

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011**

	Notes	Group		Bank	
		30 Sept 2011 RM'000	30 June 2011 RM'000	30 Sept 2011 RM'000	30 June 2011 RM'000
<b>ASSETS</b>					
Cash and short-term funds	12	1,085,694	1,322,342	1,053,986	1,290,431
Deposits and placements with banks and other financial institutions	13	5,109	10,347	3,923	9,163
Securities portfolio - held-for-trading	14(i)	627	-	627	-
Securities portfolio - available-for-sale	14(ii)	85,500	98,449	42,182	42,060
Securities portfolio - held-to-maturity	14(iii)	33	33	33	33
Loans and advances	15	201,084	211,032	201,084	211,032
Other assets	16	594,248	461,320	591,907	461,335
Statutory deposits with Bank Negara Malaysia		105	105	105	105
Investment in subsidiaries		-	-	233,279	233,279
Investment in associates		10,731	10,656	4,200	4,200
Property, plant and equipment		12,092	9,338	11,931	9,179
Intangible assets		5,220	5,217	5,220	5,217
Deferred tax assets		3,528	10,116	3,529	10,116
<b>TOTAL ASSETS</b>		<b>2,003,971</b>	<b>2,138,955</b>	<b>2,152,006</b>	<b>2,276,150</b>
<b>LIABILITIES</b>					
Other liabilities	17	1,510,254	1,695,421	1,677,002	1,863,578
Deferred tax liabilities		777	744	-	-
<b>TOTAL LIABILITIES</b>		<b>1,511,031</b>	<b>1,696,165</b>	<b>1,677,002</b>	<b>1,863,578</b>
<b>SHAREHOLDER'S EQUITY</b>					
Share capital		50,116	50,116	50,116	50,116
Reserves		442,824	392,674	424,888	362,456
<b>TOTAL EQUITY</b>		<b>492,940</b>	<b>442,790</b>	<b>475,004</b>	<b>412,572</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>2,003,971</b>	<b>2,138,955</b>	<b>2,152,006</b>	<b>2,276,150</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	24	<b>574,074</b>	<b>508,727</b>	<b>574,074</b>	<b>508,727</b>

*(The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)*

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

**CONDENSED FINANCIAL STATEMENTS**  
**CONSOLIDATED UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

<u>Group</u>	Notes	1st Quarter Ended		Cumulative 3 Months Ended	
		30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Interest income	18	6,222	3,572	6,222	3,572
Interest expense	19	(1,030)	(10)	(1,030)	(10)
Net interest income		5,192	3,562	5,192	3,562
Net income from Islamic Banking Scheme operations	26	37,977	-	37,977	-
Non-interest income	20	89,468	49,685	89,468	49,685
Net income		132,637	53,247	132,637	53,247
Overhead expenses	21	(47,282)	(32,376)	(47,282)	(32,376)
Operating profit		85,355	20,871	85,355	20,871
Allowance for impairment on loans and advances and other debtors, net	22	(436)	(414)	(436)	(414)
		84,919	20,457	84,919	20,457
Share of results in associates		140	17	140	17
Profit before taxation and zakat		85,059	20,474	85,059	20,474
Taxation and zakat		(22,264)	(8,049)	(22,264)	(8,049)
Profit for the period		62,795	12,425	62,795	12,425
Basic earnings per share (sen)		125	25	125	25

<u>Group</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Profit for the period	62,795	12,425	62,795	12,425
Other comprehensive income/(loss):				
Net (loss)/gain on available-for-sale financial assets				
- (Loss)/gain on fair value changes	(15,421)	10,131	(15,421)	10,131
Foreign currency translation	2,776	(2,101)	2,776	(2,101)
Other comprehensive (loss)/income for the period, net of tax	(12,645)	8,030	(12,645)	8,030
Total comprehensive income for the period	50,150	20,455	50,150	20,455
Total comprehensive income for the period attributable to owner of the parent	50,150	20,455	50,150	20,455

*(The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)*

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(15938-H)  
(Incorporated in Malaysia)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

<u>Bank</u>	Notes	1st Quarter Ended		Cumulative 3 Months Ended	
		30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Interest income	18	6,124	3,408	6,124	3,408
Interest expense	19	(1,030)	(10)	(1,030)	(10)
Net interest income		5,094	3,398	5,094	3,398
Net income from Islamic Banking Scheme operations	26	37,977	-	37,977	-
Non-interest income	20	87,612	47,049	87,612	47,049
Net income		130,683	50,447	130,683	50,447
Overhead expenses	21	(45,716)	(32,063)	(45,716)	(32,063)
Operating profit		84,967	18,384	84,967	18,384
Allowance for impairment on loans and advances and other debtors, net	22	(436)	(414)	(436)	(414)
<b>Profit before taxation and zakat</b>		<b>84,531</b>	<b>17,970</b>	<b>84,531</b>	<b>17,970</b>
Taxation and zakat		(22,036)	(7,664)	(22,036)	(7,664)
<b>Profit for the period</b>		<b>62,495</b>	<b>10,306</b>	<b>62,495</b>	<b>10,306</b>
Basic earnings per share (sen)		125	21	125	21

<u>Bank</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Profit for the period	62,495	10,306	62,495	10,306
Other comprehensive income/(loss):				
Net gain/(loss) on available-for-sale financial assets				
- (Loss)/gain on fair value changes	(63)	8	(63)	8
Other comprehensive (loss)/income for the period, net of tax	(63)	8	(63)	8
<b>Total comprehensive income for the period</b>	<b>62,432</b>	<b>10,314</b>	<b>62,432</b>	<b>10,314</b>

*(The condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)*

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	←-----Non-distributable-----→							Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves * RM'000	Capital reserves RM'000	Unrealised holding reserves RM'000	Exchange fluctuation reserve RM'000	Distributable retained profits RM'000	
<b>Group</b>								
At 1 July 2011	50,116	172,669	50,116	-	25,958	(6,918)	150,849	442,790
Profit for the period	-	-	-	-	-	-	62,795	62,795
Other comprehensive income	-	-	-	-	(15,421)	2,776	-	(12,645)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,421)</b>	<b>2,776</b>	<b>62,795</b>	<b>50,150</b>
<b>At 30 September 2011</b>	<b>50,116</b>	<b>172,669</b>	<b>50,116</b>	<b>-</b>	<b>10,537</b>	<b>(4,142)</b>	<b>213,644</b>	<b>492,940</b>
At 1 July 2010	50,116	172,669	50,116	-	18,762	(3,788)	132,259	420,134
Profit for the period	-	-	-	-	-	-	12,425	12,425
Other comprehensive income	-	-	-	(33)	10,149	(2,101)	15	8,030
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33)</b>	<b>10,149</b>	<b>(2,101)</b>	<b>12,440</b>	<b>20,455</b>
<b>At 30 September 2010</b>	<b>50,116</b>	<b>172,669</b>	<b>50,116</b>	<b>(33)</b>	<b>28,911</b>	<b>(5,889)</b>	<b>144,699</b>	<b>440,589</b>

(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes to the interim financial statements)

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

<-----Non-distributable----->

	Share capital RM'000	Share premium RM'000	Statutory reserves * RM'000	Unrealised holding reserves RM'000	Distributable retained profits RM'000	Total RM'000
<b>Bank</b>						
At 1 July 2011	50,116	172,669	50,116	-	139,671	412,572
Profit for the period	-	-	-	-	62,495	62,495
Other comprehensive income	-	-	-	(63)	-	(63)
<b>Total comprehensive income for the period</b>	<b>50,116</b>	<b>172,669</b>	<b>50,116</b>	<b>(63)</b>	<b>202,166</b>	<b>475,004</b>
<b>At 30 September 2011</b>	<b>50,116</b>	<b>172,669</b>	<b>50,116</b>	<b>(63)</b>	<b>202,166</b>	<b>475,004</b>
At 1 July 2010	50,116	172,669	50,116	5,777	125,664	404,342
Profit for the period	-	-	-	-	10,306	10,306
Other comprehensive income	-	-	-	8	-	8
<b>Total comprehensive income for the period</b>	<b>50,116</b>	<b>172,669</b>	<b>50,116</b>	<b>5,785</b>	<b>135,970</b>	<b>414,656</b>
<b>At 30 September 2010</b>	<b>50,116</b>	<b>172,669</b>	<b>50,116</b>	<b>5,785</b>	<b>135,970</b>	<b>414,656</b>

\* The statutory reserves are maintained in compliance with Section 36 of the Banking and Financial Institutions Act, 1989 and are not distributable as cash dividends.

*(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes to the interim financial statements)*

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CASH FLOW STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	GROUP		BANK	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Profit before taxation and zakat	85,059	20,474	84,531	17,970
Adjustment for non-operating and non-cash items	(2,176)	2,906	(1,124)	1,595
Operating profit before working capital changes	<u>82,883</u>	<u>23,380</u>	<u>83,407</u>	<u>19,565</u>
Changes in working capital:-				
Net changes in operating assets	(159,711)	9,772	(164,540)	5,363
Net changes in operating liabilities	175,295	(23,163)	179,327	(27,194)
Taxes paid	(22,509)	(1,700)	(22,035)	7,664
Net cash generated from/(used in) operations	<u>75,958</u>	<u>8,289</u>	<u>76,159</u>	<u>5,398</u>
Net cash used in investing activities	(1,634)	(2,913)	(1,632)	(1,150)
Net change in cash and cash equivalents	74,324	5,376	74,527	4,248
Cash and cash equivalents at beginning of the year	127,083	141,178	95,172	115,343
Cash and cash equivalents at end of the period	<u>201,407</u>	<u>146,554</u>	<u>169,699</u>	<u>119,591</u>
Cash and cash equivalents included in the cash flow statements comprise the following Financial Position amounts:-				
Cash and short-term funds	1,085,694	246,084	1,053,986	219,121
Less: Monies held in trust	(884,287)	(99,530)	(884,287)	(99,530)
	<u>201,407</u>	<u>146,554</u>	<u>169,699</u>	<u>119,591</u>

*(These condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements)*

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(15938-H)  
(Incorporated in Malaysia)

**Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") and Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) Issued by Bank Negara Malaysia**

**1. Basis of Preparation**

The unaudited condensed financial statements of the Group and the Bank have been prepared under the historical cost convention except for securities held-for-trading and securities available-for-sale that are stated at fair values.

The unaudited condensed financial statements have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting. The unaudited condensed financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2011. These explanatory notes attached to the unaudited condensed financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 30 June 2011.

The unaudited condensed financial statements incorporated those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to the acceptance of deposit and granting of financing under the principles of Shariah.

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 30 June 2011 except for the adoption of the following Financial Reporting Standards ("FRS"), amendments to FRSS, Interpretations of the Issues Committee ("IC Interpretations") and Technical Release ("TR"):-

i) Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
ii) Amendments to FRS 1	Additional Exemptions for First-time Adopters
iii) Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
iv) Amendments to FRS 7	Improving Disclosures about Financial Instruments
v) Amendments to FRSS	[Improvements to FRSS (2010)]
vi) Amendments to IC Interpretation 13	[Improvements to FRSS (2010)]
vii) Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
viii) IC Interpretation 4	Determining Whether an Arrangement contains a Lease
ix) IC Interpretation 18	Transfers of Assets from Customers
x) IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
xi) TR i - 4	Shariah Compliant Sale Contracts

The adoption of the above FRSS, amendments to FRSS and IC Interpretations did not have any material impact on the financial statements of the Group and the Bank.

The following FRS and IC Interpretation by Malaysian Accounting Standards Board but are not yet effective, and have yet to be adopted by the Group and the Bank:-

**Effective for annual periods commencing on or after 1 January 2012:-**

i) FRS 124	Related Parties Disclosures
ii) IC Interpretation 15	Agreements for the Construction of Real Estate

In addition to these, the Group and the Bank have also adopted BNM's Revised Guidelines for Financial Reporting for Banking Institutions revised on 10 March 2010 and Revised Guidelines for Classification and Impairment Provision for Loans/Financing revised on 26 January 2010.

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**(15938-H)**  
**(Incorporated in Malaysia)**

**2. Significant Accounting Estimates and Judgements**

The preparation of financial statement 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 Held-For-Trading (Note 14(i)) and Available-for-sale (Note 14(ii))**

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 methods.

**(ii) Impairment of Other Intangible Assets**

The Group's and the Bank's intangible assets that can be separated and sold and have a finite useful life are amortised over their estimated useful life.

The determination of the estimated useful life of these intangible assets requires the Bank's management to analyse the circumstances, the industry and market practice and also to use judgement. At each balance sheet date, or more frequently when events or changes in circumstances dictate, intangible assets are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises of the carrying amount of the assets with its recoverable amount.

**(iii) Deferred Tax and Income Taxes**

The Group and the Bank are subject to income taxes in many jurisdictions and significant judgement is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognized 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 tax and deferred tax provisions in the period which the estimates is revised or the final liability is established.

**(iv) Impairment Losses on Loans, Advances and Financing**

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

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The collective assessment takes account of data from the loan portfolio (such as credit quality, level of arrears, credit utilisation, loan to collateral ratios etc.) concentrations of risks and relevant economic data.

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
**(Incorporated in Malaysia)**

**2. Significant Accounting Estimates and Judgements (Cont'd)**

**(v) Impairment of Investments in Subsidiaries and Interest in Associates**

The Group and the Bank assess whether there is any indication that an investment in subsidiaries and interests in associates may be impaired at each balance sheet date.

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

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

- (i) The Bank determines whether its investments are impaired following certain indications of impairments such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes and fundamentals.
- (ii) Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted cash flow, realisable net asset value and sector average price-earnings ratio.

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

**(vi) Impairment of Securities Portfolio**

The Group and the Bank review the Securities Portfolio and assess at each reporting date whether there is any objective evidence that the investment is impaired. If there are indicators or objective evidence, the assets are subject to impairment review.

The impairment review comprises the following judgement made by management:

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

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**(15938-H)**  
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**3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2011 was not qualified.

**4. Seasonal or Cyclical Factors**

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the first quarter ended 30 September 2011.

**5. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items due to their nature, size or incidence that occurred during the first quarter ended 30 September 2011.

**6. Subsequent Events**

There were no material subsequent events during the first quarter ended 30 September 2011.

**7. Changes in Estimates**

There were no material changes in estimates during the first quarter ended 30 September 2011.

**8. Changes in Debt and Equity Securities**

There were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Bank.

**9. Dividend Paid**

No dividend has been proposed for the first quarter ended 30 September 2011.

**10. Performance Review**

For the quarter ended 30 September 2011, all business lines reported growth in revenue and operating profit despite challenging business environment and stiff competition.

Net interest income increased by 45.8% or RM1.6 million to higher interest income from share margin financing as well as placement of deposits. In support of "Islamic First" strategy, Islamic Banking income recorded a huge jump to RM38.0 million (NIL in corresponding quarter last year) due to sizeable debt capital market transactions. Non-interest income was higher by 80.0% or RM39.8 million to RM89.5 million due to higher fee-based income mainly from investment banking (including debt and equity capital markets) and stockbroking businesses. Net income rose by RM79.4 million or 149.2% to RM132.6 million.

Overhead expenses rose by 46.0% or RM14.9 million to RM47.3 million from RM32.4 million last year. This was largely attributable to the increase in personnel related costs for additional hires to strengthen the team.

With the above factors, the Group's profit before taxation and zakat registered an increase of 315.1% or RM64.6 million to RM85.1 million. Net profit improved by 405.4% or RM50.4 million to RM62.8 million for the period ended 30 September 2011 compared to the previous corresponding period last year.

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**(15938-H)**  
**(Incorporated in Malaysia)**

**11. Strategic Direction & Prospects**

The Group had changed its financial year end from 30 June to 31 December and the current financial period commenced from 1 July 2011 to 31 December 2011, covering a 6-month period.

The down side risk for the global economy has risen mainly from the prolonged and worsening Eurozone sovereign debt crisis and sluggish growth in the US economy. Nonetheless, Malaysia and other ASEAN economies are still expected to stay on the growth path - albeit at a more moderate pace - on account of strong economic, financial and banking fundamentals as well as the growing importance of domestic demand in driving growth.

For the current financial period ending 31 December 2011, the Group's domestic business momentum is expected to remain strong despite challenging business environment and stiffer competition. Barring any unforeseen circumstances, the Group expects to maintain its satisfactory financial performance for the financial year ending 31 December 2011.

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**(15938-H)**  
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**12. Cash and short-term funds**

	Group		Bank	
	30 Sept 2011	30 June 2011	30 Sept 2011	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances with a licensed bank	915,452	1,228,419	910,329	1,223,337
Deposit placements maturing within one month	170,242	93,923	143,657	67,094
	<u>1,085,694</u>	<u>1,322,342</u>	<u>1,053,986</u>	<u>1,290,431</u>

Included in cash and short-term funds of the Group and of the Banks are monies held in trust of RM884,287,000 (30 June 2011: RM1,195,259,000).

**13. Deposits and placements with banks and other financial institutions**

	Group		Bank	
	30 Sept 2011	30 June 2011	30 Sept 2011	30 June 2011
	RM'000	RM'000	RM'000	RM'000
Licensed bank	5,109	10,347	3,923	9,163
	<u>5,109</u>	<u>10,347</u>	<u>3,923</u>	<u>9,163</u>

Included in deposits and placements with bank are monies held in trust of RM3,923,000 (30 June 2011: RM9,163,000).

**14. Securities portfolio**

		Group		Bank	
		30 Sept 2011	30 June 2011	30 Sept 2011	30 June 2011
		RM'000	RM'000	RM'000	RM'000
Securities held-for-trading	14 (i)	627	-	627	-
Securities available-for-sale	14 (ii)	85,500	98,449	42,182	42,060
Securities held-to-maturity	14 (iii)	33	33	33	33
Total securities portfolio		<u>86,160</u>	<u>98,482</u>	<u>42,842</u>	<u>42,093</u>

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

**14 (i) Securities held-for-trading**

At fair value	Group		Bank	
	30 Sept 2011	30 June 2011	30 Sept 2011	30 June 2011
	RM'000	RM'000	RM'000	RM'000
<b>Quoted Securities:</b>				
Shares in Malaysia	627	-	627	-
<b>Total securities held-for-trading</b>	<b>627</b>	<b>-</b>	<b>627</b>	<b>-</b>

**14 (ii) Securities available-for-sale**

At fair value, or cost less impairment losses for certain unquoted equity instruments	Group		Bank	
	30 Sept 2011	30 June 2011	30 Sept 2011	30 June 2011
	RM'000	RM'000	RM'000	RM'000
<b>Quoted Securities:</b>				
Shares in Malaysia	40	51	40	51
Shares outside Malaysia	41,260	54,371	142	182
	<u>41,300</u>	<u>54,422</u>	<u>182</u>	<u>233</u>
<b>Unquoted Securities:</b>				
Shares and Loan Stocks in Malaysia	37,631	37,631	35,431	35,431
Shares outside Malaysia	6,569	6,396	6,569	6,396
	<u>44,200</u>	<u>44,027</u>	<u>42,000</u>	<u>41,827</u>
<b>Total securities available-for-sale</b>	<b>85,500</b>	<b>98,449</b>	<b>42,182</b>	<b>42,060</b>

**14 (iii) Securities held-to-maturity**

At Amortised Cost	Group and Bank	
	30 Sept 2011	30 June 2011
	RM'000	RM'000
<b>Unquoted Securities:</b>		
Corporate Bonds	33	33
<b>Total securities held-to-maturity</b>	<b>33</b>	<b>33</b>

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

**15. Loans and advances**

	Group and Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000
<b>At amortised cost</b>		
Term loans		
- Syndicated term loan	6,209	6,209
- Other term loan	31,141	31,136
Margin accounts	155,629	166,409
Foreign currency loans	1,531	1,451
Staff loans	14,412	13,768
Gross loans and advances	<u>208,922</u>	<u>218,973</u>
Less: Allowance for impaired loans		
- individual	(7,838)	(7,941)
Net loans and advances	<u>201,084</u>	<u>211,032</u>

(i) Loans and advances analysed by type of customers are as follows:

	Group and Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000
Domestic business enterprises	103,551	103,415
Individuals	103,840	114,107
Foreign entities	1,531	1,451
Gross loans and advances	<u>208,922</u>	<u>218,973</u>

(ii) Loans and advances analysed by interest/profit rate sensitivity are as follows:

	Group and Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000
Fixed rate		
- Housing loans	9,712	10,195
- Hire purchase receivables	4,284	3,508
- Other fixed rate loans	416	65
Variable rate		
- Base lending rate plus	38,881	38,796
- Cost plus	155,629	166,409
Gross loans and advances	<u>208,922</u>	<u>218,973</u>

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

**15. Loans and advances (Cont'd)**

(iii) Loans and advances analysed by economic purpose are as follows:

	Group and Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000
Purchase of securities	185,629	196,409
Purchase of transport vehicles	4,497	3,745
Purchase of residential landed property	10,640	11,094
Personal use	416	63
Consumer durables	1	2
Working capital	7,739	7,660
Gross loans and advances	<u>208,922</u>	<u>218,973</u>

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

	Group and Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000
Maturing within one year	193,961	205,319
One year to three years	454	555
Three years to five years	3,732	2,871
After five years	10,775	10,228
Gross loans and advances	<u>208,922</u>	<u>218,973</u>

(v) Movement in impaired loans and advances ("impaired loans") are as follows:

	Group and Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000
Gross balance at beginning of year	8,471	9,784
Impaired during the period/year	2,066	683
Recovered/regularised during the period/year	(1,799)	(571)
Amount written off	-	(1,323)
Exchange differences	80	(102)
Gross balance at end of period/year	<u>8,818</u>	<u>8,471</u>
Less:		
Individual assessment	<u>(7,838)</u>	<u>(7,941)</u>
Net balance	<u>980</u>	<u>530</u>
Net impaired loans as % of gross loans and advances less individual allowance	<u>0.49%</u>	<u>0.25%</u>

(vi) Impaired loans and advances by economic purpose are as follows:

	Group and Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000
Purchase of securities	2,031	118
Purchase of residential landed property	422	537
Others	6,365	7,816
	<u>8,818</u>	<u>8,471</u>

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

**15. Loans and advances (Cont'd)**

(vii) Movement in the individual assessment/specific and general allowance are as follows:

	Group and Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000
<b>Individual assessment:</b>		
At 1 July 2011/2010	7,941	7,846
Allowance made during the period/year	53	1,654
Amount written back in respect of recoveries	(156)	(237)
Amount written off	-	(1,322)
Balance at 30 September 2011/30 June 2011	7,838	7,941

**16. Other assets**

	Group		Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000	30 Sept 2011 RM'000	30 June 2011 RM'000
Tax recoverable	11,357	29,599	11,357	29,599
Interest/income receivables	760	2,372	45	50
Amount due from brokers and clients				
- Non-margin accounts (a)	515,075	401,770	515,075	401,770
Other debtors, deposits and prepayment	71,519	32,925	67,766	33,136
	598,711	466,666	594,243	464,555
Less: Individual assessment allowance				
- Allowance for doubtful debts	(4,463)	(5,346)	(2,336)	(3,220)
	594,248	461,320	591,907	461,335

(a) Amount due from brokers and clients relates to outstanding purchase contracts entered into on behalf of clients, contra gains and losses, clients' trust monies, other fees and charges.

The normal trade credit terms for non-margin brokers and clients is 3 market days in accordance with the Bursa Malaysia's Fixed Delivery and Settlement System ("FDSS") trading rules.

**17. Other liabilities**

	Group		Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000	30 Sept 2011 RM'000	30 June 2011 RM'000
Provisions and accruals	37,045	59,573	36,703	61,968
Amount due to brokers and clients (a)	1,325,421	1,106,776	1,325,421	1,106,776
Deposits and other creditors	126,300	515,509	296,157	684,053
Provisions for taxation	21,488	13,563	18,721	10,781
	1,510,254	1,695,421	1,677,002	1,863,578

(a) Amount due to brokers and clients represent net amount payable to margin and non-margin clients, which include outstanding sales contracts entered into on behalf of clients, contra gain and losses, clients' trust monies and other fees and charges.

The trade credit term for trade contract payable for non-margin clients and brokers is 3 market days according to the Bursa Malaysia's Fixed Delivery and Settlement System ("FDSS") trading rules.

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

**18. Interest income**

<u>Group</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	3,589	2,419	3,589	2,419
- Recoveries from impaired loans	129	96	129	96
Money at call and deposit placements with banks and other financial institutions	1,520	979	1,520	979
Securities available-for-sale	984	8	984	8
	<u>6,222</u>	<u>3,502</u>	<u>6,222</u>	<u>3,502</u>
Add/(less):				
Amortisation of premiums and accretion of discounts	-	70	-	70
Total interest income	<u>6,222</u>	<u>3,572</u>	<u>6,222</u>	<u>3,572</u>

<u>Bank</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Loans and advances				
- Interest income other than recoveries from impaired loans	3,589	2,420	3,589	2,420
- Recoveries from impaired loans	130	96	130	96
Money at call and deposit placements with banks and other financial institutions	1,421	814	1,421	814
Securities available-for-sale	984	8	984	8
	<u>6,124</u>	<u>3,338</u>	<u>6,124</u>	<u>3,338</u>
Add/(less):				
Amortisation of premiums and accretion of discounts	-	70	-	70
Total interest income	<u>6,124</u>	<u>3,408</u>	<u>6,124</u>	<u>3,408</u>

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

**19. Interest expense**

	Group and Bank		Group and Bank	
	1st Quarter Ended		Cumulative 3 Months Ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of bank	1,030	10	1,030	10
	<u>1,030</u>	<u>10</u>	<u>1,030</u>	<u>10</u>

**20. Non-interest income**

	1st Quarter Ended		Cumulative 3 Months Ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
<b>Fee income:</b>				
Corporate advisory fees	49,948	18,923	49,948	18,923
Underwriting commission	7,020	2,270	7,020	2,270
Brokerage income	29,013	26,707	29,013	26,707
Other fee income	1,207	524	1,207	524
	<u>87,188</u>	<u>48,424</u>	<u>87,188</u>	<u>48,424</u>
<b>Investment income:</b>				
Gain from sale of securities held-for-trading, net	3	-	3	-
Gain from sale of securities available-for-sale, net	308	407	308	407
Gross dividends from securities available-for-sale				
- Quoted outside Malaysia	828	-	828	-
- Unquoted in Malaysia	120	-	120	-
	<u>1,259</u>	<u>407</u>	<u>1,259</u>	<u>407</u>
<b>Other income:</b>				
Foreign exchange (loss)/profit	810	(10)	810	(10)
Gain on disposal of property, plant and equipment (net)	-	2	-	2
Others	211	862	211	862
	<u>1,021</u>	<u>854</u>	<u>1,021</u>	<u>854</u>
<b>Total non-interest income</b>	<u>89,468</u>	<u>49,685</u>	<u>89,468</u>	<u>49,685</u>

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

20. Non-interest income (Cont'd)

<u>Bank</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
<b>Fee income:</b>				
Corporate advisory fees	48,921	16,910	48,921	16,910
Underwriting commission	7,020	2,270	7,020	2,270
Brokerage income	29,013	26,707	29,013	26,707
Other fee income	1,207	524	1,207	524
	<u>86,161</u>	<u>46,411</u>	<u>86,161</u>	<u>46,411</u>
<b>Investment income:</b>				
Gain from sale of securities held-for-trading, net	3	-	3	-
Gain from sale of securities available-for-sale, net	308	407	308	407
Gross dividends from securities available-for-sale				
- Quoted outside Malaysia	148	-	148	-
- Unquoted in Malaysia	120	-	120	-
	<u>579</u>	<u>407</u>	<u>579</u>	<u>407</u>
<b>Other income:</b>				
Foreign exchange profit/(loss)	663	(10)	663	(10)
Gain on disposal of property, plant and equipment (net)	-	2	-	2
Others	209	239	209	239
	<u>872</u>	<u>231</u>	<u>872</u>	<u>231</u>
<b>Total non-interest income</b>	<u>87,612</u>	<u>47,049</u>	<u>87,612</u>	<u>47,049</u>

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

**21. Overhead expenses**

<u>Group</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
<b>Personnel expenses</b>				
- Salaries, allowances and bonuses	24,110	14,550	24,110	14,550
- Pension costs - defined contribution plan	2,293	1,556	2,293	1,556
- Other staff related expenses	2,593	916	2,593	916
- Dealers' incentives	4,674	2,906	4,674	2,906
	<u>33,670</u>	<u>19,928</u>	<u>33,670</u>	<u>19,928</u>
<b>Establishment costs</b>				
- Depreciation	726	821	726	821
- Amortisation of intangible assets	397	192	397	192
- Rental of leasehold land and premises	1,801	1,870	1,801	1,870
- Repairs and maintenance of property, plant and equipment	1,449	389	1,449	389
- Information technology expenses	667	254	667	254
- Others	718	4,337	718	4,337
	<u>5,758</u>	<u>7,863</u>	<u>5,758</u>	<u>7,863</u>
<b>Marketing costs</b>				
- Advertisement and publicity	1,660	816	1,660	816
- Others	1,745	676	1,745	676
	<u>3,405</u>	<u>1,492</u>	<u>3,405</u>	<u>1,492</u>
<b>Administration and general expenses</b>				
- Fee and brokerage	2,018	2,343	2,018	2,343
- Administrative expenses	497	630	497	630
- General expenses	1,934	120	1,934	120
	<u>4,449</u>	<u>3,093</u>	<u>4,449</u>	<u>3,093</u>
<b>Total</b>	<u>47,282</u>	<u>32,376</u>	<u>47,282</u>	<u>32,376</u>

**Maybank Investment Bank Berhad**  
(15938-H)  
(Incorporated in Malaysia)

**21. Overhead expenses (Cont'd)**

<u>Bank</u>	1st Quarter Ended		Cumulative 3 Months Ended	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
<b>Personnel expenses</b>				
- Salaries, allowances and bonuses	24,110	14,550	24,110	14,550
- Pension costs - defined contribution plan	2,293	1,556	2,293	1,556
- Other staff related expenses	2,593	913	2,593	913
- Dealers' incentives	4,674	2,906	4,674	2,906
	<u>33,670</u>	<u>19,925</u>	<u>33,670</u>	<u>19,925</u>
<b>Establishment costs</b>				
- Depreciation	726	801	726	801
- Amortisation of intangible assets	397	190	397	190
- Rental of leasehold land and premises	1,801	1,840	1,801	1,840
- Repairs and maintenance of property, plant and equipment	1,449	388	1,449	388
- Information technology expenses	667	254	667	254
- Others	718	4,850	718	4,850
	<u>5,758</u>	<u>8,323</u>	<u>5,758</u>	<u>8,323</u>
<b>Marketing costs</b>				
- Advertisement and publicity	1,660	816	1,660	816
- Others	1,745	676	1,745	676
	<u>3,405</u>	<u>1,492</u>	<u>3,405</u>	<u>1,492</u>
<b>Administration and general expenses</b>				
- Fee and brokerage	2,018	1,622	2,018	1,622
- Administrative expenses	497	627	497	627
- General expenses	368	74	368	74
	<u>2,883</u>	<u>2,323</u>	<u>2,883</u>	<u>2,323</u>
<b>Total</b>	<u>45,716</u>	<u>32,063</u>	<u>45,716</u>	<u>32,063</u>

**22. Allowance for Impairment on loans and advances and other debtors, net**

	Group and Bank		Group and Bank	
	1st Quarter Ended		Cumulative 3 Months Ended	
	30 Sept 2011 RM'000	30 Sept 2010 RM'000	30 Sept 2011 RM'000	30 Sept 2010 RM'000
Allowance for impaired loans and advances:				
(a) Individual allowance				
- Made during the period	53	14	53	14
- Written back during the period	(156)	(6)	(156)	(6)
(b) Collective allowance				
- Written back during the period	-	(370)	-	(370)
Bad debts (recovered)/write-off	(211)	414	(211)	414
Allowance for other debtors	881	654	881	654
Write back of allowance for other debtors	(131)	(292)	(131)	(292)
	<u>436</u>	<u>414</u>	<u>436</u>	<u>414</u>

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

**23. Capital adequacy**

- (l) The capital adequacy ratios of the Group consists of capital base and risk-weighted assets derived from consolidated balances of the Bank and its subsidiaries companies. The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank.

The capital adequacy ratio of the Group and the Bank are computed in accordance with Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework (RWCAF-Base II). The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk weighted capital ratio.

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

	Group		Bank	
	30 Sept 2011 %	30 June 2011 %	30 Sept 2011 %	30 June 2011 %
<b>Capital ratios</b>				
<b>Core capital ratio</b>				
Credit risk	37.78%	39.76%	33.68%	36.27%
Credit, market and operational risks	22.62%	24.72%	20.13%	22.62%
<b>Risk-weighted capital ratio</b>				
Credit risk	37.78%	39.76%	33.68%	36.27%
Credit, market and operational risks	22.62%	24.72%	20.13%	22.62%
<b>Tier 1 capital</b>				
Paid-up share capital	50,116	50,116	50,116	50,116
Share premium	172,669	172,669	172,669	172,669
Statutory reserves	50,116	50,116	50,116	50,116
Islamic banking capital fund	5,000	5,000	5,000	5,000
Other reserves	145,849	145,849	134,671	134,671
Less: Deferred tax assets <sup>1</sup>	(10,116)	(10,116)	(10,116)	(10,116)
Total Tier 1 capital/Total capital	413,634	413,634	402,456	402,456
Less: Investment in subsidiaries <sup>2</sup>	-	-	(61,804)	(61,804)
<b>Capital base</b>	<b>413,634</b>	<b>413,634</b>	<b>340,652</b>	<b>340,652</b>

<sup>1</sup> Under Bank Negara Malaysia Guidelines, deferred tax is required to be excluded from Tier 1 capital.

<sup>2</sup> Excludes the cost of investment in a subsidiary, Maysec (KL) Sdn. Bhd. of RM171,475,000 as its business, assets and liabilities have been transferred to the Bank on 30 December 2006.

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

**23. Capital adequacy (Cont'd)**

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows:

<u>Group</u>	Gross exposures RM'000	Net exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
<b>30 September 2011</b>				
<b>Exposure Class</b>				
(i) <b><u>Credit Risk</u></b>				
<b>On-balance sheet exposures:</b>				
Sovereigns/Central banks	30,330	30,330	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	1,091,843	1,091,843	218,546	17,484
Corporates	32,303	32,303	1,153	92
Regulatory retail	679,490	679,490	653,874	52,310
Higher risk assets	95,973	95,973	143,960	11,517
Other assets	62,085	62,085	62,079	4,966
Equity exposures	46	46	46	4
<b>Total on-balance sheet exposures</b>	<b>1,992,070</b>	<b>1,992,070</b>	<b>1,079,658</b>	<b>86,373</b>
<b>Off-balance sheet exposures:</b>				
Underwriting of short-term debt securities exposures	15,000	15,000	15,000	1,200
Credit-related off-balance sheet exposures	437,461	437,461	-	-
<b>Total off-balance sheet exposures</b>	<b>452,461</b>	<b>452,461</b>	<b>15,000</b>	<b>1,200</b>
<b>Total on and off-balance sheet exposures</b>	<b>2,444,531</b>	<b>2,444,531</b>	<b>1,094,658</b>	<b>87,573</b>
(ii) <b><u>Market Risk</u></b>				
Equity Position risk	-	-	59	5
Foreign currency risk	-	-	55,673	4,454
Options risk	-	-	147,112	11,769
<b>Total</b>	<b>-</b>	<b>-</b>	<b>202,844</b>	<b>16,228</b>
(iii) <b><u>Operational Risk</u></b>				
	-	-	530,915	42,473
<b>Total RWA and capital requirements</b>	<b>2,444,531</b>	<b>2,444,531</b>	<b>1,828,417</b>	<b>146,274</b>

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

23. Capital adequacy (Cont'd)

<u>Group</u>	Gross exposures RM'000	Net exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
<b>30 June 2011</b>				
<b>Exposure Class</b>				
(i) <b><u>Credit Risk</u></b>				
<b>On-balance sheet exposures:</b>				
Sovereigns/Central banks	29,839	29,839	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	1,333,144	1,333,144	266,807	21,345
Corporates	32,169	32,169	1,081	86
Regulatory retail	578,041	578,041	547,738	43,819
Higher risk assets	108,872	108,872	163,308	13,065
Other assets	46,237	46,237	46,231	3,699
Equity exposures	58	58	58	5
<b>Total on-balance sheet exposures</b>	<b>2,128,360</b>	<b>2,128,360</b>	<b>1,025,223</b>	<b>82,019</b>
<b>Off-balance sheet exposures:</b>				
Underwriting of short-term debt securities exposures	15,000	15,000	15,000	1,200
Credit-related off-balance sheet exposures	415,836	415,836	-	-
<b>Total off-balance sheet exposures</b>	<b>430,836</b>	<b>430,836</b>	<b>15,000</b>	<b>1,200</b>
<b>Total on and off-balance sheet exposures</b>	<b>2,559,196</b>	<b>2,559,196</b>	<b>1,040,223</b>	<b>83,219</b>
(ii) <b><u>Market Risk</u></b>				
Foreign currency risk	-	-	70,000	5,600
Options risk	-	-	86,475	6,918
<b>Total</b>	<b>-</b>	<b>-</b>	<b>156,475</b>	<b>12,518</b>
(iii) <b><u>Operational Risk</u></b>				
	-	-	476,309	38,105
<b>Total RWA and capital requirements</b>	<b>2,559,196</b>	<b>2,559,196</b>	<b>1,673,007</b>	<b>133,842</b>

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

23. Capital adequacy (Cont'd)

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows:

<u>Bank</u>	Gross exposures RM'000	Net exposures RM'000	Risk-weighted assets RM'000	Capital requirements RM'000
<b>30 September 2011</b>				
<b>Exposure Class</b>				
(i) <u>Credit Risk</u>				
<b>On-balance sheet exposures:</b>				
Sovereigns/Central banks	30,330	30,330	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	1,058,357	1,058,357	211,849	16,948
Corporates	32,303	32,303	1,153	92
Regulatory retail	679,490	679,490	653,874	52,310
Higher risk assets	46,200	46,200	69,300	5,544
Other assets	60,176	60,176	60,171	4,814
Equity exposures	46	46	46	4
<b>Total on-balance sheet exposures</b>	<b>1,906,902</b>	<b>1,906,902</b>	<b>996,393</b>	<b>79,712</b>
<b>Off-balance sheet exposures:</b>				
Underwriting of short-term debt securities exposures	15,000	15,000	15,000	1,200
Credit-related off-balance sheet exposures	437,461	437,461	-	-
<b>Total off-balance sheet exposures</b>	<b>452,461</b>	<b>452,461</b>	<b>15,000</b>	<b>1,200</b>
<b>Total on and off-balance sheet exposures</b>	<b>2,359,363</b>	<b>2,359,363</b>	<b>1,011,393</b>	<b>80,912</b>
(ii) <u>Market Risk</u>				
Equity Position risk	-	-	59	5
Foreign currency risk	-	-	10,422	834
Options risk	-	-	147,112	11,769
	-	-	<b>157,593</b>	<b>12,608</b>
(iii) <u>Operational Risk</u>	-	-	523,030	41,842
<b>Total RWA and capital requirements</b>	<b>2,359,363</b>	<b>2,359,363</b>	<b>1,692,016</b>	<b>135,362</b>

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

23. Capital adequacy (Cont'd)

<u>Bank</u>	Gross exposures	Net exposures	Risk-weighted assets	Capital requirements
30 June 2011 Exposure Class	RM'000	RM'000	RM'000	RM'000
<b>(i) <u>Credit Risk</u></b>				
<b>On-balance sheet exposures:</b>				
Sovereigns/Central banks	29,839	29,839	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	1,300,049	1,300,049	260,188	20,815
Corporates	32,169	32,169	1,081	86
Regulatory retail	578,041	578,041	547,738	43,819
Higher risk assets	46,027	46,027	69,041	5,523
Other assets	46,094	46,094	46,089	3,687
Equity exposures	58	58	58	5
<b>Total on-balance sheet exposures</b>	<b>2,032,277</b>	<b>2,032,277</b>	<b>924,195</b>	<b>73,935</b>
<b>Off-balance sheet exposures:</b>				
Underwriting of short-term debt securities exposures	15,000	15,000	15,000	1,200
Credit-related off-balance sheet exposures	415,836	415,836	-	-
<b>Total off-balance sheet exposures</b>	<b>430,836</b>	<b>430,836</b>	<b>15,000</b>	<b>1,200</b>
<b>Total on and off-balance sheet exposures</b>	<b>2,463,113</b>	<b>2,463,113</b>	<b>939,195</b>	<b>75,135</b>
<b>(ii) <u>Market Risk</u></b>				
Foreign currency risk	-	-	12,491	999
Options risk	-	-	86,475	6,918
<b>Total</b>	<b>-</b>	<b>-</b>	<b>98,966</b>	<b>7,917</b>
<b>(iii) <u>Operational Risk</u></b>				
	-	-	467,770	37,422
<b>Total RWA and capital requirements</b>	<b>2,463,113</b>	<b>2,463,113</b>	<b>1,505,931</b>	<b>120,474</b>

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

**23. Capital adequacy (Cont'd)**

(III) There is no off-balance sheet exposures and related counterparty credit risk of the Group and Bank.

The risk-weighted assets and capital requirements for the various categories of risk:

	30 September 2011		30 June 2011	
	Risk-weighted assets equivalent RM'000	Capital required RM'000	Risk-weighted assets equivalent RM'000	Capital required RM'000
<b>Group</b>				
Equity Position risk	59	5	-	-
Foreign currency risk	55,673	4,454	70,000	5,600
Options risk	147,112	11,769	86,475	6,918
<b>Total</b>	<b>202,844</b>	<b>16,228</b>	<b>156,475</b>	<b>12,518</b>
	30 September 2011	Capital required	30 June 2011	Capital required
	Risk-weighted assets equivalent RM'000	RM'000	Risk-weighted assets equivalent RM'000	RM'000
<b>Bank</b>				
Equity Position risk	59	5	-	-
Foreign currency risk	10,422	834	12,491	999
Options risk	147,112	11,768	86,475	6,918
<b>Total</b>	<b>157,593</b>	<b>12,607</b>	<b>98,966</b>	<b>7,917</b>

**MAYBANK INVESTMENT BANK BERHAD**

(15938-H)

(Incorporated in Malaysia)

**23. Capital adequacy (Cont'd)**

( IV ) The breakdown of exposures by risk weights are as follows:

Group	Exposures after Netting and Credit Risk Mitigation									
	Sovereigns /Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Exposures after netting and credit risk mitigation	Total risk-weighted assets	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
30 September 2011	30,330	-	30,038	-	-	6	-	60,374	-	
Risk weights										
0%	-	1,091,250	-	-	-	-	-	1,091,250	218,250	
20%	-	593	2,224	69	-	-	-	2,886	1,443	
50%	-	-	-	107,252	-	-	-	107,252	80,439	
75%	-	-	15,041	569,708	-	62,079	46	646,874	646,874	
100%	-	-	-	2,461	95,973	-	-	98,434	147,652	
150%	-	-	-	-	-	-	46	46	46	
<b>Total exposures</b>	<b>30,330</b>	<b>1,091,843</b>	<b>47,303</b>	<b>679,490</b>	<b>95,973</b>	<b>62,085</b>	<b>46</b>	<b>2,007,070</b>	<b>1,094,658</b>	
Risk-weighted assets by exposures	-	218,546	16,153	653,874	143,960	62,079	46	1,094,658		
Average risk weights	0%	20%	34%	96%	150%	100%	100%	55%		

Group	Exposures after Netting and Credit Risk Mitigation									
	Sovereigns /Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Exposures after netting and credit risk mitigation	Total risk-weighted assets	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
30 June 2011	29,839	-	30,047	-	-	5	-	59,891	-	
Risk weights										
0%	-	1,332,552	-	-	-	-	-	1,332,552	266,510	
20%	-	593	2,081	60	-	-	-	2,734	1,367	
50%	-	-	-	122,051	-	-	-	122,051	91,538	
75%	-	-	15,041	455,451	-	46,231	58	516,781	516,781	
100%	-	-	-	479	108,872	-	-	109,351	164,027	
150%	-	-	-	-	-	-	58	58	58	
<b>Total exposures</b>	<b>29,839</b>	<b>1,333,145</b>	<b>47,169</b>	<b>578,041</b>	<b>108,872</b>	<b>46,236</b>	<b>58</b>	<b>2,143,360</b>	<b>1,040,223</b>	
Risk-weighted assets by exposures	-	266,807	16,081	547,738	163,308	46,231	58	1,040,223		
Average risk weights	0%	20%	34%	95%	150%	100%	100%	49%		

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

23. Capital adequacy (Cont'd)

Bank	Exposures after Netting and Credit Risk Mitigation									
	Sovereigns /Central Banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total exposures after netting and credit risk mitigation	Total risk-weighted assets	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2011										
Risk weights										
0%	30,330	-	30,038	-	-	5	-	60,373	-	-
20%	-	1,057,764	-	-	-	-	-	1,057,764	211,553	
50%	-	593	2,224	69	-	-	-	2,886	1,443	
75%	-	-	-	107,252	-	-	-	107,252	80,439	
100%	-	-	15,041	569,708	-	60,171	46	644,966	644,966	
150%	-	-	-	2,461	46,200	-	-	48,661	72,992	
<b>Total exposures</b>	<b>30,330</b>	<b>1,058,357</b>	<b>47,303</b>	<b>679,490</b>	<b>46,200</b>	<b>60,176</b>	<b>46</b>	<b>1,921,902</b>	<b>1,011,393</b>	
Risk-weighted assets by exposures	-	211,849	16,153	653,874	69,300	60,171	46	1,011,393		
Average risk weights	0%	20%	34%	96%	150%	100%	100%	53%		

Bank	Exposures after Netting and Credit Risk Mitigation									
	Sovereigns /Central Banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Total exposures after netting and credit risk mitigation	Total risk-weighted assets	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2011										
Risk weights										
0%	29,839	-	30,047	-	-	4	-	59,890	-	-
20%	-	1,299,457	-	-	-	-	-	1,299,457	259,891	
50%	-	593	2,081	60	-	-	-	2,734	1,367	
75%	-	-	-	122,051	-	-	-	122,051	91,538	
100%	-	-	15,041	455,451	-	46,089	58	516,639	516,639	
150%	-	-	-	479	46,027	-	-	46,506	69,759	
<b>Total exposures</b>	<b>29,839</b>	<b>1,300,050</b>	<b>47,169</b>	<b>578,041</b>	<b>46,027</b>	<b>46,093</b>	<b>58</b>	<b>2,047,277</b>	<b>939,195</b>	
Risk-weighted assets by exposures	-	260,188	16,081	547,738	69,041	46,089	58	939,195		
Average risk weights	0%	20%	34%	95%	150%	100%	100%	46%		

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

**24. Commitments and Contingencies**

Group and Bank	As at 30 September 2011			As at 30 June 2011		
	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
	Obligations under underwriting agreements	136,613	53,456	161,592	92,891	46,445
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	437,461	-	-	415,836	-	-
	<b>574,074</b>	<b>53,456</b>	<b>161,592</b>	<b>508,727</b>	<b>46,445</b>	<b>101,475</b>

\* The credit equivalent amount is arrived at using the credit evaluation conversion factor as per Bank Negara Malaysia's guideline.

Interest rate related contracts are subject to market risk.

**Market Risk**

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in this type of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions.

**Credit Risk**

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group and the Bank have a gain position. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates and prices. As at 30 September 2011, there were no contracts subject to credit risk.

**Contingent liabilities**

	Group and Bank	
	30 Sept 2011 RM'000	30 June 2011 RM'000
<b>Unsecured</b>		
(i) Guarantee given to the holding company for banking facilities extended to Bursa Malaysia Securities Clearing Berhad	1,000	1,000
(ii) Claims under litigation*	10,091	10,091
	<b>11,091</b>	<b>11,091</b>

\* The Group and the Bank are aggressively defending all of the claims under litigation, through their solicitors, the outcomes of which are subject matter for the Courts to eventually determine.

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

**24. Commitments and Contingencies (Cont'd)**

**Contingent liabilities (cont'd)**

(iii) A corporate borrower had on 12 May 2005 issued a writ of summons and statement of claim against the Bank, as agent bank for three financial institutions, claiming general, special and exemplary damages and costs arising from an alleged breach of duty owned by the Bank.

In 2006, Maybank IB and the three financial institutions filed a counterclaim against the said corporate borrower for the recovery of the relevant credit facilities. The two claims were then heard together.

Pursuant to an agreement and a court vesting order dated 21 May 2007, the Bank has transferred its exposure under this credit facilities to its holding company.

The Court on 6 May 2009 entered judgement ("The Judgement") against the Bank for, inter alia, a sum of RM115.5 million with interest at six percent (6%) per annum from date of disbursement to realisation, with the balance of the corporate borrower's claim (including general damages) ordered to be assessed at a later date. In the same Judgment, the counterclaim against the corporate borrower was also dismissed.

The Bank filed an appeal against the Judgement and an application for stay of execution of the Judgment on 8 May 2009 ("Appeal"). On 24 June 2009, the Bank successfully obtained a stay order for execution on the Judgment pending the disposal of the Appeal against the Judgment. The High Court had on 6 October 2011 produced the draft notes of proceedings, for final review of both parties.

As such, the Court of Appeal has fixed a final case management on 20 October 2011 to ensure that the official notes of proceedings are issued so that the Record of Appeal can be filed.

(iv) A junior noteholder, commenced an action against the Bank and another defendant claiming for the sum of RM556.5 million as damages suffered in relation to the junior serial notes issued by a corporation. The claim against the Bank is premised on the alleged breach of duties by the Bank as security agent, in exercising its right of enforcement following from an event of default declared by the relevant trustee.

The Bank does not admit any liability to this claim and will defend the suit. Trial for this claim has been fixed on 15, 19, 20 and 28 July 2011. The case has then been fixed for continued trial on 15 August 2011.

The Court had on 30 September 2011, dismissed the junior noteholder's claim against the Bank and the other defendant, with cost of RM200,000.00, collectively.

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

**25. Interest rate risk**

The Group and Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on the financial position and cash flows.

The table below summarises the Group's and Bank's exposure to interest rate risk. The table indicates effective interest rates at the balance sheet date and periods in which the financial instruments repriced or mature, whichever is earlier.

<u>Group</u>	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
<b>30 September 2011</b>									
<b>Assets</b>									
Cash and short-term funds	170,243	-	-	-	-	915,451	-	1,085,694	2.86%
Deposits and placements with banks and other financial institutions	-	20	1,165	-	-	3,924	-	5,109	2.85%
Securities held-for-trading	-	-	-	-	-	-	627	627	-
Securities available-for-sale	-	-	-	-	-	85,500	-	85,500	-
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	184,162	-	1,531	336	9,796	4,279	-	200,104	6.65%
- impaired *	-	-	-	-	-	980	-	980	-
Other assets	-	-	-	-	-	594,248	-	594,248	-
Other non-interest sensitive balances	-	-	-	-	-	31,676	-	31,676	-
<b>Total assets</b>	<b>354,405</b>	<b>20</b>	<b>2,696</b>	<b>336</b>	<b>9,829</b>	<b>1,636,058</b>	<b>627</b>	<b>2,003,971</b>	

\* This is arrived at after deducting the individual allowance and interest/income-in-suspense from gross impaired loans outstanding.

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

25. Interest rate risk (Cont'd)

Group (cont'd) 30 September 2011	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
<b>Liabilities and equity</b>									
Other liabilities	-	-	-	-	-	1,511,031	-	1,511,031	-
<b>Total liabilities</b>	-	-	-	-	-	1,511,031	-	1,511,031	-
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	442,824	-	442,824	-
<b>Total equity</b>	-	-	-	-	-	492,940	-	492,940	-
<b>Total liabilities and equity</b>	-	-	-	-	-	2,003,971	-	2,003,971	-
On-balance sheet interest sensitivity gap	354,405	20	2,696	336	9,829	(367,913)	627	-	
<b>Total interest sensitivity gap</b>	354,405	20	2,696	336	9,829	(367,913)	627	-	
<b>Cumulative interest rate sensitivity gap</b>	354,405	354,425	357,121	357,457	367,286	(627)	-	-	

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

25. Interest rate risk (Cont'd)

<u>Group</u> 30 June 2011	Up to 1	> 1 - 3	> 3 - 12	1 - 5	Over 5	Non-	Trading	Total	Effective
	month	month	month	years	years	interest	book		
	RM'000	RM'000	RM'000	RM'000	RM'000	sensitive	RM'000	RM'000	interest
						RM'000		RM'000	rate
									%
<b>Assets</b>									
Cash and short-term funds	93,923	-	-	-	-	1,228,222	-	1,322,342	2.76%
Deposits and placements with banks and other financial institutions	-	20	1,164	-	-	9,162	-	10,347	2.85%
Securities available-for-sale	-	-	-	-	-	98,449	-	98,449	-
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	196,844	-	-	-	-	13,768	-	210,502	6.65%
- non-performing *	-	-	-	-	-	420	-	530	-
Other assets	-	-	-	-	-	431,721	-	431,721	-
Other non-interest sensitive balances	-	-	-	-	-	65,031	-	65,031	-
<b>Total assets</b>	<b>290,767</b>	<b>20</b>	<b>1,164</b>	<b>-</b>	<b>33</b>	<b>1,846,971</b>	<b>-</b>	<b>2,138,955</b>	<b>-</b>

\* This is arrived at after deducting the individual allowance and interest/income-in-suspense from gross impaired loans outstanding.

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

25. Interest rate risk (Cont'd)

Group (cont'd) 30 June 2011	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
<b>Liabilities and equity</b>									
Other liabilities	-	-	-	-	-	1,679,087	-	1,696,165	-
Other non-interest sensitive balances	-	-	-	-	-	17,078	-	17,078	-
<b>Total liabilities</b>	-	-	-	-	-	<b>1,696,165</b>	-	<b>1,696,165</b>	-
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	392,674	-	392,674	-
<b>Total equity</b>	-	-	-	-	-	<b>442,790</b>	-	<b>442,790</b>	-
<b>Total liabilities and equity</b>	-	-	-	-	-	<b>2,138,955</b>	-	<b>2,138,955</b>	-
On-balance sheet interest sensitivity gap	290,767	20	1,164	-	33	(291,984)	-	-	-
<b>Total interest sensitivity gap</b>	<b>290,767</b>	<b>20</b>	<b>1,164</b>	<b>-</b>	<b>33</b>	<b>(291,984)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>290,767</b>	<b>290,787</b>	<b>291,951</b>	<b>291,951</b>	<b>291,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

25. Interest rate risk (Cont'd)

<u>Bank</u>	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
<b>30 September 2011</b>									
<b>Assets</b>	<b>143,657</b>	-	-	-	-	<b>910,329</b>	-	<b>1,053,986</b>	<b>2.91%</b>
Cash and short-term funds									
Deposits and placements with banks and other financial institutions	-	-	-	-	-	3,923	-	3,923	-
Securities held-for-trading	-	-	-	-	-	-	627	627	-
Securities available-for-sale	-	-	-	-	-	42,182	-	42,182	-
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	184,162	-	1,531	336	9,796	4,279	-	200,104	6.65%
- impaired *	-	-	-	-	-	980	-	980	-
Other assets	-	-	-	-	-	591,907	-	591,907	-
Other non-interest sensitive balances	-	-	-	-	-	258,264	-	258,264	-
<b>Total assets</b>	<b>327,819</b>	-	<b>1,531</b>	<b>336</b>	<b>9,829</b>	<b>1,811,864</b>	<b>627</b>	<b>2,152,006</b>	

\* This is arrived at after deducting the individual allowance and interest/income-in-suspense from gross impaired loans outstanding.

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

25. Interest rate risk (Cont'd)

Bank (cont'd) 30 September 2011	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Liabilities and equity									
Other liabilities	-	-	-	-	-	1,677,002	-	1,677,002	-
<b>Total liabilities</b>	-	-	-	-	-	<b>1,677,002</b>	-	<b>1,677,002</b>	-
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	424,888	-	424,888	-
<b>Total equity</b>	-	-	-	-	-	<b>475,004</b>	-	<b>475,004</b>	-
<b>Total liabilities and equity</b>	-	-	-	-	-	<b>2,152,006</b>	-	<b>2,152,006</b>	-
On-balance sheet interest sensitivity gap	327,819	-	1,531	336	9,829	(340,142)	627	-	
<b>Total interest sensitivity gap</b>	<b>327,819</b>	<b>-</b>	<b>1,531</b>	<b>336</b>	<b>9,829</b>	<b>(340,142)</b>	<b>627</b>	<b>-</b>	
Cumulative interest rate sensitivity gap	327,819	327,819	329,350	329,686	339,515	(627)			

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

25. Interest rate risk (Cont'd)

<u>Bank</u> 30 June 2011	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
<b>Assets</b>									
Cash and short-term funds	67,094	-	-	-	-	1,223,337	-	1,290,431	2.86%
Deposits and placements with banks and other financial institutions	-	-	-	-	-	9,163	-	9,163	-
Securities available-for-sale	-	-	-	-	-	42,060	-	42,060	-
Securities held-to-maturity	-	-	-	-	33	-	-	33	-
Loans and advances									
- performing	196,844	-	-	-	-	13,768	-	210,612	6.65%
- non-performing *	-	-	-	-	-	420	-	420	-
Other assets	-	-	-	-	-	431,736	-	431,736	-
Other non-interest sensitive balances	-	-	-	-	-	291,695	-	291,695	-
<b>Total assets</b>	<b>231,851</b>	<b>-</b>	<b>31,976</b>	<b>3,138</b>	<b>7,463</b>	<b>2,001,722</b>	<b>-</b>	<b>2,276,150</b>	

\* This is arrived at after deducting the individual allowance and interest/income-in-suspense from gross impaired loans outstanding.

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

25. Interest rate risk (Cont'd)

Bank (cont'd) 30 June 2011	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
<b>Liabilities and equity</b>									
Other liabilities	-	-	-	-	-	1,863,577	-	1,863,577	-
<b>Total liabilities</b>	-	-	-	-	-	<b>1,863,577</b>	-	<b>1,863,577</b>	-
Share capital	-	-	-	-	-	50,116	-	50,116	-
Reserves	-	-	-	-	-	362,456	-	362,456	-
<b>Total equity</b>	-	-	-	-	-	<b>412,572</b>	-	<b>412,572</b>	-
<b>Total liabilities and equity</b>	-	-	-	-	-	<b>2,276,149</b>	-	<b>2,276,149</b>	-
On-balance sheet interest sensitivity gap	231,851	-	31,976	3,138	7,463	(274,427)	-	-	-
<b>Total interest sensitivity gap</b>	<b>231,851</b>	<b>-</b>	<b>31,976</b>	<b>3,138</b>	<b>7,463</b>	<b>(274,427)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>	<b>231,851</b>	<b>231,851</b>	<b>263,827</b>	<b>266,965</b>	<b>274,427</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

**26. The Operations of Islamic Banking Scheme**  
**Unaudited Statements of Financial Position as at 30 September 2011**

	Notes	Group and Bank	
		30 Sept 2011 RM'000	30 June 2011 RM'000
<b>ASSETS</b>			
Cash and short-term funds		44,359	16,013
Other assets	(a)	64,490	57,163
<b>Total assets</b>		<b>108,849</b>	<b>73,176</b>
<b>LIABILITIES</b>			
Other liabilities	(b)	24,163	19,198
Provision for taxation and zakat		18,721	10,781
<b>TOTAL LIABILITIES</b>		<b>42,884</b>	<b>29,979</b>
<b>ISLAMIC BANKING FUND</b>			
Islamic banking capital fund		5,000	5,000
Reserves		60,965	38,197
		<b>65,965</b>	<b>43,197</b>
<b>Total Liabilities and Islamic Banking Fund</b>		<b>108,849</b>	<b>73,176</b>



**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

26. The Operations of Islamic Banking Scheme (Cont'd)

**Condensed Financial Statements**  
**Unaudited Condensed Cash Flow Statements**  
**For the Period Ended 30 September 2011**

	<b>Group and Bank</b>	
	<b>30 Sept</b>	<b>30 Sept</b>
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and zakat	30,709	-
Adjustments for:		
Accretion of discounts less amortisation of premiums	-	129
Operating profit before working capital changes	<u>30,709</u>	129
Decrease in securities	-	129
Increase in receivables	(7,327)	(14,955)
Decrease/(increase) in payables	<u>4,965</u>	(48,225)
Net cash generated from/(used) in operating activities	<u>28,347</u>	(62,922)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>28,347</b>	<b>(62,922)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>16,012</b>	<b>63,001</b>
<b>Cash and cash equivalents at end of the period</b>	<b><u>44,359</u></b>	<b><u>79</u></b>

(a) Other assets

	<b>Group and Bank</b>	
	<b>30 Sept</b>	<b>30 June</b>
	<b>2011</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Income receivables	<u>64,490</u>	<u>57,163</u>

(b) Other liabilities

	<b>Group and Bank</b>	
	<b>30 Sept</b>	<b>30 June</b>
	<b>2011</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Provisions and accruals	<u>24,163</u>	<u>19,198</u>
	<u>24,163</u>	<u>19,198</u>

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
(Incorporated in Malaysia)

26. The Operations of Islamic Banking Scheme (Cont'd)

(c) Income derived from investment of Islamic banking capital funds

	Group and Bank 1st Quarter Ended		Group and Bank Cumulative 3 Months Ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Gross income from:				
- Deposit and placement with financial institutions	433	-	433	-
- Gain from sale of investment securities	1,367	-	1,367	-
Fee income from:				
- Corporate advisory fee	35,040	-	35,040	-
- Brokerage income	1,137	-	1,137	-
	<u>37,977</u>	<u>-</u>	<u>37,977</u>	<u>-</u>

(d) Overhead expenses

	Group and Bank 1st Quarter Ended		Group and Bank Cumulative 3 Months Ended	
	30 Sept 2011	30 Sept 2010	30 Sept 2011	30 Sept 2010
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	5,125	-	5,125	-
Establishment costs	1,191	-	1,191	-
Marketing costs	666	-	666	-
Administration and general expenses	286	-	286	-
	<u>7,268</u>	<u>-</u>	<u>7,268</u>	<u>-</u>

(e) Capital adequacy

Group and Bank	
30 Sept 2011	30 June 2011
%	%

(l) Capital ratios

Core capital ratios:

Credit risk	58.89	71.58
Credit, market and operational risks	<u>31.99</u>	<u>42.58</u>

Tier 1 capital

	Group and Bank	
	30 Sept 2011	30 June 2011
	RM'000	RM'000
Islamic banking capital fund	5,000	5,000
Retained profits	38,197	38,197
Total tier 1 capital	<u>43,197</u>	<u>43,197</u>
Capital base	<u>43,197</u>	<u>43,197</u>

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

26. The Operations of Islamic Banking Scheme (Cont'd)

(e) Capital adequacy (cont'd)

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows:

Group and Bank	Gross	Net	Risk-	Capital
30 September 2011	exposures	exposures	weighted	requirements
Exposure Class	RM'000	RM'000	assets	RM'000
<b>(i) Credit Risk</b>				
<b>On-balance sheet exposures:</b>				
Sovereigns/Central banks	59	59	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	44,303	44,303	8,861	709
Other assets	64,487	64,487	64,487	5,159
<b>Total on-balance sheet exposures</b>	<b>108,849</b>	<b>108,849</b>	<b>73,348</b>	<b>5,868</b>
<b>Total off-balance sheet exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total on and off-balance sheet exposures</b>	<b>108,849</b>	<b>108,849</b>	<b>73,348</b>	<b>5,868</b>
<b>(ii) Market Risk</b>				
	-	-	-	-
<b>(iii) Operational Risk</b>				
	-	-	61,692	4,935
<b>Total RWA and capital requirements</b>	<b>108,849</b>	<b>108,849</b>	<b>135,040</b>	<b>10,803</b>
Group and Bank	Gross	Net	Risk-	Capital
30 June 2011	exposures	exposures	weighted	requirements
Exposure Class	RM'000	RM'000	assets	RM'000
<b>(i) Credit Risk</b>				
<b>On-balance sheet exposures:</b>				
Sovereigns/Central banks	62	62	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Bank ("MDBs")	15,951	15,951	3,190	255
Other assets	57,162	57,162	57,162	4,573
<b>Total on-balance sheet exposures</b>	<b>73,175</b>	<b>73,175</b>	<b>60,352</b>	<b>4,828</b>
<b>Total off-balance sheet exposures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total on and off-balance sheet exposures</b>	<b>73,175</b>	<b>73,175</b>	<b>60,352</b>	<b>4,828</b>
<b>(ii) Market Risk</b>				
	-	-	-	-
<b>(iii) Operational Risk</b>				
	-	-	41,088	3,287
<b>Total RWA and capital requirements</b>	<b>73,175</b>	<b>73,175</b>	<b>101,440</b>	<b>8,115</b>

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

26. The Operations of Islamic Banking Scheme (Cont'd)

(e) Capital adequacy (cont'd)

(iii) The breakdown of exposures by risk weights are as follows:

Group and Bank	Exposures after Netting and Credit Risk Mitigation									
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Exposures after netting and credit risk mitigation	Total risk- weighted assets	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
30 September 2011	59	44,303	-	-	-	-	-	59	-	
Risk weights	0%	20%	-	-	-	-	-	44,303	8,861	
	-	-	-	-	-	64,487	-	64,487	64,487	
100%	-	-	-	-	-	64,487	-	108,849	73,348	
Total exposures	59	44,303	-	-	-	64,487	-	73,348	-	
Risk-weighted assets by exposures	-	8,861	-	-	-	64,487	-	73,348	-	
Average risk weights	0%	20%	0%	0%	0%	100%	0%	67%	0%	

Group and Bank	Exposures after Netting and Credit Risk Mitigation									
	Sovereigns/ Central banks	Banks, DFIs and MDBs	Corporates	Regulatory retail	Higher risk assets	Other assets	Equity exposures	Exposures after netting and credit risk mitigation	Total risk- weighted assets	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
30 June 2011	62	15,951	-	-	-	-	-	62	-	
Risk weights	0%	20%	-	-	-	-	-	15,951	3,190	
	-	-	-	-	-	57,162	-	57,162	57,162	
100%	-	-	-	-	-	57,162	-	73,175	60,352	
Total exposures	62	15,951	-	-	-	57,162	-	60,352	-	
Risk-weighted assets by exposures	-	3,190	-	-	-	57,162	-	60,352	-	
Average risk weights	0%	20%	0%	0%	0%	100%	0%	100%	0%	

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(incorporated in Malaysia)

26. The Operations of Islamic Banking Scheme (Cont'd)

(f) Yield/profit rate risk on IBS portfolio

The Group and the Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of yield/profit rate on the financial position and cash flows of the IBS portfolio. The fluctuations in yield/profit rate can be influenced by changes in interest rates that affect the value of financial instruments under the IBS portfolio. Yield/profit rate risk is monitored and managed by the Group and the Bank to protect the income from IBS operations.

The table below summarises the Group's and the Bank's exposure to yield/profit rate risk for the IBS operations. The table indicates effective yield/profit rates at the balance sheet date and the periods in which the financial instruments repriced or mature, whichever is earlier.

Group and Bank 30 September 2011	Up to 1	> 1 - 3	> 3 - 12	1 - 5	Over 5	Non-yield/ profit rate	Trading	Effective yield/profit rate %
	month RM'000	month RM'000	month RM'000	years RM'000	years RM'000	sensitive RM'000	book RM'000	
<b>Assets</b>								
Cash and short-term funds	44,300	-	-	-	-	59	-	44,359
Other assets	-	-	-	-	-	64,490	-	64,490
<b>Total assets</b>	<b>44,300</b>	-	-	-	-	<b>64,549</b>	-	<b>108,849</b>
<b>Liabilities and Islamic banking fund</b>								
Other non-yield/profit rate sensitive balances	-	-	-	-	-	42,884	-	42,884
<b>Total liabilities</b>	-	-	-	-	-	<b>42,884</b>	-	<b>42,884</b>
Reserves	-	-	-	-	-	65,965	-	65,965
<b>Total Islamic banking fund</b>	-	-	-	-	-	<b>65,965</b>	-	<b>65,965</b>
<b>Total liabilities and Islamic banking fund</b>	-	-	-	-	-	<b>108,849</b>	-	<b>108,849</b>
<b>Total yield/profit rate sensitivity gap</b>	<b>44,300</b>	-	-	-	-	<b>(44,300)</b>	-	-
<b>Cumulative yield/profit rate sensitivity gap</b>	<b>44,300</b>	<b>44,300</b>	<b>44,300</b>	<b>44,300</b>	<b>44,300</b>	-	-	-

**MAYBANK INVESTMENT BANK BERHAD**  
(15938-H)  
(Incorporated in Malaysia)

26. The Operations of Islamic Banking Scheme (Cont'd)

(f) Yield/profit rate risk on IBS portfolio (cont'd)

Group and Bank 30 June 2011	Up to 1 month RM'000	> 1 - 3 month RM'000	> 3 - 12 month RM'000	1 - 5 years RM'000	Over 5 years RM'000	Non-yield/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000	Effective yield/profit rate %
<b>Assets</b>									
Cash and short-term funds	15,950	-	-	-	-	63	-	16,013	3.00%
Other assets	-	-	-	-	-	57,163	-	57,163	-
<b>Total assets</b>	<b>15,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,226</b>	<b>-</b>	<b>73,176</b>	
<b>Liabilities and Islamic banking fund</b>									
Other non-yield/profit rate sensitive balances	-	-	-	-	-	29,979	-	29,979	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,979</b>	<b>-</b>	<b>29,979</b>	
Reserves	-	-	-	-	-	43,197	-	43,197	-
<b>Total Islamic banking fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,197</b>	<b>-</b>	<b>43,197</b>	
<b>Total liabilities and Islamic banking fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,176</b>	<b>-</b>	<b>73,176</b>	
<b>Total yield/profit rate sensitivity gap</b>	<b>15,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,950)</b>	<b>-</b>	<b>-</b>	
<b>Cumulative yield/profit rate sensitivity gap</b>	<b>15,950</b>	<b>15,950</b>	<b>15,950</b>	<b>15,950</b>	<b>15,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**MAYBANK INVESTMENT BANK BERHAD**  
**(15938-H)**  
**(Incorporated in Malaysia)**

**26. The operations of Islamic Banking Scheme (Cont'd)**

**(g) Fair values of financial assets and liabilities**

The estimated fair values of those on-balance sheet financial assets and financial liabilities as at the balance sheet date, which are considered short term in maturity, approximate their carrying amounts as shown in balance sheet.

**(h) Allocation of income**

The policy of allocation of income to the various types of deposits and investments is subject to "The Framework of Rate of Return" issued by Bank Negara Malaysia in October 2001. The objective is to set the minimum standard and terms of reference for the Islamic banking institution in calculating and deriving the rate of return for the depositors.

**(i) Shariah committee**

The operation of IBS is governed by Section 124(3) of the Banking and Financial Institution Act, 1989 ("the Act"), which stipulates that "any licensed institution carrying on Islamic financial business, in addition to its existing licensed business may, from time to time seek the advise of the Shariah Advisory Council ("SAC") established under subsection (7) of the Act, on the operations of its business in order to ensure that it does not involve any element which is not approved by the Religion of Islam" and Section IV of BNM's "Guidelines on the Governance of Shariah Committee for the Islamic Financial Institutions" known as BNM/GPS 1, stipulates that "Every Islamic institution is required to establish a Shariah Committee".

Based on the above, the duties and responsibilities of the Group's and the Bank's Shariah Committee are to advise on the overall Islamic Banking operations of the Group's and the Bank's business in order to ensure compliance with the Shariah requirements.

The roles of the Shariah Committee in monitoring the Group's and the Bank's activities include:

- (i) To advise the Board on Shariah matters in its business operations
- (ii) To endorse Shariah Compliance Manuals
- (iii) To endorse and validate relevant documentations
- (iv) To assist related parties on Shariah matters for advice upon request
- (v) To advise on matters to be referred to the SAC
- (vi) Provide written Shariah opinion:
  - When the Group and the Bank make references to SAC of BNM for advice on unresolved Shariah issues.
  - When the Group and the Bank submit application to BNM for new product approval
- (vii) Assist in providing explanation on matters referred to BNM or SAC of BNM at their requests
- (viii) Participate in the in-house training programmes of the Group and the Bank

The Group and the Bank presently have five Shariah consultants.