

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENT
UNAUDITED INCOME STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2009

		3rd Quarter Ended		Cumulative 9	From
		31 March	31 March	Months Ended	1 January
		2009	2008	31 March	2008 to
Note		RM'000	RM'000	2009	31 March
				RM'000	2008
					RM'000
Income derived from investment of depositors' funds	19	392,422	334,386	1,124,711	334,386
Income derived from investment of shareholders' funds	20	26,605	31,063	99,504	31,063
Allowance for losses on financing and advances	21	(62,964)	(49,761)	(139,898)	(49,761)
Profit equalisation reserve		14,481	17,658	28,492	17,658
Other expenses directly attributable to depositors & shareholders' fund		(3,786)	(16,880)	(14,026)	(16,880)
Total distributable income		366,758	316,466	1,098,783	316,466
Income attributable to the depositors	22	(158,243)	(141,575)	(489,374)	(141,575)
Total net income		208,515	174,891	609,409	174,891
Overhead expenses	23	(80,023)	(97,231)	(231,025)	(97,231)
Profit before taxation and zakat		128,492	77,660	378,384	77,660
Taxation	24	(28,618)	(18,684)	(87,611)	(18,684)
Zakat	24	(3,212)	(1,068)	(9,460)	(1,068)
Profit for the period attributable to equity holder of the Bank		96,662	57,908	281,313	57,908
Earnings per share attributable to equity holder of the Bank					
- Basic/diluted (sen)		92.94	57.91	270.49	57.91

(These condensed financial statements should be read in conjunction with the audited financial statements for the period ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENT
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2009

	Note	31 March 2009 RM'000	30 June 2008 RM'000
ASSETS			
Cash and short-term funds	11	3,944,550	2,282,360
Deposits and placements with banks and other financial institutions	12	862	1,261
Securities portfolio	13	3,844,241	2,715,435
Financing and advances	14	23,580,945	20,929,988
Derivative assets		28,771	45,185
Other assets	15	373,171	148,377
Statutory deposits with Bank Negara Malaysia		215,000	775,000
Deferred tax assets		28,912	27,114
TOTAL ASSETS		32,016,452	26,924,720
LIABILITIES			
Deposits from customers	16	20,345,750	18,710,572
Deposits and placements of banks and other financial institutions	17	5,335,483	3,590,978
Deposits and placements of holding company		3,700,000	2,000,000
Bills and acceptances payable		125,154	390,110
Derivative liabilities		34,019	45,200
Other liabilities	18	222,002	456,255
Provision for taxation and zakat		35,137	46,765
TOTAL LIABILITIES		29,797,545	25,239,880

(These condensed financial statements should be read in conjunction with the audited financial statements for the period ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENT
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2009

	Note	31 March 2009 RM'000	30 June 2008 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK			
Share capital		104,000	100,000
Reserves		2,114,907	1,584,840
TOTAL SHAREHOLDER'S EQUITY		2,218,907	1,684,840
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		32,016,452	26,924,720
COMMITMENTS AND CONTINGENCIES	25	11,498,703	8,728,220
<u>CAPITAL ADEQUACY</u>	26		
Core capital ratio		7.95%	8.07%
Risk-weighted capital ratio		9.56%	9.67%

(These condensed financial statements should be read in conjunction with the audited financial statements for the period ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENT
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2009

	<=====Non Distributable=====>					Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Distributable Retained Profits RM'000	
At 1 July 2008	100,000	1,500,000	57,983	(31,126)	57,983	1,684,840
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	52,754	-	52,754
Net gain not recognised in the income statement	-	-	-	52,754	-	52,754
Net profit for the period	-	-	-	-	281,313	281,313
Total recognised income for the period	-	-	-	52,754	281,313	334,067
Transfer to statutory reserve	-	-	140,656	-	(140,656)	-
Issue of ordinary shares (Notes 7)	4,000	196,000	-	-	-	200,000
At 31 March 2009	104,000	1,696,000	198,639	21,628	198,640	2,218,907

(These condensed financial statements should be read in conjunction with the audited financial statements for the period ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENT
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2009

	<=====Non Distributable=====>					
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Holding Reserve/(Deficit) RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At date of incorporation	-	-	-	-	-	-
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(31,126)	-	(31,126)
Net gain not recognised in the income statement	-	-	-	(31,126)	-	(31,126)
Net profit for the period	-	-	-	-	115,966	115,966
Total recognised income/(expense) for the period	-	-	-	(31,126)	115,966	84,840
Transfer to statutory reserve	-	-	57,983	-	(57,983)	-
Issue of ordinary shares	100,000	1,500,000	-	-	-	1,600,000
At 30 June 2008	100,000	1,500,000	57,983	(31,126)	57,983	1,684,840

(These condensed financial statements should be read in conjunction with the audited financial statements for the period ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENT
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2009

	31 March 2009 RM'000	31 March 2008 RM'000
Profit before taxation	378,384	77,660
Adjustments for non-cash items	(188,380)	30,380
Operating profit before working capital changes	190,004	108,040
Changes in working capital:-		
Net changes in operating assets	(3,226,283)	(23,576,251)
Net changes in operating liabilities	4,608,966	23,327,852
Tax expense and zakat paid	(110,497)	7,659
Net cash generated/(used in) from operations	1,462,190	(132,700)
Proceeds from issuance of shares representing net cash generated from investing activities	200,000	1,600,000
	200,000	1,600,000
Net change in cash and cash equivalents	1,662,190	1,467,300
Cash and cash equivalents at beginning of period	2,282,360	-
Cash and cash equivalents at end of period	3,944,550	1,467,300
Cash and cash equivalents comprise :		
Cash and short-term funds	3,944,550	1,467,300

(These condensed financial statements should be read in conjunction with the audited financial statements for the period ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

Explanatory Notes

**PART A – Explanatory Notes Pursuant to Financial Reporting Standard 134 (“FRS 134”) and
Revised Guidelines on Financial Reporting for Licensed Islamic Banks (BNM/GP8-*i*)
Issued by Bank Negara Malaysia**

A1. Basis of Preparation

The unaudited condensed interim financial statements for the third financial quarter ended 31 March 2009 of Maybank Islamic Berhad (“MIB” or “the Bank”) have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values; securities available-for-sale (“AFS”) and derivative financial instruments.

The unaudited condensed interim financial statements have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), Bank Negara Malaysia Guidelines (BNM/GP8-*i*) and the principles of Shariah. The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the period ended 30 June 2008. The explanatory notes attached provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank since the period ended 30 June 2008.

The significant accounting policies and methods of computation applied by the Bank are consistent with those adopted in the audited financial statements for the period ended 30 June 2008.

The allowance for doubtful financing of the Bank are computed based on the requirements of BNM/GP3 of which specific allowances are made for doubtful financing which have been individually reviewed and specifically identified as bad and doubtful. In addition, general allowance is made based on a certain percentage of total risk-weighted assets for credit risk, which takes into account all balance sheet items and their perceived credit risk levels, if maintained.

A2. Significant Accounting Estimates and Judgments

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

(i) Fair Value Estimation of Securities AFS (Note 13) and Derivative Financial Instruments

The fair value of securities and derivatives that are not traded in an active market are determined using valuation techniques based on assumptions of market conditions existing at the balance sheet date, including reference to quoted market prices and independent dealer quotes for similar securities and discounted cash flows method.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A2. Significant Accounting Estimates and Judgments (Contd.)

(ii) Deferred Tax and Income Taxes (Note 24)

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

(iii) Allowances for Losses (Note 21)

The Bank reviews the doubtful financing and advances at each reporting date to assess whether allowances for impairment should be recorded in the financial statements. In particular, judgement is required in the identification of doubtful financing and the estimation of realisation amount from the doubtful financing when determining the level of allowance required.

The Bank have adopted certain criteria in the identification of doubtful financing, which include classifying financing as non-performing when repayments are in arrears for more than three (3) months (one (1) month after maturity date for trade bills, bankers' acceptances and trust receipts). Specific allowances for doubtful financing are provided after taking into consideration of the values assigned to collateral.

The values assigned to collateral are estimated based on market value and/or forced sales value, as appropriate and conforms to Bank Negara Malaysia guidelines. In addition to the specific allowances made, the Bank also make general allowance against exposure not specifically identified based on a certain percentage of total risk-weighted assets for credit risk. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

A3. Auditors' Report on Proceeding Annual Financial

The auditors' report on the audited financial statements for the period ended 30 June 2008 was not qualified.

A4. Seasonal or Cyclical Factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors in the third financial quarter ended 31 March 2009.

A5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank during the third financial quarter ended 31 March 2009.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A6. Changes in Estimates

There were no material changes in estimates of amount, reported in prior financial period that have a material effect in the third financial quarter ended 31 March 2009.

A7. Issuance and Repayment of Debt and Securities

There was no issuance nor repayment of debt and equity securities during the third financial quarter ended 31 March 2009 other than follows:

- (a) The issued and paid-up share capital of the Bank was increased from RM100,000,000 as at 30 June 2008 to RM104,000,000 via a non-renounceable right issue of 4,000,000 ordinary shares of RM1.00 each at a premium of RM49.00 per share on the basis of one new share for every twenty-five existing shares held.

A8. Dividends

The Directors do not recommend the payment of any dividend in respect of the third financial quarter ended 31 March 2009 and no dividends were paid in the current financial period.

A9. Subsequent Events to the Balance Sheet

There were no material events subsequent to the balance sheet date that requires disclosure or adjustment to the unaudited condensed interim financial statements.

A10. Related Party Transaction

All related party transactions within the Maybank Group had been entered into in the normal course of business and were carried out on normal commercial terms.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A11. Cash and Short Term Funds

	31 March 2009 RM'000	30 June 2008 RM'000
Money at call and interbank placements with remaining maturity not exceeding one month	3,944,550	2,282,360
	3,944,550	2,282,360

A12. Deposits and Placements with Banks and other Financial Institutions

Bank Negara Malaysia	862	1,261
	862	1,261

A13. Securities Portfolio

	Note		
Securities available-for-sale ("AFS")	(i)	3,758,764	2,715,435
Securities held-to-maturity ("HTM")	(ii)	85,477	-
		3,844,241	2,715,435

(i) Securities AFS

At fair value

Money market instruments:-

Cagamas bonds	-	37,564
Malaysian Government investment issues	2,528,528	1,210,750
Negotiable Islamic instruments of deposits	152,210	138,551
Bankers' acceptances and Islamic accepted bills	261,582	676,784
Khazanah bonds	351,280	342,578
Total money market instruments	3,293,600	2,406,227

Unquoted Securities :

Private and Islamic debt securities in Malaysia		
	465,164	309,208
	465,164	309,208
Total securities AFS	3,758,764	2,715,435

(ii) Securities HTM

At amortised cost less impairment losses

Money market instruments:-

Malaysian Government securities		
	85,477	-
Total money market instruments	85,477	-
Total securities HTM	85,477	-

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A14. Financing and Advances

i) By type

	31 March 2009 RM'000	30 June 2008 RM'000
Cashline	2,000,425	1,997,952
Term financing		
- Housing financing	4,952,997	4,671,245
- Syndicated financing	-	31,144
- Hire purchase receivables	11,584,790	8,670,953
- Other financing	11,929,771	10,498,323
Bills receivable	99,426	71,263
Trust receipts	126,203	152,488
Claims on customers under acceptance credits	3,416,261	4,064,557
Staff financing	261,664	201,894
Credit/charge cards	21,718	-
Revolving credit	65,000	-
	34,458,255	30,359,819
Unearned income	(9,924,332)	(8,546,218)
Gross financing and advances	24,533,923	21,813,601
Allowances for bad and doubtful financing:		
- specific	(571,903)	(549,632)
- general	(381,075)	(333,981)
Net financing and advances	23,580,945	20,929,988

ii) By Shariah concepts

Bai' Bithaman Ajil	8,722,471	8,106,048
Al-Ijarah Thumma Al-Bai (AITAB)	9,681,990	7,202,573
Murabahah	5,783,975	6,383,899
Mudharabah	22,665	30,986
Musyarakah Mutanaqisah	248,229	78,505
Bai Al-Dayn	46,523	6,696
Bai Al-Inah	21,718	-
Other concepts	6,352	4,894
Gross financing and advances	24,533,923	21,813,601

iii) By type of customers

Domestic non-banking institutions	1,724,313	1,521,954
Domestic business enterprises		
- Small and medium enterprises	3,405,523	4,813,257
- Others	3,971,820	2,879,563
Government and statutory bodies	112,939	111,513
Individuals	15,220,878	12,425,844
Other domestic entities	9,362	2,146
Foreign entities in Malaysia	89,088	59,324
Gross financing and advances	24,533,923	21,813,601

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A14. Financing and Advances (contd.)

	31 March 2009 RM'000	30 June 2008 RM'000
(iv) By profit rate sensitivity		
Fixed rate		
- Housing financing	3,595,975	3,928,565
- Hire purchase receivables	9,681,990	7,211,478
- Other financing	3,317,037	3,135,363
Floating rate		
- Housing financing	821,834	668,427
- Other financing	7,117,087	6,869,768
Gross financing and advances	<u>24,533,923</u>	<u>21,813,601</u>

	31 March 2009		30 June 2008	
	RM'000	RM'000	RM'000	RM'000
(v) By economic purpose				
Purchase of securities		662,992		52,142
Purchase of transport vehicles	9,960,723		7,820,918	
- less: Islamic hire purchase receivables sold to Cagamas	<u>(279,477)</u>	9,681,246	<u>(611,346)</u>	7,209,572
Purchase of landed properties				
- residential	5,360,592		5,474,098	
- non-residential	648,159		615,952	
- less: Islamic housing financing sold to Cagamas	<u>(327,033)</u>	5,681,718	<u>(362,256)</u>	5,727,794
Personal use		348,319		344,056
Consumer durables		282		111
Construction		973,612		865,113
Working capital		7,058,850		7,508,035
Credit/charge cards		21,718		-
Others		105,186		106,778
Gross financing and advances		<u>24,533,923</u>		<u>21,813,601</u>

	31 March 2009		30 June 2008	
	RM'000	RM'000	RM'000	RM'000
(vi) NPF by economic purpose				
Purchase of securities		44,704		46,701
Purchase of transport vehicles		46,239		28,470
Purchase of landed properties				
- residential	482,434		513,073	
- non-residential	<u>40,503</u>	522,937	<u>43,493</u>	556,566
Personal use		40,722		34,565
Credit/charge cards		27		-
Consumer durables		1		4
Construction		96,573		136,448
Working capital		321,406		303,636
Gross NPF		<u>1,072,609</u>		<u>1,106,390</u>

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A14. Financing and Advances (contd.)

(vii) Movement in non-performing financing and advances ("NPF") are as follows:

	31 March 2009 RM'000	30 June 2008 RM'000
At beginning of period	1,106,390	-
Amount vested over from Maybank	-	1,245,328
Non-performing during the period	297,997	326,393
Reclassified as performing during the period	(185,798)	(214,035)
Recovered	(62,866)	(130,959)
Amount written off	(87,020)	(123,707)
Expenses debited to customers' accounts	3,906	3,370
At end of period	<u>1,072,609</u>	<u>1,106,390</u>
Less: specific allowance	<u>(571,903)</u>	<u>(549,632)</u>
Net NPF	<u>500,706</u>	<u>556,758</u>
Gross financing and advances	<u>24,533,923</u>	21,813,601
Less: specific allowance	<u>(571,903)</u>	<u>(549,632)</u>
Net financing and advances	<u>23,962,020</u>	<u>21,263,969</u>
NPF as % of gross financing and advances less specific allowances	<u>2.09%</u>	<u>2.62%</u>

(viii) Movement in the allowance for bad and doubtful financing accounts are as follows:

	31 March 2009 RM'000	30 June 2008 RM'000
<u>Specific Allowance</u>		
At beginning of period	549,632	-
Amount vested over from Maybank	-	579,816
Allowance made during the period	154,932	146,574
Amount written back in respect of recoveries	(45,641)	(53,051)
Amount written off	(87,020)	(123,707)
At end of the period	<u>571,903</u>	<u>549,632</u>
<u>General Allowance</u>		
At beginning of period	333,981	-
Amount vested over from Maybank	-	307,891
Allowance made during the period	47,094	26,090
At end of the period	<u>381,075</u>	<u>333,981</u>
As a % of total financing and advances less specific allowance	<u>1.59%</u>	<u>1.57%</u>

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A15. Other Assets

	31 March 2009 RM'000	30 June 2008 RM'000
Income receivables	31,073	21,565
Amount due from Maybank	233,642	9,924
Handling fees	80,309	63,302
Prepayments and deposits	62	61
Other debtors	28,085	53,525
	373,171	148,377

A16. Deposits from Customers

i) By type of deposit

Mudharabah Fund

Demand deposits	2,408,678	2,179,605
Savings deposits	151,112	108,793
General investment deposits	6,101,900	5,221,906
	8,661,690	7,510,304

Non-Mudharabah Fund

Demand deposits	4,056,114	3,673,790
Savings deposits	4,374,441	3,959,324
Structured deposits *	523,281	345,330
Negotiable instruments of deposits	2,730,224	3,221,824
	11,684,060	11,200,268
	20,345,750	18,710,572

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

ii) By type of customer

Business enterprises	5,345,220	5,874,924
Individuals	7,214,503	6,428,066
Government and statutory bodies	3,065,477	2,535,825
Others	4,720,550	3,871,757
	20,345,750	18,710,572

A17. Deposits and Placement of Banks and Other Financial Institutions

Mudharabah Fund

Licensed banks	4,237,222	2,248,619
Licensed investment banks	90,000	1,500
Other financial institutions	130,361	-
	4,457,583	2,250,119

Non Mudharabah Fund

Licensed banks	441,973	654,035
Licensed investment banks	242,777	487,596
Other financial institutions	193,150	199,228
	877,900	1,340,859
	5,335,483	3,590,978

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A18. Other Liabilities

	Note	31 March 2009 RM'000	30 June 2008 RM'000
Profit payable		97,910	63,049
Profit equalisation reserve ("PER")	(i)	33,276	61,768
Sundry creditors		21,573	188,865
Deposit on trade financing		9,269	49,062
Provisions and accruals		26,800	23,989
Others		33,174	69,522
		222,002	456,255
(i) PER			
At beginning of period		61,768	-
Amount vested over from Maybank		-	71,993
Provided during the period		16,390	43,034
Write back during the period		(44,882)	(53,259)
At end of period*		33,276	61,768

* PER at the end of the third financial quarter of which the shareholder's portion is RM 2,704,691 (2008: RM 4,857,581)

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A19. Income derived from Investment of Depositors' Funds

	3rd Quarter Ended		Cumulative 9 Months Ended	From 1 January 2008 to
	31 March 2009	31 March 2008	31 March 2009	31 March 2008
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
i) General investment deposits	155,405	83,596	337,313	83,596
ii) Other deposits	237,017	250,790	787,398	250,790
	<u>392,422</u>	<u>334,386</u>	<u>1,124,711</u>	<u>334,386</u>
i) Income derived from investment of general investment deposits				
Financing and advances	123,938	71,322	271,341	71,322
Money at call and deposit with financial institutions	13,927	2,663	28,841	2,663
Securities AFS	9,228	3,485	19,017	3,485
Securities HTM	116	-	155	-
	<u>147,209</u>	<u>77,470</u>	<u>319,354</u>	<u>77,470</u>
Amortisation of premium less accretion of discounts	2,378	1,638	5,508	1,638
Total finance income and hibah	<u>149,587</u>	<u>79,108</u>	<u>324,862</u>	<u>79,108</u>
Other operating income :				
Fee income				
- Processing fees	565	698	2,361	698
- Commissions	4,199	2,377	9,131	2,377
- Service charges	3,651	1,195	6,646	1,195
Unrealised gains/(losses) on revaluation of derivatives	(735)	217	(2,638)	217
Gains/(losses) on sale of securities AFS	7	(9)	(90)	(9)
Unrealised gains/(losses) on foreign exchange translations	(1,869)	10	(2,959)	10
	<u>155,405</u>	<u>83,596</u>	<u>337,313</u>	<u>83,596</u>
ii) Income derived from investment of other deposits				
Financing and advances	187,421	213,968	633,399	213,968
Money at call and deposit with financial institutions	22,200	7,990	67,324	7,990
Securities AFS	14,773	10,456	44,390	10,456
Securities HTM	244	-	363	-
	<u>224,638</u>	<u>232,414</u>	<u>745,476</u>	<u>232,414</u>
Amortisation of premium less accretion of discounts	3,386	4,916	12,857	4,916
Total finance income and hibah	<u>228,024</u>	<u>237,330</u>	<u>758,333</u>	<u>237,330</u>
Other operating income :				
Fee income				
- Processing fees	79	2,095	5,512	2,095
- Commissions	6,391	7,130	21,314	7,130
- Service charges	6,452	3,584	15,514	3,584
Unrealised gains/(losses) on revaluation of derivatives	(401)	650	(6,157)	650
Gains/(losses) on sale of securities AFS	82	(28)	(210)	(28)
Unrealised gains/(losses) on foreign exchange translations	(3,610)	29	(6,908)	29
	<u>237,017</u>	<u>250,790</u>	<u>787,398</u>	<u>250,790</u>

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A20. Income derived from Investment of Shareholder's Funds

	3rd Quarter Ended		Cummulative 9	From
	31 March 2009 RM'000	31 March 2008 RM'000	Months Ended 31 March 2009 RM'000	1 January 2008 to 31 March 2008 RM'000
Financing and advances	20,973	26,502	80,043	26,502
Money at call and deposit with financial institutions	2,531	-	8,508	990
Securities AFS	1,687	1,295	5,610	1,295
Securities HTM	30	-	46	-
	25,221	28,787	94,207	28,787
Amortisation of premium less accretion of discounts	371	608	1,625	608
Total finance income and hibah	25,592	29,395	95,832	29,395
Other operating income :				
Fee income				
- Processing fees	(24)	259	696	259
- Commissions	717	883	2,694	883
- Service charges	760	444	1,960	444
Unrealised gains/(losses) on revaluation of derivatives	(16)	81	(778)	81
Gains/(losses) on sale of securities AFS	12	(3)	(27)	(3)
Unrealised gains/(losses) on foreign exchange translations	(436)	4	(873)	4
	26,605	31,063	99,504	31,063

A21. Allowance for Losses on Financing and Advances

Allowance for bad and doubtful financing:

Specific allowance				
- made in the period	51,284	87,512	154,933	87,512
- written back	(8,625)	(26,082)	(45,641)	(26,082)
General allowance				
- made in the period	30,808	6,506	62,322	6,506
- written back	(6,875)	(14,507)	(15,228)	(14,507)
Bad debts and financing				
- written off	-	62	35	62
- recovered	(3,628)	(3,730)	(16,523)	(3,730)
	62,964	49,761	139,898	49,761

A22. Income attributable to Depositors

Deposits from customers				
- Mudharabah	27,631	31,170	79,622	31,170
- Non-Mudharabah	54,198	60,738	175,497	60,738
	81,829	91,908	255,119	91,908
Deposits and placements of banks and other financial institutions				
- Mudharabah	27,538	22,023	78,585	22,023
- Non-Mudharabah	48,876	27,644	155,670	27,644
	76,414	49,667	234,255	49,667
	158,243	141,575	489,374	141,575

MAYBANK ISLAMIC BERHAD
(787435-K)
(Incorporated in Malaysia)

A23. Overhead Expenses

	3rd Quarter Ended		Cumulative 9	From
	31 March	31 March	Months Ended	1 January
	2009	2008	31 March	2008 to
	RM'000	RM'000	RM'000	31 March
			2009	2008
			RM'000	RM'000
Personnel expenses	2,062	1,361	5,357	1,361
- Salaries, allowances and bonuses	1,545	1,139	4,022	1,139
- Pension costs	230	173	681	173
- Others	287	49	654	49
Establishment costs	375	-	974	-
- Information technology expenses	375	-	974	-
Marketing costs	2,466	290	7,542	290
- Advertisement and publicity	2,465	290	7,539	290
- Others	1	-	3	-
Administration and general expenses	75,120	95,580	217,152	95,580
- Fees and brokerage	2,400	-	6,642	-
- Administrative expenses	1,489	3,094	2,399	3,094
- General expenses	1,971	284	1,971	284
- Shared service cost paid/payable to Maybank	69,260	92,202	206,140	92,202
	80,023	97,231	231,025	97,231

A24. Taxation and Zakat

The analysis of the taxation and zakat expense for the third financial quarter ended 31 March 2009 are as follows:

Malaysian income tax	37,188	33,300	108,177	33,300
Deferred tax expense in relation to origination and reversal of temporary differences	(8,570)	(14,616)	(20,566)	(14,616)
Tax expense for the period	28,618	18,684	87,611	18,684
Zakat expense	3,212	1,068	9,460	1,068
	31,830	19,752	97,071	19,752

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A25. Commitments and Contingencies

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

The risk-weighted exposures of the Bank as at dates are as follows:

	As at 31 March 2009			As at 30 June 2008		
	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000	Notional Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
Direct credit substitutes	172,784	172,784	131,830	170,015	170,015	119,227
Certain transaction-related contingent items	616,917	308,459	276,665	650,224	325,112	289,899
Short-term self-liquidating trade-related contingencies	118,422	23,684	19,568	269,206	53,841	51,414
Islamic housing and hire purchase financing sold to Cagamas Berhad	606,511	606,511	442,993	973,602	973,602	792,474
Commitment on securities sold under sell and buy back agreements	-	-	-	40,000	40,000	8,000
Irrevocable commitments to extend credit:						
- maturity within one year	8,653,344	-	-	5,585,765	-	-
- maturity more than one year	342,213	171,107	153,119	242,234	121,117	104,422
Profit rate related contracts:						
- one year to less than five years	956,350	18,003	3,601	691,750	20,063	20,055
Miscellaneous	32,162	-	-	105,424	-	-
	11,498,703	1,300,548	1,027,776	8,728,220	1,703,750	1,385,491

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

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A26. Capital Adequacy

The capital adequacy ratios of the Bank are as follows:

	31 March 2009 RM'000	30 June 2008 RM'000
Core capital ratio	7.95%	8.07%
Risk-weighted capital ratio ("RWCR")	9.56%	9.67%

Components of Tier I and Tier II capital:

Tier I capital

Paid-up share capital	104,000	100,000
Share premium	1,696,000	1,500,000
Other reserves	115,966	115,966
Less: Deferred tax assets	(27,114)	(27,114)
Total Tier I capital	1,888,852	1,688,852

Tier II capital

General allowance for bad and doubtful financing	381,075	333,981
Total Tier II capital	381,075	333,981
Total capital	2,269,927	2,022,833
Capital base	2,269,927	2,022,833

Analysis of the Bank's risk-weighted assets in two various categories of risk-weighted are as follows:

	31 March 2009		30 June 2008	
	Notional RM'000	Risk-Weighted RM'000	Notional RM'000	Risk-Weighted RM'000
Credit risk	33,669,162	23,599,684	28,935,337	20,869,042
Market risk	-	134,591	-	44,115
Total risk-weighted assets	33,669,162	23,734,275	28,935,337	20,913,157

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A27. Profit Rate Risk

	← Non trading book →						Trading books RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non- profit sensitive RM'000			
As at 31 March 2009									
ASSETS									
Cash and short-term funds	580,850	-	-	-	-	3,363,700	-	3,944,550	1.95
Deposits and placements with banks and other financial institutions	-	-	-	-	-	862	-	862	-
Securities AFS	100,939	280,120	863,409	1,246,139	1,268,157	-	-	3,758,764	3.18
Securities HTM	-	-	-	10,081	75,396	-	-	85,477	4.19
Financing and advances									
- performing	2,047,364	1,596,902	638,138	3,641,560	15,537,350	-	-	23,461,314	5.74
- non-performing*	-	-	-	-	-	119,631	-	119,631	-
Derivative assets	-	-	-	28,771	-	-	-	28,771	-
Other non-profit sensitive balances	-	-	-	-	-	617,083	-	617,083	-
TOTAL ASSETS	2,729,153	1,877,022	1,501,547	4,926,551	16,880,903	4,101,276	-	32,016,452	

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A27. Profit Rate Risk (Contd.)

As at 31 March 2009	← Non trading book →						Trading books RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non- profit sensitive RM'000			
LIABILITIES AND SHAREHOLDER'S EQUITY									
Deposits from customers	5,655,954	2,960,227	3,613,339	8,011,213	105,017	-	-	20,345,750	1.82
Deposits and placements of banks and other financial institutions	2,515,484	2,314,950	23,340	162,850	23,195	295,664	-	5,335,483	2.81
Deposits and placements of holding company	1,000,000	500,000	-	2,200,000	-	-	-	3,700,000	3.32
Bills and acceptances payable	68,449	56,499	-	-	-	206	-	125,154	2.67
Derivatives liabilities	-	-	-	34,019	-	-	-	34,019	-
Other non-profit sensitive balances	-	-	-	-	-	257,139	-	257,139	-
Total Liabilities	9,239,887	5,831,676	3,636,679	10,408,082	128,212	553,009	-	29,797,545	
Shareholder's equity	-	-	-	-	-	2,218,907	-	2,218,907	
Total Liabilities and Shareholder's Equity	9,239,887	5,831,676	3,636,679	10,408,082	128,212	2,771,916	-	32,016,452	
On-balance sheet profit rate sensitivity gap	(6,510,734)	(3,954,654)	(2,135,132)	(5,481,531)	16,752,691	1,329,360	-	-	
Total profit rate sensitivity gap	(6,510,734)	(3,954,654)	(2,135,132)	(5,481,531)	16,752,691	1,329,360	-	-	
Cumulative profit rate sensitivity gap	(6,510,734)	(10,465,388)	(12,600,519)	(18,082,051)	(1,329,360)	-	-		

* This is arrived at after deducting the general allowance and specific allowance from the outstanding NPF.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A27. Profit Rate Risk (Contd.)

	Non trading book						Trading books RM'000	Total RM'000	Effective profit rate %
	←	←	←	←	←	←			
As at 30 June 2008	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non- profit sensitive RM'000			
ASSETS									
Cash and short-term funds	308,260	-	-	-	-	1,974,100	-	2,282,360	3.48
Deposits and placements with banks and other financial institutions	-	-	-	-	-	1,261	-	1,261	-
Securities AFS	305,968	424,473	108,610	1,422,702	453,682	-	-	2,715,435	4.20
Financing and advances									
- performing	3,991,265	1,365,170	274,292	2,399,018	12,677,466	-	-	20,707,211	6.43
- non-performing*	-	-	-	-	-	222,777	-	222,777	-
Derivative assets	-	-	-	45,185	-	-	-	45,185	-
Other non-profit sensitive balances	-	-	-	-	-	950,491	-	950,491	-
TOTAL ASSETS	4,605,493	1,789,643	382,902	3,866,905	13,131,148	3,148,629	-	26,924,720	

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

A27. Profit Rate Risk (Contd.)

As at 30 June 2008	← Non trading book →						Non-profit sensitive RM'000	Trading books RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000					
LIABILITIES AND SHAREHOLDER'S EQUITY										
Deposits from customers	5,456,340	2,125,416	3,785,273	7,154,899	188,644	-	-	18,710,572	1.99	
Deposits and placements of banks and other financial institutions	1,213,695	410,016	1,631,207	103,647	77,221	155,192	-	3,590,978	3.57	
Deposits and placements of holding company	-	-	500,000	1,000,000	500,000	-	-	2,000,000	5.08	
Bills and acceptances payable	-	175,508	214,056	-	-	546	-	390,110	3.45	
Derivatives liabilities	-	-	-	45,185	-	-	15	45,200	-	
Other non-profit sensitive balances	-	-	-	-	-	503,020	-	503,020	-	
Total Liabilities	6,670,035	2,710,940	6,130,536	8,303,731	765,865	658,758	15	25,239,880		
Shareholder's equity	-	-	-	-	-	1,684,840	-	1,684,840		
Total Liabilities and Shareholder's Equity	6,670,035	2,710,940	6,130,536	8,303,731	765,865	2,343,598	15	26,924,720		
On-balance sheet profit rate sensitivity gap	(2,064,542)	(921,297)	(5,747,634)	(4,436,826)	12,365,283	805,031	(15)	-		
Total profit rate sensitivity gap	(2,064,542)	(921,297)	(5,747,634)	(4,436,826)	12,365,283	805,031	(15)	-		
Cumulative profit rate sensitivity gap	(2,064,542)	(2,985,839)	(8,733,473)	(13,170,299)	(805,016)	15	-			

* This is arrived at after deducting the general allowance and specific allowance from the outstanding NPF.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

PART B – Review of Performance & Current Year Prospects

B1. Review of Performance

The Bank registered profit before taxation and zakat of RM378.4 million and profit after taxation and zakat of RM281.3 million respectively for the cumulative 9 months period ended 31 March 2009 subsequent to the following events:-

- a) Income derived from investment of depositors' funds and income derived from investment of shareholders' funds stood at RM1,124.7 million and RM99.5 million respectively. Contributing to the overall encouraging income performance for the cumulative 9 months period were income from financing of RM984.8 million (80%), income from deposit placement with financial institutions of RM104.7 million (9%), income from investment in securities portfolio of RM89.6 million (7%) and fee, commission and service charges of RM65.8 million (5%). However, the above was off-set by unrealised losses on derivatives revaluation and foreign exchange losses totalling RM20.3 million and losses on sale of securities portfolio of RM0.3 million.
- b) Allowances for losses on financing stood at RM139.9 million, mainly due to allocation of specific allowances for Newly Classified NPF of several commercial and small and medium enterprises financing accounts as well as additional general allowance due to significant expansion in risk-weighted assets during the 9 months period.
- c) A total RM28.5 million of PER was written-back to income statement to maintain a consistent indicative dividend rates as well as to meet the dividend obligations throughout the period (in line with BNM/GP2-).
d) Other expenses directly attributable to depositors and shareholders' fund stood at RM14.0 million, mainly due to dividend on structured Islamic Profit Rate Swap ("IPRS").
- e) Income attributable to depositors stood at RM489.4 million for the cumulative 9 months period. This comprised of dividend paid on Mudharabah and non-Mudharabah deposits from customers of RM255.1 million (52%) as well as deposits and placements from banks and other financial institutions of RM234.3 million (48%).
- f) Overhead expenses for the cumulative 9 months period amounted to RM231.0 million. RM24.9 million or 11% of the overhead were expenses directly attributable to the cost of operating the business; which include personnel cost of RM5.4 million, establishment cost of RM1.0 million, marketing expenses of RM7.5 million and administrative and general expenses of RM11.0 million. The remaining RM206.1 million or 89% of the overhead were chargeback expenses for shared services provided by Maybank.

The Bank recorded total assets of RM32.0 billion, an increase by RM5.1 billion or 19% from the previous financial period ended 30 June 2008. Total net financing and advances assets amounted to RM23.6 billion, improvement by RM2.7 billion or 13% from June 2008 mainly attributable to higher hire purchase receivables by RM2.9 billion or 33%.

MAYBANK ISLAMIC BERHAD
(787435-M)
(Incorporated in Malaysia)

B1. Review of Performance (Contd.)

The Bank's financing assets comprised of consumer financing portfolio of 69% while business financing portfolio made up the remaining 31% as at March 2009. During the cumulative 9-month ended 31 March 2009, asset quality improved further with net NPF ratio at 2.09% against 2.62% registered in the prior financial period ended 30 June 2008.

Total customer deposits amounted to RM20.3 billion, an increase by RM1.6 billion or 9% compared to the prior financial period ended 30 June 2008. All portfolios registered positive growth except for negotiable instruments of deposits. Major contributors came from general investment deposits, demand deposits, savings and structured deposits which expanded by RM0.9 billion, RM0.6 billion, RM0.5 billion and RM0.2 billion respectively compared to the prior financial period ended 30 June 2008. However, negotiable instruments of deposit registered lower balances, dropping by RM0.5 billion or 15%. Mudharabah fund accounted for 43% of total customer deposits, while the remaining 57% were non-Mudharabah fund.

The Bank's market share of financing assets and customer deposits were in the region of 22.6% and 16.6% respectively based on the industry's position as at February 2009.

As a separate entity, the Bank is adequately capitalised above the minimum requirements set by Bank Negara Malaysia with its core capital ratio at 7.95% and RWCR at 9.56% as at 31 March 2009.

B2. Current Year Prospects

The Bank expects business environment to remain challenging in 2009 as there is no indication that the global economic downturn is at its end, despite witnessing some stabilisation taking place. Bank Negara Malaysia is optimistic that the Malaysian economy will improve in the second half of 2009 as the recent Government announced stimulus packages, coupled with a softening of profit rates, will help to spur domestic demand.

The Bank is confident of meeting its broad key performance indicators ("KPI") and budget targets for the current financial year with series of business strategies and initiatives being laid down to enhance its selling propositions and strengthen operational capabilities to maintain the Bank's leadership in the domestic Islamic banking industry.

B3. Profit Forecast or Profit Guarantee

The Bank does not make any profit forecast or issued any profit guarantee.