



2004

The Banker Award for "Bank of the Year" in Malaysia

Asiamoney Award for Best Bank in Cash Management in Malaysia

Euromoney Annual Islamic Finance Award – Best Provider of Islamic Financial Services in Asia

Euromoney Annual Islamic Finance Award to Aseambankers Malaysia Berhad for Best Islamic Wholesale Financial Services Provider

Silver Award under the Singapore H.E.A.L.T.H. Awards 2003 organised by the Health Promotion Board, in recognition to organisations with excellent workplace health promotion programmes

KLSE Corporate Sectoral Award in the Finance sector of the Main Board

Malaysian Business Corporate Governance Merit Award

MasterCard's Asia Pacific Market Leadership Awards: GOLD Best MasterCard Electronic Card (Maybank Money Gift Card, Singapore)
PLATINUM Best Commercial Card (Maybank Business Card, Singapore)

Euromoney Award for Excellence to Aseambankers Malaysia Berhad for being "Best at Islamic Bonds"

Kuala Lumpur Stock Exchange (KLSE) Corporate Excellence Award

The Edge-Lipper Award for Mayban Balanced Trust Fund (No. 1 position in Mixed Asset Balanced Funds)

2003

The Banker Award for "Bank of the Year" in Malaysia

Euromoney Award for Excellence – Best Islamic Retail Bank

2002

Global Finance Award for Best Consumer Internet Bank in Malaysia

Global Finance Award for Best Consumer Online Securities Trading in Asia Pacific

Global Finance Award for Best Foreign Exchange Bank in Malaysia

Kuala Lumpur Stock Exchange (KLSE) Corporate Excellence Award



Arts Supporter Award from the National Arts Council of Singapore

Best of e-Commerce Interactive Marketing Innovations – Asia Pacific ICT Awards [MSC-APICTA] 2002

2001

Best Internet Application Website@My 2001

Global Finance – Best Internet Bank in Malaysia

Euromoney Award for Excellence – Best Bank in Malaysia

The Asset Asian Awards – Best Malaysian Bank

Investor Relations Magazine Asia 2001 Awards – Best Investor Relations By A Malaysian Company

“Risk Manager of the Year” from the Malaysian Association of Risk and Insurance Management for the Mayban Assurance Berhad – UMBC Insurans Integration Team

Arts Supporter Award from the National Arts Council of Singapore

2000

Euromoney Award for Excellence – Best Domestic Bank in Malaysia

The Banker Award for “Bank of the Year” in Malaysia

Euromoney Awards for Excellence to Aseambankers Malaysia Berhad for the “Best Domestic Bond House in Malaysia” and “Best Domestic Equity House in Malaysia”

Crystal Award to Mayban Finance Berhad for Best Community Relations from the Institute of Public Relations Malaysia (IPRM)

1999

Global Finance Award for Best Domestic Bank in Malaysia

Asia Industry Award to Mayban Life Assurance – Life Insurance Company of the Year





1998

Finance Asia Award for Best Domestic Commercial Bank

Asiamoney Award for being voted one of the Best Managed Companies in Malaysia

Asiamoney Award for Malaysia's Commercial Bank of the Year

Asian Institute of Management Award for "General Management"

1996

Euromoney Award for Excellence – Best Domestic Bank in Malaysia for increasing profitability and a healthy return on equity

1993

Euromoney Award for Excellence – Best Bank in Malaysia for its impressive profitability and innovation

1997

Asian Banking Digest Award – Winner for outstanding progress in regional expansion

Asiamoney Award for the Best Managed Company in Malaysia

Asiamoney Award for being voted one of the Best Managed Companies in Malaysia

1992

Asian Institute of Management Award for "Information Technology Management"

1995

Euromoney Award for Excellence – Best Domestic Bank in Malaysia for its impressive return on equity

1991

"IT Organisation of the Year" from Association of the Computer Industry Malaysia (PIKOM)

Awards and Recognitions

September 2003

Maybank was conferred the prestigious Friend of the Arts Award by the National Arts Council of Singapore in recognition of the Bank's valuable contributions towards the promotion and organisation of arts activities in the Republic.



October 2003

Maybank was once again awarded the Silver Award under the Singapore H.E.A.L.T.H. Awards 2003 organised by the Health Promotion Board. The Award gives recognition to organisations with excellent workplace health promotion programmes.



January 2004

Maybank was named the Best Provider of Islamic Financial Services in Asia while its merchant banking unit, Aseambankers Malaysia Berhad received the award for Best Islamic Wholesale Financial Services Provider from Euromoney Magazine in its annual Islamic Finance Awards 2004.

February 2004

Maybank received the KLSE Corporate Sectoral Award 2003 in the Finance sector of the Main Board.



May 2004

Maybank Singapore received two awards in MasterCard's Asia Pacific Market Leadership Awards: GOLD-Best MasterCard Electronic Card (Maybank Money Gift Card, Singapore) and PLATINUM-Best Commercial Card (Maybank Business Card, Singapore).

June 2004

Maybank received the "Malaysian Business Corporate Governance Merit Award".



Key Corporate Events



July 2003

Maybank sponsored the first Malay Financial Planning conference in Singapore. Mr Tharman Shanmugaratnam, Senior Minister of State, Ministry of Education and Trade and Industry was the Guest of Honour at the conference.

Aseambankers signed an agreement to become the Principal Adviser & Lead Arranger for the RM1.3 billion Nominal Value Medium Term Notes Issuance Programme with YTL Power Generation Sdn Bhd.



Aseambankers lead arranged the RM870.0 million Al-Bai' Bithaman Ajil Fixed Rate Financing Facility for United Engineers (Malaysia) Berhad.

August 2003

Maybank signed an IT outsourcing agreement with CSC Computer Sciences Sdn Bhd and CSC Computer Services Pte Ltd (CSC Group) to leverage on the expertise and services of a global IT service provider that will enhance benefits and value to Maybank Group and its customers. The agreement with CSC Group is for a 10-year period that involves outsourcing Maybank Group IT infrastructure services in Malaysia and Singapore.



The new Mayban Securities Gallery was officially launched by Dato' Mohammed Azlan Hashim, Executive Chairman of Bursa Malaysia. The one-stop stock broking centre is located at MaybanLife Tower, Dataran Maybank in Bangsar, Kuala Lumpur which is the Head Office of Mayban Securities. It contains a public gallery with a large 33 sq metre panel digital board offering maximum visibility of the stock quotes of Bursa Malaysia, including the buying and selling prices, volume transactions and general snapshots of the day's trading activities.



August 2003 (cont'd.)

Mayban Unit Trust Berhad acquired an innovative IT-based Integrated Unit Trust System (IUTS) that would provide real-time straight-through processing for MUTB's activities as well as seamless integration with the Maybank Group's systems, giving a faster turnaround time in processing a customer's investment transaction.

Maybank Cards Business Group was awarded the ISO 9001:2000 Certification for "Processing of Applications and Issuance of Credit Cards".

Maybank Group announced a 20.3% rise in net profit to RM1.996 billion for the year ended 30 June 2003 from RM1.659 billion in the corresponding period last year. Group pre-tax profit was RM2.619 billion, an 11.3% increase from the RM2.352 billion recorded last year.



September 2003

The Minister of Finance & National Economy Bahrain, His Excellency Abdulla Hassan Saif and Minister of Finance II Malaysia, Dato' Dr Jamaludin Jarjis jointly officiated the launch of Maybank Offshore Banking Unit in Manama, Bahrain.

Maybank hosted a conference on "Financial Stability in the Challenging Global Environment", held in conjunction with the 44th Board of Directors meeting

and 22nd Annual General meeting of the Asian Pacific Bankers Club (APBC) in Kuala Lumpur. The conference was launched by the Governor of Bank Negara Malaysia, Tan Sri Dato' Sri Dr Zeti Akhtar Aziz. Maybank is the only Malaysian bank in APBC. The Club was formed in 1980 to promote cooperation and cultivate friendship among member banks located in the Asian Pacific region.



October 2003

Maybank held its 43rd Annual General Meeting of shareholders at Sheraton Imperial Hotel, Kuala Lumpur.

Mayban Securities acted as Joint Lead Manager for the Domestic Institutional offering of ASTRO All Asia Networks Plc (ASTRO). ASTRO is among the 15 largest stocks on Bursa Malaysia, and has been included in the MSCI and FTSE All-World indices.

Key Corporate Events

**November 2003**

Maybank Singapore became the first QFB Bank to make an entry in the high density, mature housing estate of Ang Mo Kio. To celebrate the official opening of this branch, Maybank partnered the Central Singapore Community Development Council, Yio Chu Kang Zone 4 Resident's Committee to organise a community Project Central Singapore Pay It Forward (PIF) 2003. PIF is about an individual doing another a favour without expecting anything in return.

Maybank Group announced a net profit of RM501.2 million for the quarter ended September 2003, a 31.5% increase against the RM381.1 million registered in the previous corresponding quarter ended September 2002.

December 2003

Maybank Singapore launched its newly renovated Holland Village Branch on the second anniversary of its QFB status.

March 2004

Maybank further extended its footprint to the densely populated Singapore heartland with our Marine Parade Branch.

**April 2004**

Maybank signed an agreement with Signet Share Registration Services Sdn Bhd for the provision of e-Dividend services via its cash management portal, Maybank2e.net. Under the agreement, Maybank would, among others, take over the the processing and issuing of dividend payment for selected companies in which Signet acts as registrar. Signet is one of the largest share registrars in the country and acts for over 200 public listed companies.

Maybank conducted a series of seminars on Integrated Risk Management and the implementation of Basel II in Hanoi and Ho Chi Minh City, Vietnam. About 60 officials from the State Bank of Vietnam as well as various other State-owned and private Vietnamese banks attended the seminars.

April 2004 (cont'd.)

Aseambankers successfully completed the corporate advisory exercise in relation to the acquisition of BBMB Securities Sdn Bhd and the ECM Libra Group, by ECM Libra Berhad (formerly known as South Peninsular Industries Berhad) for an aggregate purchase consideration of RM522.29 million.

May 2004

In conjunction with the Malaysia-China Friendship Year to commemorate the 30th anniversary of the establishment of diplomatic ties between China and Malaysia, Maybank organised and sponsored a seminar on Investment Opportunities in China. The seminar, held at Menara Maybank, Kuala Lumpur was attended by senior management of over 70 Malaysian corporations.

The Chairman of Maybank, Tan Sri Mohamed Basir bin Ahmad was conferred an Honorary Doctorate Degree in Commercial Sciences from Oklahoma State University, in recognition of his outstanding contributions to the banking industry of Malaysia and support of community services.



June 2004

Maybank signed an agreement with IBM Malaysia for the implementation of the Group's Branch Sales & Service System (BSS) to facilitate and enhance its customer relationship management. As the systems integrator, IBM would provide an integrated platform solution to incorporate the Customer Relationship Management, Wealth Management and Point-of-Sales for the Insurance Fulfillment Module of the BSS System.

Mayban General Assurance was appointed by the Ministry of Human Resource as one of the authorised insurers to underwrite the Foreign Workers Compensation scheme.

Innovative Products and Services

August 2003

Mayban Securities became one of the first brokers in Malaysia to introduce a new product called T+10 margin financing that allows up to 10 days contra settlement. This product offers the longest settlement period to clients in the Malaysian market.

Mayban Unit Trust Berhad launched the Mayban 1st Capital Guarantee Trust Fund (M1CGTF). M1CGTF is a closed-end unit trust fund that guarantees the investment capital as well as offers capital returns to investors upon maturity. It has an approved fund size of RM150 million or 300 million units at 50 sen each.

September 2003

Mayban Takaful launched a new product called Motor Takaful.



October 2003

Maybank introduced a new payment system for corporations which offers them a convenient way of making their SOCSO contributions via Maybank's enterprise financial portal, Maybank2e.net. Maybank's collaboration with Pertubuhan Keselamatan Sosial (Social Security Organisation or SOCSO) is to provide an alternative payment channel to corporations for their SOCSO contributions as well as to support SOCSO's initiatives in promoting the usage of internet technology to increase productivity and efficiency.



Maybank2u.com expanded its online bill payment service to include payee corporations from Sarawak State Government agencies and private organisations.

Maybank, in collaboration with Public Services Department (PSD), introduced the online repayment of study loan via Maybank2u.com. Students with loans from PSD can now make their repayments conveniently via the internet using Maybank2u.com, in addition to the other existing channels.



October 2003 (cont'd.)

Maybank Group and TM Net Sdn Bhd introduced the tmnet prepaid online service via Maybank2u.com and Kawanku ATMs. The service allows customers to purchase tmnet prepaid reloads and to top-up their internet access time via Maybank2u.com and Kawanku ATMs nationwide.

Maybank Singapore introduced the first Business Debit Card in Asia Pacific. The Maybank Business Debit Card, bearing MasterCard's logo, is targeted at small business start-ups in the republic. Enterprising new entrepreneurs with no track records will now be able to own a Gold card for their business travel and entertainment needs. Those who qualify can also apply for credit facilities for their working capital to jump-start their business venture.



November 2003

Maybank Singapore introduced the Touch 'n Go Card Reload service at its ATMs in the republic to facilitate the convenience of more than 55,000 vehicle owners who commute via the Johor Bahru causeway and Second Link daily.

December 2003

Maybank launched the Maybank American Express Credit Card, offering the combined strength, convenience and rewards from two leading and highly reputable institutions. With the Maybank American Express Credit Card, card members can obtain access to American Express' exclusive "Membership Privileges" program as well as an array of distinctive value-added travel benefits.

Maybank Group launched Premier Education Plan, a participating endowment savings plan that covers all the basic needs for education purposes.



Innovative Products and Services



January 2004

Maybank became the first bank to issue a multi-purpose electronic Prepaid Card in Singapore, the Maybank Money Gift card.



February 2004

Maybank became the first bank in Malaysia to introduce an Autocredit Dividend Payment facility to shareholders via its enterprise cash management portal, Maybank2e.net. Companies with a shareholding structure that require dividend payment distributions to shareholders as well as registrars managing dividend payments could now benefit from e-Dividend, the new web-based dividend payment service offered on Maybank2e.net.

Mayban Unit Trust Berhad launched the Premier Capital Guarantee 3 (PCG3) Fund, a specially designed closed-end investment plan that offered a minimum guaranteed return of 15.92% at the end of its 5-year tenure period. The Fund size was RM300 million.

March 2004

Mayban Unit Trust Berhad launched a new equity-based fund, Mayban SmallCap Trust Fund (MSCTF) with an approved fund size of 200 million units or RM100 million.

April 2004

Mayban Unit Trust Berhad launched its first Islamic bond fund, Mayban Dana Arif (MDA), with an approved size of 400 million units or a value of RM200 million. The Fund invests in a diversified portfolio of Islamic debt securities permissible under the Syariah principles.



May 2004

Mayban Unit Trust Berhad launched Premier Capital Guarantee 5 Fund (PCG5), which offered investors full return on initial capital investment plus a minimum guaranteed return of 3% per annum upon maturity. PCG5 is a closed-end fund with a size of RM200 million.

Maybank became the first Malaysian bank to introduce a new enhanced online security feature known as Transaction Authorisation Code (TAC) for customers performing online banking transactions at Maybank2u.com. TAC is a unique 6-digit code that would be compulsory for specific online transactions at Maybank2u.com in addition to the customer's username and password.

Maybank launched an enhanced housing loan package in Brunei, called MaxiHome Plus. The enhancements comprise two new facilities – the re-mortgage and redraw facilities plus other additional benefits namely processing fee waiver and legal fee subsidy.

Rewarding Our Customers

July 2003

Maybank launched a new rewards programme for its Visa cardholders in Brunei. Under the new reward programme, cardholders will collect MayDollar reward points for any purchases charged to their Maybank Visa Card. They will also enjoy free personal accident coverage or life insurance coverage among many other benefits.



August 2003

Winners of Maybank2u.com Paybills "Be Where You Want To Be" contest and Premier Mudharabah Account (PMA) "Win A Holiday" contest received their prizes in the form of travel vouchers worth a total of RM100,000.



October 2003

Five Maybank Mastercard cardholders were rewarded with a Peugeot 307 each for winning the Maybank Credit Card "Five Reasons Why You Should Apply for a Maybank Mastercard" contest. The contest offered prizes worth a total of over RM800,000. The contest held from 12 May to 19 August 2003 also included a total of 216 daily prizes of a Gold Bullion Coin each worth RM1,000.



May 2004

A total of RM375,000 worth of prizes were presented to winners of the Maybank American Express Credit Card "You've Earned It" contest at a ceremony held in Kuala Lumpur. The prizes included an all-expense paid holiday to New Zealand, a spa package at Banyan Tree, Maldives and a beach getaway to Ibiza as well as state-of-the-art high tech gadgets from Sony.



June 2004

Three lucky Maybank Mastercard card members were presented with their prizes in the form of an all expense 3 day/2 night return trip to Portugal as well as RM10,000 credited into their Maybank Mastercard accounts. The Maybank Mastercard UEFA 2004 contest offered these winners a chance to attend the Grand Opening match of UEFA Euro 2004 held in Portugal.



Rewarding Our Employees**August 2003**

The Maybank Group awarded cash incentives worth a total of RM102,000 to 189 children of staff who obtained excellent academic results in their 2002 public examinations.

September 2003

Staff who had served the bank for 20, 30 and 40 years were presented with Long Service Awards by Maybank as an appreciation for their dedication and loyalty.

October 2003

Maybank presented 10-Year Long Service Awards to staff at a special ceremony held in Kuala Lumpur.



Reaching out to the Community



July 2003

Maybank sponsored and hosted an art exhibition by Malaysian artist Din Omar, featuring still life paintings that depicted aspects of Malaysian ceremonies, entitled "Dokumentasi Budaya III".



August 2003

Dato' Seri Dr Mahathir Mohamad, Prime Minister of Malaysia launched a unique art exhibition which Maybank organised and sponsored in conjunction with the National Day celebration, entitled "Images & Voices of Independence". A total of 107 artists displayed artworks depicting their interpretation of independence. Each painting was accompanied by a poem that described the painting and its relation to independence.

In conjunction with the National Day, Maybank Group donated RM200,000 to the Warriors' Day Appeal Fund (Tabung Rayuan Hari Pahlawan) to provide assistance to ex-army personnel as well as their widows and children.



Reaching out to the Community



September 2003

Maybank was the Gold Sponsor for the SMI Recognition Award Series 2003 organised by the SMI Association of Malaysia. This Recognition Award aims to provide recognition to SMI's which have achieved excellence in their industries and contributed to the economic growth of the country.

Maybank sponsored an art exhibition of watercolour paintings entitled "Beautiful Malaysia" by 24 Malaysian artists from the Contemporary Malaysian Watercolourists Association (CMWA).



Aseambankers contributed RM100,000 to Yayasan Budi Penyayang in conjunction with its 30th anniversary celebration. The Chairperson of Yayasan Budi Penyayang, Datin Paduka Seri Endon Mahmood received the contribution at a ceremony held at Menara Maybank, Kuala Lumpur.



October 2003

In conjunction with the Deepavali celebration, Maybank Group contributed RM30,000 in cash and kind to three underprivileged homes – Rumah Karunai Illam (Kepong, Selangor), Rumah Anbu Illam (Ulu Kelang, Selangor) and Rumah Siva Sakthi Samaj (Bukit Beruntung, Selangor).

A total of 55 students pursuing their undergraduate studies at local universities were presented with the Maybank Scholarship Awards worth over RM300,000. The scholarship award is part of Maybank's annual commitment of over RM1.2 million in the form of scholarships and cash incentives for academic excellence.



December 2003

Balai Seni Maybank hosted an art exhibition of 36 abstract artworks by Soh Boon Kiong, a Malaysian artist resident in Japan. Entitled "Poetic Meditation", part of the proceeds from the sales was contributed to the Cancerlink Foundation.



January 2004

Maybank sponsored RM1 million towards the Malaysia Tour de Langkawi world cycling event.

Maybank and Mayban Finance continued its sponsorship of tigers and fish owls at Zoo Negara, Zoo Taiping and Zoo Melaka at a total cost of RM52,500 as part of the efforts in supporting conservation of wildlife in the country.



February 2004

His Excellency Hu Zhengyue, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to Malaysia officially launched an art exhibition, "Feline Beauty & Grace" at Balai Seni Maybank, Kuala Lumpur. The exhibition featured more than 100 paintings by two renowned Beijing artists An Yunji and Sun Yipeng and was held in conjunction with Malaysia-China Friendship Year to commemorate the 30th anniversary of diplomatic relations between the two countries.



Reaching out to the Community



February 2004 (cont'd.)

Maybank2u.com became the Title Sponsor of the Thomas/Uber Cup 2004 Continental Stage Asia. In addition, Maybank2u.com also inked a one-year sponsorship of the national badminton team under the Badminton Association of Malaysia (BAM).

Maybank Group contributed RM21,800 in cash and kind to residents of Selangor King George V Silver Jubilee Home, Kuala Lumpur in conjunction with the Chinese New Year celebration.



March 2004

Maybank Group presented a cheque of RM64,666.49 in aid of victims of the earthquake that hit Bam, Iran in December 2003. The amount was collected from staff and customers through a fund raising campaign which the Group initiated immediately after the disaster. It was handed over by the Chairman of Maybank to His Excellency Mohammad Ghasem Mohebali, Ambassador of The Islamic Republic of Iran to Malaysia. Of this amount, RM25,000 was donated by Maybank from the funds allocated for Hari Raya contribution.



Maybank was one of the sponsors for the production of 39 episodes of a children's educational programme, "Along" aired over RTM at a cost of RM270,000. The programme, coordinated by Permodalan Nasional Berhad (PNB), aims to inculcate an interest in Mathematics and English. Maybank had also been a sponsor of this programme from 1995 to 1998.





April 2004

Balai Seni Maybank hosted an art exhibition entitled "Anugerah & Seni: 3 Generations of Johor Artists" by 25 Johor-born artists. Yang Amat Mulia Raja Zarith Sofiah binti Almarhum Sultan Idris Shah, consort of DYAM Tunku Mahkota Johor officially launched the exhibition.



June 2004

The Maybank Group, through its Maybank Group Welfare Fund (MGWF) donated medical equipment worth RM46,900 to Hospital Pulau Pinang as part of the Fund's annual contribution in support of medical causes. Approximately RM1.6 million has been contributed by MGWF since its establishment in 1990.





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The investment securities portfolio of the Group rose by RM3,572 million or 14.2%. Nearly three-quarters of the increase came from bankers' acceptances and Islamic accepted bills.

ANALYSIS OF SIGNIFICANT BALANCE SHEET DEVELOPMENTS

Assets

For the financial year under review, outstanding assets at the Group and Bank levels rose by 11.5% or RM18.55 billion and 12.5% or RM15.9 billion respectively. In the previous financial year, the corresponding growth rates were 6.8% and 8.5% respectively. Almost 90% of the Group's growth in assets emanated from the expansion of net loans and advances, cash and short-term funds as well as higher holdings of investment securities. As a result, the proportion of interest-generating assets to total assets was maintained at around 94%.

Cash and Short-Term Funds

For both the Bank and Group, there was significant growth in cash and short-term funds of RM6.4 billion or 38.3% and RM5.8 billion or 42.6% respectively. These increases reflect routine balance sheet management activities.





Deposits and Placements with Financial Institutions

Deposits and placements with Financial Institutions for the Group rose by RM1,034 million or 18.3%. This was mainly in respect of increased placements with Bank Negara Malaysia amidst an environment of rising surplus liquidity in the banking system. The Group remained a net lender in the inter-bank market.

Dealing Securities

Holdings of dealing securities at the Group level were reduced by RM477 million or 61.4%. This was across most instruments.

Investment Securities

The investment securities portfolio of the Group rose by RM3,572 million or 14.2%. Nearly three-quarters of the increase came from bankers' acceptances and Islamic accepted bills.



Loans and Advances

The Group's net loans and advances rose by 6.4% while for the Bank, a higher increase of 8.2% was registered. On a gross basis after adjusting for loans written off and those converted to investment securities, the Group and Bank's gross loans growth would have been a higher 7.0% and 8.6% respectively. The Group's overall domestic loans market share was sustained at almost 21%.

About two-thirds of the Bank's growth in gross loans emanated from its domestic operations. Given the strong business franchise and the on-going focus on retail financing, growth for this segment doubled to 15.1% from 7.5% in the previous financial year.

At the Group level, loans granted for the purchase of residential properties accelerated to record an increase of 12.6% from 9.6% the year before. For hire purchase and block discounting receivables, the Group achieved a growth of 10.1%. For card receivables, a growth of 10% was also recorded.

In line with the domestic Government's efforts to increase the contribution of SMEs (small and medium-sized enterprises) to the economy, the Bank continued with its emphasis of lending to this key segment. A higher 15.1% or RM2.4 billion growth was achieved in the financial year ended June 2004.

For the corporates, the process of disintermediation to the capital markets continued. Together with some chunky repayments, outstanding loans to the domestic large enterprises therefore contracted by 4.7%.

In Singapore, the Bank's gross loans expanded by 16% in SGD terms. In line with the focus on retail lending, the major portion or 57.4% of the overall loan growth came from this segment.

Growth in the Group's Islamic financing continued strongly into the year with an expansion of 25.9% or RM3.175 billion (+38.8% from the previous year). The high growth reflects the Group's on-going commitment to support the further development of the Islamic banking sector. The Group's Islamic financing (including financing sold to Cagamas) now accounts for a higher 13.4% of the overall gross loans from 11.3% in June 2003. About 46% of the Group's overall Islamic financing was for mortgage lending. The Group continued to command a dominant market share of 29.3%.



Non-Performing Loans (NPLs)

Gross NPLs of the Group fell by RM763 million or 5.9% to RM12.274 billion. The gross NPL ratio was reduced to 10.3% from 11.5% in June 2003. Net NPL ratio went down further to 6.0% from 6.2% in June 2003 and 7.2% in June 2002. The banking system's net NPL ratio was 8.4% in June 2004. The Group's provision reserve cover before taking into consideration collateral, remained at a healthy 74.4%. This remained much higher than the rest of the banking institutions' average of 48.7%.

Life, General Takaful and Family Takaful Fund Assets

This component of the balance sheet went up by 48.6% or RM857 million to RM2.62 billion. The significant growth was a consequence of the substantial sales of investment-linked products, which is a key 'wealth management product' specially packaged by the Group to meet customer needs.

Total Liabilities

Outstanding liabilities of the Group went up by 11.8% or RM17.4 billion and for the Bank, by 13.0% or RM15.1 billion. For the Group, nearly 80% of the overall increase in liabilities came from customer deposits with another 9.2% coming from obligations on securities sold under repurchase agreements.

Deposits from Customers

The Group's customer deposits grew by RM13.8 billion or 12.6% while for the Bank, it went up by RM10.0 billion or 11.6%. The strong growth was attributable to the Group's extensive physical reach, comprehensive electronic channels, wide-range of services and product features as well as strong branding. As a result, the Group managed to again achieve a high 21.2% growth for Demand Deposits. For Savings Deposits, the Group had a 10.6% growth, higher than the previous financial year's growth of 7.9%.

The Group's overall deposit funding mix continued to improve. For the domestic operations, growth for the 'lower-cost' Savings and Demand deposits accounted for nearly 88% of the increase in traditional deposits. Fixed deposits now constitute only 54.9% of the Group's domestic traditional deposits from 57.9% in June 2003. In contrast, the ratio for the banking system was a much higher 66.6%. As in the past, this strategy to reduce funding away from the higher-cost Fixed deposits is necessary to ensure that the Group continues to have a competitive advantage in pricing. The Group's market share of domestic Savings deposits was 33.8% while for Demand deposits, the market share was 30%.



Deposits and Placements of Financial Institutions

For the Bank, this item grew by RM1.381 billion or 10.8% and was part of routine asset-liability management activities.

Obligations on Securities Sold under Repurchase Agreements (Repos)

For the Group and Bank, outstanding repos had increased by RM1.601 billion or 29.7% and RM1.270 billion or 25.1% respectively. This relatively high growth is testimony to the Group's ability to source funds at competitive rates. For the Bank, the market share of repos outstanding was maintained at almost 18%.

Recourse Obligations on Loans Sold to Cagamas

For the Group, this item saw a decline of RM130 million while for the Bank, it recorded an increase of RM422 million or 18.4%. These movements were part of the Group's routine match-funding strategy.

Commitments and Contingencies

This off-balance sheet item rose by 17.6% or RM13.8 billion for the Group. However, in terms of credit equivalent, the increase was only RM1.375 billion or 10.7%. More than two-thirds of the growth in notional amount of credit-equivalent was from short-term self-liquidating trade contingencies and irrevocable commitment to extend credit with maturity exceeding one year.



ANALYSIS OF THE PROFIT AND LOSS STATEMENT

Net Interest Income

Net interest income of the Group recovered to increase by 5.2% or RM204.6 million in contrast to the 1% decline in the previous year. At the Bank level, an almost similar growth of 5.1% was recorded. In both cases, the growth variances reflect the expansion in the volume of average interest-earning assets and partially offset by the reduction in net interest margins earned.

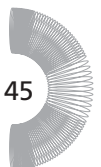
Pressure on interest margins continued into the year. In addition to the full-year's adverse impact of the 40 basis points reduction in the base lending rates for both the Bank's domestic operations and Mayban Finance Bhd in May 2003, competitive pricing especially for retail loans was also a prominent factor.

At the Group level, net interest margin for interest-earning assets declined by 3 basis points to 2.93%. In the previous year, the Group's net interest margin had declined by 19 basis points. For the Bank, the decrease in net interest margin had also tapered off to 6 basis points compared with the larger reduction of 10 basis points in the previous year. In contrast, the net interest margin of Mayban Finance Bhd had improved by 14 basis points. The strong focus placed on collections and preventive measures had resulted in a reduction of the finance subsidiary's NPLs.

For the Bank, measures pursued to mitigate the pressure on margins had also yielded positive results. On-going recovery and remedial management efforts for business loans, a better coordinated and centralised collection and preventive measures undertaken for retail loans as well as a general reduction in new NPLs meant that the Bank was able to reduce the net interest suspended by RM62.3 million or 14.6%. In addition, the active management of the Bank's Treasury fund-based activities had also resulted in higher net interest income earned. The much higher growth recorded for the 'lower-cost' Savings and Demand deposits as well as the move to recycle costlier excess Fixed deposits to unit trusts and other wealth management products meant that savings in funding cost was achieved. Finally, the Bank was also more discerning in pricing new loans, especially for the large enterprises.

Islamic Banking

Net income from the Group's Islamic Banking operations improved by RM138.9 million or 36.3%. At the Bank level, a RM144.4 million or 32.7% increase was recorded. In both cases, the variances closely reflect both the Group and Bank's growth in Islamic Banking assets. The substantial net income growth is after setting aside RM101.6 million provision for Profit Equalisation Reserve (PER) for the Group. As required, banking institutions have to set aside the excess in distributable income over that paid to depositors as Profit Equalisation Reserve. For the Bank, the provision for PER made was RM91.9 million.



Non-Interest Income

As articulated in the past, expansion of the Group's selected non-interest income was an on-going strategy to diversify revenue streams. Overall non-interest income for the Group grew by RM230.7 million or 14.7%. This strong achievement was despite the unexpected turn in the long-term interest yield curve, which necessitated the Group to incur a loss on disposal of some dealing securities. Transactional fee income including profits from foreign exchange and net insurance premiums collectively grew by a substantial 25.5%. Notable increases were recorded for Commissions (+RM80.8 million or 24.9%), Service Charges and Fees (+RM84.9 million or 24.9%), Share brokerage (+RM42.6 million or 165.8%) and Foreign Exchange (+RM116.4 million or 67.2%). These achievements were mainly the result of the on-going emphasis and resources committed to further enhance the Group's strong payment services infrastructure, comprehensive trade-related services, investment and funds management as well as bancassurance.

At the Bank level, non-interest income (excluding dividend income received from Subsidiaries and provision for diminution in value of investment in Subsidiaries) improved by 25.7% or RM284.3 million.

The Group's fee income ratio improved to 28.8% from 26.9% the previous year. Excluding dividends received from Subsidiaries, the Bank's fee income ratio was a higher 30.3% from 27.1% in the previous year.

Overhead Expenses

The Group's overheads went up by 10.9% or RM255.2 million compared with the rise of 7.1% in the previous year. For the Bank, a higher increase of 14.9% or RM257.5 million was registered. In comparison, revenue (defined as net interest income, non-interest income and income from Islamic Banking Scheme operations but excluding dividends received from Subsidiaries) of the Bank rose by 12.1% or RM511.3 million.

The higher growth of 14.9% in overhead costs for the Bank was mainly due to a much higher cost of business acquisitions, marketing/advertising/promotional expenses as well as further investments made for the future such as staff training/development and technology.

For the Group, the cost-to-income ratio went up slightly to 40.2% from 39.9% in the previous year.



Loan and Financing Loss and Provisions

Loan loss and provisions of the Group fell by 45.7% or RM416.4 million while for the Bank, it declined by 44.9% or RM356.8 million. In both cases, the decline was mainly due to lower specific provision charged as well as higher bad debts recovered. For the Group and Bank, specific provision charged was reduced by 27% or RM251 million and 23.2% or RM174.3 million respectively. In the case of bad debts recovered, the increase for the Group and Bank was 64.9% or RM139.7 million and 149.2% or RM140.4 million respectively.

For the Group, specific provision charged, net of bad debts recovered, amounted to only 5.6% of revenue compared with 12.3% in the previous year.

As at June 2004, the Group's outstanding general provision constituted 3.20% of net loans and advances compared with the statutory requirement of 1.5%.

Taxation

The effective tax rate of the Group normalised to 26.5% from 21.5% in the previous year. As disclosed in last year's Report, there was a significant reversal of RM187.2 million in respect of over-provision in prior years.



Statement

of Directors' Responsibility in respect of the Audited Financial Statements

The directors are required by the Companies Act, 1965 and the Bursa Malaysia's Listing Requirements to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Bank 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 accounting standards in Malaysia
- adopted and consistently applied appropriate accounting policies
- made judgements and estimates that are prudent and reasonable

The directors have the responsibility for ensuring that the Group and the Bank keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Bank which will enable them to ensure that the financial statements comply with the Companies Act, 1965 and the Bursa Malaysia's Listing Requirements.

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



Financial Statement

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Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Bank for the financial year ended 30 June 2004.

PRINCIPAL ACTIVITIES

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

The subsidiaries are principally engaged in the businesses of a finance company, merchant bank, general and life insurance (including takaful insurance), stock broking, discount house, leasing and factoring, trustee and nominee services, unit trust management, asset management and venture capital.

There were no significant changes in these activities during the financial year, except for certain subsidiaries as disclosed in Note 12 to the financial statements.

FINANCIAL RESULTS

	Group	Bank
	RM'000	RM'000
Profit after taxation and zakat	2,470,087	2,092,071
Minority interests	(45,576)	—
Net profit for the year	2,424,511	2,092,071

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.

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



DIVIDENDS

The amount of dividends paid by the Bank since 30 June 2003 were as follows:

RM'000

In respect of the financial year ended 30 June 2003 as reported in the directors' report of that year:

Final dividend of 17% less 28% taxation, on 3,600,171,921 ordinary shares approved during the Annual General Meeting on 11 October 2003 and paid on 30 October 2003 (including dividend amounted to RM1,310,549 paid on shares issued on the exercise of options under ESOS and bonus entitlement for shares issued pursuant to the exercise of options under the ESOS)	440,661
---	---------

In respect of the financial year ended 30 June 2004:

Interim dividend of 10% less 28% taxation, on 3,600,171,921 ordinary shares, declared on 20 February 2004 and paid on 29 March 2004	259,212
Special dividend of 25% less 28% taxation, on 3,600,171,921 ordinary shares, declared on 20 February 2004 and paid on 29 March 2004	648,031
	907,243

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 June 2004 of 25% less 28% taxation on 3,600,171,921 ordinary shares, amounting to a dividend payable of RM648,030,946 (18.0 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the next financial year ending 30 June 2005.

MAYBANK GROUP EMPLOYEE SHARE OPTION SCHEME (ESOS)

The Board of Directors recommended a Proposed ESOS on 1 August 2003 after the expiry of the previous ESOS on 22 June 2003. The Proposed ESOS were approved by the Securities Commission (SC) and Bank Negara Malaysia vide their letters dated 17 November 2003 and 19 January 2004 respectively. The Bank later obtained the SC's approval vide its letter dated 17 May 2004 for an extension of time until 31 December 2004 to implement the Proposed ESOS.

The Bank has subsequently on 27 May 2004 proposed to revise, inter-alia, certain terms of the Proposed ESOS to incorporate recent changes to the SC's Policies and Guidelines on Issue/Offer of Securities and the Listing Requirements of Bursa Malaysia Securities Berhad. The revised Proposed ESOS (after incorporating the proposed changes) has been approved by the shareholders subsequent to the financial year end in an Extraordinary General Meeting on 11 August 2004.

Please refer to Note 22 to the financial statements for further details.



SHARE CAPITAL

During the financial year, the Bank increased its issued and fully paid up ordinary share capital from RM3,589,464,821 to RM3,600,171,921 as a result of:

- i) the issuance of 9,596,000 new ordinary shares of RM1 each to eligible persons who exercised their options under the previous Maybank Group Employee Share Option Scheme (ESOS); and
- ii) a bonus issue of 1,111,100 new ordinary shares for every two (2) existing ordinary shares of RM1 each held, being bonus entitlement for shares issued pursuant to the exercise of options under the previous ESOS.

Subsequent to the financial year end on 11 August 2004, the shareholders have approved the resolution for the increase in the authorised ordinary share capital of the Bank from RM4,000,000,000 to RM10,000,000,000 by the creation of an additional 6,000,000,000 new ordinary shares of RM1 each.

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

Datuk Amirsham A Aziz

Dato' Mohammed Hussein

Hooi Lai Hoong

Raja Tan Sri Muhammad Alias bin Raja Muhd. Ali

Mohammad bin Abdullah

Haji Mohd Hashir bin Haji Abdullah

Teh Soon Poh

Datuk Abdul Rahman bin Mohd Ramli

Datuk Megat Zaharuddin bin Megat Mohd Nor (*appointed on 19 July 2004*)

Dato' Mohd Hilmey bin Mohd Taib (*resigned on 12 October 2003*)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Bank or its subsidiary company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Bank or any other body corporate, other than as may arise from the share options granted pursuant to the previous ESOS.



DIRECTORS' BENEFITS (CONT'D.)

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 or the professional fees paid to a related party as disclosed in Notes 31 and 33 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 of the Bank during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			30 June 2004
	1 July 2003	Bought	Sold	
Tan Sri Mohamed Basir bin Ahmad	18,000	—	—	18,000
Datuk Amirsham A Aziz	261,000	—	—	261,000
Dato' Mohammed Hussein	103,400	—	—	103,400
Teh Soon Poh	5,247	—	—	5,247
Hooi Lai Hoong	181,400	—	—	181,400

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.

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	26 April 2004	– Long-term deposits	Baa 1
		– Short-term deposits	P-2
		– Subordinated long-term debts	Baa 1
		– Financial strength rating	C
		– Outlook	Stable



RATING BY EXTERNAL RATING AGENCIES (CONT'D.)

Rating Agency	Date	Rating Classification	Rating Received
Standard & Poor's	31 October 2003	<ul style="list-style-type: none"> – Long-term counterparty – Short-term counterparty – Subordinated notes – Outlook 	<ul style="list-style-type: none"> BBB+ A-2 BBB- Stable
Rating Agency Malaysia Berhad	20 August 2003	<ul style="list-style-type: none"> – Long-term – Short-term – Subordinated bonds 	<ul style="list-style-type: none"> AAA P1 AA1 (Long Term)
Fitch Ratings	19 April 2004	<ul style="list-style-type: none"> – Long-term – Outlook 	<ul style="list-style-type: none"> BBB+ Positive

BUSINESS OUTLOOK

Barring unforeseen circumstances, the Group remains well positioned to capitalise on the strong economy and to further expand its business activities.

OTHER STATUTORY INFORMATION

- (a) Before the balance sheets and income statements of the Group and of the Bank were made out, the directors took reasonable steps:
- (i) to ascertain that proper 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; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Bank which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Bank inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Bank misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate.



OTHER STATUTORY INFORMATION (CONT'D.)

- (d) 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 Group and of the Bank which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Bank which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Bank.
- (f) In the opinion of the directors:
- (i) no contingent liability 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 will or may affect the ability of the Group and of the Bank to meet their obligations as and when they fall due; and
 - (ii) no items or transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Bank for the financial year in which this report is made.

SIGNIFICANT EVENTS

The significant events during the financial year are as disclosed in Note 46 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are as disclosed in Note 47 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

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



Mohamed Basir bin Ahmad



Amirsham A Aziz

Kuala Lumpur, Malaysia
30 August 2004



Statement

By Directors pursuant to Section 169(15) of The Companies Act, 1965

We, **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 accompanying financial statements set out on pages 158 to 308 are drawn up in accordance with applicable approved accounting standards in Malaysia, Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2004 and of the results and the cash flows of the Group and of the Bank for the year then ended.

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



Mohamed Basir bin Ahmad



Amirsham A Aziz

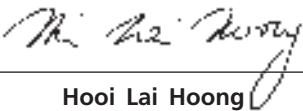
Kuala Lumpur, Malaysia
30 August 2004

Statutory

Declaration pursuant to Section 169(16) of The Companies Act, 1965

I, **Hooi Lai Hoong**, being the director primarily responsible for the financial management of **Malayan Banking Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 158 to 308 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed **Hooi Lai Hoong** at Kuala Lumpur)
in the Federal Territory on 30 August 2004)


Hooi Lai Hoong

Before me,



Liang Hien Tien
Commissioner for Oaths

We have audited the financial statements set out on pages 158 to 308. 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965, Bank Negara Malaysia Guidelines and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Bank as at 30 June 2004 and of the results and the cash flows of the Group and of the Bank 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; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Bank and by its subsidiaries 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 thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 12 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 subsidiaries that have been consolidated with the financial statements of the Bank 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 subsidiaries were not subject to any qualification and in respect of the subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.


Ernst & Young

AF: 0039

Chartered Accountants



Gloria Goh Ewe Gim

No. 1685/04/05(J)

Partner

Kuala Lumpur, Malaysia
30 August 2004



Balance

Sheets as at 30 June 2004

	Note	Group		Bank	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
ASSETS					
Cash and short-term funds	4	23,009,080	16,639,629	19,527,827	13,690,606
Deposits and placements with banks and other financial institutions	5	6,686,790	5,652,279	6,129,488	7,255,939
Securities purchased under resale agreements	6	733,631	585,008	722,892	582,003
Dealing securities	7	299,557	776,636	163,807	96,998
Investment securities	8	28,703,420	25,131,253	22,700,140	18,735,822
Loans, advances and financing	9	109,070,491	102,488,470	86,718,412	80,160,354
Other assets	10	2,076,427	2,048,591	827,980	740,411
Statutory deposits with Central Banks	11	3,644,199	3,321,638	2,855,634	2,621,399
Investment in subsidiaries	12	—	—	1,869,229	1,868,713
Investment in associates	13	18,907	17,301	9,740	9,740
Property, plant and equipment	14	1,382,822	1,419,973	1,036,638	1,036,796
Deferred tax assets	20	1,261,643	1,110,840	989,362	855,546
Life, general takaful and family takaful fund assets	49	2,620,460	1,763,779	—	—
TOTAL ASSETS		179,507,427	160,955,397	143,551,149	127,654,327
LIABILITIES					
Deposits from customers	15	123,365,942	109,534,729	96,868,877	86,837,301
Deposits and placements of banks and other financial institutions	16	14,498,206	13,672,532	14,177,337	12,795,755
Obligations on securities sold under repurchase agreements	8(iv)/9(v)	6,988,031	5,386,572	6,338,687	5,068,578
Bills and acceptances payable		3,319,429	3,150,990	5,746,147	4,092,656
Other liabilities	17	3,173,396	3,097,381	1,815,950	1,647,821
Recourse obligation on loans sold to Cagamas	18	6,532,046	6,661,965	2,711,118	2,289,153
Provision for taxation and zakat	19	932,330	789,646	790,000	642,636
Deferred tax liabilities	20	10,806	8,620	—	—
Subordinated obligations	21	3,004,000	3,004,000	3,004,000	3,004,000



	Note	Group		Bank	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
LIABILITIES (CONT'D.)					
Life, general takaful and family takaful fund liabilities	49	101,491	107,443	—	—
Life, general takaful and family takaful policy holders' funds	49	2,518,969	1,656,336	—	—
TOTAL LIABILITIES		164,444,646	147,070,214	131,452,116	116,377,900
FINANCED BY:					
Share capital	22	3,600,172	3,589,465	3,600,172	3,589,465
Reserves	23	11,023,264	9,895,768	8,498,861	7,686,962
Shareholders' equity		14,623,436	13,485,233	12,099,033	11,276,427
Minority interests		439,345	399,950	—	—
		15,062,781	13,885,183	12,099,033	11,276,427
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		179,507,427	160,955,397	143,551,149	127,654,327
COMMITMENTS AND CONTINGENCIES	37	92,376,859	78,527,072	86,909,280	73,193,802

The accompanying notes form an integral part of the financial statements.



Income

Statements for the year ended 30 June 2004

	Note	Group		Bank	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Operating revenue	25	10,520,920	10,037,610	8,421,445	8,537,869
Interest income	26	7,336,284	7,204,732	5,396,471	5,265,864
Interest expense	27	(3,217,078)	(3,290,117)	(2,401,199)	(2,415,166)
Net interest income		4,119,206	3,914,615	2,995,272	2,850,698
Income from Islamic Banking Scheme operations	48(l)	521,970	383,081	334,675	252,301
		4,641,176	4,297,696	3,329,947	3,102,999
Dividends from subsidiaries		—	—	587,867	1,237,715
Other non-interest income		1,800,718	1,570,038	1,389,782	920,695
Total non-interest income	28	1,800,718	1,570,038	1,977,649	2,158,410
Overhead expenses	29	6,441,894 (2,591,288)	5,867,734 (2,336,117)	5,307,596 (1,986,225)	5,261,409 (1,728,681)
Operating profit		3,850,606	3,531,617	3,321,371	3,532,728
Loan and financing loss and provisions	32	(495,362)	(911,848)	(437,996)	(794,829)
Share of results of associates		3,355,244 3,353	2,619,769 (95)	2,883,375 —	2,737,899 —
Profit before taxation and zakat		3,358,597	2,619,674	2,883,375	2,737,899
Taxation and zakat	34	(888,510)	(563,249)	(791,304)	(682,847)
Profit after taxation and zakat		2,470,087	2,056,425	2,092,071	2,055,052
Minority interests		(45,576)	(59,936)	—	—
Net profit for the year		2,424,511	1,996,489	2,092,071	2,055,052
Earnings per share					
Basic/diluted (sen)	35	67.3	55.9	58.1	57.6
Net dividends per ordinary share (sen)					
Paid					
Interim and special dividends (sen)	36	25.2	32.2	25.2	32.2
Proposed					
Final dividend (sen)	36	18.0	12.2	18.0	12.2

The accompanying notes form an integral part of the financial statements.



Consolidated

Statement of Changes in Equity for the year ended 30 June 2004

	← Non-distributable →				→ Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserves RM'000	Capital Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	
Group							
At 1 July 2002	3,550,181	298,336	3,220,419	15,250	43,800	5,530,307	12,658,293
Currency translation differences	—	—	—	—	(1,718)	—	(1,718)
Adjustment to fair value of net assets acquired	—	—	—	—	—	(6,235)	(6,235)
Goodwill on acquisition written off	—	—	—	—	—	(10,098)	(10,098)
Net accretion from increased interest in subsidiaries	—	—	—	—	—	2,038	2,038
Net losses not recognised in the income statement	—	—	—	—	(1,718)	(14,295)	(16,013)
Net profit for the year	—	—	—	—	—	1,996,489	1,996,489
Transfer to statutory reserves	—	—	525,788	—	—	(525,788)	—
Issue of ordinary shares pursuant to ESOS	30,417	146,336	—	—	—	—	176,753
Bonus issue	8,867	—	—	—	—	(8,867)	—
Dividends (Note 36)	—	—	—	—	—	(1,330,289)	(1,330,289)
At 30 June 2003	3,589,465	444,672	3,746,207	15,250	42,082	5,647,557	13,485,233
At 1 July 2003	3,589,465	444,672	3,746,207	15,250	42,082	5,647,557	13,485,233
Currency translation differences, representing net loss not recognised in the income statement	—	—	—	—	(3,894)	—	(3,894)
Net profit for the year	—	—	—	—	—	2,424,511	2,424,511
Transfer to statutory reserves	—	—	527,991	—	—	(527,991)	—
Issue of ordinary shares pursuant to ESOS	9,596	55,894	—	—	—	—	65,490
Bonus issues	1,111	—	—	—	—	(1,111)	—
Dividends (Note 36)	—	—	—	—	—	(1,347,904)	(1,347,904)
At 30 June 2004	3,600,172	500,566	4,274,198	15,250	38,188	6,195,062	14,623,436

The accompanying notes form an integral part of the financial statements.



Statement

of Changes in Equity for the year ended 30 June 2004

	← Non-distributable →			Distributable		
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained Profits RM'000	Total RM'000
Bank						
At 1 July 2002	3,550,181	298,336	2,599,225	70,447	3,860,182	10,378,371
Currency translation differences, representing net loss not recognised in the income statement	—	—	—	(3,460)	—	(3,460)
Net profit for the year	—	—	—	—	2,055,052	2,055,052
Transfer to statutory reserve	—	—	514,000	—	(514,000)	—
Bonus issues	8,867	—	—	—	(8,867)	—
Issue of ordinary shares pursuant to ESOS	30,417	146,336	—	—	—	176,753
Dividends (Note 36)	—	—	—	—	(1,330,289)	(1,330,289)
At 30 June 2003	3,589,465	444,672	3,113,225	66,987	4,062,078	11,276,427
At 1 July 2003	3,589,465	444,672	3,113,225	66,987	4,062,078	11,276,427
Currency translation differences, representing net gain not recognised in the income statement	—	—	—	12,949	—	12,949
Net profit for the year	—	—	—	—	2,092,071	2,092,071
Transfer to statutory reserve	—	—	523,100	—	(523,100)	—
Bonus issues	1,111	—	—	—	(1,111)	—
Issue of ordinary shares pursuant to ESOS	9,596	55,894	—	—	—	65,490
Dividends (Note 36)	—	—	—	—	(1,347,904)	(1,347,904)
At 30 June 2004	3,600,172	500,566	3,636,325	79,936	4,282,034	12,099,033

The accompanying notes form an integral part of the financial statements.



Cash

Flow Statements for the year ended 30 June 2004

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	3,358,597	2,619,674	2,883,375	2,737,899
Adjustments for:				
Exchange fluctuation	(91,493)	(85,423)	(84,721)	(84,691)
Share of results of associates	(3,353)	95	—	—
Depreciation	180,645	178,865	138,617	127,208
Impairment loss	237	346	—	—
Net gain on disposal of property, plant and equipment	(7,509)	(12,785)	(7,593)	(11,439)
Gain on disposal of foreclosed properties	1,051	(1,203)	(73)	—
Amortisation of premiums less accretion of discounts of investment securities	67,746	44,756	93,494	57,629
(Writeback of provision)/provision for diminution in value of investment securities	(20,961)	(17,959)	(16,146)	661
Provision for diminution in value of investment in subsidiaries	—	—	—	184,660
Loan and financing loss and provision	855,644	1,127,264	677,174	888,954
Provision for doubtful debts for other assets	6,474	21,083	1,655	7,921
Interest/income-in-suspense	452,433	563,568	364,115	426,404
Dividend income	(21,744)	(41,027)	(603,824)	(1,255,223)
Property, plant and equipment written off	849	1,131	145	219
Provision for commitments and contingencies	691	—	—	—
Profit Equalisation Reserve	101,559	65,549	91,939	42,372
Transfer of life, general takaful and family takaful fund surplus	(5,000)	(25,000)	—	—
Operating profit before working capital changes	4,875,866	4,438,934	3,538,157	3,122,574
Increase in securities purchased under resale agreements	(148,623)	(67,483)	(140,889)	(64,378)
(Increase)/decrease in deposits and placements with banks and other financial institutions	(1,034,511)	(1,460,946)	1,126,451	(1,692,127)
Decrease/(increase) in dealing securities	477,079	846,546	(66,809)	(58,601)
Increase in loans, advances and financing	(7,890,098)	(8,726,144)	(7,599,347)	(6,468,465)
(Increase)/decrease in other assets	(35,361)	36,302	(89,151)	(5,019)



	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)				
(Increase)/decrease in statutory deposits with Central Banks	(322,561)	235,149	(234,235)	255,219
Increase in deposits from customers	13,831,213	6,820,897	10,031,576	4,698,221
Increase/(decrease) in deposits and placements of banks and other financial institutions	825,674	(402,156)	1,381,582	1,949,864
Increase in obligations on securities sold under repurchase agreements	1,601,459	1,267,636	1,270,109	1,075,310
Increase in bills and acceptances payable	168,439	1,156,722	1,653,491	1,447,051
Net purchase of investment securities	(3,618,952)	(1,472,349)	(4,041,666)	(1,743,629)
(Decrease)/increase in other liabilities	(26,235)	84,315	84,753	116,548
Increase in life, general takaful and family takaful fund assets	(856,681)	(405,936)	—	—
Increase in life, general takaful and family takaful fund liabilities and policy holders' funds	861,681	430,936	—	—
Cash generated from operations	8,708,389	2,782,423	6,914,022	2,632,568
Taxes and zakat paid	(887,611)	(894,402)	(628,432)	(606,731)
Net cash generated from operating activities	7,820,778	1,888,021	6,285,590	2,025,837
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(159,304)	(259,537)	(144,175)	(208,214)
Acquisition of insurance business, net of cash acquired	—	(40,043)	—	—
Purchase of shares in subsidiaries	—	(11,675)	—	(97,040)
Dividends received from associates	972	1,098	972	972
Acquisition of shares of associates	—	(1,000)	—	(600)
Proceeds from disposal of property, plant and equipment	22,233	40,361	14,851	32,515
Dividends received	15,656	41,027	453,528	907,582
Net cash (used in)/generated from investing activities	(120,443)	(229,769)	325,176	635,215



	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of shares	65,490	176,753	65,490	176,753
Loans sold to Cagamas	(129,919)	267,556	421,965	19,004
Dividends paid	(1,347,904)	(1,330,289)	(1,347,904)	(1,330,289)
Dividends paid to minority interest	(6,181)	(2,846)	—	—
Net cash used in financing activities	(1,418,514)	(888,826)	(860,449)	(1,134,532)
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,281,821	769,426	5,750,317	1,526,520
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,727,259	15,870,203	13,777,510	12,164,086
CASH AND CASH EQUIVALENTS AT END OF YEAR	23,009,080	16,639,629	19,527,827	13,690,606
Cash and cash equivalents comprise:				
Cash and short term funds as previously reported	23,009,080	16,639,629	19,527,827	13,690,606
Effects of exchange rate changes	—	87,630	—	86,904
As restated	23,009,080	16,727,259	19,527,827	13,777,510

The accompanying notes form an integral part of the financial statements.



1. CORPORATE INFORMATION

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

The subsidiaries are principally engaged in the businesses of a finance company, merchant bank, general and life insurance (including takaful insurance), stock broking, discount house, leasing and factoring, trustee and nominee services, unit trust management, asset management and venture capital.

There were no significant changes in these activities during the financial year, except for certain subsidiaries as disclosed in Note 12.

The Bank is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Bank is located at 14th Floor, Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur.

The number of employees in the Group and in the Bank at the end of the financial year were 20,821 (2003: 21,042) and 15,321 (2003: 14,904) respectively.

These financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 August 2004.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Bank 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 Group and the Bank.

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

During the financial year ended 30 June 2004, the Group and the Bank have adopted the following accounting standards issued by the Malaysian Accounting Standards Board ("MASB"):

MASB Standard 29	Employee Benefits
MASB <i>i</i> -1	Presentation of Financial Statements of Islamic Financial Institutions

The adoption of the above standards have not given rise to any adjustments to the opening balances of retained profits of the prior and current years. However, the adoption of MASB *i*-1 has resulted in certain comparatives to be disclosed to conform with the current year's presentation of the IBS operations.



3. SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting

The financial statements of the Group and of the Bank have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below.

(ii) Basis of Consolidation

(a) Subsidiaries

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition (goodwill/reserve on consolidation/acquisition) is accounted for in accordance with Note 3(iii) below.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary is the difference between the net disposal proceeds and the Group's share of its net assets together with exchange differences which were not previously recognised in the consolidated income statement.

Minority interest in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movements in the acquiree's equity since then.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(ii) Basis of Consolidation (Cont'd.)

(b) Associates

Associates are those entities in which the Group exercises significant influence but not control, through participation in the financial and operating policy decisions of the entities.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting based on the audited or management financial statements of the associated companies. Under the equity method of accounting, the Group's share of profits less losses of associates during the year is included in the consolidated income statement. The Group's interest in associated companies is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated using the same basis unless the cost cannot be recovered.

(iii) Goodwill/Reserve Arising on Consolidation/Acquisition

Goodwill or reserve arising on consolidation/acquisition represents the differences between the cost of acquisition and the Group's interest in the fair value of the identifiable assets and liabilities of the subsidiary and associates at the date of acquisition. Goodwill or reserve arising on consolidation/acquisition is written off/credited in full to retained profits immediately.

(iv) Investment in Subsidiaries and Associates

The Bank's investments in subsidiaries and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(xxxi) below.

On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is charged or credited to the income statement.

(v) 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. Increases or decreases in the carrying amount of dealing securities are credited or charged to the income statement. On disposal of the dealing securities, the differences between the net disposal proceeds and their carrying amounts are charged or credited to the income statement.

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



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(vi) Investment Securities

Investment securities are securities that are acquired and held for yield or capital growth 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 premiums or accretion of discounts, where applicable, to maturity dates.

Quoted investments are stated at the lower of cost and market value on portfolio basis.

Unquoted investments are stated at cost and where applicable, adjusted for amortisation of premiums or accretion of discounts to maturity dates. Provision is made for diminution in value which is other than temporary.

On disposal of the investment securities, the differences between the net disposal proceeds and their carrying amounts are charged or credited to the income statement.

(vii) Provision for Doubtful Debts

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

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.

(viii) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(xxi).

Freehold land and buildings-in-progress are not depreciated. Leasehold land is depreciated over the period of the respective leases which ranges from 30 to 999 years. The remaining period of respective leases ranges from 12 to 911 years.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(viii) Property, Plant and Equipment and Depreciation (Cont'd.)

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write-off the cost of each asset over its estimated useful life at the following annual rates:

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%
Computers and peripherals	14% – 25%
Electrical and security equipment	8% – 25%
Motor vehicles	20% – 25%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement.

(ix) Investment Properties

Investment properties consist of investments in land and buildings that are not substantially occupied for use by, or in the operations of the Group. In line with MASB Standard 18: Life Insurance Business, land and buildings owned by the life insurance business are classified as investment properties, notwithstanding that they are substantially occupied for use by, or in the operations of the Group.

Investment properties are treated as long term investments and are stated at cost and include related and incidental expenditure incurred. Investment properties are not depreciated. The carrying amount of investment properties is reduced to recognise impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(xxxi).

(x) Other Assets

Other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(xi) Repurchase Agreements

Securities purchased under resale agreements are securities which the Group had purchased with a commitment to resell at future dates. The commitments to resell the securities are 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.

(xii) Bills and Acceptances Payable

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



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(xiii) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

(xiv) Liabilities

Deposits from customers, deposits and placements of banks and financial institutions are stated at placement values. Other liabilities are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(xv) Profit Equalisation Reserves ("PER") on IBS Operations

PER is the amount provided in order to maintain a certain level of return for deposits in conformity with Bank Negara Malaysia's "The Framework of the Rate of Return". The PER is deducted at a rate which does not exceed the maximum amount of 15% of the total gross income of each financial year and is maintained up to the maximum of 30% of total Islamic banking capital fund.

(xvi) Income Tax

Income tax on the profit or loss for the year comprises current and deferred taxes. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(xvii) Leases

(a) Finance Lease/Lease Receivable

Assets leased to customers under agreements which transfer substantially all risks and rewards associated with ownership other than legal title are classified as lease receivables. The balance sheet amount represents total minimum lease payments receivable less unearned income and prepaid rentals. Initial direct costs are immediately recognised as expenses.

(b) Operating Lease

Payments made under operating leases are recognised in the income statement on an accrual basis in accordance with the terms of the leases.

(xviii) Insurance and Family Takaful Fund

The life assurance and family takaful fund is based on the actuarial valuation of the fund made up to 30 June 2004.

(xix) Commission and Management Expenses for Takaful Business

Commission, which are costs directly incurred in securing contributions on takaful policies, are charged to the revenue account in the period in which they are incurred.

Commission and management expenses are borne by the family takaful and general takaful funds. However, the total expenses to be borne by the respective funds are capped at 20% of the gross contribution. Amount in excess of the 20% will be borne by the shareholder's fund, and is known as Wakalah deficit.

(xx) Unearned Premium Reserves and Unearned Contribution Reserves

Unearned Premium Reserves ("UPR") and Unearned Contribution Reserve ("UCR") represent the portion of the net premiums and contribution of insurance policies and takaful certificates written that relate to the unexpired periods of policies and certificates at the end of the financial year. In determining the UPR and UCR at the balance sheet date, the method that most accurately reflect the actual unearned premium is used as follows:

- 25% method for marine cargo and aviation cargo, and transit business.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(xx) Unearned Premium Reserves and Unearned Contribution Reserves (Cont'd.)

- 1/24th method for other classes of Malaysian general policies and 1/365th method for all classes of general takaful within Malaysia, reduced by the corresponding percentage of accounted gross direct business commissions and agency-related expenses not exceeding limits specified by Bank Negara Malaysia on:

Motor	10%
Fire, engineering, aviation and marine hull	15%
Medical health	
– Standalone individuals	15%
– Group of 3 or more	10%
Workmen compensation and employers' liability	
– Foreign workers	10%
– Others	25%
Other classes	20%

- 1/8th method for all classes of overseas inward treaty business with a deduction of 20% for acquisition costs.
- Bond policies and non-annual certificates are time apportioned over the periods of the risks.

(xxi) Provision for Outstanding Claims

For general insurance business and general takaful businesses, a liability for outstanding claims is recognised in respect of both direct insurance and inward reinsurance. The amount of outstanding claims is the best estimate of the expenditure required together with related expenses less recoveries to settle the present obligation at the 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 and family takaful businesses, claims and settlement costs that are incurred during the financial period are recognised when a claimable event occurs and/or the insurer is notified.

Claims and provisions for claims arising on life insurance and family takaful policies, including settlement costs, are accounted for using the case basis method and for this purpose, the benefits payable under a life insurance policy are recognised as follows:

- maturity or other policy benefit payments due on specified dates are treated as claims payable on the due dates;
- death, surrender and other benefits without due dates are treated as claims payable, on the date of receipt of intimation of death of the assured or occurrence of the contingency covered.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(xxii) Borrowings

Borrowings are reported at their face values. The costs of issuing capital instruments such as bonds and debentures are charged to the income statement as and when incurred. Interest on borrowings is charged to the income statement as expense as and when incurred.

(xxiii) Interest and Financing Income Recognition

Interest income is recognised on an accrual basis. Interest income includes the amortisation of premiums or accretion of discounts. Interest income on dealing and investment securities are recognised on an effective yield 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 more than three months and one month after maturity date for trade bills, bankers' acceptances and trust receipts. Credit card holders are deemed non-performing where repayments are in arrears for more than three months from first day of default.

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

(xxiv) 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 net of service taxes and discounts on completion of each stage of the assignment.

Dividend income is recognised when the shareholder's right to receive payment is established.

Premiums and contributions from general insurance and general takaful businesses, respectively are recognised as income in a financial period in respect of risks assumed during that particular financial period. Inward treaty reinsurance premiums are recognised on the basis of periodic advices received from ceding insurers.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(xxiv) Fee and Other Income Recognition (Cont'd.)

Premiums and contributions for life assurance and family takaful businesses, respectively, 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. Contribution income on long term policies is recognised as earned based on the time-apportionment method.

Gross contribution for takaful business are accounted for on accrual basis in accordance with the Principles of Shariah as advised by Mayban Takaful Berhad's Shariah Supervisory Council. Unrealised income is deferred and receipts in advance are treated as liabilities in the balance sheet.

Rollover fees on margin accounts and management fees from management of unit trust are recognised on an accrual basis.

(xxv) Interest, Financing and Related Expense Recognition

Interest expense and attributable profit (on activities relating to IBS business) on deposits and borrowings of the Group and Bank are expensed as incurred.

Handling fees paid to motor vehicle dealers on hire purchase loans are charged to income statement in the period when they are incurred in accordance with Bank Negara Malaysia Circular dated 4 July 2003.

(xxvi) Employee Benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined Contribution Plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Certain foreign branches of the Bank and subsidiaries make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the income statement as incurred.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(xxvii) Foreign Currencies

(a) Foreign Currency Transactions

Transactions in foreign currencies are initially recorded in 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, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items which are denominated in foreign currencies and carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are denominated in foreign currencies and carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange differences are taken to the income statement.

(b) Foreign Operations and Entities

Financial statements of foreign consolidated subsidiaries and amalgamated branches 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 recognised in equity.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follows:

	2004 RM	2003 RM
Singapore Dollars (SGD)	2.2096	2.1581
Hong Kong Dollars (HKD)	0.4872	0.4873
United States Dollars (USD)	3.8000	3.8000
Philippines Peso (Peso)	0.0677	0.0711
Indonesia Rupiah (IDR)	0.0004	0.0005
Papua New Guinea Kina (Kina)	1.1989	1.0868
Brunei Dollars (BND)	2.2096	2.1581
Great Britain Pound (GBP)	6.8624	6.2772



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

(xxviii) 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.

(xxix) Interest Rate Swaps and Futures Contracts

The Group and the Bank use 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.

(xxx) Cash and Cash Equivalents

For the purpose of the cash flow statements, cash and cash equivalents include cash and bank balances and short-term funds with remaining maturity of less than one month.

(xxxii) Impairment of Assets

At each balance sheet date, the Group and the Bank review the carrying amounts of the assets, other than financial instruments to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased.

(xxxiii) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument. The accounting policies on recognition and measurement of these items are disclosed in their respective accounting policies.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.



4. CASH AND SHORT-TERM FUNDS

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash, balances and deposits with banks and other financial institutions	23,005,745	16,541,227	19,527,827	13,686,225
Money at call	3,335	98,402	—	4,381
	23,009,080	16,639,629	19,527,827	13,690,606

Included in cash and short-term funds of the Group are monies held in trust of RM65,114,594 (2003: RM33,318,055) in respect of the stockbroking business.

5. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Licensed banks	2,395,218	3,052,725	3,233,049	4,654,338
Licensed finance companies	20,041	215,993	—	40,000
Licensed merchant banks	145,648	64,900	123,600	184,500
Bank Negara Malaysia	3,825,766	1,877,168	2,506,166	1,795,168
Other financial institutions	300,117	441,493	266,673	581,933
	6,686,790	5,652,279	6,129,488	7,255,939

Included in deposits with other financial institutions is an amount of USD10,000,000 (2003: USD10,000,000) or Ringgit Malaysia equivalent of RM38,000,000 (2003: RM38,000,000) pledged with the New York State Banking Department in satisfaction of capital equivalency deposit requirements.



6. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

The underlying securities purchased under resale agreements are as follows:

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Malaysian Government Securities	665,527	—	665,527	—
Foreign government bonds	—	385,963	—	385,963
Foreign government treasury bills	57,365	196,040	57,365	196,040
Negotiable instruments of deposits	10,739	3,005	—	—
	733,631	585,008	722,892	582,003

7. DEALING SECURITIES

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Money market instruments:				
Malaysian Government Securities	43,835	75,259	—	—
Cagamas bonds	—	24,989	—	24,989
Malaysian Government treasury bills	43,364	—	43,364	—
Bank Negara Malaysia bills and notes	69,982	—	69,982	—
Bankers' acceptances and Islamic accepted bills	25,693	159,873	—	—
Danamodal bonds	—	9,891	—	—
Danaharta bonds	—	14,418	—	—
Khazanah bonds	—	169,338	—	—
Foreign government treasury bills	456	69,678	456	—
Foreign certificates of deposit	66,221	70,904	—	—
	249,551	594,350	113,802	24,989
Quoted securities:				
Shares, trust units and loan stocks quoted in Malaysia	1	8	—	—



7. DEALING SECURITIES (CONT'D.)

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unquoted securities:				
Private and Islamic debt securities in Malaysia	50,005	110,269	50,005	—
Foreign public authority and private debt securities	—	72,009	—	72,009
	50,005	182,278	50,005	72,009
	299,557	776,636	163,807	96,998
Market value of quoted securities:				
Shares, trust units and loan stocks quoted in Malaysia	1	8	—	—
Indicative value of unquoted securities:				
Malaysian Government Securities	43,835	75,444	—	—
Cagamas bonds	—	24,993	—	24,993
Malaysian Government treasury bills	43,377	—	43,377	—
Bank Negara Malaysia bills and notes	69,977	—	69,977	—
Danamodal bonds	—	9,915	—	—
Danaharta bonds	—	14,441	—	—
Khazanah bonds	—	170,720	—	—
Foreign government treasury bills	456	69,678	456	—
Foreign certificates of deposit	66,221	70,904	—	—
Private and Islamic debt securities in Malaysia	50,067	112,925	50,067	—
Foreign public authority and private debt securities	—	72,009	—	72,009

Bankers' acceptances, Islamic accepted bills and negotiable instruments of deposits' carrying values approximate the market value due to their relatively short maturities.



8. INVESTMENT SECURITIES

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Money market instruments:				
Malaysian Government Securities	4,554,773	3,267,135	3,938,439	2,529,118
Cagamas bonds	2,067,263	2,284,334	1,353,007	1,194,934
Foreign government securities	1,305,974	1,386,868	1,153,814	1,268,800
Malaysian Government treasury bills	398,782	210,611	398,782	210,611
Malaysian Government Investment certificates and issues	430,352	254,896	329,240	203,672
Cagamas notes	—	133,256	—	133,256
Bank Negara Malaysia bills and notes	—	1,298,817	—	1,258,817
Foreign government treasury bills	889,751	161,521	787,747	101,204
Negotiable instruments of deposits	1,724,783	2,453,415	1,969,979	2,608,154
Bankers' acceptances and Islamic accepted bills	5,471,975	2,832,969	4,806,806	2,321,192
Khazanah bonds	405,847	327,610	161,834	218,224
Danaharta bonds	190,120	439,150	46,933	62,067
Danamodal bonds	—	99,154	—	716
	17,439,620	15,149,736	14,946,581	12,110,765
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	783,307	657,162	537,535	477,358
	783,307	657,162	537,535	477,358
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	77,938	132,498	53,876	107,592
	861,245	789,660	591,411	584,950



8. INVESTMENT SECURITIES (CONT'D.)

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unquoted securities:				
Shares, trust units and loan stocks in Malaysia (Note 8(v))	1,448,717	1,111,500	897,319	643,199
Private and Islamic debt securities in Malaysia	6,590,636	6,223,290	3,877,439	3,525,645
Malaysian Government bonds	453,146	612,368	453,146	612,368
Foreign government bonds	37,895	38,020	37,895	38,020
Foreign private debt securities	3,062,639	2,058,201	2,843,892	1,850,619
Credit linked note (Note 8(vi))	190,000	190,000	190,000	190,000
Others	1,562	1,562	1,562	1,562
	11,784,595	10,234,941	8,301,253	6,861,413
Total investments securities at cost	30,085,460	26,174,337	23,839,245	19,557,128
Net accretion of discounts/ (amortisation of premiums)	(34,474)	32,194	(74,791)	(17,127)
Provision for diminution in value of:				
Shares, warrants, trust units and loan stocks quoted in Malaysia	(376,441)	(260,247)	(280,624)	(177,610)
Shares, warrants, trust units and loan stocks quoted outside Malaysia	(49,124)	(98,080)	(48,473)	(97,177)
Foreign government bonds and private debt securities	(151,054)	(124,596)	(150,871)	(124,596)
Unquoted shares, trust units and loan stocks	(614,916)	(437,001)	(478,543)	(297,666)
Unquoted private and Islamic debt securities	(156,031)	(155,354)	(105,803)	(107,130)
	(1,347,566)	(1,075,278)	(1,064,314)	(804,179)
	28,703,420	25,131,253	22,700,140	18,735,822



8. INVESTMENT SECURITIES (CONT'D.)

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
(i) Market value of quoted securities:				
Shares, warrants, trust units and loan stocks quoted in Malaysia	615,363	488,161	400,654	332,456
Shares, warrants, trust units and loan stocks quoted outside Malaysia	36,547	50,538	10,270	26,590
	651,910	538,699	410,924	359,046
(ii) Indicative value of unquoted securities:				
Shares, trust units and loan stocks in Malaysia	872,486	1,000,319	418,961	678,697
Malaysian Government Securities	4,422,559	3,182,681	3,815,265	2,475,216
Cagamas bonds	2,056,662	2,276,049	1,346,930	1,197,816
Foreign government securities	1,307,034	1,305,861	1,154,947	1,293,293
Malaysian Government treasury bills	398,760	210,659	398,760	210,659
Malaysian Government Investment certificates and issues	437,029	261,986	335,034	208,493
Cagamas notes	—	133,207	—	133,207
Bank Negara Malaysia bills and notes	—	1,257,457	—	1,257,457
Foreign government treasury bills	889,482	100,903	787,477	100,903
Khazanah bonds	428,590	370,883	169,841	242,910
Danaharta bonds	220,275	498,156	53,039	67,793
Danamodal bonds	—	105,522	—	729
Malaysian Government bonds	519,485	759,094	519,485	759,094
Foreign government bonds	39,617	44,182	39,617	44,182
Foreign private debt securities	3,058,531	2,060,430	2,862,176	1,870,111
Private and Islamic debt securities in Malaysia	6,444,301	6,212,075	3,727,649	3,605,030
Credit linked note	190,000	190,000	190,000	190,000

Bankers' acceptances, Islamic accepted bills and negotiable instruments of deposits' carrying values approximate the market value due to their relatively short maturities.



8. INVESTMENT SECURITIES (CONT'D.)

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
(iii) The maturity structure of money market instruments held for investments are as follows:				
Maturing within one year	9,586,278	10,655,615	8,796,280	8,673,900
One year to three years	3,143,376	1,365,819	2,383,655	837,233
Three years to five years	4,078,784	2,602,012	3,311,268	2,140,504
After five years	631,182	526,290	455,378	459,128
	17,439,620	15,149,736	14,946,581	12,110,765
(iv) Included in the investment securities are the following securities sold under repurchase agreements:				
Negotiable instruments of deposits	1,072,905	2,369,965	1,072,905	2,369,965
Bankers' acceptances and Islamic accepted bills	1,818,634	238,098	1,308,417	—
Private debt securities	1,010,680	629,171	871,553	569,275
Cagamas bonds	—	20,000	—	—
	3,902,219	3,257,234	3,252,875	2,939,240

- (v) Included in unquoted shares, trust units and loan stocks in Malaysia are 4,545,455 (2003: Nil) ordinary shares in Bursa Malaysia Berhad (formerly known as the Kuala Lumpur Stock Exchange Berhad), received by the Group arising from the demutualisation of Bursa Malaysia Berhad which was completed on 5 January 2004. Under Section 4(4) of the Demutualisation (Kuala Lumpur Stock Exchange) Act 2003, the shares cannot be disposed without the appropriate regulatory approvals until and unless such shares have been listed. In the absence of more detailed information, the directors consider that the underlying net tangible asset value of RM2.74 per share as reflected in the latest audited financial statements of Bursa Malaysia Berhad as at 31 December 2003 is a reasonable indicator of fair value.



8. INVESTMENT SECURITIES (CONT'D.)

- (vi) The credit linked note has a face value of USD50,000,000 (2003: USD50,000,000) or Ringgit Malaysia equivalent of RM190,000,000 (2003: RM190,000,000) with an embedded credit default swap. The note would be redeemed at face value on maturity date provided there is no occurrence of a specified credit event affecting the reference entity or its obligations. If there is an occurrence of a credit event, the underlying asset (the reference obligation of the reference entity), or a cash settlement amount to be determined with reference to the market value of the underlying asset in accordance with the terms of the contract, would be delivered by the issuer of the note.
- (vii) Included in the provision for diminution in value for investment securities above for the year are specific provision and interest/income-in-suspense transferred from loans, advances and financing as a result of loans converted to investment securities as follows:

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Specific provision	147,056	277,788	129,844	224,577
Interest/income-in-suspense	14,882	42,722	5,535	32,188

- (viii) Included in foreign private debt securities of the Group and the Bank above is an amount of USD12,000,000 (2003: USDNil) or Ringgit Malaysia equivalent of RM45,600,000 (2003: RMNil) pledged to a foreign bank, which is the counter party for asset swap transactions with total underlying amount of USD50,000,000 or Ringgit Malaysia equivalent of RM190,000,000. The asset swap transactions include interest rate swaps that qualify as hedges in accordance with the Group policy and have been accounted for as such in the financial statements.



9. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Overdrafts	13,520,006	13,926,830	13,500,944	13,913,157
Term loans				
– Fixed rate	5,539,708	6,874,230	5,120,578	5,334,802
– Floating rate	78,022,308	73,456,266	64,146,529	60,234,508
Credit card receivables	1,801,054	1,637,624	1,429,191	1,223,837
Bills receivable	967,646	1,054,503	963,398	1,087,409
Trust receipts	2,188,718	1,850,684	2,177,759	1,835,325
Claims on customers under acceptance credits	9,528,189	7,996,983	9,502,374	7,967,262
Hire purchase and block discounting receivables	17,014,339	15,459,562	4,459,482	3,211,464
Floor stocking receivables	116,744	106,159	68,590	50,862
Lease receivables	39,410	47,578	—	—
Factored receivables	37,256	22,453	37,077	22,274
Staff loans	1,060,504	1,038,367	810,876	796,523
Housing loans to				
– Executive directors of the Bank	219	121	219	121
– Executive directors of subsidiaries	1,993	2,588	1,519	2,143
Others	21,556	22,083	—	—
	129,859,650	123,496,031	102,218,536	95,679,687
Unearned interest and income	(11,652,467)	(11,098,650)	(8,725,941)	(8,090,522)
Gross loans, advances and financing	118,207,183	112,397,381	93,492,595	87,589,165
Provision for bad and doubtful debts				
– Specific	(3,624,130)	(4,541,801)	(2,688,326)	(3,405,370)
– General	(3,621,007)	(3,474,440)	(2,689,417)	(2,590,235)
Interest/income-in-suspense	(1,891,555)	(1,892,670)	(1,396,440)	(1,433,206)
Net loans, advances and financing	109,070,491	102,488,470	86,718,412	80,160,354



9. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Domestic operations:				
Agriculture	2,295,383	2,011,006	2,263,791	1,967,113
Mining and quarrying	211,631	190,214	201,387	178,165
Manufacturing	12,986,979	13,081,554	12,659,240	12,743,303
Electricity, gas and water	1,770,947	1,481,811	1,751,147	1,466,271
Construction	6,213,481	5,838,436	5,437,549	5,052,043
Real estate	1,586,567	1,864,800	1,473,110	1,663,880
Purchase of landed properties:				
– Residential	21,922,395	19,462,847	17,581,817	15,114,230
– Non-residential	6,136,783	5,604,856	4,940,639	4,255,361
– Less Islamic loans sold to Cagamas	(114,380)	(127,268)	(114,380)	(127,268)
General commerce	6,696,875	6,274,396	6,150,848	5,669,913
Transport, storage and communication	1,443,847	2,150,588	1,345,754	2,057,910
Finance, insurance and business service	11,383,087	11,790,919	11,235,411	11,733,813
Purchase of securities	6,438,100	6,517,893	4,443,384	4,458,600
Purchase of transport vehicles	10,043,289	9,890,646	34,395	36,603
– Less Islamic loans sold to Cagamas	(351,994)	(425,341)	—	—
Consumption credit	4,161,734	3,771,047	3,465,493	3,072,242
Others	2,991,656	3,143,422	2,773,109	2,869,384
	95,816,380	92,521,826	75,642,694	72,211,563
Labuan Offshore	4,048,468	3,891,741	—	—
Total domestic operations	99,864,848	96,413,567	75,642,694	72,211,563



9. LOANS, ADVANCES AND FINANCING (CONT'D.)

(i) Loans, advances and financing analysed by their economic purposes are as follows (Cont'd.):

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Overseas operations:				
Singapore	14,987,617	12,624,627	14,987,617	12,624,627
United States of America	407,307	416,435	407,307	416,435
United Kingdom	142,283	114,549	142,283	114,549
Hong Kong	1,330,594	1,485,905	1,330,594	1,485,905
Brunei	265,031	273,461	265,031	273,461
Vietnam	262,077	234,410	262,077	234,410
Cambodia	69,249	62,418	69,249	62,418
China	385,743	165,797	385,743	165,797
Papua New Guinea	29,535	29,174	—	—
Philippines	404,837	502,129	—	—
Indonesia	58,062	74,909	—	—
	18,342,335	15,983,814	17,849,901	15,377,602
	118,207,183	112,397,381	93,492,595	87,589,165

(ii) The maturity structure of loans, advances and financing is as follows:

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Maturity within one year	48,436,728	45,571,121	44,305,659	41,725,706
One year to three years	10,837,391	11,581,574	6,023,639	6,309,731
Three years to five years	14,821,650	14,833,099	8,350,988	8,362,349
After five years	44,111,414	40,411,587	34,812,309	31,191,379
	118,207,183	112,397,381	93,492,595	87,589,165



9. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Gross balance at beginning of year	13,037,159	13,531,560	9,799,074	10,164,558
Classified during the year	6,962,093	6,813,140	5,481,905	5,230,950
Recovered/regularised during the year	(5,646,100)	(5,907,386)	(4,217,085)	(4,427,425)
Amount written off	(1,907,297)	(861,557)	(1,526,796)	(707,352)
Converted to investment securities	(220,440)	(582,047)	(135,379)	(486,046)
Exchange differences and expenses debited to customers' accounts	48,841	43,449	56,962	24,389
Gross balance at end of year	12,274,256	13,037,159	9,458,681	9,799,074
Less:				
– Specific provision	(3,624,130)	(4,541,801)	(2,688,326)	(3,405,370)
– Interest/income-in-suspense	(1,891,555)	(1,892,670)	(1,396,440)	(1,433,206)
Net balance	6,758,571	6,602,688	5,373,915	4,960,498
Gross loans, advances and financing	118,207,183	112,397,381	93,492,595	87,589,165
Add: Islamic loans sold to Cagamas	466,374	552,609	114,380	127,268
	118,673,557	112,949,990	93,606,975	87,716,433
Less:				
– Specific provision	(3,624,130)	(4,541,801)	(2,688,326)	(3,405,370)
– Interest/income-in-suspense	(1,891,555)	(1,892,670)	(1,396,440)	(1,433,206)
Net loans, advances and financing (including Islamic loans sold to Cagamas)	113,157,872	106,515,519	89,522,209	82,877,857
Ratio of net non-performing loans	5.97%	6.20%	6.00%	5.99%



9. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Specific provision				
Balance at beginning of year	4,541,801	4,626,185	3,405,370	3,570,503
Provision made during the year	2,265,460	2,732,478	1,069,534	1,461,355
Amount written back in respect of recoveries	(1,586,062)	(1,802,044)	(491,056)	(708,535)
Amount written off	(1,379,029)	(573,207)	(1,085,909)	(512,830)
Transfer to general provision	(11,428)	(2,384)	(11,801)	(3,360)
Transfer to provision for diminution in value of investments	(147,056)	(277,788)	(129,844)	(224,577)
Transfer to provision for restructured/ rescheduled loans and financing	(63,893)	(176,216)	(76,227)	(176,216)
Exchange differences	4,337	14,777	8,259	(970)
Balance at end of year	3,624,130	4,541,801	2,688,326	3,405,370
General provision				
Balance at beginning of year	3,474,440	3,282,202	2,590,235	2,455,641
Provision made during the year	179,835	192,220	84,768	130,586
Amount written back	(47,147)	(2,464)	—	—
Transfer from specific provision	11,428	2,384	11,801	3,360
Exchange differences	2,451	98	2,613	648
Balance at end of year	3,621,007	3,474,440	2,689,417	2,590,235
As a percentage of total loans (including Islamic loans sold to Cagamas, less specific provision and interest/income-in-suspense)	3.20%	3.26%	3.00%	3.13%
As a percentage of total risk-weighted assets, excluding deferred tax assets	2.92%	2.96%	2.81%	2.87%

9. LOANS, ADVANCES AND FINANCING (CONT'D.)

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

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Interest/income-in-suspense				
Balance at beginning of year	1,892,670	1,729,794	1,433,206	1,266,496
Provision made during the year	1,094,638	1,184,699	800,800	824,842
Amount written back in respect of recoveries	(607,847)	(595,820)	(410,380)	(376,631)
Amount written off	(492,562)	(341,904)	(440,887)	(194,522)
Transfer to provision for diminution in value of investments	(14,882)	(42,722)	(5,535)	(32,188)
Transfer from/(to) interest/income-in-suspense for restructured/rescheduled loans and financing	14,851	(54,662)	14,851	(54,662)
Exchange differences	4,687	13,285	4,385	(129)
Balance at end of year	1,891,555	1,892,670	1,396,440	1,433,206

(v) Included in loans, advances and financing of the Group and the Bank are bankers' acceptances sold under repurchase agreements amounting to RM3,085,811,500 (2003: RM2,129,338,154).

10. OTHER ASSETS

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Interest receivable	476,818	430,734	416,198	366,494
Other debtors, deposits and prepayments	1,412,120	1,452,387	357,093	316,634
Foreclosed properties	117,270	96,926	54,689	57,283
Investment properties	70,219	68,544	—	—
	2,076,427	2,048,591	827,980	740,411



11. STATUTORY DEPOSITS WITH CENTRAL BANKS

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
With Bank Negara Malaysia	3,122,298	2,918,304	2,406,000	2,236,000
With other Central Banks	521,901	403,334	449,634	385,399
	3,644,199	3,321,638	2,855,634	2,621,399

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 (Revised 1994), the amounts of which are determined as set percentages of total eligible liabilities. The statutory deposits of the foreign branches and subsidiaries are denominated in foreign currencies and maintained with the Central Banks of respective countries, in compliance with the applicable legislations.

12. INVESTMENT IN SUBSIDIARIES

	Bank	
	2004 RM'000	2003 RM'000
Unquoted shares, at cost		
– In Malaysia	1,518,057	1,518,110
– Outside Malaysia	693,974	693,405
	2,212,031	2,211,515
Less: Provision for diminution in value	(342,802)	(342,802)
	1,869,229	1,868,713



12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:

Name of Company	Principal Activities	Country of Incorporation	Issued and Paid-up Share Capital		Effective Interest	
			2004	2003	2004 %	2003 %
Banking						
PT Bank Maybank Indocorp ⁸	Banking	Indonesia	493,819,000,000 ¹	493,819,000,000 ¹	93.9	93.9
Maybank International (L) Ltd.	Offshore banking	Malaysia	10,000,000 ²	10,000,000 ²	100.0	100.0
Maybank (PNG) Limited ⁹	Banking	Papua New Guinea	5,000,000 ³	5,000,000 ³	100.0	100.0
Maybank Philippines, Incorporated ⁸	Banking	Philippines	3,147,156,390 ⁴	3,147,156,390 ⁴	99.97	99.97
Finance						
Mayban Finance Berhad	Finance	Malaysia	551,250,000	551,250,000	100.0	100.0
MFSL Limited	Under member's voluntary liquidation	Singapore	12,000,000 ⁵	12,000,000 ⁵	100.0	100.0
Sifin Berhad	Ceased operations	Malaysia	100,000,000	100,000,000	100.0	100.0
Aseamlease Berhad	Leasing	Malaysia	20,000,000	20,000,000	100.0	100.0
Mayban Allied Credit & Leasing Sdn. Bhd.	Financing	Malaysia	10,000,000	10,000,000	100.0	100.0
Aseam Credit Sdn. Bhd.	Hire purchase	Malaysia	20,000,000	20,000,000	100.0	100.0
Mayban Factoring Berhad	Factoring	Malaysia	2,000,000	2,000,000	100.0	100.0
Insurance						
Mayban Fortis Holdings Berhad	Investment holding	Malaysia	170,570,000	170,570,000	70.0	70.0
Mayban Life Assurance Bhd.	Life insurance	Malaysia	100,000,000	100,000,000	62.0	62.0
Mayban Life International (Labuan) Ltd	Offshore life insurance	Malaysia	3,500,000 ²	3,500,000 ²	62.0 ¹⁰	43.4
Mayban General Assurance Berhad	General insurance	Malaysia	178,171,233	178,171,233	64.8	64.8
Mayban Takaful Berhad	Takaful insurance	Malaysia	35,000,000	35,000,000	70.0	70.0



12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of Company	Principal Activities	Country of Incorporation	Issued and Paid-up Share Capital		Effective Interest	
			2004	2003	2004 %	2003 %
Investment Banking						
Aseambankers Malaysia Berhad	Merchant banking	Malaysia	50,116,000	50,116,000	75.0	75.0
Mayban Securities (Holdings) Sendirian Berhad	Investment holding	Malaysia	162,000,000	162,000,000	100.0	100.0
Mayban Securities Sendirian Berhad	Stock broking	Malaysia	124,000,000	124,000,000	100.0	100.0
Mayban Discount Berhad	Discount house	Malaysia	45,000,000	45,000,000	92.5	92.5
Mayban Futures Sdn. Bhd.	Ceased operations in the financial year	Malaysia	10,000,000	10,000,000	100.0	100.0
Mayban Securities (HK) Limited ⁸	Stockbroking	Hong Kong	30,000,000⁶	30,000,000 ⁶	100.0	100.0
Mayban Securities (Jersey) Limited ⁹	Investment holding	United Kingdom	2⁷	2 ⁷	100.0	100.0
PhileoAllied Securities (Philippines) Inc. ⁸	Stockbroking	Philippines	21,875,000⁴	21,875,000 ⁴	100.0	100.0
Budaya Tegas Sdn. Bhd.	Under member's voluntary liquidation	Malaysia	2	2	100.0	100.0
Asset Management/Trustees/Custody						
Mayban Property Trust Management Berhad	Ceased operations	Malaysia	5,000,000	5,000,000	100.0	100.0
Mayban Unit Trust Berhad (formerly known as Mayban Management Berhad)	Unit trust fund management	Malaysia	4,000,000	4,000,000	93.8	93.8
Mayban International Trust (Labuan) Berhad	Dormant	Malaysia	150,000	150,000	100.0	100.0

12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of Company	Principal Activities	Country of Incorporation	Issued and Paid-up Share Capital		Effective Interest	
			2004	2003	2004 %	2003 %
Asset Management/Trustees/Custody (Cont'd.)						
Mayban Offshore Corporate Services (Labuan) Sdn. Bhd.	Dormant	Malaysia	2	2	100.0	100.0
Mayban Trustees Berhad	Trustee services	Malaysia	500,000	500,000	100.0	100.0
Mayban Ventures Sdn. Bhd.	Venture capital	Malaysia	14,000,000	14,000,000	92.5	92.5
Mayban Venture Capital Company Sdn. Bhd.	Venture capital	Malaysia	2	2	100.0	100.0
RPB Venture Capital Corporation ⁸	Venture capital	Philippines	8,560,000 ⁴	8,560,000 ⁴	60.0	60.0
Mayban-JAIC Capital Management Sdn. Bhd.	Investment advisory and administration services	Malaysia	2,000,000	2,000,000	47.2	47.2
Mayban Investment Management Sdn. Bhd.	Fund management	Malaysia	5,000,000	5,000,000	90.4	90.4
Philmay Property, Inc. ⁸	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	100.0	100.0
Mayban Nominees (Tempatan) Sdn. Bhd.	Nominee services	Malaysia	10,000	10,000	100.0	100.0
Mayban Nominees (Asing) Sdn. Bhd.	Nominee services	Malaysia	10,000	10,000	100.0	100.0
Mayban Nominees (Singapore) Private Limited ⁸	Nominee services	Singapore	60,000 ⁵	60,000 ⁵	100.0	100.0
Mayban Nominees (HongKong) Limited ⁸	Nominee services	Hong Kong	3 ⁶	3 ⁶	100.0	100.0
Aseam Malaysia Nominees (Tempatan) Sdn. Bhd.	Nominee services	Malaysia	10,000	10,000	75.0	75.0
Aseam Malaysia Nominees (Asing) Sdn. Bhd.	Nominee services	Malaysia	10,000	10,000	75.0	75.0



12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of Company	Principal Activities	Country of Incorporation	Issued and Paid-up Share Capital		Effective Interest	
			2004	2003	2004 %	2003 %
Asset Management/Trustees/Custody (Cont'd.)						
Mayfin Nominees (Tempatan) Sdn. Bhd.	Nominee services	Malaysia	10,000	10,000	100.0	100.0
Mayban Securities Nominees Sdn. Bhd.	Under member's voluntary liquidation	Malaysia	10,000	10,000	100.0	100.0
Mayban Securities Nominees (Tempatan) Sdn. Bhd.	Nominee services	Malaysia	10,000	10,000	100.0	100.0
Mayban Securities Nominees (Asing) Sdn. Bhd.	Nominee services	Malaysia	10,000	10,000	100.0	100.0
AFMB Nominees (Tempatan) Sdn. Bhd.	Nominee services	Malaysia	10,000	10,000	100.0	100.0
Mayban Allied Berhad	Investment holding	Malaysia	753,908,638¹¹	704,000,000	100.0	100.0
Anfin Berhad	Dormant	Malaysia	106,000,000	106,000,000	100.0	100.0
Mayban Allied Nominees (Tempatan) Sdn. Bhd.	Under member's voluntary liquidation	Malaysia	40,000	40,000	100.0	100.0
Mayban Allied Nominees (Asing) Sdn. Bhd.	Under member's voluntary liquidation	Malaysia	10,000	10,000	100.0	100.0
Mayban Allied Property Holdings Sdn. Bhd.	Dormant	Malaysia	2,000,000	2,000,000	100.0	100.0
PhileoAllied Trustee Berhad	Under member's voluntary liquidation	Malaysia	150,000	150,000	100.0	100.0
Maysec (Ipoh) Sdn. Bhd.	Under member's voluntary liquidation	Malaysia	100,000,000	100,000,000	100.0	100.0
Maysec Nominees (Asing) Sdn. Bhd. ⁹	Under member's voluntary liquidation	Malaysia	2	2	100.0	100.0



12. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Name of Company	Principal Activities	Country of Incorporation	Issued and Paid-up Share Capital		Effective Interest	
			2004	2003	2004 %	2003 %
Asset Management/Trustees/Custody (Cont'd.)						
Maysec Nominees (Tempatan) Sdn. Bhd. ⁹	Under member's voluntary liquidation	Malaysia	2	2	100.0	100.0
Mayban Pacific Nominees (Asing) Sdn. Bhd.	Under member's voluntary liquidation	Malaysia	2	2	100.0	100.0
Mayban Pacific Nominees (Tempatan) Sdn. Bhd.	Under member's voluntary liquidation	Malaysia	10,000	10,000	100.0	100.0
Mayban P.B. Holdings Sdn. Bhd.	Property investment	Malaysia	1,000,000	1,000,000	100.0	100.0
Mayban Property (PNG) Limited ⁹	Property investment	Papua New Guinea	2 ³	2 ³	100.0	100.0
Kerlipan Bersinar Sdn. Bhd. ⁹	Investment holding	Malaysia	7,946,679	7,946,679	72.7	72.7
Inter-City MPC (M) Sdn. Bhd. ⁹	Mail processing services	Malaysia	7,200,000	7,200,000	72.7	72.7

Note:

- (1) Indonesia Rupiah (IDR)
- (2) United States Dollars (USD)
- (3) Papua New Guinea Kina (Kina)
- (4) Philippines Peso (Peso)
- (5) Singapore Dollars (SGD)
- (6) Hong Kong Dollars (HKD)
- (7) Great Britain Pound (GBP)
- (8) Audited by firms affiliated with Ernst & Young
- (9) Audited by firms of auditors other than Ernst & Young
- (10) Increase as a result of additional interest acquired by Mayban Life Assurance Berhad, a subsidiary of the Bank (Note 46(b))
- (11) Increase as a result of capitalisation of pre-acquisition retained profits by way of bonus issue in the subsidiary



13. INVESTMENT IN ASSOCIATES

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unquoted shares, at cost	12,720	12,720	9,740	9,740
Exchange differences	1,861	1,892	—	—
Share of post-acquisition reserves	4,326	2,689	—	—
	18,907	17,301	9,740	9,740
Represented by the Group's share of: Net tangible assets	18,907	17,301		

Details of the associates are as follows:

Name of Company	Effective Interest		Country of Incorporation	Principal Activities
	2004	2003		
Computer Recovery Centre Sdn. Bhd.	45%	45%	Malaysia	Computer disaster recovery services
UzbekLeasing International A. O.	35%	35%	Uzbekistan	Leasing
Philmay Holding, Inc.	33%	33%	Philippines	Investment holding
Baiduri Securities Sdn. Bhd.	39%	39%	Brunei	Under members' voluntary liquidation
TX 123 Sdn. Bhd.	50%	50%	Malaysia	E-commerce business
Pelaburan Hartanah Nasional Berhad	30%	30%	Malaysia	Property trust



14. PROPERTY, PLANT AND EQUIPMENT

Group	*Properties	Office Furniture, Fittings, Equipment and Renovations	Computers and Peripherals	Electrical and Security Equipment	Motor Vehicles	Buildings-in Progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost							
Balance at 1 July 2003	1,211,432	662,973	953,733	149,291	18,603	38,947	3,034,979
Additions	2,790	20,913	77,452	2,033	1,396	54,720	159,304
Disposals	(8,859)	(6,812)	(6,426)	(332)	(303)	(9)	(22,741)
Write-offs	—	(28,353)	(5,696)	(3,677)	(561)	—	(38,287)
Transfers	7,818	48,958	23	2,029	—	(61,284)	(2,456)
Exchange differences	996	972	2,236	124	(78)	—	4,250
Balance at 30 June 2004	1,214,177	698,651	1,021,322	149,468	19,057	32,374	3,135,049
Accumulated Depreciation and Impairment Losses							
Balance at 1 July 2003							
Accumulated depreciation	212,683	528,591	746,180	110,317	13,297	—	1,611,068
Accumulated impairment losses	3,938	—	—	—	—	—	3,938
	216,621	528,591	746,180	110,317	13,297	—	1,615,006
Charge for the year (Note 29)	20,894	54,732	94,524	7,885	2,610	—	180,645
Impairment loss (Note 29)	233	4	—	—	—	—	237
Disposals	(1,375)	(3,623)	(3,964)	(306)	(915)	—	(10,183)
Write-offs	—	(28,197)	(5,590)	(3,649)	(2)	—	(37,438)
Transfers	—	(31)	—	—	—	—	(31)
Exchange differences	1,079	801	1,979	80	52	—	3,991
Balance at 30 June 2004	237,452	552,277	833,129	114,327	15,042	—	1,752,227



14. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group (Cont'd.)	*Properties	Office Furniture, Fittings, Equipment and Renovations	Computers and Peripherals	Electrical and Security Equipment	Motor Vehicles	Buildings-in Progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Analysed as:							
Accumulated depreciation	233,281	552,273	833,129	114,327	15,042	—	1,748,052
Accumulated impairment losses	4,171	4	—	—	—	—	4,175
	237,452	552,277	833,129	114,327	15,042	—	1,752,227
Net Book Value At 30 June 2004	976,725	146,374	188,193	35,141	4,015	32,374	1,382,822
At 30 June 2003	994,811	134,382	207,553	38,974	5,306	38,947	1,419,973
Details at 1 July 2002							
Cost	1,204,630	625,366	852,741	145,532	53,786	23,713	2,905,768
Accumulated depreciation	195,351	498,039	688,248	103,500	44,039	—	1,529,177
Depreciation charge for 2003 (Note 29)	22,028	56,837	88,610	8,269	3,121	—	178,865
Amount written off (Note 29) At 30 June 2004	—	156	106	28	559	—	849
At 30 June 2003	—	737	33	361	—	—	1,131



14. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

* Properties consist of:

Group (Cont'd.)	Buildings on		Leasehold Land		Buildings on Leasehold Land		Total
	Freehold Land	Freehold Land	Less Than 50 Years	50 Years or More	Less Than 50 Years	50 Years or More	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost							
Balance at 1 July 2003	101,189	430,390	10,101	103,858	113,830	452,064	1,211,432
Additions	1,606	205	—	23	2	954	2,790
Disposals	(3,491)	(3,508)	(515)	(196)	(727)	(422)	(8,859)
Transfers	4,462	2,556	—	1,983	(2,049)	866	7,818
Exchange differences	172	529	466	—	(1,261)	1,090	996
Balance at 30 June 2004	103,938	430,172	10,052	105,668	109,795	454,552	1,214,177
Accumulated Depreciation and Impairment Losses							
Balance at 1 July 2003							
Accumulated depreciation	—	116,715	3,102	11,297	21,625	59,944	212,683
Accumulated impairment losses	—	3,864	—	—	—	74	3,938
	—	120,579	3,102	11,297	21,625	60,018	216,621
Charge for the year	—	8,506	194	1,274	746	10,174	20,894
Impairment loss	—	140	—	—	93	—	233
Disposals	—	(1,034)	(51)	(25)	(91)	(174)	(1,375)
Exchange differences	—	299	—	1,828	100	(1,148)	1,079
Balance at 30 June 2004	—	128,490	3,245	14,374	22,473	68,870	237,452



Notes

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14. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

* Properties consist of:

Group (Cont'd.)	Buildings on		Leasehold Land		Buildings on Leasehold Land		Total
	Freehold Land	Freehold Land	Less Than 50 Years	50 Years or More	Less Than 50 Years	50 Years or More	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Analysed as:							
Accumulated depreciation	—	124,486	3,245	14,374	22,380	68,796	233,281
Accumulated impairment losses	—	4,004	—	—	93	74	4,171
	—	128,490	3,245	14,374	22,473	68,870	237,452
Net Book Value							
At 30 June 2004	103,938	301,682	6,807	91,294	87,322	385,682	976,725
At 30 June 2003	101,189	309,811	6,999	92,561	92,205	392,046	994,811
Details at 1 July 2002							
Cost	103,202	432,238	10,143	104,258	120,488	434,301	1,204,630
Accumulated depreciation	—	112,437	2,921	10,156	20,399	49,438	195,351
Depreciation charge for 2003	—	8,566	200	1,171	1,775	10,316	22,028



14. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Bank	*Properties	Office Furniture, Fittings, Equipment and Renovations	Computers and Peripherals	Electrical and Security Equipment	Motor Vehicles	Buildings-in Progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost							
Balance at 1 July 2003	904,321	438,111	794,525	98,853	9,922	38,740	2,284,472
Additions	979	17,825	68,657	1,635	845	54,234	144,175
Disposals	(2,932)	(5,045)	(5,939)	(317)	(559)	—	(14,792)
Write-offs	—	(24,039)	(2,315)	(3,577)	—	—	(29,931)
Transfers	10,143	49,077	23	2,029	—	(61,272)	—
Exchange differences	1,782	1,105	2,134	98	67	—	5,186
Balance at 30 June 2004	914,293	477,034	857,085	98,721	10,275	31,702	2,389,110
Accumulated Depreciation							
Balance at 1 July 2003	177,861	358,784	615,748	88,401	6,882	—	1,247,676
Charge for the year (Note 29)	16,386	36,415	80,834	3,535	1,447	—	138,617
Disposals	(720)	(2,435)	(3,476)	(291)	(612)	—	(7,534)
Write-offs	—	(23,925)	(2,291)	(3,570)	—	—	(29,786)
Exchange differences	796	908	1,703	56	36	—	3,499
Balance at 30 June 2004	194,323	369,747	692,518	88,131	7,753	—	1,352,472
Net Book Value							
At 30 June 2004	719,970	107,287	164,567	10,590	2,522	31,702	1,036,638
At 30 June 2003	726,460	79,327	178,777	10,452	3,040	38,740	1,036,796



14. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Bank	*Properties	Office Furniture, Fittings, Equipment and Renovations	Computers and Peripherals	Electrical and Security Equipment	Motor Vehicles	Buildings-in Progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Details at 1 July 2002							
Cost	904,650	407,836	696,513	94,903	30,952	23,273	2,158,127
Accumulated depreciation	161,454	341,385	566,579	85,203	26,709	—	1,181,330
Depreciation charge for 2003 (Note 29)							
	16,506	32,599	73,216	3,712	1,175	—	127,208
Amount written off (Note 29)							
At 30 June 2004	—	114	24	7	—	—	145
At 30 June 2003	—	215	—	4	—	—	219



14. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

* Properties consist of:

Bank (Cont'd.)	Buildings on Freehold Land		Leasehold Land		Buildings on Leasehold Land		Total
	Freehold Land	Freehold Land	Less Than 50 Years	50 Years or More	Less Than 50 Years	50 Years or More	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost							
Balance at 1 July 2003	67,406	356,467	7,699	73,145	57,209	342,395	904,321
Additions	—	—	—	23	2	954	979
Disposals	(1,044)	(1,270)	—	(196)	—	(422)	(2,932)
Transfers	4,462	2,556	—	1,983	276	866	10,143
Exchange differences	172	137	466	—	(20)	1,027	1,782
Balance at 30 June 2004	70,996	357,890	8,165	74,955	57,467	344,820	914,293
Accumulated Depreciation							
Balance at 1 July 2003	—	102,932	2,537	9,458	12,942	49,992	177,861
Charge for the year	—	7,156	156	858	260	7,956	16,386
Disposals	—	(521)	—	(25)	—	(174)	(720)
Exchange differences	—	59	—	1,828	91	(1,182)	796
Balance at 30 June 2004	—	109,626	2,693	12,119	13,293	56,592	194,323
Net Book Value							
At 30 June 2004	70,996	248,264	5,472	62,836	44,174	288,228	719,970
At 30 June 2003	67,406	253,535	5,162	63,687	44,267	292,403	726,460
Details at 1 July 2002							
Cost	68,466	357,063	7,741	72,959	55,422	342,999	904,650
Accumulated depreciation	—	95,927	2,400	8,707	12,625	41,795	161,454
Depreciation charge for 2003							
	—	7,155	156	751	348	8,096	16,506



15. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Demand deposits	23,472,718	19,362,900	22,850,926	19,212,212
Savings deposits	22,175,092	20,046,047	20,356,877	18,195,404
Fixed deposits	72,410,709	68,960,725	52,390,449	48,830,798
Negotiable instruments of deposits	5,307,423	1,165,057	1,270,625	598,887
	123,365,942	109,534,729	96,868,877	86,837,301

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

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Due within six months	60,954,806	55,001,757	39,972,160	37,207,017
Six months to one year	14,741,009	12,576,868	12,430,074	10,274,566
One year to three years	1,475,255	2,245,554	907,992	1,661,805
Three years to five years	366,119	300,864	330,805	286,217
After five years	180,943	739	20,043	80
	77,718,132	70,125,782	53,661,074	49,429,685

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

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Business enterprises	54,758,525	45,735,587	40,966,747	33,514,277
Individuals	60,000,360	48,883,483	52,297,622	43,848,874
Others	8,607,057	14,915,659	3,604,508	9,474,150
	123,365,942	109,534,729	96,868,877	86,837,301



16. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Licensed banks	9,516,899	9,293,612	10,091,985	9,353,988
Licensed finance companies	342,118	324,189	400,815	574,055
Licensed merchant banks	78,140	1,524	76,931	548
Licensed discount houses	479,250	148,820	479,250	108,820
Other financial institutions	4,081,799	3,904,387	3,128,356	2,758,344
	14,498,206	13,672,532	14,177,337	12,795,755

17. OTHER LIABILITIES

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Interest payable	597,825	618,172	516,673	520,015
Provision for outstanding claims	193,866	200,834	—	—
Unearned premium reserves	90,042	91,906	—	—
Provision for commitments and contingencies	991	300	—	—
Profit equalisation reserves (IBS operations)	167,108	65,549	134,311	42,372
Provisions and accruals	528,112	478,245	399,270	338,340
Due to brokers and clients	93,787	126,165	—	—
Deposits and other creditors	1,501,665	1,516,210	765,696	747,094
	3,173,396	3,097,381	1,815,950	1,647,821



17. OTHER LIABILITIES (CONT'D.)

Movements in provisions are as follows:

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
For outstanding claims:				
Balance at beginning of year	200,834	226,671	—	—
Provision made during the year	88,585	76,228	—	—
Utilised during the year	(96,240)	(112,400)	—	—
Net assets of insurance business acquired	—	9,412	—	—
Exchange differences	687	923	—	—
Balance at end of year	193,866	200,834	—	—
For commitments and contingencies:				
Balance at beginning of year	300	300	—	—
Provision made during the year	691	—	—	—
Balance at end of year	991	300	—	—

18. RECOURSE OBLIGATION ON LOANS SOLD TO CAGAMAS

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At 1 July 2003/2002	6,661,965	6,394,409	2,289,153	2,270,149
Amount sold during the year	2,060,880	1,821,199	1,060,835	521,066
Repayment forwarded	(2,190,799)	(1,553,643)	(638,870)	(502,062)
At 30 June 2004/2003	6,532,046	6,661,965	2,711,118	2,289,153

This relates to proceeds received from conventional housing loans and hire purchase loans sold directly to Cagamas Berhad with recourse to the Bank and its finance subsidiary, Mayban Finance Berhad. Under the agreement, the Bank and the finance subsidiary undertake to administer the loans on behalf of Cagamas Berhad and to buy back any loans which are regarded as defective based on pre-determined and agreed-upon prudential criteria.



19. PROVISION FOR TAXATION AND ZAKAT

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Taxation	926,456	784,314	789,516	642,157
Zakat	5,874	5,332	484	479
	932,330	789,646	790,000	642,636

20. DEFERRED TAX

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At 1 July 2003/2002	(1,102,220)	(1,043,866)	(855,546)	(792,302)
Recognised in the income statement (net) (Note 34)	(141,688)	(57,376)	(133,816)	(63,244)
Transfer to provision for taxation	(7,866)	—	—	—
Exchange differences	937	(978)	—	—
At 30 June 2004/2003	(1,250,837)	(1,102,220)	(989,362)	(855,546)
Presented after appropriate offsetting as follows:				
Deferred tax assets, net	(1,261,643)	(1,110,840)	(989,362)	(855,546)
Deferred tax liabilities, net	10,806	8,620	—	—

Deferred tax assets and liabilities are offset when there is a legally enforceable rights to set-off current tax assets against current tax liabilities and when the deferred income taxes relates to the same fiscal authority.



20. DEFERRED TAX (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred Tax Assets of the Group:

	Loan Loss and Provisions and Interest/ Income Suspended	Provision for Diminution in Value of Investments and Amortisation of Premiums	Provision for Liabilities	Other Temporary Differences	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2003	(992,933)	(69,800)	(75,332)	(22,210)	(1,160,275)
Recognised in the income statement	(22,057)	(70,199)	(13,603)	(36,877)	(142,736)
Transferred to provision for taxation	—	8,238	—	—	8,238
Exchange differences	—	—	—	982	982
At 30 June 2004	(1,014,990)	(131,761)	(88,935)	(58,105)	(1,293,791)
At 1 July 2002	(928,799)	(71,646)	(71,383)	(24,288)	(1,096,116)
Recognised in the income statement	(64,134)	1,846	(3,949)	3,040	(63,197)
Exchange differences	—	—	—	(962)	(962)
At 30 June 2003	(992,933)	(69,800)	(75,332)	(22,210)	(1,160,275)



20. DEFERRED TAX (CONT'D.)

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowance	Accretion of Discounts on Investments	Other Temporary Differences	Total
	RM'000	RM'000	RM'000	RM'000
At 1 July 2003	33,077	16,307	8,671	58,055
Recognised in the income statement	(970)	492	1,526	1,048
Transferred to provision for taxation	—	(16,104)	—	(16,104)
Exchange differences	(47)	2	—	(45)
At 30 June 2004	32,060	697	10,197	42,954
At 1 July 2002	30,991	11,253	10,006	52,250
Recognised in the income statement	2,086	5,054	(1,319)	5,821
Exchange differences	—	—	(16)	(16)
At 30 June 2003	33,077	16,307	8,671	58,055



20. DEFERRED TAX (CONT'D.)

Deferred Tax Assets of the Bank:

	Loan Loss and Provisions and Interest/ Income Suspended	Provision for Diminution in Value of Investments and Amortisation of Premiums	Provision for Liabilities	Other Temporary Differences	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2003	(741,340)	(61,421)	(60,457)	(11,864)	(875,082)
Recognised in income statement	(27,771)	(69,984)	(12,890)	(25,743)	(136,388)
At 30 June 2004	(769,111)	(131,405)	(73,347)	(37,607)	(1,011,470)
At 1 July 2002	(687,580)	(63,504)	(56,341)	—	(807,425)
Recognised in income statement	(53,760)	2,083	(4,116)	(11,864)	(67,657)
At 30 June 2003	(741,340)	(61,421)	(60,457)	(11,864)	(875,082)

Deferred Tax Liabilities of the Bank:

	Accelerated Capital Allowance	Accretion of Discounts on Investments	Total
	RM'000	RM'000	RM'000
At 1 July 2003	19,536	—	19,536
Recognised in the income statement	2,572	—	2,572
At 30 June 2004	22,108	—	22,108
At 1 July 2002	15,061	62	15,123
Recognised in the income statement	4,475	(62)	4,413
At 30 June 2003	19,536	—	19,536

20. DEFERRED TAX (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2004 RM'000	2003 RM'000
Unutilised tax losses	96,088	231,334
Unabsorbed capital allowances	4,099	615
Loan loss and provisions and interest suspended	36,824	47,248
Others	9,191	12,688
	146,202	291,885

The unutilised tax losses and unabsorbed capital allowances are available for offset against future taxable profits of the respective subsidiaries in which those items arose. Deferred tax assets have not been recognised in respect of those items as they may not be used to offset taxable profits of other subsidiaries in the Group. They have arisen in subsidiaries that have past losses of which the deferred tax assets are recognised to the extent that future taxable profits will be available.

21. SUBORDINATED OBLIGATIONS

	Group and Bank	
	2004 RM'000	2003 RM'000
USD250 million subordinated notes due in 2005	950,000	950,000
RM610 million subordinated bonds due in 2011	610,000	610,000
USD380 million subordinated notes due in 2012	1,444,000	1,444,000
	3,004,000	3,004,000

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".



21. SUBORDINATED OBLIGATIONS (CONT'D.)

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, subject to the revision of interest explained below 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.

On 6 June 2002, the Bank issued USD380 million nominal value Subordinated Notes with a fixed coupon rate of 6.125% per annum payable semi-annually in arrears in January and July each year, subject to the revision of interest explained below and are due in July 2012. The Bank may, subject to the prior consent of Bank Negara Malaysia, redeem the Notes, 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 revised to an equivalent to 3.23% above the US Treasury Rate per annum from the beginning of the 6th year to the final maturity date.

All the Notes and Bonds above 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.

22. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2004 '000	2003 '000	2004 RM'000	2003 RM'000
Authorised:				
At 1 July 2003/2002 and 30 June 2004/2003	4,000,000	4,000,000	4,000,000	4,000,000
Issued and fully paid:				
At 1 July 2003/2002	3,589,465	3,550,181	3,589,465	3,550,181
Bonus issue appropriated from retained profits	1,111	8,867	1,111	8,867
Shares issued under the Maybank Group Employee Share Option Scheme	9,596	30,417	9,596	30,417
At 30 June 2004/2003	3,600,172	3,589,465	3,600,172	3,589,465



22. SHARE CAPITAL (CONT'D.)

During the year, the Bank increased its issued and paid-up capital from RM3,589,464,821 to RM3,600,171,921 via issuance of 9,596,000 new ordinary shares of RM1 each to eligible persons who exercised their options under the previous Maybank Group Employee Share Option Scheme (ESOS) for cash. The corresponding bonus shares issued under the bonus entitlement (arising from the bonus issue of new ordinary shares granted by the Bank during the financial year 2002 on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held, for the existing options granted prior to the cut-off date of the bonus issue, 18 October 2001, each option holder was entitled to 1 additional bonus share for every 2 existing options held when the options were exercised) when the options were exercised amounted to RM1,111,100.

The previous ESOS expired on 22 June 2003 and the balance of unutilised options over the ordinary shares and bonus entitlement lapsed on the same day.

The Board of Directors recommended a Proposed ESOS on 1 August 2003 after the expiry of the previous ESOS. The Proposed ESOS were approved by the Securities Commission (SC) and Bank Negara Malaysia vide their letters dated 17 November 2003 and 19 January 2004 respectively. The Bank later obtained the SC's approval vide its letter dated 17 May 2004 for an extension of time until 31 December 2004 to implement the Proposed ESOS.

The Bank has subsequently on 27 May 2004 proposed to revise, inter-alia, certain terms of the Proposed ESOS to incorporate recent changes to the SC's Policies and Guidelines on Issue/Offer of Securities and the Listing Requirements of Bursa Malaysia Securities Berhad. The proposed changes to the Proposed ESOS entails, inter-alia, participation of non-executive directors, and increase in the maximum number of ordinary shares of RM1 each in the Bank available for the Proposed ESOS from ten percent (10%) to fifteen percent (15%) of the total number of issued and paid-up ordinary capital of the Bank at any point of time during the duration of the scheme. Other principal features of the revised Proposed ESOS are as follows:

- (a) The employees eligible to participate in the revised Proposed ESOS must be employed and on the payroll of the Bank and its subsidiaries for a continuous period of at least twenty four (24) months including service during the probation period and is confirmed in service;
- (b) The non-executive directors eligible to participate in the revised Proposed ESOS must have been a Non-Executive Director of the Group for a continuous period of at least twenty four (24) months;



22. SHARE CAPITAL (CONT'D.)

- (c) The revised Proposed ESOS shall be in force for a period of five (5) years from its commencement and no further options under the proposed scheme will be granted thereafter unless the shareholders of the Bank in a general meeting agree to continue with the revised Proposed ESOS for a further period of five (5) years with or without variations, and subject to the approvals of relevant authorities, provided that the duration of the revised Proposed ESOS including any extension, if any, shall not exceed a total period of ten (10) years from its commencement;
- (d) The new ordinary shares in the Bank to be allotted upon any exercise of options under the proposed scheme will upon allotment rank *pari passu* in all aspects with the then existing ordinary shares in the Bank, except that the new ordinary shares so issued will not rank for any dividends or other distribution declared, made or paid to shareholders prior to the date of allotment of such new ordinary shares, and will be subject to all the provisions of the Article of Association of the Bank relating to transfer, transmission and otherwise; and
- (e) The subscription price shall be at a discount, within the limit allowed by the relevant authorities from time to time and shall be decided by the ESOS Committee at its discretion, to the weighted average market price of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of offer, but shall in no event be less than the par value of the shares.

The Bank has obtained approval-in-principle of Bursa Malaysia Securities Berhad vide its letter dated 24 June 2004 for the listing of such number of new ordinary shares to be issued pursuant to the exercise of options granted under the revised Proposed ESOS at any time during the existence of the revised Proposed ESOS.

The approval from Bank Negara Malaysia for the revised Proposed ESOS has been obtained subsequent to the financial year end on 14 July 2004.

The revised Proposed ESOS has been approved by the shareholders in an Extraordinary General Meeting on 11 August 2004. The shareholders have also approved the resolution for the increase in the authorised ordinary share capital from RM4,000,000,000 to RM10,000,000,000 by the creation of an additional 6,000,000,000 new ordinary shares of RM1 each in the same meeting.



23. RESERVES

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Non-distributable:				
Share premium	500,566	444,672	500,566	444,672
Statutory reserves	4,274,198	3,746,207	3,636,325	3,113,225
Capital reserve	15,250	15,250	—	—
Exchange fluctuation reserve	38,188	42,082	79,936	66,987
	4,828,202	4,248,211	4,216,827	3,624,884
Distributable:				
Retained profits (Note 24)	6,195,062	5,647,557	4,282,034	4,062,078
Total reserves	11,023,264	9,895,768	8,498,861	7,686,962

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

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

24. RETAINED PROFITS

As at 30 June 2004, the Bank has tax exempt profits available for distribution of approximately RM436,546,000 (2003: RM366,024,000) before the proposed final dividend in respect of the current financial year ended 30 June 2004, subject to the agreement of the Inland Revenue Board.

The Bank has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire retained profits as at 30 June 2004.



25. OPERATING REVENUE

Operating revenue of the Group comprises all types of revenue derived from the businesses of banking, finance company, general and life insurance (including takaful), stock broking, discount house, leasing and factoring, trustee and nominee services, unit trust fund management, asset management and venture capital but excluding all transactions between related companies.

Operating revenue of the Bank comprises gross interest income (after adding back net interest/income suspended), fee and commission income, investment income, gross dividends, income from Islamic Banking Scheme operations and other income derived from banking operations.

26. INTEREST INCOME

	Group		Bank	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Loans, advances and financing	5,852,166	6,072,994	4,226,935	4,364,015
Money at call and deposit placements with financial institutions	941,425	799,611	863,104	756,629
Dealing securities	42,200	54,338	17,166	11,289
Investment securities	991,125	848,397	746,875	617,964
Others	29,547	37,716	—	—
	7,856,463	7,813,056	5,854,080	5,749,897
Amortisation of premiums less accretion of discounts	(67,746)	(44,756)	(93,494)	(57,629)
Net interest/income suspended	(452,433)	(563,568)	(364,115)	(426,404)
	7,336,284	7,204,732	5,396,471	5,265,864

