

Statement Of Directors' Responsibility In Respect Of The Audited Financial Statements

The Directors are required by the Companies Act 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Bank and the Group at the end of the financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- considered the applicable approved Malaysian accounting standards
- adopted and consistently applied appropriate accounting policies
- made judgements and estimates that are prudent and reasonable

The Directors have responsibility for ensuring that the Bank and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Bank and the Group and which enable them to ensure the financial statements comply with the Companies Act 1965.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Bank and the Group and to prevent and detect fraud and other irregularities.

Financial Statements

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The directors hereby submit their report together with the audited financial statements of the Bank and of the Group for the financial year ended 30 June, 2001.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in the business of banking in all its aspects which also include Islamic Banking Scheme operations.

The principal activities of the subsidiary companies are described in Note 10 to the financial statements.

There were no significant changes in these activities during the financial year.

RESULTS

	Group RM'000	Bank RM'000
Net profit for the year	839,641	901,111

DIVIDENDS

The amount of dividends paid or declared by the Bank since 30 June, 2000 were as follows:

	RM'000
In respect of the financial year ended 30 June, 2000	
Final ordinary dividend of 13% on 2,337,975,214 ordinary shares less 28% taxation paid on 22 November, 2000 (include dividends amounting to RM797,192 paid on shares issued on the exercise of options under ESOS)	219,632
In respect of the financial year ended 30 June, 2001	
Interim ordinary dividend of 5% on 2,351,067,028 ordinary shares less 28% taxation paid on 31 March, 2001	84,638

The directors recommend a final ordinary dividend of 7% on 2,352,225,214 ordinary shares less 28% taxation, amounting to RM118,552,151 in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amounts written off as bad debts or provided for as doubtful debts in the financial statements of the Bank and of the Group inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and balance sheets were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Bank and of the Group have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Bank and of the Group misleading.

REPORT

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Bank and of the Group misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Bank or of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Bank or of the Group which has arisen since the end of the financial year other than those arising in the normal course of business of the Bank and of the Group.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Bank or of the Group to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Bank or of the Group which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Bank and of the Group during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Bank or of the Group for the financial year in which this report is made.

SIGNIFICANT EVENTS

The significant events during the financial year are as disclosed in Note 34 to the financial statements.

MAYBANK GROUP EMPLOYEE SHARE OPTION SCHEME

Under the Maybank Group Employee Share Option Scheme (ESOS or the Scheme) approved by the shareholders,

- (a) The maximum number of new shares which may be available under the ESOS shall be eight point seven five percent (8.75%) or a higher percentage, as may be allowed by the relevant authorities, of the enlarged issued and paid-up share capital of the Bank during the existence of the Scheme.
- (b) The eligible persons are employees of the Group who have served the Group for a continuous period of at least twenty four (24) months as at the Date of Offer and directors who hold office in executive capacities in the Group. The eligibility for participation in the Scheme shall be at the absolute discretion of the ESOS Committee appointed by the Board of Directors.
- (c) The number of shares to be offered shall not be less than two hundred (200) ordinary shares and up to a maximum of five hundred thousand (500,000) ordinary shares.
- (d) The Option period is for five (5) years and shall expire on 22 June, 2003.

MAYBANK GROUP EMPLOYEE SHARE OPTION SCHEME (cont'd)

- (e) The Option price shall be the average of the mean market quotation (computed as the average of the highest and lowest prices transacted) as shown in the daily official list issued by the Kuala Lumpur Stock Exchange (KLSE) for the five (5) preceding market days prior to the Date of Offer or at RM1 whichever is the higher.
- (f) The shares to be allotted upon any exercise of the Option will, upon allotment, rank pari passu in all respects with the then existing issued shares of the Bank.

The movement in the options to take up unissued new ordinary shares of RM1 each and the option price are as follows:

Option Price RM	At 1 July, 2000	Granted	* Retracted	Exercised	At 30 June, 2001
4.42	43,407,200	–	(315,800)	(13,005,400)	30,086,000
6.83	4,836,600	–	(48,000)	(1,056,600)	3,732,000
12.75	5,616,600	–	(190,400)	(185,800)	5,240,400
16.25	4,478,600	–	(247,200)	(600)	4,230,800
14.19	–	2,927,400	(64,200)	(1,000)	2,862,200
9.79	–	2,557,600	(17,400)	(600)	2,539,600

* due to resignations or offers not taken up

SHARE CAPITAL

During the financial year, the Bank increased its issued and paid-up share capital from RM2,337,975,214 to RM2,352,225,214 through the issues of 14,250,000 new ordinary shares of RM1 each to eligible persons who exercised their options under the ESOS for cash.

DIRECTORS

The directors who served since the date of the last report are:

- Tan Sri Mohamed Basir bin Ahmad (Chairman)
- Dato' Richard Ho Ung Hun (Vice-Chairman)
- Datuk Amirsham A Aziz (Managing Director)
- Dato' Ismail Shahudin (Executive Director)
- Dato' Mohammed bin Haji Che Hussein (Executive Director) - appointed on 1 November, 2000
- Raja Tan Sri Muhammad Alias bin Raja Muhd. Ali
- Mohammad bin Abdullah
- Dato' Mohd Hilmey bin Mohd Taib
- Haji Mohd. Hashir bin Haji Abdullah
- Teh Soon Poh
- Datuk Haji Abdul Rahman bin Mohd Ramli

Mohammad bin Abdullah, Dato' Mohd Hilmey bin Mohd Taib and Teh Soon Poh retire by rotation in accordance with Article 96 of the Bank's Articles of Association and, being eligible, offer themselves for re-election.

Dato' Mohammed bin Haji Che Hussein retires in accordance with Article 100 of the Bank's Articles of Association and, being eligible, offers himself for re-election.

DIRECTORS (cont'd)

Dato' Richard Ho Ung Hun retires pursuant to Section 129 of the Companies Act, 1965 and a resolution is being proposed for his re-appointment as director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Bank.

Datuk Amirsham A Aziz is under a contract of employment and therefore, he is not subject to retirement by rotation.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Bank or its subsidiaries is a party with the object of enabling directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate, other than the share options granted pursuant to the ESOS.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors, or the fixed salary of a full time employee of the Bank as disclosed in Note 23 to the financial statements) by reason of a contract made by the Bank or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and share options in the Bank during the financial year were as follows:

	Number of Ordinary Shares of RM1 each			
	1 July, 2000/ At date of appointment	Bought	Sold	30 June, 2001
Tan Sri Mohamed Basir bin Ahmad	12,000	–	–	12,000
Datuk Amirsham A Aziz	39,000	–	–	39,000
Dato' Ismail Shahudin	5,000	–	–	5,000
Dato' Mohammed bin Haji Che Hussein	1,600	–	–	1,600
Teh Soon Poh	3,504	–	–	3,504

	Option price RM	Number of Options Over Ordinary Share of RM1 each			
		1 July, 2000/ At date of appointment	Granted	Exercised	30 June, 2001
Datuk Amirsham A Aziz	4.42	135,000	–	–	135,000
	12.75	10,000	–	–	10,000
Dato' Ismail Shahudin	4.42	50,000	–	–	50,000
	6.83	8,000	–	–	8,000
	14.19	–	8,000	–	8,000
Dato' Mohammed bin Haji Che Hussein	4.42	114,000	–	–	114,000
	16.25	8,000	–	–	8,000

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in shares in the Bank or its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

NUMBER OF EMPLOYEES AND PRINCIPAL PLACE OF BUSINESS

The number of employees in the Bank and the Group at the end of the year were 13,809 (2000 : 11,875) and 19,411 (2000 : 16,464) respectively. The principal place of business of the Bank is located at 14th Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur.

RATING BY EXTERNAL RATING AGENCIES

Details of the Bank's ratings are as follows:

Rating Agency	Date	Rating Classification	Rating Received
Moody's Investors Service	12 May, 2001	<ul style="list-style-type: none">• Long-term deposits• Short-term deposits• Subordinated long term debts• Financial strength rating• Outlook	Baa 3 P-3 Baa 2 C- Stable
Standard & Poor's	11 July, 2001	<ul style="list-style-type: none">• Long-term counterparty• Short-term counterparty• Subordinated notes• Outlook	BBB- A-3 BB+ Positive
Rating Agency Malaysia Berhad	19 March, 2001	<ul style="list-style-type: none">• Long-term• Short-term• Subordinated bonds	AA1 P1 AA2 (Long-term)

BUSINESS OUTLOOK

With the expected improvement in the country's economy during the coming financial year, the Group anticipates its business environment to be more conducive and this together with the initiatives undertaken to improve productivity and efficiency will further enhance the Group's leadership and standing in the industry.

AUDITORS

Arthur Andersen & Co. retire and have indicated their willingness to accept re-appointment.

Signed on behalf of the Board
in accordance with a resolution
of the directors



TAN SRI MOHAMED BASIR BIN AHMAD



AMIRSHAM A AZIZ

Kuala Lumpur
29 August, 2001

STATEMENT BY DIRECTORS

We, **TAN SRI MOHAMED BASIR BIN AHMAD** and **AMIRSHAM A AZIZ**, being two of the directors of **MALAYAN BANKING BERHAD**, do hereby state that, in the opinion of the directors, the financial statements set out on pages 53 to 114 give a true and fair view of the state of affairs of the Bank and of the Group as at 30 June, 2001 and of their results and cash flows for the year then ended, and have been properly drawn up in accordance with applicable approved accounting standards in Malaysia.

Signed on behalf of the Board
in accordance with a resolution
of the directors



TAN SRI MOHAMED BASIR BIN AHMAD



AMIRSHAM A AZIZ

Kuala Lumpur
29 August, 2001

STATUTORY DECLARATION

I, **ISMAIL SHAHUDIN**, the director primarily responsible for the financial management of **MALAYAN BANKING BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 53 to 114 are, to the best of my knowledge and belief 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 Wilayah Persekutuan)
on 29 August, 2001)



ISMAIL SHAHUDIN

Before me:



Commissioner for Oaths

AUDITORS' REPORT TO THE SHAREHOLDERS OF MALAYAN BANKING BERHAD

We have audited the financial statements set out on pages 53 to 114. These financial statements are the responsibility of the Bank's directors. Our responsibility is to express an opinion on these financial statements 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 about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965, Bank Negara Malaysia Guidelines and applicable approved accounting standards in Malaysia and give a true and fair view of:
 - (i) the state of affairs of the Bank and the Group as at 30 June, 2001 and of the results and cash flows for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements;
- (b) the accounting and other records and the registers required by the Act to be kept by the Bank and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors, as indicated in Note 10 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification or any adverse comment made under subsection (3) of Section 174 of the Act.



Arthur Andersen & Co.

No. AF 0103

Public Accountants



Dato' Haji Zainal Abidin Putih

No. 575/03/02(J/PH)

Partner of the Firm

Kuala Lumpur
29 August, 2001

BALANCE SHEETS - AS AT 30 JUNE, 2001

	Note	Group		Bank	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
ASSETS					
Cash and short-term funds	3	12,647,952	16,191,825	10,449,003	13,038,751
Deposits and placements with banks and other financial institutions	4	5,133,866	5,657,904	5,968,728	5,235,991
Securities purchased under resale agreements		175,376	178,435	142,890	123,721
Dealing securities	5	1,302,103	875,561	295,528	1,402
Investment securities	6	21,274,012	18,587,662	13,466,817	11,918,578
Loans and advances	7	92,653,993	79,177,598	74,574,624	61,003,926
Other assets	8	1,900,830	1,977,375	922,817	1,063,239
Statutory deposit with Central Banks	9	3,326,793	2,608,060	2,571,380	1,855,797
Investment in subsidiary companies	10	–	–	2,087,950	1,766,546
Investment in associated companies	11	18,021	13,366	8,840	6,180
Property, plant and equipment	12	1,417,961	1,142,222	984,903	792,196
Life fund assets	36	1,046,384	662,093	–	–
TOTAL ASSETS		140,897,291	127,072,101	111,473,480	96,806,327
LIABILITIES AND SHAREHOLDERS' FUNDS					
Deposits from customers	13	96,484,630	81,866,589	77,394,526	60,260,443
Deposits and placements of banks and other financial institutions	14	19,088,782	20,090,516	12,268,865	15,851,025
Obligations on securities sold under repurchase agreements		3,638,837	3,948,241	3,688,837	3,774,359
Bills and acceptances payable		4,637,044	5,434,048	5,459,899	5,365,290
Other liabilities	15	4,093,910	3,494,154	2,463,442	1,852,409
Subordinated obligations	16	1,560,000	950,000	1,560,000	950,000
Life fund liabilities	36	81,305	56,291	–	–
Life policy holders' funds	36	965,079	605,802	–	–
TOTAL LIABILITIES		130,549,587	116,445,641	102,835,569	88,053,526
Share capital	17	2,352,225	2,337,975	2,352,225	2,337,975
Reserves	18	7,688,132	8,021,746	6,285,686	6,414,826
Shareholders' funds		10,040,357	10,359,721	8,637,911	8,752,801
MINORITY INTERESTS		307,347	266,739	–	–
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		140,897,291	127,072,101	111,473,480	96,806,327
COMMITMENTS AND CONTINGENCIES	30	77,865,195	62,670,114	67,911,342	53,671,268

The accompanying notes are an integral part of these balance sheets.

I N C O M E S T A T E M E N T S F O R T H E Y E A R E N D E D 3 0 J U N E , 2 0 0 1

	Note	Group		Bank	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Interest income	19	7,920,790	7,566,100	5,519,419	5,135,764
Interest expense	20	(3,925,721)	(3,769,139)	(2,750,766)	(2,572,534)
Net interest income		3,995,069	3,796,961	2,768,653	2,563,230
Income from Islamic Banking Scheme operation	35(i)	306,351	187,166	170,525	93,162
		4,301,420	3,984,127	2,939,178	2,656,392
Non-interest income	21	1,320,555	1,266,794	1,257,331	852,277
		5,621,975	5,250,921	4,196,509	3,508,669
Overhead expenses	22	(2,117,955)	(1,593,749)	(1,448,839)	(1,114,650)
Operating profit		3,504,020	3,657,172	2,747,670	2,394,019
Loan loss and provision	24	(1,995,449)	(1,522,327)	(1,312,210)	(849,618)
Share of profits in associated companies		1,381	2,643	–	–
Profit before taxation		1,509,952	2,137,488	1,435,460	1,544,401
Taxation	26	(711,170)	(763,525)	(534,349)	(523,896)
Net profit from ordinary activities		798,782	1,373,963	901,111	1,020,505
Minority interests		40,859	(13,558)	–	–
Net profit for the year		839,641	1,360,405	901,111	1,020,505
Earnings per share					
- Basic	29	35.8 sen	58.4 sen	38.4 sen	43.8 sen
- Fully diluted	29	35.4 sen	57.4 sen	38.0 sen	43.1 sen
Dividends per share, net of income tax					
- Interim dividend	28	3.6 sen	3.6 sen	3.6 sen	3.6 sen
- Final dividend	28	5.0 sen	9.4 sen	5.0 sen	9.4 sen

The accompanying notes are an integral part of these statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2001

	Non-distributable					Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Exchange Fluctuation Reserve RM'000	General Reserve RM'000	Retained Profits RM'000	
Group								
At 1.7.1999	2,308,661	77,720	2,475,373	15,250	125,718	2,978,515	1,235,883	9,217,120
Currency translation differences	-	-	670	-	(27,687)	(1,500)	-	(28,517)
Goodwill written off	-	-	-	-	-	(24,481)	-	(24,481)
Dilution arising from issue of new shares in subsidiary companies	-	-	-	-	-	-	(4,032)	(4,032)
Net gains/(losses) not recognised in the income statement	-	-	670	-	(27,687)	(25,981)	(4,032)	(57,030)
Net profit for the year	-	-	-	-	-	-	1,360,405	1,360,405
Transfer to statutory reserve	-	-	319,729	-	-	-	(319,729)	-
Transfer to general reserve	-	-	-	-	-	339,000	(339,000)	-
Issue of shares	29,314	114,029	-	-	-	-	-	143,343
Dividends (Note 28)	-	-	-	-	-	-	(304,117)	(304,117)
At 30.6.2000	2,337,975	191,749	2,795,772	15,250	98,031	3,291,534	1,629,410	10,359,721
Currency translation differences	-	-	-	-	(89,406)	(2,252)	-	(91,658)
Goodwill written off	-	-	-	-	-	(923,068)	-	(923,068)
Dilution arising from issue of new shares in subsidiary companies	-	-	-	-	-	-	(7,391)	(7,391)
Net losses not recognised in the income statement	-	-	-	-	(89,406)	(925,320)	(7,391)	(1,022,117)
Net profit for the year	-	-	-	-	-	-	839,641	839,641
Transfer to statutory reserve	-	-	177,647	-	-	-	(177,647)	-
Transfer from general reserve	-	-	-	-	-	(2,366,214)	2,366,214	-
Issue of shares	14,250	52,849	-	-	-	-	-	67,099
Dividends (Note 28)	-	-	-	-	-	-	(203,987)	(203,987)
At 30.6.2001	2,352,225	244,598	2,973,419	15,250	8,625	-	4,446,240	10,040,357

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2001 (CONT'D)

	Non-distributable				Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Exchange Fluctuation Reserve RM'000	General Reserve RM'000	Retained Profits RM'000	
Bank							
At 1.7.1999	2,308,661	77,720	1,977,828	91,611	2,711,120	729,824	7,896,764
Currency translation differences	–	–	–	(3,694)	–	–	(3,694)
Net losses not recognised in the income statement	–	–	–	(3,694)	–	–	(3,694)
Net profit for the year	–	–	–	–	–	1,020,505	1,020,505
Transfer to statutory reserve	–	–	256,000	–	–	(256,000)	–
Transfer to general reserve	–	–	–	–	205,000	(205,000)	–
Issue of shares	29,314	114,029	–	–	–	–	143,343
Dividends (Note 28)	–	–	–	–	–	(304,117)	(304,117)
At 30.6.2000	2,337,975	191,749	2,233,828	87,917	2,916,120	985,212	8,752,801
Currency translation differences	–	–	–	(38,021)	–	–	(38,021)
Goodwill on acquisition written off	–	–	–	–	(841,092)	–	(841,092)
Net losses not recognised in the income statement	–	–	–	(38,021)	(841,092)	–	(879,113)
Net profit for the year	–	–	–	–	–	901,111	901,111
Transfer to statutory reserve	–	–	118,397	–	–	(118,397)	–
Transfer from general reserve	–	–	–	–	(2,075,028)	2,075,028	–
Issue of shares	14,250	52,849	–	–	–	–	67,099
Dividends (Note 28)	–	–	–	–	–	(203,987)	(203,987)
At 30.6.2001	2,352,225	244,598	2,352,225	49,896	–	3,638,967	8,637,911

The accompanying notes are an integral part of these statements.

CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2001

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	1,509,952	2,137,488	1,435,460	1,544,401
Adjustment for:				
Exchange fluctuation	16,576	(147,128)	(31,633)	(133,239)
Share of profits retained in associated companies	(1,381)	(2,643)	–	–
Depreciation	191,133	119,352	133,097	85,872
Net gain on disposal of investment securities	(131,810)	–	(93,340)	(55,634)
Net gain on disposal of subsidiary companies	(232,492)	–	(257,389)	–
Net gain on disposal of property, plant and equipment	(1,848)	(1,191)	167	(597)
Gain on disposal of foreclosed properties	(799)	(751)	–	–
Amortisation of premiums less accretion of discounts of investment securities	931	(27,910)	17,935	21,475
Provision for diminution in value of investment securities	278,456	48,887	150,616	25,960
Loan loss and provision	2,204,816	1,606,273	1,399,172	872,344
Provision for doubtful debts - other debtors	29,383	6,359	–	–
Interest/income in suspense	1,263,394	1,051,535	777,190	591,504
Dividend income	(15,232)	(9,574)	(272,556)	(114,632)
Property, plant and equipment written off	2,836	2,260	513	–
Transfer of life fund surplus	(7,000)	(3,100)	–	–
Amortisation of trading rights	61	–	–	–
Operating profit before working capital changes	5,106,976	4,779,857	3,259,232	2,837,454
Decrease/(increase) in securities purchased under resale agreements	3,060	(76,441)	(19,168)	(36,714)
Decrease/(increase) in deposits and placements with banks and other financial institutions	2,818,393	(830,399)	1,394,000	(786,551)
Decrease/(increase) in dealing securities	380,158	(675,261)	509,574	72,265
Increase in loans and advances	(6,283,300)	(6,136,275)	(5,038,248)	(5,580,934)
Increase/(decrease) in other assets	1,556,124	24,280	958,066	(105,933)
(Decrease)/increase in statutory deposits with Central Banks	(256,203)	53,475	(275,520)	46,969
(Decrease)/increase in deposits from customers	(96,059)	4,315,580	3,419,272	2,679,364
(Decrease)/increase in deposits and placements of banks and other financial institutions	(2,427,271)	2,838,266	(4,954,798)	4,427,651
(Decrease)/increase in obligations on securities sold under repurchase agreements	(309,404)	817,201	(85,521)	1,303,181
(Decrease)/increase in bills and acceptances payable	(1,212,867)	681,957	(555,049)	743,484
Decrease in other liabilities	(726,503)	(371,436)	(172,493)	(296,969)
(Increase)/decrease in life fund assets	(384,291)	217,802	–	–
Increase/(decrease) in life fund liabilities and policyholders' funds	391,291	(214,702)	–	–
Cash (used in)/generated from operations	(1,439,896)	5,423,904	(1,560,653)	5,303,267
Taxes paid	(571,275)	(135,518)	(376,538)	(161,197)
Net cash (used in)/generated from operating activities	(2,011,171)	5,288,386	(1,937,191)	5,142,070

C A S H F L O W S T A T E M E N T S

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
(Purchase)/sale of investment securities - net	(1,109,507)	1,825,413	(429,162)	(517,076)
Purchase of property, plant and equipment	(448,860)	(228,473)	(208,514)	(164,742)
Acquisition of subsidiary companies/net assets, net of cash acquired *	(563,871)	(103,461)	(290,927)	-
Purchase of shares in subsidiary companies	(156,187)	-	(424,182)	(21,325)
Share of profit from associated companies	587	1,404	-	-
Acquisition of shares of associated companies	(3,223)	-	(2,660)	-
Disposal of shares in subsidiary companies, net of cash disposed	339,016	-	360,167	-
Proceeds from disposal of property, plant and equipment	153,042	6,340	1,102	12,718
Dividend received	15,232	9,574	196,240	114,632
Net cash (used in)/generated from investing activities	(1,773,771)	1,510,797	(797,936)	(575,793)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of subordinated obligations	610,000	-	610,000	-
Proceeds from issuance of shares	67,099	143,343	67,099	143,343
Loan repayment of subordinated obligations	-	(680,000)	-	(680,000)
Dividend paid	(304,270)	(234,883)	(422,822)	(234,883)
Dividends paid to minority interest	(17,588)	(17,082)	-	-
Net cash generated from/(used in) financing activities	355,241	(788,622)	254,277	(771,540)
Net (decrease)/increase in cash and cash equivalent	(3,429,701)	6,010,561	(2,480,850)	3,794,737
Cash and cash equivalents at beginning of year	16,077,653	10,181,264	12,929,853	9,244,014
	12,647,952	16,191,825	10,449,003	13,038,751
Cash and cash equivalents comprise				
Cash and short-term funds, as previously reported	12,647,952	16,191,825	10,449,003	13,038,751
Effects of exchange rate changes	-	(114,172)	-	(108,898)
As restated	12,647,952	16,077,653	10,449,003	12,929,853

SUMMARY OF EFFECT OF THE ACQUISITIONS OF SUBSIDIARY COMPANIES/NET ASSETS

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
*Acquisition of subsidiary companies/net assets:				
Cash and short-term funds	2,119,539	9,666	2,070,107	–
Deposits and placements with banks and other financial institutions	2,294,355	123,034	2,126,737	–
Dealing securities	806,700	–	803,700	–
Investment securities	1,724,420	111,275	1,546,485	–
Investment in subsidiary company	–	–	31	–
Investment in associated company	1,431	–	–	–
Loans and advances	10,661,305	284	10,106,276	–
Other assets	1,506,507	26,079	643,662	–
Statutory deposits with Bank Negara Malaysia	462,530	–	440,063	–
Property, plant and equipment	172,447	3,278	114,227	–
Deposits from customers	(14,714,098)	–	(13,714,811)	–
Deposits and placements of banks and other financial institutions	(1,425,536)	–	(1,372,638)	–
Bills and acceptances payable	(415,862)	–	(415,862)	–
Other liabilities	(1,370,674)	(165,819)	(828,034)	–
Minority interest	–	(19,151)	–	–
Net assets acquired	1,823,064	88,646	1,519,943	–
Goodwill on acquisitions	860,346	24,481	841,091	–
Purchase consideration	2,683,410	113,127	2,361,034	–
Less: Cash and short-term funds acquired	(2,119,539)	(9,666)	(2,070,107)	–
Net cash used in acquisition of subsidiary companies	563,871	103,461	290,927	–

The effect of the acquisitions on the financial results of the Group from the date of acquisition to 30 June, 2001 was as follow:

	RM '000
Revenue	3,476
Profit after taxation	(16,182)

Effect of acquisitions of certain subsidiary companies on the financial position of the Group as at 30 June, 2001 is not presented as the net assets of these subsidiary companies were transferred to the Bank and its existing subsidiary companies subsequent to their acquisitions.

The accompanying notes are an integral part of these statements.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Bank and of the Group have been prepared in accordance with the provisions of the Companies Act, 1965, Bank Negara Malaysia Guidelines and applicable approved accounting standards in Malaysia. The financial statements incorporate those activities relating to Islamic Banking Scheme (IBS) which have been undertaken by the Bank and the Group.

IBS refers generally to the acceptance of deposits and granting of financing under the Syariah principles.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Bank and of the Group are prepared under the historical cost convention.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries. Companies acquired or disposed during the year are included in the consolidated financial statements from the date of acquisition or to the date of disposal. Intragroup transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

(c) Goodwill/Reserve Arising on Consolidation/Acquisition

The difference of the purchase price over the fair value of the net assets at the date of acquisition is included in the balance sheet as goodwill or reserve arising on consolidation/acquisition. Goodwill or reserve arising on consolidation/acquisition is written off in full against retained profits.

(d) Subsidiary Companies

A subsidiary company is a company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Investment in subsidiary companies are stated at cost less provision for any permanent diminution in value.

(e) Associated Companies

The Group treats as associated companies those companies in which the Group has a long term equity interest and where it exercises significant influence through management participation.

The Group's share of post acquisition profits less losses of associated companies is included in the consolidated income statement and the Group's interest in associated companies is stated at cost plus the Group's share of post-acquisition retained profits and reserves.

Investment in associated companies are stated at cost less provision for any permanent diminution in value.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Dealing Securities

Dealing securities are marketable securities that are acquired and held with the intention of resale in the short term and are stated at the lower of cost and market value on portfolio basis.

Transfers, if any, between dealing and investment securities are made at the lower of cost and market value.

(g) Investment Securities

Investment securities are securities that are acquired and held for yield or capital growth or to meet minimum liquid assets requirement pursuant to Section 38 of the Banking and Financial Institutions Act, 1989 and are usually held to maturity.

Malaysian government securities, Malaysian government investment issues, Malaysian government floating rate notes, Cagamas bonds and other government securities are stated at cost adjusted for amortisation of premium or accretion of discount, where applicable, to maturity dates.

Unquoted bonds are stated at cost adjusted for amortisation of premium or accretion of discount, where applicable, to maturity dates. Provision is made for permanent diminution in value where considered appropriate.

Other investments are stated at cost. Provision is made for permanent diminution in value where considered appropriate.

(h) Provision for Doubtful Debts

Specific provisions are made for doubtful debts which have been individually reviewed and specifically identified as bad and doubtful.

In previous financial years, no value has been placed for plant and machineries pledged to the Group for the purpose of making specific provisions. With effect from the current financial year, plant and machineries will be assigned values based on their estimated realisable value as supported by professional valuations. The effect on the financial statements of this change is a decrease in specific provision for the Bank and the Group of RM228.3 million and RM280.4 million respectively.

In addition, a general provision based on a certain percentage of total risk weighted assets, which takes into account all balance sheet items and their perceived risk levels, is maintained.

(i) Amount Recoverable from Pengurusan Danaharta Nasional Berhad (Danaharta)

This relates to the loans sold to Danaharta where the total consideration is received in two portions; upon the sale of the loans (initial consideration) and upon the recovery of the loans (final consideration). The final consideration amount represents the Bank's predetermined share of the surplus over the initial consideration upon recovery of the loans.

The difference between the carrying value of the loans and the initial consideration is recognised as "amount recoverable from Danaharta" within the "other assets" component of the balance sheet. Provisions against these amounts are made to reflect the directors' assessment of the realisable value of the final consideration as at the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Freehold land is not depreciated. Leasehold land is depreciated over the period of the lease.

Depreciation of other property, plant and equipment is provided on a straight line basis over the following estimated useful lives:

Buildings on freehold land	Over 50 years
Buildings on leasehold land	50 years or remaining life of the lease, whichever is shorter
Office furniture, fittings, equipment and renovations	10%-25%
Computer and peripherals	14%-25%
Electrical and security equipment	8%-25%
Motor vehicles	20%-25%

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amounts are estimated. Impairment loss is charged to the income statement as soon as foreseeable. Conversely, the impairment loss will be reversed up to the cumulative amount charged to the income statement, once the indicator for impairment cease to exist.

(k) Investment Properties

Investment properties are stated at cost and include related and incidental expenditure incurred. Investment properties are not depreciated.

The carrying amount of investment properties are reduced to recognise impairment loss, if any.

The carrying amounts of investment properties are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amounts are estimated. Impairment loss is charged to the income statement as soon as foreseeable. Conversely, the impairment loss will be reversed up to the cumulative amount charged to the income statement, once the indicator for impairment cease to exist.

(l) Repurchase Agreements

Securities purchased under resale agreements are securities which the Group had purchased with a commitment to resell at future dates. The commitment to resell the securities is reflected as an asset on the balance sheet.

Conversely, obligations on securities sold under repurchase agreements are securities which the Group had sold from its portfolio, with a commitment to repurchase at future dates. Such financing transactions and corresponding obligations to purchase the securities are reflected as a liability on the balance sheet.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**(m) Bills and Acceptances Payable**

Bills and acceptances payable represent the Group's own bills and acceptances rediscounted and outstanding in the market.

(n) Deferred Taxation

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future. However, where the timing differences give rise to deferred tax benefits, these net benefits are not recognised.

(o) Insurance Fund

The life assurance fund is based on the actuarial valuation of the fund made up to 30 June, 2001.

(p) Unearned Premium Reserves

Unearned Premium Reserves represents the portion of the net premiums of insurance policies written that relate to the unexpired periods of policies at the end of the financial year. Reserves for unearned premiums is determined in accordance with the method as prescribed by Bank Negara Malaysia under Guidelines JPI/GP1 3 and Circular JPI 7/1994 as follows:

- 25% method for marine cargo and aviation cargo, and transit business;
- 1/24th method for fire, engineering and marine hull with a deduction of 15%, bonds (until 31 May, 2000) and motor with a deduction of 10% and all other classes of business with a deduction of 20% or actual commission incurred, whichever is lower;
- 1/8th method for all classes of overseas inward treaty business;
- 100% method for bonds (effective from 1 June, 2000), with a deduction of 10% for commission.

(q) Provision for Outstanding Claims

For general insurance business, provision is made for the estimated costs of all claims incurred together with related expenses less reinsurance recoveries, in respect of claims notified but not settled at balance sheet date. Provision is also made for the cost of claims together with related expenses incurred but not reported at balance sheet date based on an actuarial valuation by a qualified actuary, using a mathematical method of estimation using actual claims development pattern.

For life assurance business, provision is made for the estimated costs of all claims together with related expenses in respect of claims notified but not settled at balance sheet date using the case basis method.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Income Recognition

Interest income is recognised on an accrual basis.

Interest income on overdrafts, term loans and housing loans is accounted for on a straight line basis by reference to the rest periods as stipulated in the loan agreements. Interest income from hire-purchase, instalment sale financing, block discounting and leasing transactions is accounted for on the "sum-of-the-digits" method, whereby the income recognised for each month is obtained by multiplying the total income by a fraction whose numerator is the digit representing the remaining number of months and whose denominator is the sum of the digits representing the total number of months.

Where an account has turned non-performing, interest is suspended with retroactive adjustment made to the date of first default. Thereafter, interest on these accounts are recognised on a cash basis until such time as the accounts are no longer classified as non-performing. Customers' accounts are deemed to be non-performing where repayments are in arrears for three months.

Income from the Islamic banking business is recognised on the accrual basis in compliance with Bank Negara Malaysia's guidelines.

(s) Fee and Other Income Recognition

Loan arrangement, management and participation fees, factoring commissions, underwriting commissions and brokerage fees are recognised as income based on contractual arrangements. Guarantee fee is recognised as income upon issuance of the guarantee. Fees from advisory and corporate finance activities are recognised as income on completion of each stage of the assignment.

Dividends from dealing and investment securities are recognised when received.

Premiums from general insurance business are recognised as income on the date of assumption of risks and for inward treaty business on the date of the receipt of the accounts after setting aside reserves for unearned premium.

Premiums for life assurance business are recognised as income on assumption of risks and subsequent premiums are recognised on due dates. Premiums outstanding at balance sheet date are recognised as income for the period provided they are still within the grace period allowed for payment.

(t) Currency Conversion and Translation

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences are taken to the income statement.

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the balance sheet, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are taken to an exchange fluctuation reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Currency Conversion and Translation (cont'd)

The exchange rates ruling at balance sheet date used are as follows:

	2001	2000
Singapore Dollars (SGD)	2.0867	2.2007
Hong Kong Dollars (HKD)	0.4872	0.4875
United States Dollars (USD)	3.8000	3.8000
Philippines Peso (Peso)	0.0725	0.0879
Indonesia Rupiah (IDR)	0.0003	0.0004
Papua New Guinea Kina (Kina)	1.1495	1.5637
Brunei Dollars (B\$)	2.0867	2.2007
British Pound (£)	5.3417	5.7673

(u) Foreign Exchange Contracts

Foreign exchange trading positions, including spot and forward contracts, are revalued at prevailing market rates at balance sheet date and the resultant gains and losses are recognised in the income statement.

(v) Interest Rate Swaps and Futures Contracts

The Group uses interest rate swaps and futures contracts mainly in their overall interest rate risk management.

Interest income or interest expense associated with interest rate swaps that qualify as hedges is recognised over the life of the swap agreement as a component of interest income or interest expense.

Gains and losses on interest rate swaps and futures contracts that do not qualify as hedges are recognised in the current year using mark-to-market method and are included in the income statement.

(w) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and bank balances and short-term funds with remaining maturity of less than one month.

3. CASH AND SHORT-TERM FUNDS

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	12,119,160	15,791,499	10,449,003	13,038,751
Money at call and deposit placements maturing within one month	528,792	400,326	-	-
	12,647,952	16,191,825	10,449,003	13,038,751

N O T E S T O T H E F I N A N C I A L

4. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Licensed banks	4,775,561	3,327,813	4,511,822	3,305,336
Licensed finance companies	4,700	143,408	80,000	220,000
Other financial institutions	353,605	2,186,683	1,376,906	1,710,655
	5,133,866	5,657,904	5,968,728	5,235,991

Included in deposit with other financial institutions is an amount of USD20,000,000 (2000 : USD20,000,000) or Ringgit Malaysia equivalent of RM76,000,000 (2000 : RM76,000,000) pledged with the New York State Banking Department in satisfaction of capital equivalency deposit requirements.

5. DEALING SECURITIES

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Money market instruments:				
Quoted:				
Malaysian government securities	155,840	60,400	50,820	-
Cagamas bonds	199,782	51,320	159,228	1,402
Foreign government securities	37,561	-	37,561	-
	393,183	111,720	247,609	1,402
Unquoted:				
Malaysian government treasury bills	74,165	7,445	-	-
Bank Negara Malaysia bills	24,869	24,844	-	-
Bankers' acceptances and Islamic accepted bills	211,162	305,136	-	-
Danamodal bonds	188,979	66,366	-	-
Cagamas notes	19,971	34,608	-	-
Private and Islamic debt securities	376,859	269,148	57,141	-
Others	16,564	34,093	-	-
	912,569	741,640	57,141	-
Other quoted securities:				
Shares and trust units quoted in Malaysia	16,521	22,201	-	-
	1,322,273	875,561	304,750	1,402
Provision for diminution in value of:				
Private and Islamic debt securities	(9,222)	-	(9,222)	-
Shares and trust units quoted in Malaysia	(10,948)	-	-	-
	(20,170)	-	(9,222)	-
	1,302,103	875,561	295,528	1,402

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5. DEALING SECURITIES (cont'd)

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Market value of quoted securities:				
Malaysian government securities	156,148	60,450	50,962	-
Cagamas bonds	200,067	52,867	159,529	1,422
Foreign government securities	38,944	-	38,944	-
Shares and trust units quoted in Malaysia	5,573	26,690	-	-
	400,732	140,007	249,435	1,422
Indicative value of unquoted securities:				
Malaysian government treasury bills	74,183	7,456	-	-
Bank Negara Malaysia bills	24,869	24,856	-	-
Danamodal bonds	188,980	67,873	-	-
Cagamas notes	19,968	34,633	-	-
Private and Islamic debts securities	368,758	278,940	46,826	-
	676,758	413,758	46,826	-

6. INVESTMENT SECURITIES

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Money market instruments:				
Quoted:				
Malaysian government securities	1,982,722	3,440,986	699,950	987,293
Cagamas bonds	913,184	762,329	373,724	560,869
Foreign government securities	1,086,274	996,083	1,086,046	995,843
Private debt securities	-	25,153	-	-
	3,982,180	5,224,551	2,159,720	2,544,005
Unquoted:				
Malaysian government treasury bills	318,325	1,241,753	313,490	1,241,753
Malaysian government investment certificates and issues	642,533	182,026	464,607	84,118
Foreign government certificates	92,577	91,490	-	-
Cagamas notes	472,441	1,706,760	393,250	1,706,760
Bank Negara Malaysia bills	1,517,268	1,692,369	1,517,268	1,691,664
Foreign government treasury bills	429,136	377,175	387,179	293,286
Negotiable instruments of deposit	3,513,993	1,185,263	2,887,006	1,450,000
Bankers' acceptances and Islamic accepted bills	2,801,924	1,188,128	541,863	550,028
Private and Islamic debt securities	3,891,460	2,841,921	2,240,383	879,608
Danaharta bonds	352,256	191,464	171,512	53,138
Danamodal bonds	242,623	324,956	46,824	60,169
Other unquoted money market instruments	2,987	4,533	-	-
	14,277,523	11,027,838	8,963,382	8,010,524

N O T E S T O T H E F I N A N C I A L

6. INVESTMENT SECURITIES (cont'd)

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Total money market instruments	18,259,703	16,252,389	11,123,102	10,554,529
Other quoted securities:				
In Malaysia				
Shares, warrants and trust units	708,060	408,445	373,396	123,435
Floating rate notes	372,887	531,744	239,892	227,749
Private and Islamic debt securities	70,270	9,032	-	-
	1,151,217	949,221	613,288	351,184
Outside Malaysia				
Shares	92,603	33,632	75,564	27,890
Floating rate notes	947,032	815,819	946,119	815,819
	1,039,635	849,451	1,021,683	843,709
Total other quoted securities	2,190,852	1,798,672	1,634,971	1,194,893
Other unquoted securities:				
Shares and trust units	267,748	234,903	237,212	129,618
Private and Islamic debt securities	345,171	47,947	81,685	-
Commercial bills, bonds and notes	962,089	638,746	958,288	416,030
Total other unquoted securities	1,575,008	921,596	1,277,185	545,648
	22,025,563	18,972,657	14,035,258	12,295,070
Amortisation of premiums less accretion of discounts	(9,194)	(38,860)	(51,048)	(84,052)
	22,016,369	18,933,797	13,984,210	12,211,018
Provision for diminution in value of:				
Foreign government securities	(471)	(496)	(471)	(496)
Private and Islamic debt securities	(162,535)	(4,398)	(72,148)	(6,398)
Shares, warrants and trust units quoted in Malaysia	(253,887)	(66,071)	(175,763)	(30,495)
Commercial bills, bonds and notes	(127,419)	(110,784)	(106,877)	(108,580)
Shares quoted outside Malaysia	(57,969)	(22,039)	(53,621)	(20,383)
Floating rate notes				
- outside Malaysia	(109,976)	(126,088)	(107,481)	(126,088)
Unquoted shares and trust units	(30,100)	(16,259)	(1,032)	-
	(742,357)	(346,135)	(517,393)	(292,440)
	21,274,012	18,587,662	13,466,817	11,918,578

6. INVESTMENT SECURITIES (cont'd)

(i) Market value of securities:

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Malaysian government securities	1,974,037	3,393,442	662,902	928,410
Cagamas bonds	924,176	767,080	381,037	565,591
Foreign government securities	1,103,049	995,307	1,102,824	995,071
Private debts securities				
- Money market	-	31,880	-	-
- Other quoted securities	38,946	10,038	-	-
Shares, warrants and trust units quoted in Malaysia	471,506	419,444	198,510	121,656
Floating rate notes				
- Quoted in Malaysia	419,566	511,661	289,528	231,007
- Quoted outside Malaysia	889,109	723,483	888,050	723,483
Shares quoted outside Malaysia	62,601	43,987	26,049	19,869
	5,882,990	6,896,322	3,548,900	3,585,087

(ii) Indicative market value of unquoted securities:

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Malaysian government treasury bills	318,501	1,243,732	313,529	1,243,732
Cagamas notes	473,180	1,707,555	393,221	1,707,555
Bank Negara Malaysia bills	1,517,344	1,691,766	1,517,344	1,691,766
Foreign government treasury bills	429,292	377,175	387,335	293,286
Private and Islamic debt securities	3,650,075	2,844,248	2,142,860	888,277
Danaharta bonds	385,795	232,622	177,922	53,427
Danamodal bonds	255,067	327,176	46,859	60,201
	7,029,254	8,424,274	4,979,070	5,938,244

(iii) The maturity structure of money market instruments held for investments are as follows:

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	11,312,190	10,085,917	7,233,444	8,133,210
One year to three years	3,854,937	2,280,254	2,131,360	1,253,011
Three years to five years	1,683,043	2,050,362	727,154	606,056
After five years	1,409,533	1,835,856	1,031,144	562,252
	18,259,703	16,252,389	11,123,102	10,554,529

N O T E S T O T H E F I N A N C I A L

7. LOANS AND ADVANCES

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Overdrafts	16,324,708	12,590,763	16,320,094	12,597,818
Term loans				
- fixed rate	3,519,233	3,704,516	3,246,668	3,519,380
- floating rate	68,530,138	54,849,612	55,158,741	42,077,633
Credit card receivables	1,041,324	859,003	783,904	644,968
Bills receivable	540,156	445,451	541,676	440,896
Trust receipts	1,474,908	1,202,027	1,457,604	1,183,989
Claims on customers under acceptance credits	6,796,278	5,933,698	6,745,161	5,861,713
Hire purchase and block discounting receivables	10,606,367	10,080,515	1,497,693	864,201
Floor stocking receivables	95,548	72,854	42,057	26,829
Lease receivables	70,375	54,004	-	-
Factored receivables	21,940	65,038	21,935	25,388
Staff loans	702,580	569,172	612,026	455,746
Housing loans to				
- directors of the Bank	3	76	3	76
- directors of subsidiary companies	1,530	2,166	1,530	1,605
Others	19,767	15,012	-	1,951
	109,744,855	90,443,907	86,429,092	67,702,193
Unearned interest and income	(6,193,880)	(3,460,463)	(3,622,381)	(1,235,135)
Gross loans and advances	103,550,975	86,983,444	82,806,711	66,467,058
Provision for bad and doubtful debts				
- specific	(5,728,153)	(3,512,466)	(4,500,564)	(2,403,849)
- general	(2,947,010)	(3,076,320)	(2,067,209)	(2,285,910)
Interest/income-in-suspense	(2,221,819)	(1,217,060)	(1,664,314)	(773,373)
Net loans and advances	92,653,993	79,177,598	74,574,624	61,003,926

(i) Loans and advances analysed by their economic purposes are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Domestic operations:				
Agriculture	2,138,221	1,094,882	2,061,825	1,021,162
Mining and quarrying	185,430	230,497	155,369	203,119
Manufacturing	13,771,221	10,970,002	13,139,455	10,195,516
Electricity, gas and water	2,517,340	1,988,543	2,505,288	1,958,853
Construction	6,706,487	5,862,929	5,636,326	4,439,419
Real estate	2,304,929	1,212,891	1,963,353	771,301
Purchase of landed properties:				
- Residential	15,790,490	11,982,074	11,895,745	8,974,003
- Non-residential	6,137,958	4,667,792	4,318,438	3,122,982
- Less housing loans sold to Cagamas	(4,303,170)	(2,480,820)	(2,520,350)	(1,392,965)

7. LOANS AND ADVANCES (cont'd)

(i) Loans and advances analysed by their economic purposes are as follows: (cont'd)

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
General commerce	6,505,775	4,861,966	5,778,340	4,335,198
Transport, storage and communication	2,064,730	2,314,977	1,941,821	2,163,796
Finance, insurance and business service	11,960,285	10,487,669	12,312,541	10,071,983
Purchase of securities	7,410,453	6,921,968	4,444,571	3,905,131
Purchase of transport vehicles	7,732,936	6,703,099	42,383	12,636
- Less other loans sold to Cagamas	(1,278,411)	(848,651)	-	-
Consumption credit	3,413,541	2,742,504	2,814,478	2,336,476
Others	4,232,736	2,647,345	3,980,397	2,427,671
	87,290,951	71,359,667	70,469,980	54,546,281
Overseas operations:				
Singapore	9,708,554	9,398,090	9,708,554	9,398,090
Labuan Offshore	3,342,486	3,201,327	-	-
United States of America	488,720	461,059	488,720	461,059
United Kingdom	216,142	308,413	216,142	308,413
Hong Kong	1,345,313	1,155,771	1,345,313	1,155,771
Brunei	335,527	369,368	335,527	369,368
Vietnam	192,793	183,338	192,793	183,338
Cambodia	45,684	44,738	45,684	44,738
Papua New Guinea	24,928	23,192	-	-
Philippines	326,031	228,433	-	-
Indonesia	229,848	250,048	-	-
China	3,998	-	3,998	-
	16,260,024	15,623,777	12,336,731	11,920,777
	103,550,975	86,983,444	82,806,711	66,467,058

(ii) The maturity structure of loans and advances are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Maturity within one year	48,263,964	48,093,378	44,792,239	44,411,607
One year to three years	9,826,276	6,912,688	6,662,659	2,987,793
Three years to five years	9,676,328	8,585,704	5,396,319	4,386,075
After five years	35,784,407	23,391,674	25,955,494	14,681,583
	103,550,975	86,983,444	82,806,711	66,467,058

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7. LOANS AND ADVANCES (cont'd)

(iii) Movements in the non-performing loans and advances (including interest and income receivable) are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Balance at beginning of year	9,579,677	8,885,309	5,961,229	5,368,299
Classified during the year	9,769,348	6,920,888	6,639,441	3,852,289
Recovered/regularised during the year	(5,333,348)	(4,541,165)	(3,457,684)	(2,487,463)
Amount written off	(1,351,944)	(1,607,249)	(506,917)	(720,287)
Transfer of non-performing loans upon acquisitions	3,178,795	118,935	3,056,635	–
Amount sold to Danaharta	–	(217,034)	–	(144,630)
Exchange differences and expenses (credited)/debited to customers' accounts	(67,348)	19,993	5,791	93,021
Balance at end of year	15,775,180	9,579,677	11,698,495	5,961,229
Ratio of net non-performing loans (including loans sold to Cagamas) less specific provision and interest/income-in-suspense	7.74%	5.64%	6.99%	4.29%

(iv) Movements in the provision for bad and doubtful debts and interest/income-in-suspense are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Specific provision				
Balance at beginning of year	3,512,466	3,593,101	2,403,849	2,445,919
Provision made during the year	3,873,838	2,111,876	2,571,394	1,094,411
Amount written back in respect of recoveries	(1,318,804)	(869,880)	(745,385)	(481,969)
Amount written off	(954,003)	(1,281,685)	(326,152)	(618,306)
Amount sold to Danaharta	–	(51,441)	–	(31,847)
Transfer to general provision	(3,404)	(1,827)	(5,054)	–
Transferred upon acquisitions	632,979	56,838	611,321	–
Exchange differences	(14,919)	(44,516)	(9,409)	(4,359)
Balance at end of year	5,728,153	3,512,466	4,500,564	2,403,849

7. LOANS AND ADVANCES (cont'd)

(iv) Movements in the provision for bad and doubtful debts and financing and interest/income-in-suspense are as follows: (cont'd)

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
General provision				
Balance at beginning of year	3,076,320	2,771,735	2,285,910	2,070,088
Provision made during the year	86,801	364,621	-	217,000
Amount written back	(456,760)	(68,764)	(439,855)	-
Transferred upon acquisitions	227,335	10,075	215,326	-
Transfer from specific provision	3,404	1,827	5,054	-
Exchange differences	9,910	(3,174)	774	(1,178)
Balance at end of year	2,947,010	3,076,320	2,067,209	2,285,910
As a percentage of total loans (including loans sold to Cagamas) less specific provision and interest/income-in-suspense				
	2.91%	3.52%	2.61%	3.50%
Interest/income-in-suspense				
Balance at beginning of year	1,217,060	962,390	773,373	642,057
Provision made during the year	1,263,394	1,051,535	777,190	591,504
Amount written back in respect of recoveries	(572,148)	(466,517)	(346,526)	(239,924)
Amount written off	(341,824)	(357,723)	(175,712)	(195,492)
Amount sold to Danaharta	-	(34,225)	-	(22,847)
Transferred upon acquisitions	663,740	63,357	643,377	-
Exchange differences	(8,403)	(1,757)	(7,388)	(1,925)
Balance at end of year	2,221,819	1,217,060	1,664,314	773,373

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8. OTHER ASSETS

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Interest receivable	350,995	481,843	255,761	417,592
Other debtors, deposits and prepayments	1,439,666	1,459,854	652,017	645,647
Foreclosed properties	63,083	16,081	15,039	-
Investment properties	47,086	19,597	-	-
Amount recoverable from Danaharta	-	-	-	-
	1,900,830	1,977,375	922,817	1,063,239
Amount recoverable from Danaharta				
Balance at beginning of year	-	-	-	-
Arising during the year	-	7,924	-	7,924
Transferred upon acquisitions	29,687	-	29,687	-
Provision made during the year	(29,687)	(7,924)	(29,687)	(7,924)
Balance at end of year	-	-	-	-

9. STATUTORY DEPOSITS WITH CENTRAL BANKS

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
With Bank Negara Malaysia	3,008,628	2,318,622	2,269,000	1,586,000
With other Central Banks	318,165	289,438	302,380	269,797
	3,326,793	2,608,060	2,571,380	1,855,797

The non-interest-bearing statutory deposits maintained with Bank Negara Malaysia are in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958, the amounts of which are determined as set percentages of total eligible liabilities. The statutory deposits of the foreign branches and subsidiary companies are denominated in foreign currencies and maintained with their respective Central Banks in compliance with the applicable legislation.

10. INVESTMENT IN SUBSIDIARY COMPANIES

	Bank	
	2001 RM'000	2000 RM'000
Unquoted shares, at cost		
- In Malaysia	1,503,635	1,416,377
- Outside Malaysia	584,315	350,169
	2,087,950	1,766,546

10. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Details of the subsidiary companies are as follows:

Name	Principal Activities	Country of Incorporation	Issued and Paid-Up Share Capital		Effective Interest	
			2001 RM	2000 RM	2001 %	2000 %
Banking						
* P.T. Bank Maybank Indocorp (formerly known as P.T. Bank Maybank Nusa International)	Banking	Indonesia	340,774,000,000 (1)	228,953,500,000 (1)	91.2	87.0
Maybank International (L) Ltd	Offshore Banking	Malaysia	10,000,000 (2)	10,000,000 (2)	100	100
** Maybank (PNG) Limited	Banking and Financial Services	Papua New Guinea	5,000,000 (3)	5,000,000 (3)	100	100
* Maybank Philippines, Incorporated	Banking	Philippines	1,936,952,359 (4)	1,770,356,139 (4)	99.6	60.0
Finance						
Mayban Finance Berhad	Finance Company	Malaysia	551,250,000	551,250,000	100	100
MFSL Limited	Ceased Operations	Singapore	12,000,000 (5)	12,000,000 (5)	100	100
Sifin Berhad (formerly known as SimeFinance Bhd)	Ceased Operations	Malaysia	100,000,000	100,000,000	100	–
Aseamlease Berhad	Leasing	Malaysia	20,000,000	20,000,000	100	72.3
PhileoAllied Credit & Leasing Sdn Bhd	Financing	Malaysia	10,000,000	10,000,000	100	–

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10. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name	Principal Activities	Country of Incorporation	Issued and Paid-Up Share Capital		Effective Interest	
			2001 RM	2000 RM	2001 %	2000 %
Finance						
Aseam Credit Sdn Bhd	Hire Purchase	Malaysia	20,000,000	20,000,000	100	72.3
Mayban Factoring Berhad	Factoring Operations	Malaysia	2,000,000	2,000,000	100	100
Insurance						
Mayban Fortis Holdings Berhad (formerly known as Mayban Assurance Berhad)	Investment Holding	Malaysia	170,570,000	82,000,000	70.0	93.9
Mayban Life Assurance Bhd	Life Insurance	Malaysia	100,000,000	100,000,000	62.0	92.0
Mayban Life International (Labuan) Ltd	Life Insurance	Malaysia	3,500,000 (2)	3,500,000 (2)	43.4	64.0
Mayban General Assurance Berhad (formerly known as UMBC Insurans Berhad)	General Insurance	Malaysia	178,171,233	48,000,000	64.8	75.9
Investment Banking						
Aseambankers Malaysia Berhad	Merchant Banking	Malaysia	50,116,000	50,116,000	70.5	70.5
Mayban Securities (Holdings) Sendirian Berhad	Investment Holding	Malaysia	162,000,000	25,000,000	100	100
Mayban Securities Sendirian Berhad	Stockbroking	Malaysia	124,000,000	20,000,000	100	100
Mayban Discount Berhad	Discount House	Malaysia	45,000,000	45,000,000	91.1	91.1
Mayban Futures Sdn Bhd	Futures Broking and Investment Advisory Services	Malaysia	10,000,000	10,000,000	100	100
** Phileo Allied Securities (Jersey) Limited	Investment Holding	United Kingdom	2 (7)	2 (7)	100	–

10. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name	Principal Activities	Country of Incorporation	Issued and Paid-Up Share Capital		Effective Interest	
			2001 RM	2000 RM	2001 %	2000 %
Investment Banking						
** Phileo Allied Securities (HK) Limited	Stockbroking	Hong Kong	30,000,000 (6)	30,000,000 (6)	100	–
Phileo Allied Securities (UK) Ltd	Dormant	United Kingdom	250,000 (7)	250,000 (7)	100	–
Phileo Allied Securities Inc	Stockbroking	United States	1,650,000 (2)	1,650,000 (2)	100	–
** Phileo Allied Securities (Philippines) Limited	Stockbroking	Philippines	21,875,000 (4)	21,875,000 (4)	100	–
** Budaya Tegas Sdn Bhd	Investment Holding	Malaysia	2	2	100	–
Asset Management/ Trustees/Custody						
Mayban Property Trust Management Berhad	Property Trust Fund Management	Malaysia	5,000,000	5,000,000	100	100
Mayban Management Berhad	Unit Trust Fund Management	Malaysia	4,000,000	4,000,000	92.6	92.6
Mayban International Trust (Labuan) Berhad	Trustee Services	Malaysia	150,000	150,000	100	100
Mayban Offshore Corporate Services (Labuan) Sdn Bhd	Dormant	Malaysia	2	2	100	100
Mayban Trustees Berhad	Trustee Services	Malaysia	500,000	500,000	100	100
Mayban Ventures Sdn Bhd	Venture Capital	Malaysia	10,000,000	10,000,000	91.1	91.1

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10. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name	Principal Activities	Country of Incorporation	Issued and Paid-Up Share Capital		Effective Interest	
			2001 RM	2000 RM	2001 %	2000 %
Asset Management/ Trustees/Custody (cont'd)						
Mayban Venture Capital Company Sdn Bhd	Dormant	Malaysia	2	2	100	100
* RPB Venture Capital Corporation	Venture Capital	Philippines	8,560,000 (4)	8,560,000 (4)	59.8	36.0
Mayban-JAIC Capital Management Sdn Bhd	Investment Advisory and Administration Services	Malaysia	2,000,000	2,000,000	46.5	46.5
Mayban Investment Management Sdn Bhd	Fund Management	Malaysia	5,000,000	5,000,000	88.6	88.6
* Philmay Property Inc	Property Leasing and Trading	Philippines	100,000,000 (4)	100,000,000 (4)	60.0	60.0
Mayban (Nominees) Sendirian Berhad	Nominee Services	Malaysia	31,000	31,000	100	100
Mayban Nominees (Tempatan) Sdn Bhd	Nominee Services	Malaysia	10,000	10,000	100	100
Mayban Nominees (Asing) Sdn Bhd	Nominee Services	Malaysia	10,000	10,000	100	100
Mayban Nominees (Singapore) Pte Ltd	Nominee Services	Singapore	60,000 (5)	60,000 (5)	100	100
Mayban Nominees (Hongkong) Limited	Nominee Services	Hong Kong	3 (6)	3 (6)	100	100
Aseam Malaysia Nominees (Tempatan) Sdn Bhd	Nominee Services	Malaysia	10,000	10,000	70.5	70.5
Aseam Malaysia Nominees (Asing) Sdn Bhd	Nominee Services	Malaysia	10,000	10,000	70.5	70.5

10. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name	Principal Activities	Country of Incorporation	Issued and Paid-Up Share Capital		Effective Interest	
			2001 RM	2000 RM	2001 %	2000 %
Asset Management/ Trustees/Custody (cont'd)						
Mayfin Nominees (Tempatan) Sdn Bhd	Nominee Services	Malaysia	10,000	10,000	100	100
Mayban Securities Nominees Sdn Bhd	Ceased Operations	Malaysia	10,000	10,000	100	100
Mayban Securities Nominees (Tempatan) Sdn Bhd	Nominee Services	Malaysia	10,000	10,000	100	100
Mayban Securities Nominees (Asing) Sdn Bhd	Nominee Services	Malaysia	10,000	10,000	100	100
MFSL Nominees Pte Ltd	Nominee Services	Singapore	60,000 (5)	60,000 (5)	100	100
AFMB Nominees (Tempatan) Sdn Bhd	Nominee Services	Malaysia	10,000	10,000	100	100
PhileoAllied Bank (Malaysia) Berhad	Investment Holding	Malaysia	704,000,000	704,000,000	100	–
Anfin Berhad	Dormant	Malaysia	106,000,000	106,000,000	100	100
AlliedBan Nominees (Tempatan) Sdn Bhd	Dormant	Malaysia	40,000	40,000	100	–
AlliedBan Nominees (Asing) Sdn Bhd	Dormant	Malaysia	10,000	10,000	100	–
PhileoAllied Property Holding Sdn Bhd	Dormant	Malaysia	2,000,000	2,000,000	100	–

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10. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name	Principal Activities	Country of Incorporation	Issued and Paid-Up Share Capital		Effective Interest	
			2001 RM	2000 RM	2001 %	2000 %
Asset Management/ Trustees/Custody (cont'd)						
PhileoAllied Trustee Berhad	Dormant	Malaysia	150,000	150,000	100	–
** Maysec (Ipoh) Sdn Bhd (formerly known as Phileo Allied Securities Sdn Bhd)	Dormant	Malaysia	100,000,000	100,000,000	100	–
** Maysec Nominees (Asing) Sdn Bhd (formerly known as Phileo Allied Nominees (Asing) Sdn Bhd)	Dormant	Malaysia	2	2	100	–
** Maysec Nominees (Tempatan) Sdn Bhd (formerly known as Phileo Allied Nominees (Tempatan) Sdn Bhd)	Dormant	Malaysia	2	2	100	–
Mayban Pacific Nominees (Asing) Sdn Bhd (formerly known as Pacific Nominees (Asing) Sdn Bhd)	Dormant	Malaysia	2	2	100	–
Mayban Pacific Nominees (Tempatan) Sdn Bhd (formerly known as Pacific Nominees (Tempatan) Sdn Bhd)	Dormant	Malaysia	10,000	10,000	100	–
Mayban P.B. Holdings Sdn Bhd (formerly known as P.B. Holdings Sdn Bhd)	Property Investment	Malaysia	1,000,000	1,000,000	100	–
Mayban Property (PNG) Limited	Property Investment	Papua New Guinea	2 (3)	2 (3)	100	–

* Audited by firms affiliated with Arthur Andersen & Co.

** Audited by firm of auditors other than Arthur Andersen & Co.

(1) Indonesia Rupiah (IDR)

(2) US Dollars (USD)

(3) PNG Kina (Kina)

(4) Philippines Peso (Peso)

(5) Singapore Dollars (SGD)

(6) Hong Kong Dollars (HKD)

(7) Pound Sterling (£)

S T A T E M E N T S - 3 0 J U N E , 2 0 0 1 (C O N T ' D)

11. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unquoted shares, at cost	10,271	6,180	8,840	6,180
Exchange differences	1,817	1,840	-	-
Share of post-acquisition reserves	5,933	5,346	-	-
	18,021	13,366	8,840	6,180
Represented by:				
Share of net tangible assets	17,043	13,366		
Goodwill on acquisition	978	-		
	18,021	13,366		

Details of the associated companies are as follows:

Name	Effective Interest		Country of Incorporation	Principal Activities
	2001	2000		
Computer Recovery Centre Sdn Bhd	45%	45%	Malaysia	Computer disaster recovery services
Uzbek Leasing International A. O.	35%	35%	Uzbekistan	Leasing
Philmay Holdings Inc	33%	33%	Philippines	Investment Holding
Baiduri Securities Sdn Bhd	39%	-	Brunei	Stockbroking

12. PROPERTY, PLANT AND EQUIPMENT

Group	* Properties RM'000	Office Furniture, Fittings, Equipment and Renovations RM'000	Computers and Peripherals RM'000	Electrical and Security Equipment RM'000	Motor Vehicles RM'000	Buildings in- Progress RM'000	Total RM'000
Cost							
Balance at 1 July, 2000	889,298	427,784	558,696	94,626	48,511	189,764	2,208,679
Additions	56,590	74,540	129,457	17,420	9,837	161,016	448,860
Addition upon acquisitions	88,956	105,998	148,141	14,802	8,425	-	366,322
Disposals/write-offs	(143,662)	(22,500)	(53,907)	(5,360)	(9,208)	-	(234,637)
Transfers	150,438	3,855	(27)	1,622	-	(157,785)	(1,897)
Translation differences	5,937	2,589	(991)	590	66	-	8,191
Balance at 30 June, 2001	1,047,557	592,266	781,369	123,700	57,631	192,995	2,795,518

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12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	* Properties RM'000	Office Furniture, Fittings, Equipment and Renovations RM'000	Computers and Peripherals RM'000	Electrical and Security Equipment RM'000	Motor Vehicles RM'000	Buildings in- Progress RM'000	Total RM'000
Accumulated Depreciation							
Balance at 1 July, 2000	147,846	340,866	455,604	83,234	38,907	-	1,066,457
Charge for the year	16,984	72,614	87,381	5,977	8,177	-	191,133
Addition upon acquisitions	6,607	55,457	116,208	9,510	5,892	-	193,674
Disposals/write-offs	(1,445)	(18,006)	(50,096)	(3,345)	(7,715)	-	(80,607)
Translation differences	2,315	3,756	377	508	(56)	-	6,900
Balance at 30 June, 2001	172,307	454,687	609,474	95,884	45,205	-	1,377,557
Net Book Value							
At 30 June, 2001	875,250	137,579	171,895	27,816	12,426	192,995	1,417,961
At 30 June, 2000	741,452	86,918	103,092	11,392	9,604	189,764	1,142,222
Depreciation charge for 2000	14,971	41,676	52,598	4,291	5,816	-	119,352

* Properties consist of:

Group	Freehold Land RM'000	Buildings on Freehold Land RM'000	Leasehold Land		Buildings on Leasehold Land		Total RM'000
			Less Than 50 Years RM'000	50 Years Or More RM'000	Less Than 50 Years RM'000	50 Years Or More RM'000	
Cost							
Balance at 1 July, 2000	96,868	437,102	9,501	82,054	44,242	219,531	889,298
Additions	838	899	-	4,198	48,858	1,797	56,590
Addition upon acquisitions	15,208	56,129	790	3,043	13,298	488	88,956
Disposals/write-offs	(13,957)	(63,160)	(210)	(1,001)	(3,612)	(61,722)	(143,662)
Transfers	3,303	8,030	-	17,733	-	121,372	150,438
Translation differences	(437)	(917)	(9)	(558)	9,299	(1,441)	5,937
Balance at 30 June, 2001	101,823	438,083	10,072	105,469	112,085	280,025	1,047,557

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12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold Land RM'000	Buildings on Freehold Land RM'000	Leasehold Land		Buildings on Leasehold Land		Total RM'000
			Less Than 50 Years RM'000	50 Years Or More RM'000	Less Than 50 Years RM'000	50 Years Or More RM'000	
Accumulated Depreciation							
Balance at 1 July, 2000	–	87,822	2,362	7,218	11,217	39,227	147,846
Charge for the year	–	8,696	205	1,158	1,413	5,512	16,984
Addition upon acquisitions	–	4,713	59	301	1,486	48	6,607
Disposals/write-offs	–	(814)	–	(94)	–	(537)	(1,445)
Translation differences	–	206	70	1,574	3,248	(2,783)	2,315
Balance at 30 June, 2001	–	100,623	2,696	10,157	17,364	41,467	172,307
Net Book Value							
At 30 June, 2001	101,823	337,460	7,376	95,312	94,721	238,558	875,250
At 30 June, 2000	96,868	349,280	7,139	74,836	33,025	180,304	741,452
Depreciation charge for 2000	–	7,541	188	831	1,419	4,992	14,971
Bank							
	* Properties RM'000	Office Furniture, Fittings, Equipment and Renovations RM'000	Computers and Peripherals RM'000	Electrical and Security Equipment RM'000	Motor Vehicles RM'000	Building in-Progress RM'000	Total RM'000
Balance at 1 July, 2000	672,150	276,448	416,387	77,593	25,682	107,623	1,575,883
Additions	8,724	16,830	99,416	1,925	3,513	78,106	208,514
Addition upon acquisitions	32,801	87,717	131,591	13,910	6,419	–	272,438
Disposals/write-offs	(328)	(8,181)	(8,462)	(140)	(1,608)	–	(18,719)
Transfers	–	5,028	(27)	448	–	(5,449)	–
Translation differences	7,502	5,310	1,079	490	473	–	14,854
Balance at 30 June, 2001	720,849	383,152	639,984	94,226	34,479	180,280	2,052,970
Accumulated Depreciation							
Balance at 1 July, 2000	129,535	218,998	342,628	71,249	21,277	–	783,687
Charge for the year	12,160	48,109	66,364	2,722	3,742	–	133,097
Addition upon acquisitions	2,021	41,243	102,132	8,760	4,054	–	158,210
Disposals/write-offs	(84)	(7,802)	(7,584)	(134)	(1,334)	–	(16,938)
Translation differences	2,154	5,827	1,156	562	312	–	10,011
Balance at 30 June, 2001	145,786	306,375	504,696	83,159	28,051	–	1,068,067

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12. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	* Properties RM'000	Office Furniture, Fittings, Equipment and Renovations RM'000	Computers and Peripherals RM'000	Electrical and Security Equipment RM'000	Motor Vehicles RM'000	Buildings in- Progress RM'000	Total RM'000
Bank							
Net Book Value							
At 30 June, 2001	575,063	76,777	135,288	11,067	6,428	180,280	984,903
At 30 June, 2000	542,615	57,450	73,759	6,344	4,405	107,623	792,196
Depreciation charge for 2000	11,915	28,212	39,686	2,887	3,172	–	85,872

* Properties consist of:

	Freehold Land RM'000	Buildings on Freehold Land RM'000	Leasehold Land Less Than 50 Years RM'000	50 Years Or More RM'000	Buildings on Leasehold Land Less Than 50 Years RM'000	50 Years Or More RM'000	Total RM'000
Bank							
Balance at 1 July, 2000	67,513	326,346	7,679	69,688	38,484	162,440	672,150
Additions	–	–	–	–	8,356	368	8,724
Addition upon acquisitions	11	29,259	–	3,043	–	488	32,801
Disposals/write-offs	–	–	–	–	–	(328)	(328)
Translation differences	(437)	20	(9)	(418)	9,299	(953)	7,502
Balance at 30 June, 2001	67,087	355,625	7,670	72,313	56,139	162,015	720,849
Accumulated Depreciation							
Balance at 1 July, 2000	–	79,951	1,993	6,502	9,382	31,707	129,535
Charge for the year	–	6,841	156	713	1,243	3,207	12,160
Addition from acquisitions	–	1,672	–	301	–	48	2,021
Disposals/write-offs	–	–	–	–	–	(84)	(84)
Translation differences	–	237	70	337	1,226	284	2,154
Balance at 30 June, 2001	–	88,701	2,219	7,853	11,851	35,162	145,786
Net Book Value							
At 30 June, 2001	67,087	266,924	5,451	64,460	44,288	126,853	575,063
At 30 June, 2000	67,513	246,395	5,686	63,186	29,102	130,733	542,615
Depreciation charge for 2000	–	6,530	158	706	1,295	3,226	11,915

13. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Demand deposits	15,260,591	12,780,135	15,362,397	12,495,308
Savings deposits	15,943,060	11,883,089	14,531,987	10,328,786
Fixed deposits	65,187,639	56,327,225	47,382,942	37,086,349
Negotiable instruments of deposits	93,340	876,140	117,200	350,000
	96,484,630	81,866,589	77,394,526	60,260,443

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

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Due within six months	52,350,208	46,419,275	36,926,165	28,152,581
Six months to one year	9,100,090	8,111,785	7,621,152	6,969,690
One year to three years	3,817,398	2,212,791	2,946,624	1,930,343
Three years to five years	13,268	459,510	6,201	383,735
After five years	15	4	-	-
	65,280,979	57,203,365	47,500,142	37,436,349

(ii) The deposits are sourced from the following customers:

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Business enterprises	46,589,218	37,113,239	36,535,772	25,213,122
Individuals	40,168,523	36,229,341	32,977,569	28,936,109
Others	9,726,889	8,524,009	7,881,185	6,111,212
	96,484,630	81,866,589	77,394,526	60,260,443

14. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Licensed banks	11,522,081	14,140,427	9,735,659	12,603,317
Licensed finance companies	832,636	925,655	228,671	346,048
Other financial institutions	6,734,065	5,024,434	2,304,535	2,901,660
	19,088,782	20,090,516	12,268,865	15,851,025

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15. OTHER LIABILITIES

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Interest payable	615,206	570,533	460,996	426,433
Proposed dividends	118,552	218,835	118,552	218,835
Taxation	1,122,221	979,298	805,608	621,446
Deferred taxation (Note 27)	3,887	3,622	-	-
Provision for outstanding claims	240,209	202,544	-	-
Unearned premium reserves	100,333	103,616	-	-
Provision for commitments and contingencies	200	-	-	-
Other creditors, provisions and accruals	1,893,302	1,415,706	1,078,286	585,695
	4,093,910	3,494,154	2,463,442	1,852,409

Movements in provision for commitments and contingencies are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Balance at beginning of year	-	3,620	-	3,620
Provision made during the year	200	-	-	-
Amount written back	-	(3,620)	-	(3,620)
Balance at end of year	200	-	-	-

16. SUBORDINATED OBLIGATIONS

	Group and Bank	
	2001 RM'000	2000 RM'000
USD250 million subordinated notes due in 2005	950,000	950,000
Subordinated bonds due in 2011	610,000	-
	1,560,000	950,000

On 27 September, 1995, the Bank issued USD250 million nominal value Subordinated Notes through its New York Branch. The Notes bear interest of 7.125% per annum payable semi-annually in arrears in March and September each year and are due in September 2005. The Notes will, subject to the prior consent of Bank Negara Malaysia be redeemable in whole but not in part, at the option of the Bank in the event of changes affecting taxation in Malaysia as described under "Terms and Conditions of the Notes - Optional Redemption upon the Imposition of Taxation".

On 16 May, 2001, the Bank issued RM610 million nominal value Subordinated Bonds with a fixed coupon rate of 5.65% per annum payable semi-annually in arrears in November and May each year and are due in May 2011. The Bank may, subject to the prior consent of Bank Negara Malaysia, redeem the Bonds, in whole but not in part, any time on or after the 5th year from Issue Date at 100% of the principal amount together with accrued interest. Should the Bank decide not to exercise its call option on the first permissible call date, then the coupon rate will be stepped up to 6.65% per annum from the beginning of the 6th year to the final maturity date.

16. SUBORDINATED OBLIGATIONS (cont'd)

Both the Notes and Bonds constitute unsecured liabilities of the Bank and are subordinated to the senior indebtedness of the Bank in accordance with the respective terms and conditions of their issues and qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of the Bank.

17. SHARE CAPITAL

	Group and Bank			
	Number of shares			
	2001	2000	2001	2000
	'000	'000	RM'000	RM'000
Ordinary shares of RM1 each:				
Authorised	4,000,000	4,000,000	4,000,000	4,000,000
Issued and fully paid:				
Balance at beginning of year	2,337,975	2,308,661	2,337,975	2,308,661
Shares issued under the Maybank Group Employee Share Option Scheme	14,250	29,314	14,250	29,314
Balance at end of year	2,352,225	2,337,975	2,352,225	2,337,975

During the year, the Bank increased its issued and fully paid-up share capital from RM2,337,975,214 to RM2,352,225,214 by the issue of 14,250,000 new ordinary shares of RM1 each to eligible persons who exercised their options under the Maybank Group Employee Share Option Scheme (ESOS). The issue of 14,250,000 new ordinary shares consists of the following:

- 13,005,400 at the option price of RM4.42 per share;
- 1,056,600 at the option price of RM6.83 per share;
- 185,800 at the option price of RM12.75 per share;
- 600 at the option price of RM16.25 per share;
- 1,000 at the option price of RM14.19 per share; and
- 600 at the option price of RM9.79 per share;

The new shares issued rank pari passu in all respects with the then existing shares of the Bank.

18. RESERVES

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Non-distributable:				
Share premium	244,598	191,749	244,598	191,749
Statutory reserve	2,973,419	2,795,772	2,352,225	2,233,828
Capital reserve	15,250	15,250	-	-
Exchange fluctuation reserve	8,625	98,031	49,896	87,917
	3,241,892	3,100,802	2,646,719	2,513,494

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18. RESERVES (cont'd)

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Distributable:				
General reserve	–	3,291,534	–	2,916,120
Retained profits	4,446,240	1,629,410	3,638,967	985,212
	4,446,240	4,920,944	3,638,967	3,901,332
	7,688,132	8,021,746	6,285,686	6,414,826

The statutory reserve is maintained in compliance with the requirements of Bank Negara Malaysia and the Central Banks of the respective territories in which the Bank and the Group operate and is not distributable as cash dividends.

The capital reserve of the Group arose from the capitalisation of bonus issue in certain subsidiary companies in previous years.

19. INTEREST INCOME

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Loans and advances	6,670,374	6,247,832	4,548,864	4,151,489
Money at call and deposit placements with financial institutions	1,078,821	973,840	925,102	894,412
Dealing securities	25,427	19,684	7,702	571
Investment securities	787,120	800,389	477,666	437,924
Others	30,346	40,741	–	–
	8,592,088	8,082,486	5,959,334	5,484,396
Net (amortisation of premiums)/accretion of discounts	(931)	27,910	(17,935)	(21,475)
Net interest suspended	(670,367)	(544,296)	(421,980)	(327,157)
	7,920,790	7,566,100	5,519,419	5,135,764

20. INTEREST EXPENSE

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Deposits and placements of banks and other financial institutions	891,217	857,140	756,697	665,178
Deposits from other customers	2,767,680	2,650,210	1,881,239	1,762,320
Floating rate certificates of deposit	29,884	35,145	29,884	35,145
Subordinated notes	67,688	67,688	67,688	67,688
Subordinated bonds	4,345	–	4,345	–
Subordinated term loan	–	26,188	–	26,188
Others	164,907	132,768	10,913	16,015
	3,925,721	3,769,139	2,750,766	2,572,534

21. NON-INTEREST INCOME

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commission	271,285	263,300	267,024	255,492
Service charges and fees	252,215	220,827	196,659	180,213
Guarantee fees	81,815	73,080	76,838	66,644
Underwriting fees	8,564	12,371	1,832	597
Brokerage income	23,012	118,776	-	-
Other fee income	41,113	36,758	28,301	22,486
	678,004	725,112	570,654	525,432
Investment income:				
Net gain from sale of dealing securities	22,107	28,114	15,620	9,601
Net gain from sale of investment securities	131,810	140,434	93,340	55,634
Net gain on sale of subsidiary companies	232,492	-	257,389	-
	386,409	168,548	366,349	65,235
Gross dividends from:				
Dealing securities	245	299	13	-
Investment securities				
- quoted in Malaysia	9,989	6,379	167	133
- quoted outside Malaysia	176	-	-	-
- unquoted	4,822	2,896	2,673	1,509
Subsidiary companies				
- in Malaysia	-	-	268,353	97,868
- outside Malaysia	-	-	-	13,772
Associated companies	-	-	1,350	1,350
	15,232	9,574	272,556	114,632
Provision for diminution in value of investment securities (net)	(278,456)	(48,887)	(150,616)	(25,960)
Other income:				
Foreign exchange profit	150,460	147,128	145,376	133,239
Net premiums written	213,790	162,325	-	-
Rental income	14,376	12,252	16,592	16,161
Gain on disposal of property, plant and equipment	2,628	1,191	612	597
Gain on disposal of foreclosed properties	799	751	-	-
Other operating income	20,586	15,086	15,752	9,695
Other non-operating income	116,727	73,714	20,056	13,246
	519,366	412,447	198,388	172,938
	1,320,555	1,266,794	1,257,331	852,277

N O T E S T O T H E F I N A N C I A L

22. OVERHEAD EXPENSES

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Personnel costs	1,029,580	827,233	791,216	623,680
Establishment costs	436,163	299,599	310,537	221,079
Marketing costs	69,088	67,531	36,250	24,061
Administration and general expenses	583,124	399,386	310,836	245,830
	2,117,955	1,593,749	1,448,839	1,114,650
Included in overhead expenses are:				
Directors' remuneration (Note 23)	8,608	7,157	2,904	2,749
Rental of premises	65,121	55,306	46,862	42,252
Hire of equipment	6,799	5,837	5,026	4,127
Lease of equipment	7,781	7,482	1,469	1,319
Provision for doubtful debts - other debtors	29,383	6,359	-	-
Rental of leasehold land	14	948	-	943
Auditors' remuneration	3,135	3,019	2,079	2,175
Amortisation of trading rights	61	-	-	-
Depreciation of property, plant and equipment (Note 12)	191,133	119,352	133,097	85,872
Loss on disposal of property, plant and equipment	779	-	779	-
Property, plant and equipment written off	2,836	2,260	513	-

23. DIRECTORS' REMUNERATION

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Directors of the Bank:				
Executive directors:				
Salary and other remuneration, including meeting allowance	1,724	1,529	1,538	1,524
Bonuses	632	348	246	348
Benefits-in-kind	100	71	93	71
	2,456	1,948	2,091	1,943
Non-executive directors:				
Fees	602	762	322	304
Other remuneration	958	824	584	573
Benefits-in-kind	45	32	45	32
	1,605	1,618	951	909
Directors of the Subsidiary Companies				
Executive directors:				
Salary and other remuneration, including meeting allowance	3,097	2,759	-	-
Bonuses	720	80	-	-
Benefits-in-kind	147	104	-	-
	3,964	2,943	-	-

23. DIRECTORS' REMUNERATION (cont'd)

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Non-executive directors:				
Fees	221	328	-	-
Other remuneration	654	527	-	-
Benefits-in-kind	114	73	-	-
	989	928	-	-
Total	9,014	7,437	3,042	2,852
Total (excluding benefits-in-kind)	8,608	7,157	2,904	2,749

The remuneration attributable to the Managing Director of the Bank including benefits-in-kind during the year amounted to RM1,072,788 (2000 : RM850,739).

	Bank	
	2001	2000
Number of directors whose remuneration falls into the following bands:		
Number of executive directors		
RM300,001 to RM350,000	1	-
RM500,001 to RM550,000	-	1
RM600,001 to RM650,000	1	-
RM800,001 to RM850,000	-	1
RM1,000,001 to RM1,050,000	1	-
	3	2
Number of non-executive directors		
Below RM50,000	2	-
RM50,001 to RM100,000	5	3
RM100,001 to RM150,000	-	4
RM350,001 to RM400,000	1	-
RM400,001 to RM450,000	-	1
	8	8
Total	11	10

24. LOAN LOSS AND PROVISION

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Provision for bad and doubtful debts:				
- Specific (net)	2,555,034	1,245,270	1,826,009	612,109
- General	(369,959)	309,079	(439,855)	217,000
Bad debts:				
- Written off	19,741	51,924	13,018	43,235
- Recovered	(180,292)	(88,250)	(57,687)	(27,030)
	2,024,524	1,518,023	1,341,485	845,314

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24. LOAN LOSS AND PROVISION (cont'd)

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Provision on amounts recoverable from Danaharta				
- Provision for value impairment during the year	29,687	7,924	29,687	7,924
- Written back on recoveries	(58,962)	-	(58,962)	-
Provision for commitments and contingencies (net)	200	(3,620)	-	(3,620)
	1,995,449	1,522,327	1,312,210	849,618

25. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

The Bank's significant transactions and balances with related companies are as follows:

	Bank	
	2001 RM'000	2000 RM'000
Transactions with subsidiary companies:		
Income:		
Interest on deposits	47,752	88,696
Interest on loans and advances	17,720	14,000
Dividend income	268,353	111,640
Rental of premises	5,520	7,043
Other income	11,643	8,807
	350,988	230,186
Expenditure:		
Interest on deposits	25,666	78,486
Other expenses	17,703	9,049
	43,369	87,535
Purchases from an associated company	3,843,468	4,533,378

The directors are of the opinion that the transactions have been entered into in the normal course of business and have been established on a negotiated basis that are not materially different from that obtainable in transactions with unrelated parties.

Included in the balance sheet of the Bank are amounts due from/(to) subsidiary companies represented by the following:

	Bank	
	2001 RM'000	2000 RM'000
Amounts due from subsidiary companies:		
Current accounts and deposits	2,593,296	1,589,032
Loans and advances	435,540	1,397,930
Interest and other receivable on deposits	135,205	36,157
	3,164,041	3,023,119

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25. SIGNIFICANT RELATED PARTIES BALANCES (cont'd)

	Bank	
	2001	2000
	RM'000	RM'000
Amounts due to subsidiary companies:		
Current accounts and deposits	(1,657,283)	(2,046,361)
Interest payable on deposits	(4,933)	(46,019)
	(1,662,216)	(2,092,380)
Deposits by an associated company	7,450,000	6,400,000

26. TAXATION

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation	643,526	719,841	470,714	482,385
Overseas taxation	66,171	44,815	63,635	41,511
	709,697	764,656	534,349	523,896
Share of tax in associated companies	794	812	-	-
	710,491	765,468	534,349	523,896
Transfer to/(from) deferred taxation account (Note 27)	265	(46)	-	-
	710,756	765,422	534,349	523,896
Under/(over) provision in respect of prior years	414	(1,897)	-	-
	711,170	763,525	534,349	523,896

The tax charges for the Bank and the Group reflect effective rates that are higher than the statutory rate as certain charges and provisions are not considered deductible for tax purposes.

The Bank has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and tax exempt account to declare its entire retained profits as at 30 June, 2001 as dividends without incurring additional tax liabilities.

27. DEFERRED TAXATION

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of year	3,622	3,403	-	-
Transfer (to)/from income statement (Note 26)	265	(46)	-	-
Acquisition of a subsidiary company	-	265	-	-
Balance at end of year	3,887	3,622	-	-

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27. DEFERRED TAXATION (cont'd)

Deferred taxation is in respect of the following timing differences:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Leases	13,086	8,572	-	-
Depreciation and capital allowances	796	4,364	-	-
	13,882	12,936	-	-

28. DIVIDENDS

	Group and Bank		Dividend Per Share	
	2001 RM'000	2000 RM'000	2001 Sen	2000 Sen
Ordinary interim dividend of 5% (2000 : 5%) less 28% taxation	84,638	84,071	3.6	3.6
Ordinary final dividend of 7% (2000 : 13%) less 28% taxation	118,552	218,835	5.0	9.4
Dividend of 13% (2000 : 9%) less 28% taxation paid on ordinary shares issued under ESOS	797	1,211	9.4	6.5
	203,987	304,117		

29. EARNINGS PER SHARE

Basic earnings per share ("Basic EPS")

Basic EPS of the Bank and the Group are calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the year.

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Net profit for the year (RM'000)	839,641	1,360,405	901,111	1,020,505
Weighted average number of ordinary shares in issue ('000)	2,348,173	2,330,660	2,348,173	2,330,660
Basic earnings per share (sen)	35.8	58.4	38.4	43.8

Diluted earnings per share ("Diluted EPS")

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of the Bank's ESOS.

In a diluted earnings per share calculation, the share options are assumed to have been exercised into ordinary shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual share price of the Bank's shares) based on the monetary value of the subscription rights attached to the outstanding share options. This calculation serves to determine the number of dilutive shares to be added to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to the net profit for the year.

29. EARNINGS PER SHARE (cont'd)

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Net profit for the year (RM'000)	839,641	1,360,405	901,111	1,020,505
Weighted average number of ordinary shares in issue ('000)	2,348,173	2,330,660	2,348,173	2,330,660
Assumed exercise of share options ('000)	24,710	37,794	24,710	37,794
	2,372,883	2,368,454	2,372,883	2,368,454
Fully diluted earning per share (sen)	35.4	57.4	38.0	43.1

30. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank and its subsidiary companies 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.

Risk weighted exposures of the Bank and its subsidiary companies as at 30 June are as follows:

Group	2001		2000	
	Principal RM'000	Credit Equivalent RM'000	Principal RM'000	Credit Equivalent RM'000
Direct credit substitutes	4,093,571	4,093,571	4,124,320	4,124,320
Certain transaction-related contingent items	4,008,374	2,004,187	3,586,119	1,793,060
Short-term self-liquidating trade related contingencies	5,753,599	1,150,720	2,493,323	498,665
Housing loans and hire purchase sold directly and indirectly to Cagamas Berhad	5,581,581	5,581,581	3,329,470	3,329,470
Obligations under underwriting agreements	1,451,107	725,553	734,567	367,284
Obligations arising out of rediscounting of bankers acceptances	90,730	3,629	86,488	3,460
Irrevocable commitments to extend credit:				
- maturity not exceeding one year	32,284,716	–	30,373,979	–
- maturity exceeding one year	4,574,801	2,287,402	4,285,779	2,142,890
Foreign exchange related contracts:				
- less than one year	14,863,562	239,910	8,473,889	132,364
- one year to less than five years	549,961	38,788	984,379	37,090
Interest rate related contracts:				
- less than one year	391,307	5,043	555,845	18,372
- one year to less than five years	1,987,945	117,624	395,175	37,284
- five years and above	588,911	59,953	961,401	88,564
Miscellaneous	1,645,030	–	2,285,380	–
	77,865,195	16,307,961	62,670,114	12,572,823

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30. COMMITMENTS AND CONTINGENCIES (cont'd)

	2001		2000	
	Principal RM'000	Credit Equivalent RM'000	Principal RM'000	Credit Equivalent RM'000
Bank				
Direct credit substitutes	2,444,990	2,444,990	2,202,651	2,202,651
Certain transaction-related contingent items	3,961,569	1,980,785	3,532,515	1,766,258
Short-term self-liquidating trade related contingencies	5,717,025	1,143,405	2,458,393	491,679
Housing loans and hire purchase sold directly and indirectly to Cagamas Berhad	2,520,350	2,520,350	1,392,965	1,392,965
Obligations under underwriting agreements	456,690	228,345	166,957	83,479
Irrevocable commitments to extend credit:				
- maturity not exceeding one year	30,084,856	–	27,670,541	–
- maturity exceeding one year	3,057,100	1,528,550	2,835,902	1,417,951
Foreign exchange related contracts:				
- less than one year	14,863,562	239,910	8,473,889	132,364
- one year to less than five years	208,235	14,867	813,516	23,421
Interest rate related contracts:				
- less than one year	391,307	5,043	491,521	18,272
- one year to less than five years	1,972,945	116,949	395,175	37,284
- five years and above	588,911	59,953	961,401	88,564
Miscellaneous	1,643,802	–	2,275,842	–
	67,911,342	10,283,147	53,671,268	7,654,888

The Bank and certain subsidiary companies are contingently liable in respect of housing loans sold to Cagamas Berhad on the condition that they undertake to administer the loans on behalf of Cagamas Berhad and to buy back any loans which are regarded as defective based on prudent criteria.

Foreign exchange and interest rate related contracts are subject to market risk and credit risk.

Principal amounts of the foreign exchange related contracts and interest rate related contracts are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Foreign exchange related contracts:				
- Forward contracts	14,732,018	6,354,624	14,732,018	6,354,624
- Cross-currency interest rate swaps	681,505	3,103,644	339,779	2,932,781
Interest rate related contracts:				
- Swaps	2,968,163	1,912,421	2,953,163	1,848,097
	18,381,686	11,370,689	18,024,960	11,135,502

Market risk

Market risk is the potential change in value caused 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.

30. COMMITMENTS AND CONTINGENCIES (cont'd)

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 subsidiary companies have a gain position. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

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

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Market risk				
Amount of contracts which were not hedged and hence, exposed to market risk	120,112	78,884	120,112	78,884
Credit risk				
Amount of credit risk, measured in terms of cost to replace the profitable contracts	50,124	70,889	38,895	40,804

31. CAPITAL AND OTHER COMMITMENTS

(a) Capital expenditure approved by directors but not provided for in the financial statements amounted to:

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for	176,499	133,454	162,767	119,637
Approved but not contracted for	83,436	275,480	18,393	150,096
	259,935	408,934	181,160	269,733

(b) Uncalled capital in shares of subsidiary companies

	–	–	280	280
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(c) Commitments to inject capital into the following subsidiary companies are as follows:

	Group and Bank	
	2001	2000
	RM'000	RM'000
P.T. Bank Maybank Indocorp		
- As shares	–	USD12,550 (RM47,690)
- As subordinated debt	–	USD11,000 (RM41,800)
Maybank Philippines Inc		
- As shares	PHP350,000 (RM26,600)	–

(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.

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31. CAPITAL AND OTHER COMMITMENTS (cont'd)

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Maximum commitments in respect of the investment in ECIC	10,434	11,334	10,434	11,004

32. CAPITAL ADEQUACY

The capital adequacy ratios of the Group and the Bank are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Capital Ratio				
Core capital ratio	9.17%	10.96%	10.03%	12.48%
Risk-weighted capital ratio	13.05%	15.21%	11.61%	14.60%
Tier 1 capital				
Paid-up share capital	2,352,225	2,337,975	2,352,225	2,337,975
Share premium	244,598	191,749	244,598	191,749
Other reserves	7,419,659	7,716,716	5,991,191	6,135,160
Tier 1 minority interest	188,848	141,972	-	-
Total Tier 1 capital	10,205,330	10,388,412	8,588,014	8,664,884
Tier 2 capital				
Subordinated obligations	1,370,000	950,000	1,370,000	950,000
General provisions for bad and doubtful debts	2,947,010	3,076,320	2,067,209	2,285,910
Total Tier 2 capital	4,317,010	4,026,320	3,437,209	3,235,910
Total capital	14,522,340	14,414,732	12,025,223	11,900,794
Less: Investment in subsidiary companies	-	-	(2,087,950)	(1,766,546)
Capital base	14,522,340	14,414,732	9,937,273	10,134,248

The breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
0%	20,345,943	23,942,500	15,175,725	17,855,390
10%	4,525,200	4,425,560	3,019,074	3,463,918
20%	20,891,074	17,462,167	15,518,992	12,792,354
50%	15,521,111	12,201,319	11,683,736	9,259,914
100%	98,865,304	84,686,234	76,338,360	61,859,309
	160,148,632	142,717,780	121,735,887	105,230,885

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33. SEGMENT INFORMATION-GROUP

	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Total Assets Employed RM'000
(a) Analysis by Geographical Location			
2001			
Malaysia	8,680,478	1,481,101	123,635,692
Singapore	737,787	(16,930)	11,658,582
Other locations	654,780	45,781	5,603,017
	10,073,045	1,509,952	140,897,291
2000			
Malaysia	7,472,693	1,937,165	110,335,379
Singapore	758,111	163,050	11,485,006
Other locations	558,086	37,273	5,251,716
	8,788,890	2,137,488	127,072,101
(b) Analysis by Activity			
2001			
Commercial and merchant banking	7,559,317	979,275	115,741,300
Finance company, leasing and factoring operations	1,977,850	477,263	18,967,637
Discount house	193,980	39,915	4,200,650
Insurance	256,711	(5,770)	1,341,031
Stocks and futures broking	41,636	1,722	200,895
Others	43,551	17,547	445,778
	10,073,045	1,509,952	140,897,291
2000			
Commercial and merchant banking	6,379,198	1,415,497	99,404,847
Finance company, leasing and factoring operations	1,885,943	426,029	21,596,377
Discount house	165,512	110,615	4,029,151
Insurance	183,386	60,103	1,138,875
Stocks and futures broking	132,511	81,807	538,961
Others	42,340	43,437	363,890
	8,788,890	2,137,488	127,072,101

34. SIGNIFICANT EVENTS

(a) Acquisition of the Banking Business of The Pacific Bank Berhad

On 1 January, 2001, the Bank acquired the banking business of The Pacific Bank Berhad and the entire issued and paid-up share capital of the following companies for a cash consideration of RM1.298 billion:

- (i) P.B. Holdings Sdn Bhd comprising 1,000,000 ordinary shares of RM1 each.
- (ii) Pacific Nominees (Tempatan) Sdn Bhd comprising 10,000 ordinary shares of RM1 each.
- (iii) Pacific Nominees (Asing) Sdn Bhd comprising 2 ordinary shares of RM1 each.

(b) Acquisition of PhileoAllied Bank (Malaysia) Berhad

On 31 January, 2001, the Group acquired from PhileoAllied Berhad (PAB), the entire issued and paid-up share capital of the following companies:

- (i) Acquired through the Bank for cash consideration of RM1.05 billion:
 - PhileoAllied Bank (Malaysia) Berhad (PABM) comprising 704,000,000 ordinary shares of RM1 each.
 - PhileoAllied Property Holding Sdn Bhd comprising 2,000,000 ordinary shares of RM1 each.
 - PhileoAllied Credit & Leasing Sdn Bhd comprising 10,000,000 ordinary shares of RM1 each.
 - AlliedBan Nominees (Tempatan) Sdn Bhd comprising 40,000 ordinary shares of RM1 each.
 - AlliedBan Nominees (Asing) Sdn Bhd comprising 10,000 ordinary shares of RM1 each.
 - PhileoAllied Trustee Berhad comprising 3,000 ordinary shares of RM1 each.
 - Phileo Allied Options and Financial Futures Sdn Bhd comprising 10,000,000 ordinary shares of RM1 each
 - PhileoAllied Unit Trust Management Bhd comprising 6,500,000 ordinary shares of RM1 each
 - Phileo Asset Management Sdn Bhd comprising 4,600,000 ordinary shares of RM1 each

Subsequently, Phileo Allied Options and Financial Futures Sdn Bhd, PhileoAllied Unit Trust Management Bhd and Phileo Asset Management Sdn Bhd, were reacquired by PAB for RM20 million.

On 1 March, 2001, the assets and liabilities and the banking business of PABM were transferred and vested to the Bank. PABM is intended to be a special purpose vehicle for the sole purpose of carrying out the rescue scheme approved by the Minister of Finance in which PABM has participated since 1995. As at the date of these financial statements, the Bank is in the process of converting and formalising PABM into the special purpose vehicle for this purpose.

34. SIGNIFICANT EVENTS (cont'd)

(b) Acquisition of PhileoAllied Bank (Malaysia) Berhad (cont'd)

(ii) Acquired through Mayban Securities (Holdings) Sendirian Berhad (MSHSB), a wholly owned subsidiary of the Bank, for a cash consideration of RM230 million:

- Phileo Allied Securities (Jersey) Limited comprising 2 ordinary shares of £1 each.
- Phileo Allied Securities (HK) Limited comprising 30,000,000 ordinary shares of HK\$1 each.
- Phileo Allied Securities (UK) Ltd comprising 250,000 ordinary shares of £1 each.
- Phileo Allied Securities (Philippines) Inc comprising 218,750 ordinary shares of Peso100 each.
- Phileo Allied Securities Inc comprising 1 ordinary share of USD0.01 each.
- Budaya Tegas Sdn Bhd comprising 2 ordinary shares of RM1 each. Through this acquisition, MSHSB also acquired a 36% shareholding in Baiduri Securities Sdn Bhd, a company incorporated in Negara Brunei Darussalam.
- Phileo Allied Securities Sdn Bhd comprising 100,000,000 ordinary shares of RM1 each.
- Phileo Allied Nominees (Asing) Sdn Bhd comprising 2 ordinary shares of RM1 each.
- Phileo Allied Nominees (Tempatan) Sdn Bhd comprising 2 ordinary shares of RM1 each.

On 20 April, 2001, the stockbroking business of Phileo Allied Securities Sdn Bhd was vested to Mayban Securities Sendirian Berhad.

(c) Other Acquisitions by the Bank

During the financial year, the Bank

- (i) acquired an additional 39.6% stake in Maybank Philippines Incorporated (MPI) comprising 22,126,407 ordinary shares of Peso35.00 each and 24,294,868 preference shares of Peso3.70 each for a cash consideration of Peso1,412.5 million. As a result, the Bank's equity interest in MPI increased from 60.0% to 99.6%.
- (ii) subscribed for an additional 111,820 new ordinary shares of IDR1,000,000 each, issued for cash at par in P.T. Bank Maybank Indocorp (PBMI) (formerly known as P.T. Bank Maybank Nusa International) raising the issued and paid-up capital of PBMI from IDR228,953,500,000 to IDR340,774,000,000. As a result, the Bank's equity interest in PBMI increased from 87.0% to 91.2%.

34. SIGNIFICANT EVENTS (cont'd)

(d) Acquisitions by Mayban Finance Berhad

Mayban Finance Berhad, a wholly owned subsidiary of the Bank, acquired the entire issued and paid-up share capital of the following:

- (i) Sifin Berhad (formerly known as SimeFinance Berhad) comprising 100,000,000 ordinary shares of RM1 each on 14 August, 2000 for a cash consideration of RM79.6 million. The finance business of SimeFinance Berhad was vested to Mayban Finance Berhad on 30 September, 2000.
- (ii) Aseamlease Berhad comprising 20,000,000 ordinary shares of RM1 each on 30 May, 2001 for a cash consideration of RM50.5 million.

(e) Transfer within the Group

During the year, the Bank transferred its equity interest in Mayban Futures Sdn Bhd, made up of 10,000,000 ordinary shares of RM1 each to Mayban Securities (Holdings) Sendirian Berhad (MSHSB), a wholly owned subsidiary company, satisfied by an allotment of 7,000,000 ordinary shares of RM1 each issued at par to the Bank. As a result, Mayban Futures Sdn Bhd became a direct subsidiary of MSHSB.

(f) Strategic Partnership with Fortis International N.V. and Restructuring of the Group's Insurance Business

As part of the strategic partnership with Fortis International N.V. (Fortis) and the rationalisation of the insurance business of the Group, the following transactions occurred:

- (i) On 12 October, 2000, the Bank acquired the remaining 6.1% equity interest in Mayban Assurance Berhad (MAB) from minority shareholders, comprising 5,000,000 ordinary shares of RM1 each, for a cash consideration of RM29.1 million. As a result, MAB became a wholly owned subsidiary company.
- (ii) On 2 February, 2001, the assets and liabilities of MAB were transferred to its subsidiary company, Mayban General Assurance Berhad (MGAB) (formerly known as UMBC Insurans Berhad) for RM380.1 million, satisfied by the issuance of 130,171,233 new ordinary shares of RM1 each in MGAB. Subsequent to the transfer, MAB's equity interest in MGAB increased from 80.81% to 94.83%.
- (iii) On 2 February, 2001, MAB acquired 88,570,000 ordinary shares of RM1 each in Mayban Life Assurance Bhd (MLA) from the Bank for a cash consideration of RM88,570,000. Subsequent to the acquisition, MAB holds 88.57% equity interest in MLA.
- (iv) On 28 June, 2001, the Bank disposed of 2,764,054 ordinary shares of RM1 each in MGAB arising from a dividend in specie declared by MAB to Fortis. The shares disposed of represent 2.22% equity interest in MGAB.

On 28 June, 2001, the Bank also disposed of 51,171,000 and 3,430,000 ordinary shares of RM1 each in MAB and MLA respectively to Fortis. The shares disposed of represent 30% and 3.43% equity interest in MAB and MLA respectively. Subsequent to the disposal, the Bank holds 70% equity interest in MAB and none in MLA respectively.

The above disposals of MAB, MLA and MGAB to Fortis were for a cash consideration of RM343,883,370.

34. SIGNIFICANT EVENTS (cont'd)

(f) Strategic Partnership with Fortis International N.V. and Restructuring of the Group's Insurance Business (cont'd)

(v) Subsequent to the disposal of MAB to Fortis, MAB became the holding company of the insurance business and was renamed as Mayban Fortis Holdings Berhad.

(vi) Following the approval by Bank Negara Malaysia, MGAB entered into negotiation to acquire the general insurance business of Safety Insurance Berhad. The negotiation on this transaction is still ongoing.

(g) Establishment of Offshore Business Unit (OBU) Branch in Bahrain

On 19 May, 2001, the Bank's application for an OBU branch licence in Bahrain was approved by the Bahrain Monetary Agency. The Bank will proceed with the necessary registration with the Directorate of Commerce and Companies' Affairs at the Ministry of Commerce and Industry, Bahrain.

(h) Establishment of Commercial Banking Branch in Shanghai

On 26 July, 2000, the Bank was given a licence by the People's Bank of China to establish a commercial banking branch in Shanghai. The Branch commenced operations on 28 December, 2000.

(i) Appointment of Pelaburan Hartanah Nasional Berhad as Management Company for Mayban Property Trust Fund One.

On 13 October, 2000, the Bank entered into a conditional Sale and Purchase Agreement to acquire 300,000 ordinary shares of RM1 each in Pelaburan Hartanah Nasional Berhad (PHNB) from Permodalan Nasional Berhad, a corporate shareholder of the Bank, for a cash consideration of RM1.

In connection therewith, a conditional approval from the Securities Commission was obtained on 4 May, 2001 for the appointment of PHNB as the management company for Mayban Property Trust Fund One (MPTFO). MPTFO is a property trust fund currently managed by Mayban Property Trust Management Berhad, a wholly owned subsidiary of the Bank.

(j) Acquisition of Kewangan Bersatu Berhad (KBB) by Mayban Finance Berhad (MFB)

The acquisition of KBB by MFB is in the process of being finalised. As at the end of the financial year, MFB is managing the operations of KBB under a Management Agreement entered into between MFB and KBB on 30 March, 2000.

N O T E S T O T H E F I N A N C I A L

35. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS)

BALANCE SHEETS AS AT 30 JUNE, 2001

	Note	Group		Bank	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
ASSETS					
Cash and short-term funds	(a)	1,116,360	1,457,540	1,302,442	1,195,602
Deposits and placements with banks and other financial institutions	(b)	299,272	70,738	197,581	40,783
Dealing securities	(c)	135,879	–	–	–
Investment securities	(d)	2,326,252	1,175,824	1,578,656	280,549
Loans and advances	(e)	6,409,411	3,656,970	4,667,212	2,050,261
Other assets		71,402	55,166	21,438	26,321
		10,358,576	6,416,238	7,767,329	3,593,516
LIABILITIES					
Deposits from customers	(f)	7,869,274	5,022,334	6,165,688	2,908,182
Deposits and placements of banks and other financial institutions	(g)	1,195,692	799,568	412,076	233,806
Obligations on securities sold under repurchased agreements		65,754	300	65,754	300
Bills and acceptances payable		425,373	32,257	470,694	32,257
Other liabilities		467,990	373,629	397,514	262,502
		10,024,083	6,228,088	7,511,726	3,437,047
Islamic banking fund	(h)	334,493	188,150	255,603	156,469
		10,358,576	6,416,238	7,767,329	3,593,516
COMMITMENTS AND CONTINGENCIES	(l)	1,948,904	762,206	1,758,637	685,985

The accompanying notes form part of these balance sheets.

INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2001

	Note	Group		Bank	
		2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Income	(i)	306,351	187,166	170,525	93,162
Loan loss and provision	(j)	(82,933)	(49,180)	(26,147)	(20,069)
Net income		223,418	137,986	144,378	73,093
Overhead expenses	(k)	(12,887)	(30,578)	(12,249)	(8,915)
Profit before taxation and zakat		210,531	107,408	132,129	64,178
Taxation		(71,646)	(41,058)	(45,200)	(19,499)
Zakat		(2,042)	(1,033)	(295)	(70)
Profit after taxation and zakat		136,843	65,317	86,634	44,609
Retained profits brought forward		165,150	99,833	146,469	101,860
Retained profits carried forward	(h)	301,993	165,150	233,103	146,469

The accompanying notes form part of these financial statements.

35. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (cont'd)

(a) CASH AND SHORT-TERM FUNDS

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	1,116,360	1,457,540	1,302,442	1,195,602

(b) DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Licensed banks	113,900	35,200	90,300	35,200
Licensed finance companies	46,091	1,055	–	–
Other financial institutions	139,281	34,483	107,281	5,583
	299,272	70,738	197,581	40,783

(c) DEALING SECURITIES

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Unquoted:				
Islamic debt securities	135,879	–	–	–
Indicative value of unquoted securities:				
Islamic debt securities	135,950	–	–	–

(d) INVESTMENT SECURITIES

	Group		Bank	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Money market instruments:				
Unquoted:				
Malaysian government investment certificates and issues	610,173	368,897	410,331	84,118
Islamic debt securities	664,205	567,760	288,182	57,418
Islamic accepted bills	304,267	91,013	125,229	91,013
Bank Negara Malaysia Bills	600,764	–	600,764	–
Negotiable Islamic certificate of deposit	154,150	–	154,150	–
	2,333,559	1,027,670	1,578,656	232,549
Quoted:				
Cagamas Mudharabah bonds	–	48,000	–	48,000
	2,333,559	1,075,670	1,578,656	280,549

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35. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (cont'd)

(d) INVESTMENT SECURITIES (cont'd)

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Other unquoted securities:				
Commercial bills, bonds and notes	–	101,956	–	–
	2,333,559	1,177,626	1,578,656	280,549
Amortisation of premium less accretion of discounts	6,693	10,198	–	–
	2,340,252	1,187,824	1,578,656	280,549
Provision for diminution in value of Islamic debt securities	(14,000)	(12,000)	–	–
	2,326,252	1,175,824	1,578,656	280,549
Indicative market value of unquoted securities:				
Cagamas Mudharabah bonds	–	48,000	–	48,000
Bank Negara Malaysia bills	600,870	–	600,870	–
	600,870	48,000	600,870	48,000

The maturity structure of money market instruments held for investment are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Maturing within one year	1,300,582	411,211	1,043,096	228,025
One year to three years	728,076	317,715	410,331	–
Three years to five years	243,805	282,759	125,229	38,740
After five years	61,096	165,941	–	13,784
	2,333,559	1,177,626	1,578,656	280,549

(e) LOANS AND ADVANCES

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Overdrafts	315,678	232,237	315,678	232,237
Term financing	7,969,703	2,840,947	6,975,911	2,227,797
Trust receipts	72,761	121,916	72,760	31,462
Hire purchase receivables	1,704,772	1,679,240	–	–
Other financing	910,085	886,617	828,275	735,880
	10,972,999	5,760,957	8,192,624	3,227,376

35. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (cont'd)

(e) LOANS and ADVANCES (cont'd)

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unearned income	(4,340,189)	(1,912,362)	(3,424,918)	(1,119,098)
Gross loans and advances	6,632,810	3,848,595	4,767,706	2,108,278
Provision for bad and doubtful debts				
- Specific	(99,616)	(103,919)	(30,780)	(27,442)
- General	(79,406)	(46,560)	(52,265)	(22,060)
Income-in-suspense	(44,377)	(41,146)	(17,449)	(8,515)
Net loans and advances	6,409,411	3,656,970	4,667,212	2,050,261

(i) Loans and advances analysed by concepts are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Al-Bai' Bithaman Ajil	4,094,832	1,462,498	3,870,142	1,341,936
Al-Ijarah	1,327,909	1,290,743	-	-
Al-Murabahah	896,178	766,234	896,178	766,234
Other principles	313,891	329,120	1,386	108
	6,632,810	3,848,595	4,767,706	2,108,278

(ii) Loans and advances analysed by their economic purposes are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Agriculture	515,249	48,687	510,496	48,510
Manufacturing	693,340	536,727	691,855	511,148
Electricity, gas and water	695,996	85,097	695,758	79,322
Construction	353,906	280,064	348,513	251,688
Real estate	13,522	5,032	10,399	5,032
Purchase of landed properties:				
- Residential	1,872,980	674,503	1,648,291	555,075
- Non-residential	339,518	233,279	202,847	112,155
General commerce	183,270	100,213	180,947	100,213
Transport, storage and communication	176,509	165,435	165,488	160,616
Finance, insurance and business service	72,720	61,084	71,873	24,350
Purchase of securities	208,578	271,202	147,658	207,321
Purchase of transport vehicles	1,363,477	1,320,645	80	-
Consumption credit	113,066	57,139	66,134	43,452
Others	30,679	9,488	27,367	9,396
	6,632,810	3,848,595	4,767,706	2,108,278

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35. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (cont'd)

(e) LOANS AND ADVANCES (cont'd)

(iii) The maturity structure of loans and advances are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Maturing within one year	1,544,826	1,110,405	1,415,252	1,090,970
One year to three years	240,472	212,955	91,308	5,309
Three years to five years	580,030	488,943	95,198	104,380
After five years	4,267,482	2,036,292	3,165,948	907,619
	6,632,810	3,848,595	4,767,706	2,108,278

(iv) Movements in the non-performing loans and advances (including income receivables) are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Balance at beginning of year	313,805	232,303	116,001	38,675
Classified during the year	335,701	253,001	92,879	88,657
Transfer of non-performing loans upon acquisitions	16,236	-	15,726	-
Recovered/regularised during the year	(210,865)	(162,636)	(37,047)	(10,004)
Amount written off	(78,023)	(8,863)	(955)	(1,327)
Balance at end of year	376,854	313,805	186,604	116,001

(v) Movements in the provision for bad and doubtful debts and income-in-suspense are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Specific Provision				
Balance at beginning of year	103,919	59,770	27,442	13,285
Provision made during the year	134,357	85,736	27,310	19,946
Transferred upon acquisitions	13,450	-	6,268	-
Amount written back in respect of recoveries	(98,691)	(35,591)	(29,712)	(4,883)
Amount written off	(53,419)	(5,996)	(528)	(906)
Balance at end of year	99,616	103,919	30,780	27,442
General provision				
Balance at beginning of year	46,560	38,903	22,060	17,060
Provision made during the year	31,000	9,331	28,500	5,000
Transferred upon acquisitions	1,846	-	1,705	-
Amount written off	-	(1,674)	-	-
Balance at end of year	79,406	46,560	52,265	22,060

35. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (cont'd)

(v) Movements in the provision for bad and doubtful debts and income-in-suspense are as follows: (cont'd)

Income-in-suspense

Balance at beginning of year	41,146	18,532	8,515	2,302
Provision made during the year	45,978	36,897	14,924	10,071
Transferred upon acquisitions	1,169	-	716	-
Amount written back in respect of recoveries	(25,099)	(13,323)	(6,240)	(3,437)
Amount written off	(18,817)	(960)	(466)	(421)
Balance at end of year	44,377	41,146	17,449	8,515

(f) DEPOSITS FROM CUSTOMERS

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Demand deposits	1,241,706	685,588	1,241,706	685,588
Savings deposits	860,640	509,371	750,553	428,729
General investment deposits	5,742,037	3,793,111	4,148,538	1,759,601
Special investment deposits	24,891	34,264	24,891	34,264
	7,869,274	5,022,334	6,165,688	2,908,182

(i) The maturity structure of general and special investment deposits are as follows:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Due within six months	5,173,377	3,644,264	3,694,812	1,675,865
Six months to one year	580,459	165,583	472,093	111,437
One year to three years	9,763	16,094	5,000	5,945
Three years to five years	3,329	1,434	1,524	618
	5,766,928	3,827,375	4,173,429	1,793,865

(ii) The deposits are sourced from the following customers:

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Business enterprises	3,491,408	2,295,969	2,429,712	811,112
Individuals	1,586,936	1,133,240	1,203,613	732,880
Others	2,790,930	1,593,125	2,532,363	1,364,190
	7,869,274	5,022,334	6,165,688	2,908,182

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35. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (cont'd)

(g) DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Licensed banks	539,837	747,913	363,465	196,167
Licensed finance companies	30,257	5,247	-	-
Other financial institutions	625,598	46,408	48,611	37,639
	1,195,692	799,568	412,076	233,806

(h) ISLAMIC BANKING FUND

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Funds allocated from Head Office	32,500	23,000	22,500	10,000
Retained profits	301,993	165,150	233,103	146,469
	334,493	188,150	255,603	156,469

(i) INCOME FROM THE OPERATIONS OF IBS

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Income derived from investment of depositors' funds	538,927	340,152	325,350	183,566
Income attributable to depositors:				
- Other customers	(171,906)	(107,146)	(120,995)	(60,766)
- Banks and financial institutions	(54,233)	(37,905)	(25,715)	(21,107)
Income attributable to the Group/ Bank:	312,788	195,101	178,640	101,693
Other IBS income	14,316	5,762	12,638	5,166
Other IBS expenses	(20,753)	(13,697)	(20,753)	(13,697)
	306,351	187,166	170,525	93,162

35. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (cont'd)

(i) INCOME FROM THE OPERATIONS OF IBS (cont'd)

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

	Group		Bank	
	Depositor's funds RM'000	IBF RM'000	Depositor's funds RM'000	IBF RM'000
2001				
Income from financing	504,944	–	299,860	–
Investment income:				
Gain from sale of dealing securities	8	–	–	–
Gain/(loss) from sale of investment securities	4,921	715	(225)	–
Gross dividend from investment securities	29,792	–	25,238	–
Provision for diminution in value of investment securities	(2,000)	–	–	–
Fee income:				
Commission	784	–	–	–
Service charges and fees	443	6,990	443	6,990
Other fee income	35	6,348	34	5,648
Other non-operating income	–	263	–	–
	538,927	14,316	325,350	12,638
2000				
Income from financing	307,698	–	167,280	–
Investment income:				
Gain from sale of investment securities	11,312	378	–	–
Gain from sale of dealing securities	112	–	–	–
Gross dividend from investment securities	26,953	–	15,911	–
Provision for diminution in value of investment securities	(6,962)	–	–	–
Fee income:				
Commission	–	3,167	–	3,167
Service charges and fees	348	1,999	348	1,999
Other fee income	691	147	27	–
Other non-operating income	–	71	–	–
	340,152	5,762	183,566	5,166

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35. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (cont'd)

(j) LOAN LOSS AND PROVISION

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Provision for bad and doubtful debts:				
- Specific (net)	35,666	50,145	(2,402)	15,063
- General	31,000	9,331	28,500	5,000
Bad debts:				
- Written off	16,307	(10,213)	56	6
- Recovered	(40)	(83)	(7)	-
	82,933	49,180	26,147	20,069

(k) OVERHEAD EXPENSES

	Group		Bank	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Personnel costs	6,849	4,954	6,580	4,954
Establishment costs	2,583	3,928	2,509	1,676
Marketing costs	442	197	441	186
Administration and general expenses	3,013	21,499	2,719	2,099
	12,887	30,578	12,249	8,915

(l) COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank and its subsidiary companies 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.

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

Group	2001		2000	
	Principal RM'000	Credit Equivalent RM'000	Principal RM'000	Credit Equivalent RM'000
Direct credit substitutes	42,015	42,015	4,259	4,259
Certain transaction-related contingent items	77,090	38,545	41,555	20,777
Short-term self-liquidating trade related contingencies	52,420	10,484	8,477	1,695
Housing loans and hire purchase sold directly and indirectly to Cagamas Berhad	141,812	141,812	65,960	65,960
Irrevocable commitments to extend credit:				
- maturing within one year	924,932	-	367,126	-
- maturing after one year	560,890	280,445	138,571	69,286
Miscellaneous	149,745	-	136,258	-
	1,948,904	513,301	762,206	161,977

35. THE OPERATIONS OF ISLAMIC BANKING SCHEME (IBS) (cont'd)

(I) COMMITMENTS AND CONTINGENCIES (cont'd)

	2001		2000	
	Principal RM'000	Credit Equivalent RM'000	Principal RM'000	Credit Equivalent RM'000
Bank				
Direct credit substitutes	42,015	42,015	4,259	4,259
Certain transaction-related contingent items	77,090	38,545	41,555	20,777
Short-term self-liquidating trade related contingencies	52,420	10,484	8,477	1,695
Housing loans and hire purchase sold directly and indirectly to Cagamas Berhad	141,812	141,812	65,960	65,960
Irrevocable commitments to extend credit:				
- maturing not exceeding one year	813,817	-	322,415	-
- maturing exceeding one year	481,738	240,869	107,061	53,531
Miscellaneous	149,745	-	136,258	-
	1,758,637	473,725	685,985	146,222

36. LIFE FUND BALANCE SHEET AS AT 30 JUNE, 2001

	Group	
	2001 RM'000	2000 RM'000
ASSETS		
Cash and short-term funds	52,614	3,635
Deposits and placements with banks and other financial institutions	291,412	182,280
Investment securities	568,700	335,868
Loans and advances	15,829	-
Other assets	100,595	134,103
Property, plant and equipment	17,234	6,207
Total life business assets	1,046,384	662,093
LIABILITIES		
Other liabilities	81,305	56,291
Total life business liabilities	81,305	56,291
Life policyholders' funds	965,079	605,802
	1,046,384	662,093

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE, 2001 (CONT'D)

37. COMPARATIVE FIGURES

The comparative figures have been audited by a firm of public accountants other than Arthur Andersen & Co.

The following balance sheets comparative figures of the Group and the Bank have been reclassified to conform with current year's presentation:

	Group		Bank	
	As amended	As previously	As amended	As previously
	RM'000	reported	RM'000	reported
		RM'000		RM'000
ASSETS				
Cash and short-term funds	16,191,825	16,195,460	13,038,751	13,038,751
Deposits and placements with banks and other financial institutions	5,657,904	5,840,184	5,235,991	5,235,991
Investment securities	18,541,662	18,525,301	11,918,578	11,566,349
Loans and advances	79,197,598	79,826,134	61,003,926	61,606,462
Other assets	1,977,375	2,111,478	1,063,239	1,063,239
Property, plant and equipment	1,142,222	1,148,429	792,196	792,196
Life fund assets	662,093	-	-	-
LIABILITIES				
Bills and acceptances payable	5,434,048	5,667,843	5,365,290	5,599,086
Other liabilities	3,494,154	4,172,759	1,852,409	1,868,921
Life fund liabilities	56,291	-	-	-
Life policy holders' funds	605,802	-	-	-

The comparative figures of the Group have been reclassified as the life fund assets, liabilities and policyholders' funds have been presented separately.

38. CURRENCY

All amounts are in Ringgit Malaysia unless otherwise stated.

Jailani Abdul Rahman
37, Recruitment Consulting Manager.

HEAD OF HIS DEPARTMENT.
LIKES DOING EVERYTHING HIMSELF.
ENJOYS WORKING HARD. LOVES HIS JOB.
DISLIKES WASTING TIME.

PICKED UP GOLF RECENTLY.

STILL ENJOYS HIS JOB.
LOVES GOLF TOO.

NOW APPRECIATES EFFICIENCY.
JUST LIKE GOLF.

STILL DISLIKES WASTING TIME.
EXCEPT WHEN PLAYING GOLF.

Jailani is someone who enjoys working hard, but has since learnt to be more efficient. He knows now the extra time he saves can be put to better use, like improving his golf.

Maybank2u.com's Online Bill Payment service is like that, so you too, can get your bills paid more quickly and more efficiently so you can get more out of your life.

And paying your bills has never been easier. At the click of a mouse, you have your transactions done in no time. No more queues. No more traffic jams. No more hassles. And you can do it 24 hours a day, 7 days a week. Anytime. Anywhere.

You can now pay your Telekom, Tenaga, Maxis, Astro, credit cards... and hundreds of other bills online, all in one place. And with more partners joining us, you can be assured that paying your bills will be even more convenient.

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