,842,465</u>	<u>(2,128,907)</u>
Currency spots						
- Less than one year	<u>12,155,578</u>	<u>14,101</u>	<u>(22,376)</u>	<u>12,084,555</u>	<u>14,262</u>	<u>(22,465)</u>
Currency options						
- Less than one year	<u>6,290,006</u>	<u>62,194</u>	<u>(47,482)</u>	<u>6,290,006</u>	<u>62,194</u>	<u>(47,482)</u>
Cross currency interest rate swaps						
- Less than one year	2,918,707	99,672	(61,188)	2,744,709	80,415	(58,790)
- One year to three years	10,678,761	786,637	(165,069)	10,175,606	756,845	(117,018)
- More than three years	7,338,395	78,689	(96,407)	7,037,895	78,689	(96,407)
	<u>20,935,863</u>	<u>964,998</u>	<u>(322,664)</u>	<u>19,958,210</u>	<u>915,949</u>	<u>(272,215)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps						
- Less than one year	12,706,450	48,767	(18,936)	12,674,828	52,280	(18,936)
- One year to three years	55,497,933	179,810	(194,916)	53,298,298	184,963	(209,274)
- More than three years	27,249,760	336,513	(541,064)	27,186,515	345,219	(543,784)
	<u>95,454,143</u>	<u>565,090</u>	<u>(754,916)</u>	<u>93,159,641</u>	<u>582,462</u>	<u>(771,994)</u>
Interest rate futures						
- Less than one year	3,354,184	1,690	-	3,354,184	1,690	-
- One year to three years	4,281,962	70	-	4,281,962	70	-
	<u>7,636,146</u>	<u>1,760</u>	<u>-</u>	<u>7,636,146</u>	<u>1,760</u>	<u>-</u>
Interest rate options						
- Less than one year	1,851,600	5,288	(220)	1,851,600	5,288	(220)
- One year to three years	1,451,600	1,468	(8,576)	1,451,600	1,468	(8,576)
- More than three years	1,932,213	1,560	(283,746)	1,382,213	1,560	(197,641)
	<u>5,235,413</u>	<u>8,316</u>	<u>(292,542)</u>	<u>4,685,413</u>	<u>8,316</u>	<u>(206,437)</u>

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A29. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
At 30 June 2013 (cont'd.)	Assets Amount RM'000	Liabilities Amount RM'000		Assets Amount RM'000	Liabilities Amount RM'000	
Trading derivatives (cont'd.)						
<u>Equity related derivatives</u>						
Index futures						
- Less than one year	707	128	-	-	-	-
- More than three years	33,663	4,252	-	-	-	-
	<u>34,370</u>	<u>4,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options						
- Less than one year	323,474	3,845	(22,579)	140,712	3,845	(3,845)
- One year to three years	91,636	4,466	(4,466)	91,636	4,466	(4,466)
- More than three years	566,477	10,544	(1,148)	-	-	-
	<u>981,587</u>	<u>18,855</u>	<u>(28,193)</u>	<u>232,348</u>	<u>8,311</u>	<u>(8,311)</u>
Commodity options						
- Less than one year	9,332	-	(1)	3,794	-	-
- One year to three years	257,754	2,154	(2,132)	36,825	2,132	(2,132)
	<u>267,086</u>	<u>2,154</u>	<u>(2,133)</u>	<u>40,619</u>	<u>2,132</u>	<u>(2,132)</u>
Commodity swaps						
- Less than one year	36,166	1,059	(1,059)	36,166	1,059	(1,059)
<u>Credit-related contract</u>						
Credit Default Swaps						
- More than three years	22,220	-	(194)	-	-	-
Hedging derivatives						
<u>Interest rate related contracts</u>						
Interest rate swaps						
- Less than one year	1,056,606	3,633	(32,614)	306,606	3,633	(32,614)
- One year to three years	1,756,419	439	(59,990)	1,336,887	196	(58,582)
- More than three years	2,577,356	15,062	(10,045)	208,614	-	(5,273)
	<u>5,390,381</u>	<u>19,134</u>	<u>(102,649)</u>	<u>1,852,107</u>	<u>3,829</u>	<u>(96,469)</u>
<u>Foreign exchange related contract</u>						
Cross currency interest rate swaps						
- Less than one year	1,440,472	113,090	(540)	1,440,474	113,090	(540)
- One year to three years	2,369,771	52,443	(45,293)	2,106,341	37,492	(45,293)
- More than three years	920,108	1,784	(60,595)	920,108	1,784	(60,595)
	<u>4,730,351</u>	<u>167,317</u>	<u>(106,428)</u>	<u>4,466,923</u>	<u>152,366</u>	<u>(106,428)</u>
Total derivative assets / (liabilities)	<u>272,566,114</u>	<u>3,879,148</u>	<u>(3,939,825)</u>	<u>256,437,730</u>	<u>3,773,400</u>	<u>(3,767,152)</u>

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A29. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
At 31 December 2012	Assets Amount RM'000	Liabilities Amount RM'000		Assets Amount RM'000	Liabilities Amount RM'000	
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forward						
- Less than one year	17,931,505	55,353	(121,763)	15,004,518	50,619	(102,114)
- One year to three years	307,943	4,128	(3,954)	307,943	4,128	(3,954)
- More than three years	236,062	2,322	(1,248)	236,062	2,322	(1,248)
	<u>18,475,510</u>	<u>61,803</u>	<u>(126,965)</u>	<u>15,548,523</u>	<u>57,069</u>	<u>(107,316)</u>
Currency swaps						
- Less than one year	64,567,969	961,146	(759,016)	62,457,833	953,162	(763,205)
- One year to three years	342,969	6,887	(7,283)	319,497	6,704	(7,283)
- More than three years	219,423	1,770	(2,044)	219,423	1,770	(2,044)
	<u>65,130,361</u>	<u>969,803</u>	<u>(768,343)</u>	<u>62,996,753</u>	<u>961,636</u>	<u>(772,532)</u>
Currency spots						
- Less than one year	6,340,973	979	(2,355)	6,340,973	979	(2,360)
Currency options						
- Less than one year	2,984,579	8,617	(5,668)	2,984,579	8,617	(5,668)
Cross currency interest rate swaps						
- Less than one year	2,174,209	86,411	(13,332)	2,031,990	61,234	-
- One year to three years	9,119,061	277,161	(147,441)	8,426,014	255,495	(123,314)
- More than three years	7,108,208	456,930	(38,661)	6,807,708	456,930	(38,661)
	<u>18,401,478</u>	<u>820,502</u>	<u>(199,434)</u>	<u>17,265,712</u>	<u>773,659</u>	<u>(161,975)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps						
- Less than one year	14,669,864	54,680	(24,895)	14,654,014	51,680	(38,980)
- One year to three years	27,815,331	127,052	(150,011)	26,207,026	127,787	(145,252)
- More than three years	44,295,713	514,800	(731,117)	44,164,209	544,443	(732,653)
	<u>86,780,908</u>	<u>696,532</u>	<u>(906,023)</u>	<u>85,025,249</u>	<u>723,910</u>	<u>(916,885)</u>
Interest rate futures						
- Less than one year	1,217,263	2	-	1,217,263	2	-
- One year to three years	764,613	1	-	764,613	1	-
	<u>1,981,876</u>	<u>3</u>	<u>-</u>	<u>1,981,876</u>	<u>3</u>	<u>-</u>
Interest rate options						
- Less than one year	2,695,396	10,029	(499)	2,695,396	10,029	(499)
- One year to three years	375,270	1,400	(440)	375,270	1,400	(440)
- More than three years	1,651,417	4,395	(191,387)	1,251,417	4,395	(128,992)
	<u>4,722,083</u>	<u>15,824</u>	<u>(192,326)</u>	<u>4,322,083</u>	<u>15,824</u>	<u>(129,931)</u>

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A29. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
At 31 December 2012 (cont'd.)	Assets Amount RM'000	Liabilities Amount RM'000		Assets Amount RM'000	Liabilities Amount RM'000	
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures						
- More than three years	30,198	4,545	-	-	-	-
Equity options						
- Less than one year	222,813	582	(22,577)	222,813	548	-
- One year to three years	53,841	6,092	(6,779)	53,841	6,092	(6,779)
- More than three years	48,246	322	(322)	48,245	322	(322)
	<u>324,900</u>	<u>6,996</u>	<u>(29,678)</u>	<u>324,899</u>	<u>6,962</u>	<u>(7,101)</u>
Commodity options						
- One year to three years	263,559	3,121	(3,035)	42,630	3,035	(3,035)
Commodity swaps						
- Less than one year	38,094	590	(590)	38,094	590	(590)
<u>Credit-related contract</u>						
Credit default swaps						
- More than three years	21,388	-	(2,015)	-	-	-
Hedging derivatives						
<u>Interest rate related contracts</u>						
Interest rate swaps						
- Less than one year	818,983	-	(1,869)	218,983	-	(1,869)
- One year to three years	2,234,750	-	(80,089)	1,384,750	-	(80,089)
- More than three years	2,978,117	21,472	(25,882)	321,157	-	(21,560)
	<u>6,031,850</u>	<u>21,472</u>	<u>(107,840)</u>	<u>1,924,890</u>	<u>-</u>	<u>(103,518)</u>
<u>Foreign exchange related contract</u>						
Cross currency interest rate swaps						
- Less than one year	1,679,795	191,777	-	1,679,795	191,777	-
- One year to three years	2,179,835	71,600	(10,766)	1,921,203	61,758	(10,767)
- More than three years	913,992	6,328	(21,941)	913,993	6,329	(21,939)
	<u>4,773,622</u>	<u>269,705</u>	<u>(32,707)</u>	<u>4,514,991</u>	<u>259,864</u>	<u>(32,706)</u>
Total derivative assets / (liabilities)	<u>216,301,379</u>	<u>2,880,492</u>	<u>(2,376,979)</u>	<u>203,311,252</u>	<u>2,812,148</u>	<u>(2,243,617)</u>

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A30. Fair Value of Financial Instruments

Fair value hierarchy

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

(a) Level 1: Quoted prices

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

(b) Level 2: Valuation techniques using observable inputs

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

(c) Level 3: Valuation techniques using significant unobservable inputs

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

The following table shows the Group's and the Bank's financial assets and liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 30 June 2013 and 31 December 2012.

Group	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 30 June 2013				
Financial assets measured at fair value:				
Financial assets held-for-trading	1,267,236	12,498,490	399,200	14,164,926
Money market instruments	171,252	11,181,904	-	11,353,156
Non-money market instruments	1,095,984	1,316,586	399,200	2,811,770
Financial assets designated at fair value through profit or loss	-	12,141,923	152,321	12,294,244
Money market instruments	-	1,795,775	-	1,795,775
Non-money market instruments	-	10,346,148	152,321	10,498,469
Financial investments available-for-sale	22,368,520	52,731,824	681,850	75,782,194
Money market instruments	14,207,717	22,233,878	-	36,441,595
Non-money market instruments	8,160,803	30,497,946	681,850	39,340,599
Derivative assets	83	3,848,698	30,367	3,879,148
Foreign exchange related contracts	83	3,254,438	3,879	3,258,400
Interest rate related contracts	-	593,074	1,226	594,300
Equity related contracts	-	1,186	25,262	26,448
	23,635,839	81,220,935	1,263,738	106,120,512
Financial liabilities measured at fair value:				
Derivative liabilities	4,989	3,638,196	296,640	3,939,825
Foreign exchange related contracts	-	2,754,264	3,875	2,758,139
Interest rate related contracts	-	867,786	282,321	1,150,107
Equity related contracts	4,989	15,952	10,444	31,385
Credit related contracts	-	194	-	194

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

Group At 31 December 2012	Quoted Market Price (Level 1) RM'000	Valuation technique using		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial assets held-for-trading	5,464,675	10,985,444	269,692	16,719,811
Money market instruments	4,137,789	9,551,646	-	13,689,435
Non-money market instruments	1,326,886	1,433,798	269,692	3,030,376
Financial assets designated at fair value through profit or loss	90,807	12,117,527	228,547	12,436,881
Money market instruments	-	1,808,325	-	1,808,325
Non-money market instruments	90,807	10,309,202	228,547	10,628,556
Financial investments available-for-sale	20,955,786	39,051,749	784,839	60,792,374
Money market instruments	10,869,085	17,680,187	139,233	28,688,505
Non-money market instruments	10,086,701	21,371,562	645,606	32,103,869
Derivative assets	-	2,861,433	19,059	2,880,492
Foreign exchange related contracts	-	2,130,403	1,006	2,131,409
Interest rate related contracts	-	729,911	3,920	733,831
Equity related contracts	-	1,119	14,133	15,252
	26,511,268	65,016,153	1,302,137	92,829,558
Financial liabilities measured at fair value:				
Derivative liabilities	-	2,175,613	201,366	2,376,979
Foreign exchange related contracts	-	1,135,068	404	1,135,472
Interest rate related contracts	-	1,015,416	190,773	1,206,189
Equity related contracts	-	23,114	10,189	33,303
Credit related contracts	-	2,015	-	2,015

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

Bank At 30 June 2013	<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	593,959	7,527,249	-	8,121,208
Money market instruments	171,253	6,830,439	-	7,001,692
Non-money market instruments	422,706	696,810	-	1,119,516
Financial investments available-for-sale	19,544,235	37,962,478	317,329	57,824,042
Money market instruments	14,063,934	14,991,936	-	29,055,870
Non-money market instruments	5,480,301	22,970,542	317,329	28,768,172
Derivative assets	83	3,757,771	15,546	3,773,400
Foreign exchange related contracts	83	3,161,572	3,876	3,165,531
Interest rate related contracts	-	595,141	1,226	596,367
Equity related contracts	-	1,058	10,444	11,502
	20,138,277	49,247,498	332,875	69,718,650

Financial liabilities measured at fair value:

Derivative liabilities	-	3,556,617	210,535	3,767,152
Foreign exchange related contracts	-	2,676,874	3,876	2,680,750
Interest rate related contracts	-	878,685	196,215	1,074,900
Equity related contracts	-	1,058	10,444	11,502

Bank At 31 December 2012	<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	474,388	10,245,549	-	10,719,937
Money market instruments	-	9,220,286	-	9,220,286
Non-money market instruments	474,388	1,025,263	-	1,499,651
Financial investments available-for-sale	17,066,506	29,836,767	463,036	47,366,309
Money market instruments	10,268,211	14,916,524	139,232	25,323,967
Non-money market instruments	6,798,295	14,920,243	323,804	22,042,342
Derivative assets	-	2,798,322	13,826	2,812,148
Foreign exchange related contracts	-	2,061,420	404	2,061,824
Interest rate related contracts	-	735,817	3,920	739,737
Equity related contracts	-	1,085	9,502	10,587
	17,540,894	42,880,638	476,862	60,898,394

Financial liabilities measured at fair value:

Derivative liabilities	-	2,104,645	138,972	2,243,617
Foreign exchange related contracts	-	1,082,153	404	1,082,557
Interest rate related contracts	-	1,021,955	128,379	1,150,334
Equity related contracts	-	537	10,189	10,726

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

Valuation techniques

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

Derivatives

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

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

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

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

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

Group	At 1 January 2013 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	Transfer in to Level 3 RM'000	Transfer out of Level 3 RM'000	At 30 June 2013 RM'000
Financial assets held-for-trading										
Non-money market instruments	269,692	1,663	(2,081)	-	140,559	(10,633)	-	-	-	399,200
	269,692	1,663	(2,081)	-	140,559	(10,633)	-	-	-	399,200
Financial assets designated at fair value through profit or loss										
Non-money market instruments	228,547	(3,528)	2,457	-	-	(75,155)	-	-	-	152,321
	228,547	(3,528)	2,457	-	-	(75,155)	-	-	-	152,321
Financial investments available-for-sale										
Money market instruments	139,233	-	-	-	-	-	-	-	(139,233)	-
Non-money market instruments	645,606	(1,182)	-	1,520	50,004	(13,930)	-	10,625	(10,793)	681,850
	784,839	(1,182)	-	1,520	50,004	(13,930)	-	10,625	(150,026)	681,850
Derivative assets										
Foreign exchange related contracts	1,006	(1,108)	(3,407)	-	7,985	(597)	-	-	-	3,879
Interest rate related contracts	3,920	1,995	(195)	-	210	(4,704)	-	-	-	1,226
Equity related contracts	14,133	-	(5,768)	-	16,897	-	-	-	-	25,262
	19,059	887	(9,370)	-	25,092	(5,301)	-	-	-	30,367
Total Level 3 financial assets	1,302,137	(2,160)	(8,994)	1,520	215,655	(105,019)	-	10,625	(150,026)	1,263,738
Derivative liabilities										
Foreign exchange related contracts	(404)	1,154	2,809	-	(7,984)	550	-	-	-	(3,875)
Interest rate related contracts	(190,773)	1,767	3,022	-	(160,161)	63,824	-	-	-	(282,321)
Equity related contracts	(10,189)	-	1,870	-	(2,125)	-	-	-	-	(10,444)
Total Level 3 financial liabilities	(201,366)	2,921	7,701	-	(170,270)	64,374	-	-	-	(296,640)
Total net Level 3 financial assets/ (liabilities)	1,100,771	761	(1,293)	1,520	45,385	(40,645)	-	10,625	(150,026)	967,098

* Included within 'Non-interest income'.

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

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

Group	At 1 January 2012 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	Purchases RM'000	Sales RM'000	Settlements RM'000	Transfer out of Level 3 RM'000	At 31 December 2012 RM'000
Financial assets held-for-trading									
Non-money market instruments	8,506	(4,430)	1,053	-	266,103	(1,540)	-	-	269,692
	8,506	(4,430)	1,053	-	266,103	(1,540)	-	-	269,692
Financial assets designated at fair value through profit or loss									
Non-money market instruments	254,183	(10)	7,935	-	50,000	(83,561)	-	-	228,547
	254,183	(10)	7,935	-	50,000	(83,561)	-	-	228,547
Financial investments available-for-sale									
Money market instruments	2,359,034	-	-	-	-	-	(43,584)	(2,176,217)	139,233
Non-money market instruments	1,171,384	31,754	-	14,459	17,866	(589,359)	(450)	(48)	645,606
	3,530,418	31,754	-	14,459	17,866	(589,359)	(44,034)	(2,176,265)	784,839
Derivative assets									
Foreign exchange related contracts	32,979	-	(31,973)	-	-	-	-	-	1,006
Interest rate related contracts	7,890	1	(3,248)	-	-	(723)	-	-	3,920
Equity related contracts	10,859	(16,415)	14,406	-	5,406	(123)	-	-	14,133
	51,728	(16,414)	(20,815)	-	5,406	(846)	-	-	19,059
Total Level 3 financial assets	3,844,835	10,900	(11,827)	14,459	339,375	(675,306)	(44,034)	(2,176,265)	1,302,137
Derivative liabilities									
Foreign exchange related contracts	-	-	(404)	-	-	-	-	-	(404)
Interest rate related contracts	(89,074)	(7,674)	5,780	-	(202,043)	102,238	-	-	(190,773)
Equity related contracts	(10,831)	-	642	-	-	-	-	-	(10,189)
Total Level 3 financial liabilities	(99,905)	(7,674)	6,018	-	(202,043)	102,238	-	-	(201,366)
Total net Level 3 financial assets/ (liabilities)	3,744,930	3,226	(5,809)	14,459	137,332	(573,068)	(44,034)	(2,176,265)	1,100,771

* Included within 'Non-interest income'.

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

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

Bank At 30 June 2013	At 1 January 2013 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	Purchases RM'000	Sales RM'000	Settlements RM'000	Transfer out of Level 3 RM'000	At 30 June 2013 RM'000
Financial investments available-for-sale									
Money market instruments	139,232	-	-	-	-	-	-	(139,232)	-
Non-money market instruments	323,804	(1,113)	-	-	4	(5,366)	-	-	317,329
	<u>463,036</u>	<u>(1,113)</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>(5,366)</u>	<u>-</u>	<u>(139,232)</u>	<u>317,329</u>
Derivative assets									
Foreign exchange related contracts	404	(1,154)	(2,809)	-	7,985	(550)	-	-	3,876
Interest rate related contracts	3,920	1,995	(195)	-	210	(4,704)	-	-	1,226
Equity related contracts	9,502	-	(1,183)	-	2,125	-	-	-	10,444
	<u>13,826</u>	<u>841</u>	<u>(4,187)</u>	<u>-</u>	<u>10,320</u>	<u>(5,254)</u>	<u>-</u>	<u>-</u>	<u>15,546</u>
Total Level 3 financial assets	<u>476,862</u>	<u>(272)</u>	<u>(4,187)</u>	<u>-</u>	<u>10,324</u>	<u>(10,620)</u>	<u>-</u>	<u>(139,232)</u>	<u>332,875</u>
Derivative liabilities									
Foreign exchange related contracts	(404)	1,154	2,809	-	(7,985)	550	-	-	(3,876)
Interest rate related contracts	(128,379)	1,767	1,108	-	(134,535)	63,824	-	-	(196,215)
Equity related contracts	(10,189)	-	1,870	-	(2,125)	-	-	-	(10,444)
Total Level 3 financial liabilities	<u>(138,972)</u>	<u>2,921</u>	<u>5,787</u>	<u>-</u>	<u>(144,645)</u>	<u>64,374</u>	<u>-</u>	<u>-</u>	<u>(210,535)</u>
Total net Level 3 financial assets/ (liabilities)	<u>337,890</u>	<u>2,649</u>	<u>1,600</u>	<u>-</u>	<u>(134,321)</u>	<u>53,754</u>	<u>-</u>	<u>(139,232)</u>	<u>122,340</u>

* Included within 'Non-interest income'.

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A30. Fair Value 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					At	
At 31 December 2012	2012	realised	unrealised	unrealised	income	Purchases	Sales	Settlements	Transfer out of	31 December
	RM'000	gains/(losses)	gains/(losses)	gains/(losses)	comprehensive	RM'000	RM'000	RM'000	Level 3	2012
		recognised in	recognised in	recognised in	income				RM'000	RM'000
		income	income	other	RM'000					
		statements*	statements*	in						
		RM'000	RM'000	comprehensive						
				income						
				RM'000						
Financial investments available-for-sale										
Money market instruments	2,359,033	-	-	-	-	-	-	(43,584)	(2,176,217)	139,232
Non-money market instruments	847,265	(2,618)	-	(5,113)	17,867	(533,597)	-	-	-	323,804
	<u>3,206,298</u>	<u>(2,618)</u>	<u>-</u>	<u>(5,113)</u>	<u>17,867</u>	<u>(533,597)</u>	<u>(43,584)</u>	<u>(2,176,217)</u>	<u>-</u>	<u>463,036</u>
Derivative assets										
Foreign exchange related contracts	-	-	404	-	-	-	-	-	-	404
Interest rate related contracts	7,168	-	(3,248)	-	-	-	-	-	-	3,920
Equity related contracts	10,831	-	(1,329)	-	-	-	-	-	-	9,502
	<u>17,999</u>	<u>-</u>	<u>(4,173)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,826</u>
Total Level 3 financial assets	<u>3,224,297</u>	<u>(2,618)</u>	<u>(4,173)</u>	<u>(5,113)</u>	<u>17,867</u>	<u>(533,597)</u>	<u>(43,584)</u>	<u>(2,176,217)</u>	<u>-</u>	<u>476,862</u>
Derivative liabilities										
Foreign exchange related contracts	-	-	(404)	-	-	-	-	-	-	(404)
Interest rate related contracts	(48,193)	(7,674)	8,592	-	(115,713)	34,609	-	-	-	(128,379)
Equity related contracts	(10,831)	-	642	-	-	-	-	-	-	(10,189)
Total Level 3 financial liabilities	<u>(59,024)</u>	<u>(7,674)</u>	<u>8,830</u>	<u>-</u>	<u>(115,713)</u>	<u>34,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,972)</u>
Total net Level 3 financial assets/ (liabilities)	<u>3,165,273</u>	<u>(10,292)</u>	<u>4,657</u>	<u>(5,113)</u>	<u>(97,846)</u>	<u>(498,988)</u>	<u>(43,584)</u>	<u>(2,176,217)</u>	<u>-</u>	<u>337,890</u>

* Included within 'Non-interest income'.

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

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

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the second quarter ended 30 June 2013.

Movements in Level 3 financial instruments measured at fair value

For the second quarter ended 30 June 2013, the Group transferred certain financial investments available-for-sale from Level 2 into Level 3 of the fair value hierarchy. The reason for the transfer is that inputs to the valuation models ceased to be observable. Prior to transfer, the fair value of the instruments was determined using observable market transactions or binding broker quotes for the same or similar instruments. Since the transfer, these instruments have been valued using valuation models incorporating significant unobservable market inputs.

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

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A31. Credit Exposure Arising from Credit Transactions with Connected Parties

	Group		Bank	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Outstanding credit exposures with connected parties (RM'000)	<u>25,618,592</u>	<u>24,145,302</u>	<u>24,158,611</u>	<u>23,472,554</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>7.9%</u>	<u>7.8%</u>	<u>11.1%</u>	<u>10.9%</u>
Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>

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

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A32. Changes in Accounting Policies and Restatement of Prior Year Figures

(i) Adoption of MFRS 119 *Employee Benefits* (as amended by IASB in June 2011) ("Revised MFRS 119")

The adoption of the revised MFRS 119 affected the accounting treatment of certain items such as the timing of the recognition of certain gains and losses arising from defined benefit plans and the presentation of changes in defined benefit liability or asset. The key changes to the accounting policy and financial impact to the Group are as follows:

- Actuarial gains and losses (renamed as 'remeasurements') are recognised immediately in other comprehensive income, and are not subsequently recycled to the income statement. The corridor approach for accounting for unrecognised actuarial gain is removed.
- Past service costs, whether unvested or already vested, are recognised immediately in the income statement as incurred. Pension costs for a funded benefit plan will include net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability. This will replace the interest cost and expected return on plan assets.

The revised MFRS 119 has resulted in changes to the recognition and measurement of defined pension expense. This change in accounting policy has been accounted for retrospectively and the financial effects of the adoption of revised MFRS 119 on the Group's financial statements are disclosed in Note A32(iii).

(ii) Restatement of Prior Year Figures as a Result of Change in Presentation of "Net income from insurance and takaful business" in Income Statements of the Group

As stated in Note A1, upon adoption of new standards such as MFRS 10 *Consolidated Financial Statements* and MFRS 12 *Disclosure of Interests in Other Entities*, the Group has decided to improve the presentation of "Net income from insurance and takaful business" by reclassifying other income and other expenses that form part of "Net income from insurance and takaful business" to respective line items in the income statements of the Group. The effects of the reclassification for period ended 30 June 2012 are disclosed in Note A32(iii).

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A32. Changes in Accounting Policies and Restatement of Prior Year Figures (cont'd.)

(iii) Financial Effects Arising from Changes in Accounting Policies and Restatement of Prior Year Figures

(a) The following are reconciliations of statements of financial position of the Group as at 1 January 2012 and as at 31 December 2012:

<u>Group</u>	31 December 2012 RM'000	Note A32(i) RM'000	31 December 2012 (Restated) RM'000	1 January 2012 RM'000	Note A32(i) RM'000	1 January 2012 (Restated) RM'000
ASSETS						
Cash and short-term funds	40,018,633	-	40,018,633	49,387,882	-	49,387,882
Deposits and placements with financial institutions	11,949,150	-	11,949,150	7,161,651	-	7,161,651
Financial assets purchased under resale agreements	798,180	-	798,180	1,397,235	-	1,397,235
Financial assets at fair value through profit or loss	29,156,692	-	29,156,692	18,393,752	-	18,393,752
Financial investments available-for-sale	60,792,374	-	60,792,374	63,585,045	-	63,585,045
Financial investments held-to-maturity	2,870,768	-	2,870,768	2,689,806	-	2,689,806
Loans, advances and financing	311,824,735	-	311,824,735	276,252,853	-	276,252,853
Derivative assets	2,880,492	-	2,880,492	1,987,502	-	1,987,502
Reinsurance/retakaful assets and other insurance receivables	2,555,727	-	2,555,727	2,173,794	-	2,173,794
Other assets	6,680,257	-	6,680,257	4,749,820	-	4,749,820
Investment properties	572,662	-	572,662	542,477	-	542,477
Statutory deposits with central banks	12,298,362	-	12,298,362	10,577,416	-	10,577,416
Interest in associates	2,235,233	-	2,235,233	2,406,462	-	2,406,462
Property, plant and equipment	2,402,821	-	2,402,821	2,217,483	-	2,217,483
Intangible assets	6,531,336	-	6,531,336	6,748,053	-	6,748,053
Deferred tax assets	1,298,871	44,603	1,343,474	1,323,606	37,310	1,360,916
TOTAL ASSETS	494,866,293	44,603	494,910,896	451,594,837	37,310	451,632,147

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A32. Changes in Accounting Policies and Restatement of Prior Year Figures (cont'd.)

(iii) Financial Effects Arising from Changes in Accounting Policies and Restatement of Prior Year Figures (cont'd.)

(a) The following are reconciliations of statements of financial position of the Group as at 1 January 2012 and as at 31 December 2012 (cont'd.):

Group (cont'd.)	31 December 2012	Note A32(i)	31 December 2012 (Restated)	1 January 2012	Note A32(i)	1 January 2012 (Restated)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
LIABILITIES						
Deposits from customers	347,155,510	-	347,155,510	314,692,245	-	314,692,245
Deposits and placements from financial institutions	33,887,376	-	33,887,376	36,760,978	-	36,760,978
Obligations on financial assets sold under repurchase agreements	-	-	-	267,652	-	267,652
Bills and acceptances payable	2,269,513	-	2,269,513	4,472,872	-	4,472,872
Derivative liabilities	2,376,979	-	2,376,979	2,162,709	-	2,162,709
Insurance/takaful contract liabilities and other insurance payables	21,928,872	-	21,928,872	20,090,908	-	20,090,908
Other liabilities	9,597,742	181,906	9,779,648	6,407,906	153,616	6,561,522
Recourse obligation on loans and financing sold to Cagamas	1,592,974	-	1,592,974	2,214,873	-	2,214,873
Provision for taxation and zakat	1,051,798	-	1,051,798	382,562	-	382,562
Deferred tax liabilities	676,514	(1,642)	674,872	672,025	(1,392)	670,633
Borrowings	10,714,266	-	10,714,266	7,185,230	-	7,185,230
Subordinated obligations	13,510,041	-	13,510,041	14,160,553	-	14,160,553
Capital securities	6,150,351	-	6,150,351	6,113,761	-	6,113,761
TOTAL LIABILITIES	450,911,936	180,264	451,092,200	415,584,274	152,224	415,736,498
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK						
Share capital	8,440,046	-	8,440,046	7,639,437	-	7,639,437
Share premium	15,639,646	-	15,639,646	9,598,847	-	9,598,847
Shares held-in-trust	(102,405)	-	(102,405)	-	-	-
Retained profits	11,115,006	(1,091)	11,113,915	10,393,767	(1,825)	10,391,942
Other reserves	7,136,600	(128,547)	7,008,053	6,824,192	(107,822)	6,716,370
	42,228,893	(129,638)	42,099,255	34,456,243	(109,647)	34,346,596
Non-controlling interests	1,725,464	(6,023)	1,719,441	1,554,320	(5,267)	1,549,053
	43,954,357	(135,661)	43,818,696	36,010,563	(114,914)	35,895,649
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	494,866,293	44,603	494,910,896	451,594,837	37,310	451,632,147

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A32. Changes in Accounting Policies and Restatement of Prior Year Figures (cont'd.)

(iii) Financial Effects Arising from Changes in Accounting Policies and Restatement of Prior Year Figures (cont'd.)

(b) The following are reconciliations of income statements of the Group for the period ended 30 June 2012:

Group	2nd Quarter Ended			Cumulative 6 Months Ended			30 June 2012 (Restated) RM'000	
	30 June 2012 RM'000	Note A32(i) RM'000	Note A32(ii) RM'000	30 June 2012 (Restated) RM'000	30 June 2012 RM'000	Note A32(i) RM'000		Note A32(ii) RM'000
Interest income	3,714,424	-	183,842	3,898,266	7,281,805	-	370,189	7,651,994
Interest expense	(1,608,157)	-	2,640	(1,605,517)	(3,154,838)	-	6,873	(3,147,965)
Net interest income	2,106,267	-	186,482	2,292,749	4,126,967	-	377,062	4,504,029
Income from Islamic Banking Scheme operations	566,841	-	-	566,841	1,101,667	-	-	1,101,667
	2,673,108	-	186,482	2,859,590	5,228,634	-	377,062	5,605,696
Net income from insurance and takaful business:								
Net earned premiums	314,227	-	829,417	1,143,644	514,902	-	1,649,569	2,164,471
Net benefits and claims	(144,545)	-	(863,347)	(1,007,892)	(257,994)	-	(1,932,269)	(2,190,263)
	169,682	-	(33,930)	135,752	256,908	-	(282,700)	(25,792)
	2,842,790	-	152,552	2,995,342	5,485,542	-	94,362	5,579,904
Non-interest income	1,344,334	-	36,484	1,380,818	2,752,349	-	253,209	3,005,558
Net income	4,187,124	-	189,036	4,376,160	8,237,891	-	347,571	8,585,462
Overhead expenses	(1,982,303)	604	(171,572)	(2,153,271)	(3,977,111)	604	(339,240)	(4,315,747)
Operating profit before impairment losses	2,204,821	604	17,464	2,222,889	4,260,780	604	8,331	4,269,715
Allowance for impairment losses on loans, advances and financing, net	(199,421)	-	(950)	(200,371)	(395,329)	-	9,802	(385,527)
Impairment losses on financial investments, net	(27,276)	-	(16,514)	(43,790)	(27,746)	-	(18,133)	(45,879)
Operating profit	1,978,124	604	-	1,978,728	3,837,705	604	-	3,838,309
Share of profits in associates	47,740	-	-	47,740	82,731	-	-	82,731
Profit before taxation and zakat	2,025,864	604	-	2,026,468	3,920,436	604	-	3,921,040
Taxation and zakat	(546,213)	(154)	-	(546,367)	(1,075,115)	(154)	-	(1,075,269)
Profit for the period	1,479,651	450	-	1,480,101	2,845,321	450	-	2,845,771
Attributable to:								
Equity holders of the Bank	1,437,540	366	-	1,437,906	2,784,421	366	-	2,784,787
Non-controlling interest	42,111	84	-	42,195	60,900	84	-	60,984
	1,479,651	450	-	1,480,101	2,845,321	450	-	2,845,771

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A32. Changes in Accounting Policies and Restatement of Prior Year Figures (cont'd.)

(iii) Financial Effects Arising from Changes in Accounting Policies and Restatement of Prior Year Figures (cont'd.)

(c) The following are reconciliations of statements of comprehensive income of the Group for the period ended 30 June 2012:

	2nd Quarter Ended		30 June 2012 (Restated) RM'000	Cumulative 6 Months Ended		30 June 2012 (Restated) RM'000
	30 June 2012 RM'000	Note A32(i) RM'000		30 June 2012 RM'000	Note A32(i) RM'000	
Group						
Profit for the period	1,479,651	450	1,480,101	2,845,321	450	2,845,771
Other comprehensive income/(loss):						
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Defined benefit plan actuarial loss	-	(13,259)	(13,259)	-	(13,259)	(13,259)
Income tax effect	-	3,324	3,324	-	3,324	3,324
	-	(9,935)	(9,935)	-	(9,935)	(9,935)
<i>Items that may be reclassified subsequently to profit or loss</i>						
Net gain on financial investments available-for-sale	63,375	-	63,375	15,279	-	15,279
Foreign currency translation differences for foreign operations	425,797	442	426,239	(164,934)	442	(164,492)
Income tax effect	(42,517)	-	(42,517)	(16,286)	-	(16,286)
Other reserves	(380)	-	(380)	1,085	-	1,085
Other comprehensive income/(loss) for the period, net of tax	446,275	442	446,717	(164,856)	442	(164,414)
Total comprehensive income for the period	1,925,926	(9,043)	1,916,883	2,680,465	(9,043)	2,671,422
Total comprehensive income for the period attributable to:						
Equity holders of the Bank	1,874,813	(8,670)	1,866,143	2,611,828	(8,670)	2,603,158
Non-controlling interest	51,113	(373)	50,740	68,637	(373)	68,264
	1,925,926	(9,043)	1,916,883	2,680,465	(9,043)	2,671,422

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A33. The Operations of Islamic Banking Scheme

A33a. Unaudited Income Statements for the Financial Half Year Ended 30 June 2013

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Income derived from investment of depositors' funds	1,108,402	867,746	2,125,970	1,681,484
Expenses directly attributable to depositors and Islamic Banking Funds	-	391	-	-
Gross attributable income	1,108,402	868,137	2,125,970	1,681,484
Writeback of/(Allowance for) impairment losses on financing and advances	(24,892)	(23,947)	(18,111)	16,131
Total attributable income	1,083,510	844,190	2,107,859	1,697,615
Income attributable to the depositors	(543,348)	(429,959)	(1,041,143)	(846,657)
Income attributable to the Group	540,162	414,231	1,066,716	850,958
Income derived from investment of Islamic Banking Funds	65,680	119,597	136,035	239,925
	605,842	533,828	1,202,751	1,090,883
Finance cost	(10,377)	(10,146)	(20,926)	(20,754)
Overhead expenses	(216,768)	(161,075)	(440,288)	(354,593)
Profit before taxation and zakat	378,697	362,607	741,537	715,536
Taxation	(88,605)	(85,332)	(175,853)	(170,038)
Zakat	(4,050)	(6,716)	(7,279)	(10,211)
Profit for the period	286,042	270,559	558,405	535,287

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

Group	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Gross attributable income	1,108,402	868,137	2,125,970	1,681,484
Income derived from investment of Islamic Banking Funds	65,680	119,597	136,035	239,925
Total income before allowance for impairment on financing and advances and overhead expenses	1,174,082	987,734	2,262,005	1,921,409
Income attributable to the depositors	(543,348)	(429,959)	(1,041,143)	(846,657)
	630,734	557,775	1,220,862	1,074,752
Finance cost	(10,377)	(10,146)	(20,926)	(20,754)
Net of intercompany income and expenses	45,774	19,212	85,513	47,669
Income from Islamic Banking Scheme	666,131	566,841	1,285,449	1,101,667

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

A33b. Unaudited Statements of Comprehensive Income for the Financial Half Year Ended 30 June 2013

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013 RM'000	30 June 2012 RM'000	30 June 2013 RM'000	30 June 2012 RM'000
Group				
Profit for the period	286,042	270,559	558,405	535,287
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	(63,753)	7,264	(71,245)	9,314
Foreign currency translation differences for foreign operations	8,320	22,525	46,680	(11,333)
Income tax effect	15,505	(1,814)	17,351	(436)
Other comprehensive income/(loss) for the period, net of tax	(39,928)	27,975	(7,214)	(2,455)
Total comprehensive income for the period	246,114	298,534	551,191	532,832

A33c. Unaudited Statements of Financial Position as at 30 June 2013

Group	Note	30 June 2013 RM'000	31 December 2012 RM'000
ASSETS			
Cash and short-term funds		13,011,844	13,026,886
Deposits and placements with financial institutions		92,645	293,552
Financial investments portfolio		11,750,596	9,810,498
Financing and advances	A33e	72,271,692	62,230,793
Derivative assets		70,374	48,227
Other assets		6,664,620	4,891,200
Statutory deposit with central banks		2,685,000	2,399,000
Intangible assets		2,313	3,117
Property, plant and equipment		1,516	1,808
Deferred tax assets		223,611	199,408
Total Assets		106,774,211	92,904,489
LIABILITIES			
Deposits from customers	A33f	69,997,799	71,319,635
Deposits and placements from financial institutions		27,988,003	13,206,242
Bills and acceptances payable		158,306	419,749
Derivatives liabilities		154,180	113,980
Other liabilities		502,635	281,481
Recourse obligation on financing sold to Cagamas		708,255	905,181
Provision for taxation and zakat		122,091	162,043
Subordinated sukuk	A33g	1,013,487	1,010,782
Total Liabilities		100,644,756	87,419,093
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		1,000,476	863,719
Share premium		2,687,480	2,687,480
Retained profits		2,274,747	1,714,988
Other reserves		166,752	219,209
		6,129,455	5,485,396
Total Liabilities and Islamic Banking Funds		106,774,211	92,904,489
COMMITMENTS AND CONTINGENCIES			
		33,591,089	29,167,879

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

A33d. Unaudited Statements of Changes in Islamic Banking Fund for the Financial Half Year Ended 30 June 2013

Group	----- Non-distributable ----->								Total RM'000
	Islamic Banking Funds RM'000	Share Premium RM'000	Unrealised Holding 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	Distributable Retained Profits RM'000	
At 1 January 2013	863,719	2,687,480	36,751	(1,033)	147,338	1,697	34,456	1,714,988	5,485,396
Profit for the period	-	-	-	-	-	-	-	558,405	558,405
Other comprehensive income	-	-	(53,894)	46,680	-	-	-	-	(7,214)
Total comprehensive income for the period	-	-	(53,894)	46,680	-	-	-	558,405	551,191
Transfer from/(to) Head Office	136,757	-	-	(45,243)	-	-	-	1,354	92,868
At 30 June 2013	1,000,476	2,687,480	(17,143)	404	147,338	1,697	34,456	2,274,747	6,129,455

Group	----- Non-distributable ----->								Total RM'000
	Islamic Banking Funds RM'000	Share Premium RM'000	Unrealised Holding 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	Distributable Retained Profits RM'000	
At 1 January 2012	943,296	2,488,400	57,652	794	147,338	1,697	34,456	1,383,544	5,057,177
Profit for the period	-	-	-	-	-	-	-	535,287	535,287
Other comprehensive income	-	-	8,878	(11,333)	-	-	-	-	(2,455)
Total comprehensive income for the period	-	-	8,878	(11,333)	-	-	-	535,287	532,832
Transfer from/(to) Head Office	(250,601)	-	-	10,879	-	-	-	(2,008)	(241,730)
Issue of ordinary shares	22,120	199,080	-	-	-	-	-	-	221,200
Dividends paid	-	-	-	-	-	-	-	(221,200)	(221,200)
At 30 June 2012	714,815	2,687,480	66,530	340	147,338	1,697	34,456	1,695,623	5,348,279

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

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

A33e. Financing and Advances

Group As at 30 June 2013	Bai' RM'000	Murabahah RM'000	Musyarakah RM'000	Al-Ijarah Thummah Al-Bai (AITAB) RM'000	Ijarah RM'000	Istisna' RM'000	Others RM'000	Total Financing and Advances RM'000
Cashline	-	2,490,579	-	-	-	-	-	2,490,579
Term financing								
- Housing financing	19,628,036	8,283,647	2,591,728	-	-	-	-	30,503,411
- Syndicated financing	-	-	30,772	-	310,788	-	-	341,560
- Hire purchase receivables	-	-	-	22,747,415	-	-	-	22,747,415
- Other term financing	43,637,632	15,420,738	1,907,912	-	238,079	182,324	297	61,386,982
Bills receivable	-	2,242	-	-	-	-	186	2,428
Trust receipts	-	228,078	-	-	-	-	-	228,078
Claims on customers under acceptance credits	-	3,401,404	-	-	-	-	-	3,401,404
Staff financing	1,046,302	36,453	9,907	88,221	-	-	5	1,180,888
Credit card receivables	-	-	-	-	-	-	369,697	369,697
Revolving credit	-	5,279,310	-	-	-	-	-	5,279,310
	64,311,970	35,142,451	4,540,319	22,835,636	548,867	182,324	370,185	127,931,752
Unearned income								(54,895,274)
Gross financing and advances*								73,036,478
Allowances for impaired financing and advances:								
- Individual allowance								(169,838)
- Collective allowance								(594,948)
Net financing and advances								72,271,692

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

A33e. Financing and Advances (cont'd.)

Group As at 31 December 2012	Bai' RM'000	Murabahah RM'000	Musarakah RM'000	Al-Ijarah Thummah Al-Bai (AITAB) RM'000	Ijarah RM'000	Istisna' RM'000	Others RM'000	Total Financing and Advances RM'000
Cashline	-	2,327,525	-	-	-	-	-	2,327,525
Term financing								
- Housing financing	18,905,248	2,924,409	2,306,624	-	-	-	-	24,136,281
- Syndicated financing	-	-	37,662	-	254,628	-	-	292,290
- Hire purchase receivables	-	-	-	20,072,695	-	-	-	20,072,695
- Other term financing	34,092,967	12,026,600	1,975,216	-	266,261	149,197	-	48,510,241
Bills receivable	-	123	-	-	-	-	-	123
Trust receipts	-	184,782	-	-	-	-	-	184,782
Claims on customers under acceptance credits	-	3,706,533	-	-	-	-	-	3,706,533
Staff financing	955,798	8,453	10,107	74,157	-	-	77	1,048,592
Credit card receivables	-	-	-	-	-	-	365,908	365,908
Revolving credit	-	4,554,279	-	-	-	-	-	4,554,279
	<u>53,954,013</u>	<u>25,732,704</u>	<u>4,329,609</u>	<u>20,146,852</u>	<u>520,889</u>	<u>149,197</u>	<u>365,985</u>	<u>105,199,249</u>
Unearned income								(42,264,783)
Gross financing and advances*								<u>62,934,466</u>
Allowances for impaired financing and advances:								
- Individual allowance								(95,836)
- Collective allowance								<u>(607,837)</u>
Net financing and advances								<u>62,230,793</u>

* Included in gross financing and advances are exposures to Restricted Profit Sharing Investment Accounts ("RPSIA") amounting to RM2,463.8 million (31 December 2012: RM650.0 million), an arrangement between Maybank Islamic Berhad ("MIB") and the Bank, where the risks and rewards of the RPSIA will be accounted by the Bank including the individual and collective allowances for the impaired financing arising thereon.

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

A33e. Financing and Advances (cont'd.)

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

<u>Group</u>	30 June 2013 RM'000	31 December 2012 RM'000
Gross impaired financing and advances at 1 January 2013/2012	531,048	811,973
Newly impaired	220,129	554,416
Reclassified as non-impaired	-	(241,010)
Amount recovered	(141,575)	(319,372)
Amount written off	(33,391)	(299,925)
Expenses debited to customers' accounts	2,541	24,966
Gross impaired financing and advances at 30 June 2013/31 December 2012	578,752	531,048
Less: Individual allowance	(169,838)	(95,836)
Net impaired financing and advances at 30 June 2013/ 31 December 2012	408,914	435,212
Gross financing and advances (excluding RPSIA financing)	70,572,689	62,284,466
Less: Individual allowance	(169,838)	(95,836)
Net financing and advances	70,402,851	62,188,630
Net impaired financing and advances as a percentage of net financing and advances	0.58%	0.70%

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

A33e. Financing and Advances (cont'd.)

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

<u>Group</u>	30 June 2013 RM'000	31 December 2012 RM'000
<u>Individual allowance</u>		
At 1 January 2013/2012	95,836	298,840
Allowance made	84,382	63,616
Amount written back in respect of recoveries	(10,374)	(61,863)
Amount written off	-	(204,688)
Transferred to collective allowance	(74)	-
Exchange differences	68	(69)
At 30 June 2013/31 December 2012	<u>169,838</u>	<u>95,836</u>
<u>Collective allowance</u>		
At 1 January 2013/2012	607,837	647,427
Allowance made *	20,244	56,496
Amount written off	(33,391)	(95,237)
Transferred from individual allowance	74	-
Exchange differences	184	(849)
At 30 June 2013/31 December 2012	<u>594,948</u>	<u>607,837</u>
As a percentage of gross financing and advances (excluding RPSIA financing) less individual allowance	<u>0.85%</u>	<u>0.98%</u>

* As at 30 June 2013, the gross exposures to RPSIA financing of RM2,463.8 million (31 December 2012: RM650.0 million) is excluded from gross financing and advances for the individual and collective allowances computation. The collective allowance relating to this RPSIA amounting to RM11.5 million (31 December 2012: RM0.8 million) is recognised in the Group's conventional operations. There was no individual allowance provided for this RPSIA financing.

A33f. Deposits from Customers

<u>Group</u>	30 June 2013 RM'000	31 December 2012 RM'000
Savings deposit		
Wadiah	8,608,433	8,011,365
Mudharabah	673,218	579,823
	<u>9,281,651</u>	<u>8,591,188</u>
Demand deposit		
Wadiah	7,626,334	7,961,813
Mudharabah	6,455,744	7,044,116
	<u>14,082,078</u>	<u>15,005,929</u>
Term deposit		
Murabahah	30,071,556	31,223,265
Negotiable Islamic Debt Certificated (NIDC)		
- Mudharabah	269,134	242,623
Hybrid (Bai' Bithaman Ajil and Murabahah)	478,116	347,614
General investment account		
- Mudharabah	15,815,264	15,909,016
	<u>46,634,070</u>	<u>47,722,518</u>
Total deposits from customers	<u>69,997,799</u>	<u>71,319,635</u>

A33g. Subordinated Sukuk

<u>Group</u>	30 June 2013 RM'000	31 December 2012 RM'000
RM1.0 billion Islamic subordinated sukuk due in 2021	<u>1,013,487</u>	<u>1,010,782</u>

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A34. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business

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

(a) Unaudited Income Statements for the Financial Half Year Ended 30 June 2013

Group Six Months Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Consolidation Elimination		Total	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012	30 June 2013	30 June 2012	30 June 2013	30 June 2012	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	205,724	219,822	164,220	138,531	20,881	18,708	64,032	48,048	-	-	454,857	425,109
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-
Net interest income	205,724	219,822	164,220	138,531	20,881	18,708	64,032	48,048	-	-	454,857	425,109
Net income from insurance and takaful business:												
Net earned premiums*	459,300	621,710	893,178	708,590	366,343	319,269	476,201	454,530	-	-	2,195,022	2,104,099
Net benefits and claims	(744,930)	(898,299)	(907,276)	(791,308)	(315,821)	(245,561)	(170,602)	(187,250)	(13,805)	(30,338)	(2,152,434)	(2,152,756)
	(285,630)	(276,589)	(14,098)	(82,718)	50,522	73,708	305,599	267,280	(13,805)	(30,338)	42,588	(48,657)
Non-interest income	(79,906)	(56,767)	150,122	55,813	71,403	92,416	369,631	315,328	(13,805)	(30,338)	497,445	376,452
Net income	214,811	196,730	77,792	127,577	34,046	22,891	432,316	293,987	(312,891)	(188,771)	446,074	452,414
Overhead expenses	134,905	139,963	227,914	183,390	105,449	115,307	801,947	609,315	(326,696)	(219,109)	943,519	828,866
Operating profit before impairment losses	(106,483)	(109,054)	(238,439)	(179,351)	(112,866)	(112,120)	(420,112)	(334,267)	312,891	188,771	(565,009)	(546,021)
Operating profit before impairment losses	28,422	30,909	(10,525)	4,039	(7,417)	3,187	381,835	275,048	(13,805)	(30,338)	378,510	282,845
Allowances for impairment losses on loans, advances and financing, net	396	5,566	10,836	6,198	344	(1,465)	13,808	(366)	-	-	25,384	9,933
Impairment losses on financial investments, net	(1,208)	(6,246)	(6,596)	(10,128)	(447)	(1,722)	(2,115)	(1,028)	-	-	(10,366)	(19,124)
Operating profit	27,610	30,229	(6,285)	109	(7,520)	-	393,528	273,654	(13,805)	(30,338)	393,528	273,654
Share of profits of associates	-	-	-	-	-	-	310	164	-	-	310	164
Profit before taxation and zakat	27,610	30,229	(6,285)	109	(7,520)	-	393,838	273,818	(13,805)	(30,338)	393,838	273,818
Taxation and zakat	(27,610)	(30,229)	6,285	(109)	7,520	-	(126,012)	(92,399)	13,805	30,338	(126,012)	(92,399)
Profit for the period	-	-	-	-	-	-	267,826	181,419	-	-	267,826	181,419

* Net earned premium includes the surplus of the revenue accounts transfer.

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A34. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business (cont'd.)

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

(b) Unaudited Statements of Financial Position as at 30 June 2013

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Consolidation Elimination		Total	
	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012	As at 30 June 2013	As at 31 December 2012
	RM'000	RM'000	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	361,620	70,922	291,930	40,041	164,570	20,240	813,196	93,626	-	-	1,631,316	224,829
Deposits and placements with financial institutions	474,727	594,154	233,187	639,623	87,923	211,070	315,092	952,297	-	-	1,110,929	2,397,144
Financial assets at fair value through profit or loss	8,984,696	8,809,459	4,762,025	4,456,361	-	-	-	-	-	-	13,746,721	13,265,820
Financial investments available-for-sale	1,261,515	1,277,288	2,492,472	2,225,372	1,071,926	1,040,792	3,104,404	2,748,772	-	-	7,930,317	7,292,224
Loans, advances and financing	275,903	255,702	14,422	16,922	-	-	33,503	33,704	-	-	323,828	306,328
Derivative assets	14,827	267,170	-	-	-	-	-	23	-	-	14,827	267,193
Reinsurance/retakaful assets and other insurance receivables	93,686	64,924	191,883	115,883	281,676	376,169	2,433,412	1,998,751	-	-	3,000,657	2,555,727
Other assets	41,210	175,142	6,132	116,326	1,728	20,426	506,250	360,015	(348,125)	(194,629)	207,195	477,280
Investment properties	524,279	518,240	-	-	-	-	48,164	46,379	-	-	572,443	564,619
Interest in associates	-	-	-	-	-	-	7,877	7,108	-	-	7,877	7,108
Property, plant and equipment	60,979	65,833	-	-	-	1	73,521	75,034	-	-	134,500	140,868
Intangible assets	18,789	22,964	266	473	10	18	12,850	10,507	-	-	31,915	33,962
Deferred tax assets	1,633	2,974	-	-	-	-	12,875	9,712	-	-	14,508	12,686
TOTAL ASSETS	12,113,864	12,124,772	7,992,317	7,611,001	1,607,833	1,668,716	7,361,144	6,335,928	(348,125)	(194,629)	28,727,033	27,545,788
LIABILITIES												
Insurance/takaful contract liabilities and other insurance payables	10,246,827	10,164,136	7,775,828	7,369,892	1,474,475	1,481,069	3,386,046	2,913,775	-	-	22,883,176	21,928,872
Other liabilities #	1,788,804	1,912,294	207,181	231,345	133,752	184,954	(892,960)	(1,210,666)	(348,125)	(194,629)	888,652	923,298
Provision for taxation and zakat	16,234	(10,825)	9,308	9,697	(394)	2,693	9,437	39,588	-	-	34,585	41,153
Deferred tax liabilities	61,999	59,167	-	67	-	-	418,817	388,315	-	-	480,816	447,549
TOTAL LIABILITIES	12,113,864	12,124,772	7,992,317	7,611,001	1,607,833	1,668,716	2,921,340	2,131,012	(348,125)	(194,629)	24,287,229	23,340,872
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE SUBSIDIARIES												
Share capital	-	-	-	-	-	-	252,006	252,005	-	-	252,006	252,005
Other reserves	-	-	-	-	-	-	4,187,798	3,952,911	-	-	4,187,798	3,952,911
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,113,864	12,124,772	7,992,317	7,611,001	1,607,833	1,668,716	7,361,144	6,335,928	(348,125)	(194,629)	28,727,033	27,545,788

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

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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 RM3,073.9 million for the 6 months financial period ended 30 June 2013, an increase of RM289.2 million or 10.4% over the corresponding 6 months financial period ended 30 June 2012.

The Group's net interest income and Islamic Banking income for the 6 months financial period ended 30 June 2013 increased by RM455.7 million or 8.1% compared to the corresponding 6 months financial period ended 30 June 2012. This was largely due to the 9.7% year-on-year growth in the Group's net loans and advances (including Islamic finance).

Non-interest income of the Group for the 6 months financial period ended 30 June 2013 recorded an increase of RM160.1 million or 5.3% to RM3,165.7 million. The increase was mainly due to higher gain on sale of financial assets at FVTPL and financial investments available-for-sale of RM274.4 million and higher brokerage income of RM169.3 million which mainly contributed by Maybank Kim Eng. The increase was, however, offset by higher unrealised loss on revaluation of financial assets at FVTPL and derivatives of RM326.1 million.

The Group's overhead expenses for the 6 months financial period ended 30 June 2013 increased by RM309.8 million or 7.2% compared to the corresponding 6 months financial period ended 30 June 2012. The major contributors to the increase in overhead expenses were Maybank Kim Eng, PT Bank Internasional Indonesia Tbk ("BII") and the Bank itself. The Group's personnel costs increased by RM142.4 million and formed 45.9% of the total increase in Group's overhead expenses. The increase in personnel costs was in line with the Group's business growth and its expansion plan.

The Group's allowance for impairment losses on loans, advances and financing increased by RM127.4 million to RM512.9 million for the 6 months financial period ended 30 June 2013. The increase was mainly due to higher net individual allowance made for the 6 months financial period ended 30 June 2013. The Group's net impaired loans ratio improved to 1.09% as at 30 June 2013, comparing to 1.28% as at 30 June 2012.

The improvement in Group's profit before tax for the 6 months financial period ended 30 June 2013 as compared to corresponding 6 months financial period ended 30 June 2012 is analysed based on the operating segments of the Group as follows:

Community Financial Services ("CFS"), Malaysia

CFS' profit before tax increased by RM244.3 million or 17.8% to RM1,619.3 million for the 6 months financial period ended 30 June 2013 from RM1,375.0 million for the corresponding 6 months financial period ended 30 June 2012. The increase was driven by higher net interest income of RM274.8 million or 10.9% arising from strong loan growth in unit trust loans of 22.4% and retail mortgage of 12.7%, lower allowance for impairment losses on loans, advances and financing of RM17.1 million and higher non-interest income of RM5.5 million. This increase was, however, offset by higher overhead expenses of RM53.2 million.

Global Banking

a) Corporate Banking, Malaysia

Corporate Banking's profit before tax decreased by RM335.7 million or 36.6% to RM581.5 million for the 6 months financial period ended 30 June 2013 from RM917.2 million for the corresponding 6 months financial period ended 30 June 2012. The decrease was mainly due to higher allowance for impairment losses on loans, advances and financing of RM385.9 million and lower non-interest income of RM60.0 million. This decrease was, however, offset by higher net interest income of RM138.2 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 RM10.0 million or 1.3% to RM804.0 million for the 6 months financial period ended 30 June 2013 from RM794.0 million for the corresponding 6 months financial period ended 30 June 2012. The increase was driven by higher net interest income of RM10.1 million, non-interest income of RM6.4 million from gains on trading activities (financial investments portfolio and rates trading) and higher write-back of impairment losses on financial investments of RM5.8 million. This increase was, however, offset by higher overhead expenses of RM12.3 million.

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

Investment Banking's profit before tax decreased by RM4.9 million or 1.9% to RM249.3 million for the 6 months financial period ended 30 June 2013 from RM254.2 million for the corresponding 6 months financial period ended 30 June 2012. The decrease was driven by lower net interest income and Islamic Banking income of RM93.7 million, higher overhead expenses of RM55.6 million and higher impairment losses on financial investments of RM8.6 million. The decrease was, however, mitigated by higher non-interest income of RM156.1 million primarily from higher brokerage and underwriting income. Maybank Kim Eng recorded profit before tax of RM116.5 million for the 6 months financial period ended 30 June 2013, mainly attributable to brokerage income of RM358.9 million.

International Banking

International Banking's profit before tax increased by RM159.3 million or 15.4% to RM1,196.7 million for the 6 months financial period ended 30 June 2013 from RM1,037.4 million for the corresponding 6 months financial period ended 30 June 2012. The increase was driven by lower allowance for impairment losses on loans, advances and financing of RM228.3 million, higher net interest income of RM86.5 million or 5.1% arising from loan growth of 10.0% and higher write-back of impairment losses on financial investments of RM33.6 million. This increase was, however, offset by higher overhead expenses of RM144.3 million and lower non-interest income of RM39.5 million.

The increase in profit before tax for International Banking was mainly contributed by Singapore (RM40.1 million), London (RM33.4 million) and BII (RM25.5 million).

Higher net interest income was contributed by strong loan growth of 24.2% at Maybank International (L) Ltd, 10.9% at Singapore and 10.6% at BII.

Insurance, Takaful and Asset Management

Etiqa Group's combined gross premium grew 2% with Employee benefits & group business and General business increased by 19% and 2% respectively.

Insurance, Takaful and Asset Management registered an increase in profit before tax by RM170.9 million or 64.9% to RM434.1 million for the 6 months financial period ended 30 June 2013 from RM263.2 million for the corresponding 6 months financial period ended 30 June 2012. The increase was contributed mainly from higher net income from insurance and takaful business of RM82.1 million, non-interest income of RM50.3 million and net interest income of RM30.7 million. This increase was, however, offset by higher overhead expenses of RM16.6 million.

(ii) Current Quarter vs Previous Period Corresponding Quarter

The Group posted profit after tax attributable to equity holders of RM1,567.7 million for the quarter ended 30 June 2013, an increase of RM129.8 million or 9.0% over the previous period corresponding quarter ended 30 June 2012.

The Group's net interest income and Islamic Banking income for the quarter ended 30 June 2013 increased by RM171.2 million or 6.0% compared to the previous period corresponding quarter ended 30 June 2012. This was largely due to the growth in Group's net loans and advances (including Islamic finance).

Non-interest income of the Group for the quarter ended 30 June 2013 increased by RM364.5 million or 26.4% compared to the previous period corresponding quarter ended 30 June 2012. The increase were mainly contributed by higher gain on sale of financial investments available-for-sale and higher brokerage income of RM219.7 million and RM85.2 million respectively.

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B1. Performance Review (cont'd.)

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

The Group's overhead expenses for the quarter ended 30 June 2013 recorded an increase of RM175.7 million or 8.2% compared to the previous period corresponding quarter ended 30 June 2012. The increase in overhead expenses was contributed by the increase in personnel cost and establishment cost of RM76.9 million and RM36.9 million respectively.

Allowance for losses on loans, advances and financing increased by RM228.1 million to RM428.4 million for the quarter ended 30 June 2013. The increase was mainly due to higher net individual allowance made for the quarter ended 30 June 2013. The Group's net impaired loans ratio improved to 1.09% as at 30 June 2013, comparing to 1.28% as at 30 June 2012.

The improvement in Group's profit before tax for the quarter ended 30 June 2013 as compared to the previous period corresponding quarter ended 30 June 2012 is analysed based on the operating segments of the Group as follows:

Community Financial Services ("CFS"), Malaysia

CFS' profit before tax increased by RM145.0 million or 22.5% to RM788.8 million for the quarter ended 30 June 2013 from RM643.8 million for the previous period corresponding quarter ended 30 June 2012. The increase was driven by higher net interest income of RM144.6 million or 11.3% arising from strong loan growth in unit trust loans of 22.4% and retail mortgage of 12.7%, lower allowance for impairment losses on loans, advances and financing of RM45.1 million and higher non-interest income of RM9.9 million. This increase was, however, offset by higher overhead expenses of RM54.6 million.

Global Banking

a) Corporate Banking, Malaysia

Corporate Banking's profit before tax decreased by RM386.3 million or 75.3% to RM126.6 million for the quarter ended 30 June 2013 from RM512.9 million for the previous period corresponding quarter ended 30 June 2012. The decrease was mainly due to higher allowance for impairment losses on loans, advances and financing of RM354.3 million, lower non-interest income of RM49.8 million and higher overhead expenses of RM22.7 million. This decrease was, however, mitigated by higher net interest income of RM40.6 million.

b) Global Markets, Malaysia

Global Markets' profit before tax increased by RM29.9 million or 7.7% to RM416.0 million for the quarter ended 30 June 2013 from RM386.1 million for the previous period corresponding quarter ended 30 June 2012. The increase was driven by higher non-interest income of RM28.7 million primarily from higher gains on trading activities (financial investments portfolio and rates trading) and higher net interest income of RM22.4 million. This increase was, however, offset by higher overhead expenses of RM13.6 million and higher allowance of impairment losses on financial investments of RM7.5 million.

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

Investment Banking's profit before tax decreased by RM19.8 million or 14.3% to RM118.0 million for the quarter ended 30 June 2013 from RM137.8 million for the previous period corresponding quarter ended 30 June 2012. The decrease was driven by lower net interest income of RM52.1 million and higher overhead expenses of RM18.5 million. This decrease was, however, mitigated by higher non-interest income of RM54.7 million, primarily from higher brokerage and underwriting income. Maybank Kim Eng recorded profit before tax of RM46.2 million for the quarter ended 30 June 2013, mainly attributable to brokerage income of RM161.5 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 increased by RM39.2 million or 6.8% to RM613.6 million for the quarter ended 30 June 2013 from RM574.4 million for the previous period corresponding quarter ended 30 June 2012. The increase was driven by lower allowance for impairment losses on loans, advances and financing of RM75.4 million, higher non-interest income of RM38.2 million and higher write-back of impairment losses on financial investments of RM28.7 million. This increase was, however, offset by higher overhead expenses of RM85.5 million and lower net interest income of RM11.4 million.

The increase in profit before tax for International Banking was mainly contributed by New York (RM34.3 million), Singapore (RM27.4 million) and BII (RM17.3 million).

Higher net interest income was contributed by strong loan growth of 24.2% at Maybank International (L) Ltd, 10.9% at Singapore and 10.6% at BII.

Insurance, Takaful and Asset Management

Insurance, Takaful and Asset Management registered an increase in profit before tax by RM74.1 million or 45.3% to RM237.8 million for the quarter ended 30 June 2013 from RM163.7 million for the previous period corresponding quarter ended 30 June 2012. The increase was contributed mainly by higher non-interest income of RM111.9 million, higher net interest income of RM17.8 million and higher write-back of impairment losses on financial investments of RM15.6 million. This was, however, offset by lower net income from insurance and takaful business by RM98.4 million.

B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax attributable to equity holders increased by RM61.5 million or 4.1% to RM1,567.7 million over the preceding quarter ended 31 March 2013.

The Group's net interest income for the quarter ended 30 June 2013 decreased by RM46.7 million or 1.9% to RM2,364.6 million against the preceding quarter of RM2,411.3 million. Income from Islamic Banking Scheme operations recorded an increase of RM46.8 million to RM666.1 million over RM619.3 million recorded in the preceding quarter.

Net income from insurance and takaful business for the quarter ended 30 June 2013 increased by RM18.4 million to RM37.4 million which was mainly contributed by Etiqa Insurance Bhd.

Non-interest income for the quarter ended 30 June 2013 increased by RM325.0 million or 22.9% to RM1,745.3 million comparing to that in the preceding quarter. The increase was mainly due to lower unrealised loss on revaluation of derivatives and higher foreign exchange gain of RM199.8 million and RM215.2 million respectively. The increase was, however, mitigated by higher unrealised loss on revaluation of financial assets at FVTPL and lower gain on disposal of financial assets at FVTPL and financial investments available-for-sale of RM55.4 million and RM51.3 million respectively.

Overhead expenses for the quarter increased by RM32.4 million or 1.4% to RM2,329.0 million over that of the preceding quarter.

Allowance for impairment losses on loans, advances and financing for the quarter increased by RM343.9 million to RM428.4 million comparing to that in the preceding quarter. The increase was mainly due to higher individual allowances and collective allowances made. However, this was mitigated by better recovery of bad debts and financing in the current quarter.

Impairment losses on financial investments was higher by RM11.2 million for the quarter ended 30 June 2013 as compared to the preceding quarter ended 31 March 2013.

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B3. Prospects

The International Monetary Fund (IMF) expects global real GDP to grow 3.1% in 2013, the same as in 2012. The expected continuation of subdued global economic growth after the slowdowns in 2011-2013 reflects a mixture of sub-trend US growth amid fiscal consolidation; on-going Eurozone recession following the impact of austerity measures and banking credit crunch despite the abatement in the sovereign debt crisis; build up in the Abenomics-driven growth momentum in Japan; a moderation in China's growth amid economic rebalancing and in addressing risks of the property and shadow banking credit bubble; pick up in Asian NIEs and sustained expansion in ASEAN. The IMF projects the ASEAN 5 economies of Indonesia, Malaysia, Philippines, Thailand and Vietnam to remain robust with growth of 5.6% (2012: 6.1%) on the strength of domestic demand, especially investment.

Maybank's three home markets consisting of Malaysia, Singapore and Indonesia, which contribute more than 90% of the Group's income and profit, are expected to record positive revenue growth on the back of steady economic expansion. Despite the slower growth in the first quarter of the year amid the soft external demand conditions, Malaysia is expected to see full-year economic growth of between 4.5% and 5.0% (2012: 5.6%), supported by domestic demand that is powered by strong investment momentum, mainly from the implementation of infrastructure projects and business capital expenditures under the Economic Transformation Programme (ETP). In Indonesia, robust domestic demand and inflows of foreign direct investments (FDI) should enable the economy to sustain positive momentum (2013: 5.8%; 2012: 6.2%), after taking into account the one-off impact from the recent hikes in the subsidised fuel prices. Meanwhile, Singapore's economic growth is expected to improve to 2.3% (preliminary 1H 2013: 2%; 2012: 1.3%) on the back of the aforementioned stabilisation in global economy.

Maybank's business momentum is expected to gather pace in the upcoming financial quarters on the back of loan growth opportunities in its three home markets and other markets in the region, non-interest income contribution arising from Maybank's commercial banking, investment banking operations, Islamic banking operations, insurance and takaful businesses, and revenue contribution from regional initiatives.

Having presence in all ten countries in ASEAN in 2012, the Group is focused on building a truly regional organisation. Global Banking's expanded relationship coverage model is realising merger synergies with Maybank Kim Eng and will see closer collaboration with overseas units especially in Singapore, Indonesia and Philippines.

Continued upgrading of IT infrastructure will further improve business capability in the Group's global banking, investment banking, credit cards, treasury and payment operations. The Group will continue to raise the quality of customer services, embed a robust right risk culture to sustain its strong asset quality, and improve effectiveness and efficiency through an optimal cost structure.

The Group is poised to remain well capitalised for 2013 in accordance with Bank Negara Malaysia's Capital Adequacy Framework on Basel III which was issued on 28 November 2012. With the continued conservation of capital from the Dividend Reinvestment Plan coupled with active capital management across the Group, the Group is expected to maintain a Common Equity Tier 1 capital ("CET1") ratio of above 7% well ahead of the minimum level of CET1 ratio (inclusive of capital conservation buffer) as required by 2019.

Barring any unforeseen circumstances, the Group expects its financial performance for the financial year ending 31 December 2013 to be in line with the targets that have been set for the year. The Group has set two Headline Key Performance Indicators ("KPI") of Return on Equity ("ROE") of 15.0% (based on enlarged equity capital from private placement and dividend reinvestment plan) and Group Loans Growth of 12.0% for the year ending 31 December 2013.

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B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the second quarter ended 30 June 2013.

B5. Tax Expense and Zakat

The analysis of the tax expense for the 6 months ended 30 June 2013 are as follows:

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012 (Restated)	30 June 2013	30 June 2012 (Restated)
<u>Group</u>	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	404,181	478,507	894,189	979,834
Foreign income tax	48,086	54,395	131,351	108,835
	<u>452,267</u>	<u>532,902</u>	<u>1,025,540</u>	<u>1,088,669</u>
(Over)/under provision in respect of prior period:				
Malaysian income tax	(122,709)	-	(124,404)	(30)
Foreign income tax	(170)	(2,049)	(5,629)	(746)
	<u>329,388</u>	<u>530,853</u>	<u>895,507</u>	<u>1,087,893</u>
Deferred tax expense				
- Origination and reversal of temporary differences	133,612	7,749	131,585	(24,935)
Tax expense for the period	<u>463,000</u>	<u>538,602</u>	<u>1,027,092</u>	<u>1,062,958</u>
Zakat	2,940	7,765	7,279	12,311
	<u>465,940</u>	<u>546,367</u>	<u>1,034,371</u>	<u>1,075,269</u>

The Group's effective tax rate for the 6 months ended 30 June 2013 was lower than the statutory tax rate due to reversal of over provision of tax expense in respect of prior period.

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
<u>Bank</u>	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	232,829	330,223	581,715	706,847
Foreign income tax	(3,336)	637	2,555	1,665
	<u>229,493</u>	<u>330,860</u>	<u>584,270</u>	<u>708,512</u>
Over provision in respect of prior period:				
Malaysian income tax	(118,347)	-	(118,347)	-
	<u>111,146</u>	<u>330,860</u>	<u>465,923</u>	<u>708,512</u>
Deferred tax expense				
- Origination and reversal of temporary differences	106,526	(9,710)	82,758	(62,593)
Tax expense for the period	<u>217,672</u>	<u>321,150</u>	<u>548,681</u>	<u>645,919</u>
Zakat	-	-	-	-
	<u>217,672</u>	<u>321,150</u>	<u>548,681</u>	<u>645,919</u>

The Bank's effective tax rate for the 6 months ended 30 June 2013 was lower than the statutory tax rate due to certain income not subject to tax and reversal of over provision of tax expense in respect of prior period.

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

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B6. Status of Corporate Proposals Announced but Not Completed

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

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

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

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

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

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

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

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

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

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

- (i) SC;
(ii) CMA; and
(iii) Saudi Arabian General Investment Authority for the issuance of Anfaal’s amended foreign investment licence.

Maybank had on 1 July 2013 announced that Maybank IB, Al Numu and Anfaal have mutually agreed to extend the period for the fulfillment of the conditions precedent of the SPA in relation to the Proposals from 30 June 2013 to 30 September 2013.

B7. Status of Utilisation of Proceeds Raised from Corporate Proposal

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

B8. Deposits and Placements of Financial Institutions and Debt Securities

Please refer to note A13, A14 and A15.

B9. Derivative Financial Instruments

Please refer to note A29.

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B10. Changes in Material Litigation

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

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

On 4 August 2008, a defendant (the issuer of the bonds) served a counterclaim on MTB for approximately RM535.0 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. However, the Court of Appeal allowed MTB and the other defendant to seek indemnity against the issuer of the bonds for 2/3 of the total liability and also allowed MTB to seek indemnity against the issuer's Chief Executive Officer, one of the issuer's directors and associate companies of the said Chief Executive Officer and the said director for one half of the 2/3 of the total liability. Further, the Court of Appeal allowed MTB to seek an indemnity against one of the plaintiffs for 1/3 of its liability (after deducting the sum to be indemnified by the issuer, the issuer's Chief Executive Officer, one of the issuer's directors and associate companies of the said Chief Executive Officer and the said director). The Federal Court 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. The Federal Court will deliver its decision on a date to be fixed.

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

The 1st Defendant counterclaimed for loss and damage amounting to approximately RM284.0 million as a result of ETB's alleged failure to release the balance of the facility of RM7.5 million. It was alleged that the 1st Defendant was unable to carry on its project and therefore suffered loss and damage.

On 14 May 2009, the Court allowed ETB's application for summary judgment, the Court had also dismissed the 1st Defendant's counterclaim against ETB with costs. All 4 Defendants filed their respective applications for stay of execution of the summary judgment. However, the stay applications were dismissed with costs on 1 September 2009.

On 4 March 2010, the Court of Appeal reversed the decision of the High Court granting the earlier summary judgment and the dismissal of the 1st Defendant's counterclaim and ordered the matter to be reverted to the High Court for full trial. The full trial including the counterclaim concluded on 29 June 2011.

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

(b) (cont'd.)

On 21 September 2011, the High Court entered judgment in favour of ETB and allowed ETB's claim (with costs) for the sum of approximately RM25.8 million less unearned profit as at the date of full settlement and dismissed the 1st Defendant's counterclaim (with costs). All 4 Defendants have filed Notices of Appeal against the said decision and also applied for a stay of the judgment. The stay applications were dismissed with costs on 25 January 2012.

On 16 April 2013, the Court of Appeal dismissed all appeals with costs. The Appellants have applied for leave to appeal the decision to the Federal Court, the hearing of which is fixed for 17 September 2013. ETB's solicitors are of the view that the leave application is without merit.

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

The credit facilities consist of a bridging loan of RM58.5 million and a revolving credit facility of RM4.0 million which were granted by Maybank IB and the three syndicated lenders. 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 for the recovery of the said credit facilities. The two claims were heard together.

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

At this juncture, Maybank as one of the syndicated lenders has an exposure of RM48.0 million out of the RM115.5 million awarded pursuant to the Judgment.

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

The Appeal came up for hearing on 10 February 2012, wherein all parties agreed for the matter to be mediated.

As the parties could not come to any consensus at the mediation on 9 March 2012, they proceeded with the Appeal which concluded on 23 January 2013. The Court of Appeal has yet to fix a date to deliver its decision.

The corporate borrower was wound up on 22 February 2013 but the winding up order has been stayed pending the decision of the Appeal.

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

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

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

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

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

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

(d) (cont'd.)

Concurrent with this suit, the Plaintiff had also filed an application for an interlocutory injunction to restrain Maybank from exercising its right to appoint a R&M. The application was heard on 23 November 2010 and allowed by the Johor Bahru High Court ("JB High Court"). Maybank has appealed against this decision. On 29 May 2012, the Court of Appeal allowed Maybank's appeal with costs of RM15,000 and ordered damages to be assessed by the registrar at the Kuala Lumpur High Court ("KL High Court"). On 28 June 2012, the Plaintiff served an unsealed copy of a Notice of Motion filed at the Federal Court for leave to appeal against the Court of Appeal's decision on 29 May 2012. That motion was fixed for case management on 9 October 2012. On 6 December 2012, the Federal Court struck out the motion with costs to Maybank.

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

Maybank filed a counterclaim in the JB High Court Suit against the Plaintiff and its guarantors to recover all sums due and owing under the banking facilities granted to the Plaintiff. Pursuant thereto, Maybank had also filed an application for summary judgment against the Plaintiff and its guarantors that was fixed for case management on 13 May 2011. The case management was deferred to 31 May 2011 where the JB High Court allowed Maybank's application to transfer the JB High Court Suit to the KL High Court, and consolidate the JB High Court Suit with the KL High Court Suit to be heard at the KL High Court.

On 24 October 2011, the KL High Court had allowed Maybank's counterclaim against the Plaintiff and the guarantors with costs on an indemnity basis, and dismissed the Plaintiff's actions against Maybank i.e. the KL High Court Suit and the JB High Court Suit, with costs on an indemnity basis. The Plaintiff has filed an appeal at the Court of Appeal against this decision. The Plaintiff's application for a stay of execution of the decision of KL High Court on 24 October 2011 was dismissed by the KL High Court on 13 December 2011.

In the meantime, Maybank has filed an application for security for cost against the Plaintiff at the Court of Appeal. On 8 May 2012, the Court of Appeal ordered the Plaintiff to pay RM50,000 as security for Maybank's cost in the appeal and further ordered that the Plaintiff's appeal be stayed pending payment of that sum. On 11 January 2013, the Court of Appeal ordered that this sum be paid within 14 days otherwise the appeal will be struck off. The Plaintiff has paid the said sum. The Court of Appeal on 19 August 2013 dismissed the Plaintiff's appeal with costs of RM50,000 to Maybank.

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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 2013 RM'000	31 December 2012 RM'000
Retained profits of the Bank and its subsidiaries:		
- Realised	8,165,324	7,576,687
- Unrealised	1,884,431	2,195,259
	10,049,755	9,771,946
Share of retained profits from associates:		
- Realised	306,714	294,847
- Unrealised	-	-
	306,714	294,847
Consolidation adjustments	893,744	1,048,213
Total Group's retained profits as per consolidated financial statements	11,250,213	11,115,006

B12. Proposed Interim Dividend

The Board of Directors have proposed a single-tier interim dividend in respect of the financial year ending 31 December 2013 of 22.5 sen (30 June 2012: an interim dividend of 32 sen less 25% taxation) per ordinary share.

The Board of Directors have also determined that the Dividend Reinvestment Plan will apply to the single-tier interim cash dividend in which an electable portion of 16.0 sen per ordinary share can be elected to be reinvested in new ordinary shares and the remaining portion of 6.5 sen per ordinary share will be paid in cash.

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

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

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B13. Earnings Per Share ("EPS")

Basic

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

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Net profit for the quarter/period (RM'000)	1,567,734	1,437,906	3,073,948	2,784,787
Weighted average number of ordinary shares in issue ('000)	8,597,673	7,710,885	8,513,310	7,675,163
Basic earnings per share	18.23 sen	18.65 sen	36.11 sen	36.28 sen

Diluted

The diluted EPS of the Group is calculated by dividing the net profit for the quarter/period attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue, which has been adjusted for the number of shares that could have been issued under the Maybank Group Employee Share Scheme ("ESS").

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

	2nd Quarter Ended		Cumulative 6 Months Ended	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Net profit for the quarter/period (RM'000)	1,567,734	1,437,906	3,073,948	2,784,787
Weighted average number of ordinary shares in issue ('000)	8,597,673	7,710,885	8,513,310	7,675,163
Effects of dilution ('000)	11,174	598	12,176	204
Adjusted weighted average number of ordinary shares in issue ('000)	8,608,847	7,711,483	8,525,486	7,675,367
Diluted earnings per share	18.21 sen	18.65 sen	36.06 sen	36.28 sen

By Order of the Board

Mohd Nazlan Mohd Ghazali
LS0008977
Company Secretary
21 August 2013