

Notes To The Accounts (cont'd)

30. COMMITMENTS AND CONTINGENCIES (CONT'D)

The foreign exchange related contracts and interest rate related contracts are made up as follows:

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Foreign exchange related contracts				
– forward and futures contracts	6,354,624	10,757,630	6,354,624	10,757,678
– cross-currency interest rate swaps	2,932,781	610,710	3,103,644	781,573
Interest rate related contracts				
– forward and futures contracts	–	236,997	–	236,997
– swaps	1,848,097	2,099,502	1,912,421	2,197,980
	11,135,502	13,704,839	11,370,689	13,974,228

Market risk

Market risk is the potential change in value by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting 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 has a gain position. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates or market rates or prices.

As at June 30, the amounts of market risk and credit risk are as follows:

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Market risk				
Amount of contracts which were not hedged and hence, exposed to market risk	62,982	85,054	62,982	85,054
Credit risk				
Amount of credit risk, measured in terms of cost to replace the profitable contracts	18,242	40,215	18,242	40,215

31. CAPITAL AND OTHER COMMITMENTS

- a. Capital expenditure approved by directors but not provided for in the accounts amounted to:

	The Bank		The Group	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for	119,637	273,222	133,454	387,792
Authorised but not contracted for	150,096	46,983	275,480	113,483
	269,733	320,205	408,934	501,275

	The Bank		The Group	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
b. Uncalled capital in shares of subsidiary companies	210	210	-	-

- c. Commitment to inject capital into PT. Bank Maybank Nusa International as follows:

	The Bank/The Group	
	2000	1999
	USD/RM'000	USD/RM'000
- as shares	USD12,550 (RM47,690)	-
- as subordinated debt	USD11,000 (RM41,800)	-

- d. The Bank and a subsidiary company are committed to lend up to five times the nominal value of its investment in Export Credit Insurance Corporation of Singapore Limited (ECIC) to meet claims arising as part of the export credit insurance business of the company. ECIC may, at its option, convert the whole or any part of any such loans into fully paid shares.

	The Bank		The Group	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Maximum commitments in respect of the investment in ECIC	11,004	11,167	11,334	11,167

Notes To The Accounts (cont'd)

32. CAPITAL ADEQUACY

The capital adequacy ratios of the Bank are as follows:

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Core capital ratio	12.48%	12.03%	10.96%	10.21%
Risk-weighted capital ratio	14.60%	14.74%	15.16%	14.81%
Breakdown of capital base in the various categories of capital:				
Tier 1 capital:				
Paid-up share capital	2,337,975	2,308,661	2,337,975	2,308,661
Share premium	191,749	77,720	191,749	77,720
Other reserves	6,135,160	5,418,772	7,716,716	6,689,771
Tier 1 minority interest	-	-	141,972	144,704
Total tier 1 capital	8,664,884	7,805,153	10,388,412	9,220,856
Tier 2 capital:				
Subordinated obligations	950,000	1,434,000	950,000	1,434,000
General provisions for bad and doubtful debts	2,285,910	2,070,088	3,030,320	2,727,735
Total tier 2 capital	3,235,910	3,504,088	3,980,320	4,161,735
Total capital	11,900,794	11,309,241	14,368,732	13,382,591
Less: Investment in subsidiary companies	(1,766,546)	(1,745,221)	-	-
Total capital base	10,134,248	9,564,020	14,368,732	13,382,591
Breakdown of risk-weighted assets in the various categories of risk-weights:				
0%	17,855,390	12,885,495	23,942,500	19,085,127
10%	3,463,918	4,026,523	4,425,560	5,106,201
20%	12,792,354	12,523,572	17,712,474	16,535,968
50%	9,259,914	7,977,628	12,201,319	10,541,935
100%	61,859,309	57,969,225	84,640,234	81,213,239
	105,230,885	95,382,443	142,922,087	132,482,470

33. SEGMENT INFORMATION

The analysis of Group operations for the year ended June 30, 2000 are as follows:

	Operating revenue RM'000	Profit before taxation RM'000	Assets employed RM'000
a. Analysis by Activity			
2000			
Commercial and merchant banking	6,823,614	1,412,854	99,404,847
Finance company and leasing operations	1,981,066	422,526	21,560,097
Discount house and factoring operations	171,023	114,118	4,065,430
Insurance	183,386	60,103	1,389,182
Stocks and futures broking	132,511	81,807	538,962
Others	42,340	46,080	363,890
	9,333,940	2,137,488	127,322,408
1999			
Commercial and merchant banking	8,156,435	495,321	90,328,379
Finance company and leasing operations	2,571,101	259,517	21,033,636
Discount house and factoring operations	347,247	94,873	4,276,675
Insurance	157,081	52,032	921,639
Stocks and futures broking	63,663	54,915	526,781
Others	43,631	54,291	391,419
	11,339,158	1,010,949	117,478,529
b. Analysis by Geographical Location			
2000			
Malaysia	7,919,524	1,937,165	110,585,686
Singapore	838,073	163,050	11,485,006
Other locations	576,343	37,273	5,251,716
	9,333,940	2,137,488	127,322,408
1999			
Malaysia	9,734,055	996,861	99,589,805
Singapore	980,458	124,448	12,469,417
Other locations	624,645	(110,360)	5,419,307
	11,339,158	1,010,949	117,478,529

Notes To The Accounts (cont'd)

34. SIGNIFICANT EVENTS DURING THE YEAR

a. Acquisition of Pacific Bank Berhad

The Bank was granted approval on August 3, 1999 to commence negotiations with Pacific Bank Berhad with a view to merging the operations of the latter with the Group. On August 24, 2000, a conditional Sale and Purchase Agreement to acquire the banking business of Pacific Bank Berhad for a cash consideration of RM1,250.0 million was signed.

b. Acquisition of PhileoAllied Berhad

The Bank signed a Memorandum of Agreement with PhileoAllied Berhad (PAB) on June 30, 2000.

Negotiations are still ongoing.

c. Acquisition of SimeFinance Berhad

On October 29, 1999, Mayban Finance Berhad entered into a conditional Acquisition Agreement with Sime Bank Berhad to acquire the entire issued and fully paid-up share capital of SimeFinance Berhad. The acquisition was finalised with a purchase consideration of RM76.55 million on August 14, 2000.

d. Absorption of Mayban Factoring Berhad into Mayban Finance Berhad

In line with the rationalisation and streamlining of businesses within the Group, the Bank had, on February 17, 2000, transferred its direct holding in Mayban Factoring Berhad to Mayban Finance Berhad for a total cash consideration of RM2.0 million. Subsequent to this, the business and staff of Mayban Factoring Berhad were absorbed into Mayban Finance Berhad.

e. Acquisition of the Remaining Shares in Mayban Assurance Berhad Not Held by the Bank

Approval for the acquisition of the remaining 5,000,000 ordinary shares of RM1.00 each, representing 6.09% of the issued and fully paid-up share capital of Mayban Assurance Berhad (MAB) by the Bank was obtained from Bank Negara Malaysia on May 30, 2000. The transaction, based on the purchase consideration of RM29.1 million, was completed on July 18, 2000 after the approvals from the other relevant authorities were obtained. Following this exercise, MAB became a wholly owned subsidiary of the Bank.

34. SIGNIFICANT EVENTS DURING THE YEAR (CONT'D)**f. Acquisition of UMBC Insurans Berhad**

Upon acquiring the aggregate equivalent of 78.32% equity interest in UMBC Insurans Berhad (UMBCI), Mayban Assurance Berhad (MAB) made a mandatory offer for the remaining shares of UMBCI. An offer letter dated March 1, 2000 informed the remaining shareholders of UMBCI that pursuant to the mandatory offer, MAB proposed to transfer the assets and liabilities of MAB to UMBCI for a consideration to be satisfied by the issuance of new ordinary shares of UMBCI to MAB. When the offer lapsed on March 21, 2000, MAB increased its stake in UMBCI to 80.8%.

The proposal was approved by Bank Negara Malaysia on April 27, 2000.

g. Strategic Partnership with Fortis International N.V.

Bank Negara Malaysia had, on May 3, 2000, granted permission to the Bank to commence negotiations with Fortis International N.V. for the latter to acquire a 30% equity stake in the insurance businesses of the Group. Negotiations between the two parties are still ongoing.

35. EVENTS SUBSEQUENT TO BALANCE SHEET DATE**a. Acquisition of Additional Stake in Maybank Philippines Incorporated**

On July 17, 2000, Bank Negara Malaysia gave the Bank the approval to acquire a 39.83% stake in Maybank Philippines Incorporated (MPI) from Philippines National Bank (PNB) for a cash consideration of Peso 1.412 billion (RM124.1 million). The acquisition was completed on August 18, 2000 with the signing of the stock purchase agreement, increasing the Bank's share in MPI to 99.96%.

b. Establishment of Commercial Banking Branch in Shanghai

On July 26, 2000, the Bank was given a licence by the People's Bank of China to establish a commercial banking branch in Shanghai.

Notes To The Accounts (cont'd)

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) BALANCE SHEETS AS AT JUNE 30, 2000

		The Bank		The Group	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Assets					
Cash and short-term funds	(a)	1,195,602	1,480,219	1,457,540	1,826,974
Deposits and placements with financial institutions	(b)	40,783	–	70,738	25,050
Dealing securities	(c)	–	–	–	187,675
Investment securities	(d)	280,549	368,187	1,175,824	675,336
Loans and advances	(e)	2,050,261	1,813,789	3,656,970	2,500,036
Other assets	(f)	26,321	81,558	55,166	287,650
		3,593,516	3,743,753	6,416,238	5,502,721
Liabilities					
Deposits from customers	(g)	2,908,182	2,164,053	5,022,334	2,892,506
Deposits and placements of banks and other financial institutions	(h)	233,806	1,434,410	799,568	2,430,340
Obligations on securities sold under repurchased agreements		300	5,100	300	5,100
Bills and acceptances payable		32,257	654	32,257	654
Other liabilities	(i)	262,502	27,676	373,629	51,288
		3,437,047	3,631,893	6,228,088	5,379,888
Islamic banking fund	(j)	156,469	111,860	188,150	122,833
		3,593,516	3,743,753	6,416,238	5,502,721
Commitments And Contingencies	(n)	685,985	483,774	762,206	565,414

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2000

	Notes	The Bank		The Group	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Income	(k)	93,162	70,372	187,166	107,857
Loan loss and provision	(l)	(20,069)	(13,430)	(49,180)	(53,993)
Net income		73,093	56,942	137,986	53,864
Overhead expenses	(m)	(8,915)	(1,358)	(30,578)	(6,549)
Profit before taxation and zakat		64,178	55,584	107,408	47,315
Taxation and zakat		(19,569)	(214)	(42,091)	(214)
Profit after taxation and zakat		44,609	55,370	65,317	47,101
Retained profits brought forward		101,860	46,490	99,833	52,732
Retained profits carried forward	(j)	146,469	101,860	165,150	99,833

The accompanying notes form part of these accounts.

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)
NOTES TO THE OPERATIONS OF IBS

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
a. Cash And Short-Term Funds				
Cash and balances with banks and other financial institutions	1,195,602	1,480,219	1,457,540	1,826,974
b. Deposits And Placements With Financial Institutions				
Licensed banks	35,200	-	35,200	-
Licensed finance companies	-	-	1,055	-
Other financial institutions	5,583	-	34,483	25,050
	40,783	-	70,738	25,050
c. Dealing Securities				
Islamic accepted bills	-	-	-	187,675
d. Investment Securities				
Money market instruments:				
Unquoted:				
Malaysian government investment issues	84,118	86,031	368,897	183,957
Islamic debt securities	57,418	136,526	567,760	277,044
Islamic accepted bills	91,013	97,630	91,013	124,616
	232,549	320,187	1,027,670	585,617
Quoted:				
Cagamas Mudharabah bonds	48,000	48,000	48,000	48,000
	280,549	368,187	1,075,670	633,617
Unquoted securities:				
Commercial bills, bonds and notes	-	-	101,956	43,730
	280,549	368,187	1,177,626	677,347
Amortisation of premiums less accretion of discounts	-	-	10,198	1,867
	280,549	368,187	1,187,824	679,214
Provision for diminution in value of Islamic debt securities	-	-	(12,000)	(3,878)
	280,549	368,187	1,175,824	675,336
Market value of quoted money market instruments:				
Cagamas Mudharabah bonds	48,000	48,000	48,000	48,000

Notes To The Accounts (cont'd)

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
d. Investment Securities (Cont'd)				
The maturity structure of money market instruments held for investment are as follows:				
Maturing within one year	228,025	97,630	411,211	274,931
Maturing between one year to three years	-	270,557	317,715	368,482
Maturing between three years to five years	38,740	-	282,759	33,934
Maturing after five years	13,784	-	165,941	-
	280,549	368,187	1,177,626	677,347
e. Loans And Advances				
Overdrafts	232,237	187,945	232,237	187,945
Term financing	2,227,797	1,886,784	2,840,947	2,466,646
Trust receipts	31,462	35,297	121,916	134,225
Hire purchase receivables	-	-	1,679,240	451,225
Other financing	735,880	608,466	886,617	757,993
	3,227,376	2,718,492	5,760,957	3,998,034
Unearned income	(1,119,098)	(872,056)	(1,912,362)	(1,380,793)
Gross loans and advances	2,108,278	1,846,436	3,848,595	2,617,241
Provision for bad and doubtful debts				
- specific	(27,442)	(13,285)	(103,919)	(59,770)
- general	(22,060)	(17,060)	(46,560)	(38,903)
Income-in-suspense	(8,515)	(2,302)	(41,146)	(18,532)
Net loans and advances	2,050,261	1,813,789	3,656,970	2,500,036
Loans and advances analysed by concepts are as follows:				
Al-Bai' Bithaman Ajil	1,341,936	1,203,949	1,462,498	1,370,517
Al-Ijarah	-	-	1,290,743	342,270
Al-Murabahah	766,234	628,898	766,234	628,898
Other principles	108	13,589	329,120	275,556
	2,108,278	1,846,436	3,848,595	2,617,241

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
e. Loans And Advances (Cont'd)				
Loans and advances analysed by their economic purposes are as follows:				
Agriculture	48,510	42,483	48,687	46,936
Manufacturing	511,148	343,002	536,727	362,266
Electricity, gas and water	79,322	58,564	85,097	71,294
Construction	251,688	216,785	280,067	224,340
Real estate	5,032	24,638	5,032	25,062
Purchase of landed property	667,230	408,467	907,782	645,037
(of which: Residential	555,075	339,713	674,503	454,286
Non-Residential)	112,155	68,754	233,279	190,751
General commerce	100,213	217,395	100,213	225,053
Transport, storage and communication	160,616	194,454	165,435	203,829
Finance, insurance and business service	24,350	57,993	61,083	121,678
Purchase of securities	207,321	243,740	271,202	310,878
Purchase of transport vehicles	-	-	1,320,644	341,418
Consumption credit	43,452	33,820	57,139	34,245
Others	9,396	5,095	9,487	5,205
	2,108,278	1,846,436	3,848,595	2,617,241
The maturity structure of loans and advances are as follows:				
Maturing within one year	1,090,970	499,523	1,110,405	515,154
Maturing between one year to three years	5,309	206,952	212,955	293,898
Maturing between three years to five years	104,380	49,857	488,943	259,583
Maturing after five years	907,619	1,090,104	2,036,292	1,548,606
	2,108,278	1,846,436	3,848,595	2,617,241
Movements in the non-performing loans (including income receivables) are as follows:				
Balance at July 1	38,675	13,445	232,303	84,405
Classified during the year	88,657	25,230	253,001	190,064
Non-performing loans of a subsidiary company acquired	-	-	-	46,006
Amount recovered/regularised during the year	(10,004)	-	(162,636)	(83,487)
Amount written off	(1,327)	-	(8,863)	(4,685)
Balance at June 30	116,001	38,675	313,805	232,303

Notes To The Accounts (cont'd)

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
e. Loans And Advances (Cont'd)				
Movements in the provision for bad and doubtful debts and income-in-suspense accounts are as follows:				
Specific Provision				
Balance at July 1	13,285	6,854	59,770	17,765
Provisions made during the year	19,946	10,878	85,736	71,841
Specific provision of a subsidiary company acquired	-	-	-	7,760
Amount written back in respect of recoveries	(4,883)	(4,447)	(35,591)	(33,083)
Amount written off	(906)	-	(5,996)	(4,513)
Balance at June 30	27,442	13,285	103,919	59,770
General Provision				
Balance at July 1	17,060	10,060	38,903	19,860
Provisions made during the year	5,000	7,000	9,331	17,711
General provision of a subsidiary company acquired	-	-	-	1,332
Amount written off	-	-	(1,674)	-
Balance at June 30	22,060	17,060	46,560	38,903
Income-In-Suspense				
Balance at July 1	2,302	69	18,532	3,046
Provisions made during the year	10,071	3,162	36,897	20,695
Income-in-suspense of a subsidiary company acquired	-	-	-	959
Amount written back in respect of recoveries	(3,437)	(929)	(13,323)	(5,905)
Amount written off	(421)	-	(960)	(263)
Balance at June 30	8,515	2,302	41,146	18,532
f. Other Assets				
Other debtors, deposits and prepayments	26,321	81,558	55,166	287,650

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
g. Deposits From Customers				
Demand deposits	685,588	472,502	685,588	472,502
Savings deposits	428,729	268,100	509,371	315,732
General investment deposits	1,759,601	1,379,406	3,793,111	1,937,112
Special investment deposits	34,264	44,045	34,264	167,160
	1,793,865	1,423,451	3,827,375	2,104,272
	2,908,182	2,164,053	5,022,334	2,892,506
The maturity structure of investment deposits are as follows:				
Due within six months	1,675,865	1,274,936	3,644,264	1,904,247
Due between six months to one year	111,437	134,910	165,583	174,470
Maturing between one year to three years	5,945	13,605	16,094	22,566
Maturing between three years to five years	618	–	1,434	2,989
	1,793,865	1,423,451	3,827,375	2,104,272
The deposits are sourced from the following customers:				
Business enterprises	811,112	546,174	2,295,969	896,182
Individuals	732,880	665,101	1,133,240	820,129
Others	1,364,190	952,778	1,593,125	1,176,195
	2,908,182	2,164,053	5,022,334	2,892,506
h. Deposits And Placements Of Banks And Other Financial Institutions				
Licensed banks	196,167	926,602	747,913	1,230,320
Licensed finance companies	–	500,990	5,247	593,738
Other financial institutions	37,639	6,818	46,408	606,282
	233,806	1,434,410	799,568	2,430,340
i. Other Liabilities				
Other liabilities	262,502	27,676	373,629	51,288

Notes To The Accounts (cont'd)

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
j. Islamic Banking Fund				
Funds allocated from Head Office	10,000	10,000	23,000	23,000
Retained profits	146,469	101,860	165,150	99,833
	156,469	111,860	188,150	122,833
k. Income From The Operation Of IBS				
Income derived from investment of depositors' funds	183,566	185,292	340,152	268,365
Income attributable to depositors				
– Other customers	(60,766)	(51,284)	(107,146)	(82,445)
– Bank and financial institutions	(21,107)	(60,915)	(37,905)	(73,967)
Income attributable to the Bank/Group	101,693	73,093	195,101	111,953
Other IBS income	5,166	3,043	5,762	1,302
Other IBS expenses	(13,697)	(5,764)	(13,697)	(5,398)
	93,162	70,372	187,166	107,857

Details of the income derived from investment of depositors' funds and funds allocated from Head Office are as follows:

	The Bank		The Group	
	Depositors' Funds RM'000	IBF RM'000	Depositors' Funds RM'000	IBF RM'000
2000				
Income from financing	167,280	–	307,698	–
Investment income:				
Gain from sale of investment securities	–	–	11,312	378
Gain from sale of dealing securities	–	–	112	–
Gross dividends from investment securities	15,911	–	26,953	–
Fee income:				
Commission	–	3,167	–	3,167
Service charges and fees	348	1,999	348	1,999
Other fee income	27	–	691	147
Other non-operating income	–	–	–	70
Provision for diminution in value of investment securities	–	–	(6,962)	–
	183,566	5,166	340,152	5,761

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

	The Bank		The Group	
	Depositors' Funds RM'000	IBF RM'000	Depositors' Funds RM'000	IBF RM'000
k. Income From The Operation Of IBS (Cont'd)				
1999				
Income from financing	169,510	–	251,385	–
Investment income:				
Gain from sale of investment securities	15,500	–	16,482	40
Gross dividends from investment securities	–	–	4,094	–
Fee income:				
Commission	–	2,303	–	800
Service charges and fees	275	740	275	740
Other fee income	7	–	7	10
Other non-operating income	–	–	–	77
Provision for diminution in value of investment securities	–	–	(3,878)	–
	185,292	3,043	268,365	1,667

	The Bank		The Group	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
i. Loan Loss And Provision				
Provision for bad and doubtful debts:				
– specific (net)	15,063	6,430	50,145	39,714
– general	5,000	7,000	9,331	16,037
Bad debts–written off	6	–	(10,213)	(1,758)
– recovered	–	–	(83)	–
	20,069	13,430	49,180	53,993

m. Overhead Expenses				
Personnel costs	4,954	1,022	4,954	1,022
Establishment costs	1,676	170	3,928	170
Marketing costs	186	101	197	101
Administration and general expenses	2,099	65	21,499	5,256
	8,915	1,358	30,578	6,549

n. Commitment And Contingencies

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

Notes To The Accounts (cont'd)

36. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (CONT'D)

Risk weighted exposure of the Bank and its subsidiary company as at June 30 are as follows:

	2000		1999	
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount RM'000
n. Commitment And Contingencies (Cont'd)				
The Bank				
Direct credit substitutes	4,259	4,259	4,687	4,687
Certain transaction-related contingent items	41,555	20,777	31,522	15,761
Short-term self-liquidating trade-related contingencies	8,477	1,695	24,451	4,890
Housing loans sold directly and indirectly to Cagamas Berhad	65,960	65,960	68,096	68,096
Irrevocable commitments to extend credit				
– maturing within one year	322,415	–	171,803	–
– maturing after one year	107,061	53,531	80,881	40,441
Miscellaneous commitments and contingencies	136,258	–	102,334	–
	685,985	146,222	483,774	133,875
The Group				
Direct credit substitutes	4,259	4,259	4,687	4,687
Certain transaction-related contingent items	41,555	20,777	31,522	15,761
Short-term self-liquidating trade- related contingencies	8,477	1,695	24,451	4,890
Housing loans sold directly and indirectly to Cagamas Berhad	65,960	65,960	68,096	68,096
Irrevocable commitments to extend credit				
– maturing within one year	367,126	–	217,461	–
– maturing after one year	138,571	69,286	116,863	58,431
Miscellaneous commitments and contingencies	136,258	–	102,334	–
	762,206	161,977	565,414	151,865

37. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year's presentation.

Statement By Directors

We, **TAN SRI MOHAMED BASIR BIN AHMAD** and **AMIRSHAM A AZIZ**, being two of the directors of **MALAYAN BANKING BERHAD**, state that in the opinion of the directors, the accounts set out on pages 56 to 114 are drawn up in accordance with the applicable approved Malaysian accounting standards so as to give a true and fair view of the state of affairs of the Bank and of the Group as at June 30, 2000 and of their results and cash flows for the year ended on that date.

On behalf of the Board,

TAN SRI MOHAMED BASIR BIN AHMAD
Chairman

AMIRSHAM A AZIZ
Managing Director

Kuala Lumpur,
August 29, 2000

Statutory Declaration

I, **ISMAIL SHAHUDIN**, the director primarily responsible for the financial management of **MALAYAN BANKING BERHAD**, do solemnly and sincerely declare that the accounts set out on pages 56 to 114 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed **ISMAIL SHAHUDIN** at)
Kuala Lumpur in the Federal Territory)
on August 29, 2000.)

ISMAIL SHAHUDIN

Before me,



28th Floor, Menara Maybank
100, Jalan Tun Perak,
50050 Kuala Lumpur

LIANG HIEN TIEN
Commisioner for Oaths

Report Of The Auditors

to the Members of Malayan Banking Berhad

We have audited the accounts as set out on pages 13 to 70. These accounts are the responsibility of the directors. Our responsibility is to express an opinion on these accounts based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the accounts are free of material misstatement. Our audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the accounts. Our audit also includes an assessment of the accounting principles used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the accounts. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- a. the accounts have been properly drawn up in accordance with the applicable approved Malaysian accounting standards and the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Bank and of the Group as at June 30, 2000 and of their results and cash flows for the year ended on that date; and
- b. the accounting and other records and the registers required by the Act to be kept by the Bank and its subsidiary companies for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the accounts and the auditors' reports of all the subsidiary companies for which we have not acted as auditors, being accounts that are included in the Group accounts and which are as indicated in Note 9 to the accounts.

We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Bank's accounts are in form and content appropriate and proper for the purposes of the preparation of the Group accounts and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the accounts of the subsidiary companies do not contain any qualification or any comments made under subsection (3) of section 174 of the Act.



SALLEH, LEONG, AZLAN & CO.

AF: 0010

Public Accountants



RAJA NAZUDDIN BIN RAJA MOHD. NORDIN ALHAJ

666/3/01 (J/PH)

Partner of the Firm

Kuala Lumpur,
August 29, 2000