



Maybank



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Date : 17 May 2006

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OFFICE OF INTERNATIONAL
CORPORATE FINANCE

The U.S. Securities and Exchange Commission
450 Fifth Street, N.W.
Room 3099
Office of International Corporate Finance
Mail Stop 3 - 7
Washington D.C. 20549

BY COURIER

SUPL

Re : Malayan Banking Berhad ("Maybank")

On behalf of Maybank, a company incorporated in Malaysia, I am furnishing herewith the below listed document(s) pursuant to Rule 12g3-2(b) (iii) under the Securities Exchange Act of 1934 ("Exchange Act") :-

No.	Date of Announcement	Description of Document
1.	15 May 2006	Third Quarter Financial Results for the Financial Period Ended 31 March 2006.

Yours faithfully
for **MAYBANK,**

MOHD NAZLAN MOHD GHAZALI
Group Company Secretary

PROCESSED

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Form Version 2.0

Financial ResultsSubmitted by **MALAYAN BANKING** on 15/05/2006 06:17:04 PM
Reference No **MB-060510-58563**

Submitting Merchant Bank :
(if applicable)
Submitting Secretarial Firm Name :
(if applicable)
* Company name : **Malayan Banking Berhad**
* Stock name : **MAYBANK**
* Stock code : **1155**
* Contact person : **Mohd Nazlan Mohd Ghazali**
* Designation : **Company Secretary**

Part A1 : QUARTERLY REPORT

* Quarterly report for the financial period ended : 31/03/2006 16

* Quarter : 1 Qtr 2 Qtr 3 Qtr 4 Qtr Other

* Financial Year End : 30/06/2006 16

* The figures : have been audited have not been audited

Please attach the full Quarterly Report here:



Maybank Group FS - Mar06.x Notes to accounts - Mar06.do

Remarks:

Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of Key Financial Information for the financial period ended
* 31/03/2006

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER *	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE *	PRECEDING YEAR CORRESPONDING PERIOD	
	31/03/2006 <input type="checkbox"/> 16	31/03/2005 <input type="checkbox"/> 16	31/03/2006 <input type="checkbox"/> 16	31/03/2005 <input type="checkbox"/> 16	
	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	
1	Revenue	3,329,087	2,489,173	9,787,302	7,556,440
2	Profit/(loss) before tax	948,303	911,857	2,814,787	2,686,197
3	Profit/(loss) after tax and minority interest	641,193	686,669	1,948,217	1,935,231

4	Net profit/(loss) for the period	641,193	686,669	1,948,217	1,935,231
5	Basic earnings/(loss) per share (sen)	16.93	18.63	51.82	53.21
6	Dividend per share (sen)	0.00	0.00	50.00	42.50
		AS AT END OF CURRENT QUARTER*		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (RM)		4.4600		4.5300
Remarks :					

Note: For full text of the above announcement, please access the Bursa Malaysia website at www.bursamalaysia.com

Part A3 : ADDITIONAL INFORMATION

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER*	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE*	PRECEDING YEAR CORRESPONDING PERIOD
		31/03/2006 ¹⁶	31/03/2005 ¹⁶	31/03/2006 ¹⁶	31/03/2005 ¹⁶
		[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000	[dd/mm/yyyy] RM'000
1	Profit/(Loss) from operations	1,245,972	1,028,005	3,710,533	3,198,096
2	Gross interest income	2,198,785	1,868,942	6,343,946	5,672,177
3	Gross interest expense	1,067,239	855,723	3,015,353	2,551,551

Remarks :

Note: The above information is for the Exchange internal use only.

MALAYAN BANKING BERHAD

(3813-K)

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2006**

Group	Note	3rd Quarter Ended		Cumulative 9 Months Ended	
		Mar 2006	Mar 2005	Mar 2006	Mar 2005
		RM'000	RM'000	RM'000	RM'000
Interest income	A16	2,198,785	1,868,942	6,343,946	5,672,177
Interest expense	A17	(1,067,239)	(855,723)	(3,015,353)	(2,551,551)
Net interest income		1,131,546	1,013,219	3,328,593	3,120,626
Income from Islamic Banking					
Scheme operations:	A28b				
Gross operating income		202,201	214,917	607,268	599,922
Profit equalisation reserves		34,236	(5,372)	65,569	(82,062)
		236,437	209,545	672,837	517,860
		1,367,983	1,222,764	4,001,430	3,638,486
Other operating income	A18	704,583	508,263	2,043,181	1,665,183
Net income		2,072,566	1,731,027	6,044,611	5,303,669
Other operating expense	A19	(826,594)	(703,022)	(2,334,078)	(2,105,573)
Operating Profit		1,245,972	1,028,005	3,710,533	3,198,096
Allowance for losses on loans, advances and financing	A20	(297,662)	(116,788)	(895,694)	(513,461)
		948,310	911,217	2,814,839	2,684,635
Share of profits in associated companies		(7)	640	(52)	1,562
Profit before taxation		948,303	911,857	2,814,787	2,686,197
Taxation & Zakat		(276,596)	(215,041)	(822,598)	(717,500)
Profit after taxation before minority interest		671,707	696,816	1,992,189	1,968,697
Minority Interest		(30,514)	(10,147)	(43,972)	(33,466)
Net profit for the year		641,193	686,669	1,948,217	1,935,231
Earnings per share	B13				
Basic		16.93 sen	18.63 sen	51.82 sen	53.21 sen
Fully diluted		16.87 sen	18.39 sen	51.59 sen	52.67 sen

(These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2005)

MALAYAN BANKING BERHAD

(3813-K)

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2006**

Bank		3rd Quarter Ended		Cumulative 9 Months Ended	
		Mar 2006	Mar 2005	Mar 2006	Mar 2005
		RM'000	RM'000	RM'000	RM'000
Interest income	A16	2,033,764	1,733,833	5,886,462	4,934,299
Interest expense	A17	(964,131)	(784,579)	(2,743,259)	(2,202,883)
Net interest income		1,069,633	949,254	3,143,203	2,731,416
Income from Islamic Banking					
Scheme operations:	A28b				
Gross operating income		197,761	203,355	589,618	528,564
Profit equalisation reserves		27,792	(3,001)	55,057	(77,226)
		225,553	200,354	644,675	451,338
		1,295,186	1,149,608	3,787,878	3,182,754
Other operating income	A18	513,831	409,087	1,709,955	4,226,671
Net income		1,809,017	1,558,695	5,497,833	7,409,425
Other operating expense	A19	(701,182)	(618,369)	(2,046,489)	(1,779,941)
Operating Profit		1,107,835	940,326	3,451,344	5,629,484
Allowance for losses on loans, advances and financing	A20	(327,511)	(222,375)	(874,803)	(1,103,692)
Profit before taxation		780,324	717,951	2,576,541	4,525,792
Taxation & Zakat		(227,397)	(204,560)	(733,790)	(1,292,412)
Profit after taxation		552,927	513,391	1,842,751	3,233,380

(These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2005)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2006

	Note	GROUP		BANK	
		Mar 2006 RM'000	June 2005 RM'000	Mar 2006 RM'000	June 2005 RM'000
ASSETS					
Cash and short-term funds		20,865,264	22,596,444	18,449,888	18,479,404
Deposits and placements with financial institutions		10,060,611	9,324,796	9,191,332	9,975,736
Securities purchased under resale agreements		1,591,212	299,857	1,591,212	296,871
Securities	A8 to A10	36,068,582	28,261,016	28,028,178	22,128,177
Loans, advances and financing	A11	126,963,697	119,593,814	123,890,418	115,481,632
Other assets	A12	2,021,589	1,664,333	1,462,441	993,599
Statutory deposits with Central Banks		3,523,928	4,228,781	3,373,655	4,051,998
Investment in subsidiary companies		-	-	2,713,790	1,915,978
Investment in associated companies		8,724	20,048	7,940	10,640
Property, plant and equipment		1,379,240	1,341,569	1,177,727	1,188,926
Deferred tax assets		1,089,224	963,946	1,042,153	911,752
Life and Family Takaful fund assets		8,708,474	3,600,656	-	-
TOTAL ASSETS		212,280,545	191,895,260	190,928,734	175,434,713
LIABILITIES					
Deposits from customers	A13	134,387,342	131,068,045	121,532,164	118,275,713
Deposits and placements of banks and other financial institutions	A14	23,385,904	18,361,182	26,071,726	19,874,194
Obligations on securities sold under repurchase agreements		11,597,431	7,627,695	10,784,188	7,422,269
Bills and acceptances payable		5,174,667	2,358,124	6,099,410	2,692,568
Other liabilities	A15	3,664,386	3,130,142	3,362,819	3,140,403
Recourse obligation on loans sold to Cagamas		4,306,692	4,990,773	4,306,692	4,990,773
Provision for taxation and zakat		1,130,585	880,205	1,072,680	855,514
Deferred tax liabilities		19,125	20,685	-	-
Subordinated obligations		3,009,350	3,004,000	3,009,350	3,004,000
Life and Family Takaful fund liabilities		386,605	120,506	-	-
Life and Family Takaful policy holders' funds		8,321,869	3,480,150	-	-
TOTAL LIABILITIES		195,383,956	175,041,507	176,239,029	160,255,434

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2006

	Note	GROUP		BANK	
		Mar 2006 RM'000	June 2005 RM'000	Mar 2006 RM'000	June 2005 RM'000
SHAREHOLDERS' EQUITY					
Share capital		3,789,700	3,721,053	3,789,700	3,721,053
Reserves		12,302,684	12,680,256	10,900,005	11,458,226
		16,092,384	16,401,309	14,689,705	15,179,279
MINORITY INTEREST					
		804,205	452,444	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		212,280,545	191,895,260	190,928,734	175,434,713
COMMITMENTS AND CONTINGENCIES					
	A25	123,073,243	109,451,821	119,826,484	107,615,751
<u>CAPITAL ADEQUACY</u>					
	A27				
Based on credit and market risks:					
<u>Without deducting dividend payable *</u>					
Core capital ratio		8.65%	11.45%	8.41%	11.07%
Risk-weighted capital ratio		12.49%	15.02%	11.13%	13.86%
<u>After deducting dividend payable</u>					
Core capital ratio:		8.65%	10.27%	8.41%	9.81%
Risk-weighted capital ratio:		12.49%	13.84%	11.13%	12.61%
Net assets per share		RM4.46	RM4.53	RM3.88	RM4.08

* In arriving at the capital base used in the ratio calculations of the Group and the Bank, the dividends proposed or declared but remain unpaid at the balance sheet date were not deducted.

MALAYAN BANKING BERHAD
(3813-K)
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2006

← Non Distributable →

	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 July 2005								
As previously stated	3,721,053	1,501,117	3,965,468	15,250	-	49,238	7,149,183	16,401,309
Transitional adjustments	-	-	-	-	347,170	-	(170,682)	176,488
As restated	3,721,053	1,501,117	3,965,468	15,250	347,170	49,238	6,978,501	16,577,797
Currency translation differences	-	-	-	-	-	29,906	-	29,906
Goodwill on acquisition written off	-	-	-	-	-	-	5,243	5,243
Net decrease in fair value of securities	-	-	-	-	(134,588)	-	-	(134,588)
Net accretion from increased interest in subsidiaries	-	-	-	5,791	-	-	-	5,791
Net loss not recognised in the income statement	-	-	-	5,791	(134,588)	29,906	5,243	(93,648)
Net profit for the period	-	-	-	-	-	-	1,948,217	1,948,217
Transfer to statutory reserve	-	-	2,681	-	-	-	(2,681)	-
Issue of ordinary shares pursuant to ESOS	68,647	575,097	-	-	-	-	-	643,744
Dividends	-	-	-	-	-	-	(2,983,726)	(2,983,726)
At 31 March 2006	3,789,700	2,076,214	3,968,149	21,041	212,582	79,144	5,945,554	16,092,384
At 1 July 2004								
Currency translation differences	3,600,172	500,566	4,274,198	15,250	-	38,188	6,195,062	14,623,436
Net accretion from increased interest in subsidiaries	-	-	-	-	-	33,799	-	33,799
Net gain not recognised in the income statement	-	-	-	-	-	-	2,944	2,944
Net profit for the period	-	-	-	-	-	33,799	2,944	36,743
Statutory reserve of the finance subsidiary no longer required upon transfer of business to the Bank, transferred to retained profits	-	-	(551,250)	-	-	-	1,935,231	1,935,231
Transfer to statutory reserve	-	-	238,053	-	-	-	(238,053)	-
Issue of ordinary shares pursuant to ESOS	111,459	934,102	-	-	-	-	-	1,045,561
Dividends	-	-	-	-	-	-	(1,860,312)	(1,860,312)
At 31 March 2005	3,711,631	1,434,668	3,961,001	15,250	-	71,987	6,586,122	15,780,659

(These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2005)

MALAYAN BANKING BERHAD
(3813-K)
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2006

	← Non Distributable →						Total RM'000	
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Capital Reserve RM'000	Unrealised Holding Reserve RM'000	Exchange Fluctuation Reserve RM'000		Distributable Retained Profits RM'000
At 1 July 2005	3,721,053	1,501,117	3,871,038	-	-	89,419	5,996,652	15,179,279
As previously stated	-	-	-	-	338,219	-	(138,138)	200,081
Transitional Adjustments	3,721,053	1,501,117	3,871,038	-	338,219	89,419	5,858,514	15,379,360
As restated	-	-	(57)	-	(188,678)	(3,689)	-	(3,746)
Currency translation differences	-	-	-	-	(188,678)	(3,689)	-	(188,678)
Net decrease in fair value of securities	-	-	(57)	-	(188,678)	-	-	(192,424)
Net gain not recognised in the income statement	-	-	-	-	-	-	1,842,751	1,842,751
Net profit for the period	68,647	575,097	-	-	-	-	-	643,744
Issue of ordinary shares pursuant to ESOS	-	-	-	-	-	-	(2,983,726)	(2,983,726)
Dividends	-	-	-	-	-	-	-	-
At 31 March 2006	3,789,700	2,076,214	3,870,981	-	149,541	85,730	4,717,539	14,689,705
At 1 July 2004	3,600,172	500,566	3,636,325	-	-	79,936	4,282,034	12,099,033
Currency translation differences, representing net gain not recognised in the income statement	-	-	-	-	-	25,831	-	25,831
Net profit for the period	-	-	-	-	-	-	3,233,380	3,233,380
Transfer to statutory reserve	-	-	234,046	-	-	-	(234,046)	-
Issue of ordinary shares pursuant to ESOS	111,459	934,102	-	-	-	-	-	1,045,561
Dividends	-	-	-	-	-	-	(1,860,312)	(1,860,312)
At 31 March 2005	3,711,631	1,434,668	3,870,371	-	-	105,767	5,421,056	14,543,493

(These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2005)

MALAYAN BANKING BERHAD
(3813-K)
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE THIRD FINANCIAL QUARTER ENDED 31 MARCH 2006

	GROUP		BANK	
	Mar 2006 RM'000	Mar 2005: RM'000	Mar 2006 RM'000	Mar 2005 RM'000
Profit before taxation	2,814,787	2,686,197	2,576,541	4,525,792
Adjustments for non-operating and non-cash items	1,634,054	685,793	1,415,194	(1,643,488)
Operating profit before working capital changes	<u>4,448,841</u>	<u>3,371,990</u>	<u>3,991,735</u>	<u>2,882,304</u>
Changes in working capital				
Net changes in operating assets	(15,545,200)	(6,050,802)	(10,076,146)	(28,572,856)
Net changes in operating liabilities	12,540,082	8,070,292	10,714,251	21,079,081
Tax expense and zakat paid	(699,056)	(510,015)	(647,025)	(1,117,782)
Net cash generated from operations	<u>744,667</u>	<u>4,881,465</u>	<u>3,982,815</u>	<u>(5,729,253)</u>
Net cash (used in)/generated from investing activities	(139,235)	(69,153)	(807,731)	2,587,758
Net cash (used in)/generated from financing activities	(2,015,809)	(2,073,100)	(3,018,713)	3,631,010
	<u>(2,155,044)</u>	<u>(2,142,253)</u>	<u>(3,826,444)</u>	<u>6,218,768</u>
Net change in cash and cash equivalents	(1,410,377)	2,739,212	156,371	489,515
Cash and cash equivalents at beginning of the year	<u>22,275,641</u>	<u>23,047,474</u>	<u>18,293,517</u>	<u>19,565,495</u>
Cash and cash equivalents at end of the period	<u>20,865,264</u>	<u>25,786,686</u>	<u>18,449,888</u>	<u>20,055,010</u>
Cash and cash equivalents comprise :				
Cash and short term funds as previously reported	22,596,444	23,009,080	18,479,404	19,527,827
Foreign exchange differences on opening balances	(320,803)	38,394	(185,887)	37,668
As restated	<u>22,275,641</u>	<u>23,047,474</u>	<u>18,293,517</u>	<u>19,565,495</u>

(These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2005)

A8. Securities Held-for-trading/Dealing Securities

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
At Fair Value/Carrying Value				
Money Market Instruments:-				
Malaysian Government Securities	197,011	-	105,816	-
Malaysian Government Treasury Bills	709	49,124	709	49,124
Malaysian Government Investment Issues	-	5,037	-	-
Bank Negara Malaysia Bills and Notes	207,307	104,625	207,307	104,625
Bi Islamic Accepted Bills	21,471	23,257	-	-
Khazanah Bonds	-	25,621	-	-
Foreign Certificates of Deposits	-	84,577	-	-
Total Money Market Instruments	426,498	292,241	313,832	153,749
Quoted securities:				
Shares	-	1	-	-
Unquoted securities:				
Private and Islamic debt securities in M'sia	117,351	260,000	-	-
Foreign Public Authority and Private Debt Securities	249,684	76,868	249,684	76,868
	367,035	336,868	249,684	76,868
Sub-total	793,533	629,110	563,516	230,617

MALAYAN BANKING BERHAD
(3813-K)
(Incorporated in Malaysia)

A9. Securities Available-for-sale/Investment Securities

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
At Fair Value/Carrying Value				
Money market instruments:-				
Malaysian Government Securities	1,881,049	3,502,028	1,305,561	3,353,236
Cagamas Bonds	2,054,714	1,933,153	1,638,020	1,519,651
Foreign Government Securities	1,735,738	1,573,922	1,680,554	1,253,116
Malaysian Government Treasury Bills	117,073	109,942	117,073	109,942
Malaysian Government Investment Issues	835,077	1,052,052	816,615	1,006,202
Bank Negara Malaysia Bills	1,187,778	-	1,033,270	-
Foreign Government Treasury Bills	3,708,810	902,147	4,112,722	801,883
Negotiable Instruments of Deposits	4,688,885	3,097,275	4,688,884	2,742,261
Bankers' Acceptances and Islamic Accepted Bills	750,410	2,154,227	561,692	843,630
Khazanah Bonds	199,971	761,441	199,971	624,497
Total Money Market Instruments	17,159,505	15,086,187	16,154,362	12,254,418
Quoted Securities: -				
In Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	639,766	672,834	178,123	386,501
Outside Malaysia:				
Shares, Warrants, Trust Units and Loan Stocks	59,552	89,241	26,359	70,021
	699,318	762,075	204,482	456,522
Unquoted Securities:-				
Shares, trust units and loan stocks in Malaysia	794,871	1,509,136	511,029	959,430
Shares, trust units and loan stocks outside Malaysia	3,282	-	-	-
Private and Islamic Debt Securities in Malaysia	4,481,882	6,033,964	2,532,833	3,754,633
Malaysian Government Bonds	326,477	451,479	326,477	451,479
Foreign Government Bonds	-	38,127	-	38,127
Foreign Islamic and Private Debt Securities	4,779,228	4,979,759	4,426,157	4,861,376
Credit Link Note	-	190,000	-	190,000
Others	10	8,535	-	8,535
	10,385,750	13,211,000	7,796,496	10,263,580
Net amortisation of premiums	-	(90,209)	-	(100,916)
Accumulated impairment losses/provision for diminution in value	-	(1,337,147)	-	(976,044)
Sub-total	28,244,573	27,631,906	24,155,340	21,897,560

A10. Securities Held-To-Maturity

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
At Amortised Cost				
Money market instruments:-				
Malaysian Government Securities	2,221,432	-	2,108,061	-
Cagamas Bonds	504,650	-	222,361	-
Foreign Government Securities	263,908	-	1,068	-
Malaysian Government Investment Issues	182,338	-	182,338	-
Bank Negara Malaysia Bills	14,975	-	-	-
Negotiable Instruments of Deposits	759,775	-	-	-
Bankers' Acceptances and Islamic Accepted Bills	1,429,057	-	-	-
Khazanah Bonds	4,859	-	2,467	-
Total Money Market Instruments	<u>5,380,994</u>	<u>-</u>	<u>2,516,295</u>	<u>-</u>
Unquoted Securities:-				
Private and Islamic Debt Securities in Malaysia	1,054,450	-	197,995	-
Foreign Government Bonds	48,192	-	48,192	-
Foreign Islamic and Private Debt Securities	360,671	-	360,671	-
Credit Linked Note	184,125	-	184,125	-
Others	2,044	-	2,044	-
	<u>1,649,482</u>	<u>-</u>	<u>793,027</u>	<u>-</u>
Accumulated impairment losses	-	-	-	-
Sub-total	<u>7,030,476</u>	<u>-</u>	<u>3,309,322</u>	<u>-</u>
Total securities	<u>36,068,582</u>	<u>28,261,016</u>	<u>28,028,178</u>	<u>22,128,177</u>

A11. Loans, Advances and Financing

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
Overdrafts	13,398,493	13,216,949	13,374,051	13,206,045
Term loans				
- Housing loans/financing	25,547,436	21,061,307	25,477,613	21,061,307
- Syndicated term loan/financing	5,286,949	6,306,295	5,222,602	4,004,830
- Hire purchase receivables	22,285,604	20,136,580	22,285,603	19,990,280
- Other term loans/financing	40,812,655	33,048,425	37,234,973	31,649,935
Credit card receivables	2,176,760	1,959,084	2,176,760	1,959,084
Bills receivables	1,003,334	1,538,344	973,383	1,532,907
Trust receipts	2,619,047	2,690,824	2,603,616	2,674,055
Claims on customers under acceptance credits	7,458,157	11,919,242	7,669,341	11,895,876
Loans/financing to banks and other financial institutions	10,913,049	10,776,303	11,113,049	10,776,303
Revolving credits	12,988,559	13,930,140	12,988,559	13,477,992
Staff loans	943,060	1,008,611	888,832	967,373
Housing loans to				
- Executive directors of the Bank	389	428	389	428
- Executive directors of subsidiaries	1,008	2,194	1,008	2,194
Others	205,941	265,654	-	-
	<u>145,640,441</u>	<u>137,860,380</u>	<u>142,009,779</u>	<u>133,198,609</u>
Unearned interest and income	(12,013,085)	(11,914,492)	(11,975,787)	(11,871,161)
Gross loans, advances and financing	<u>133,627,356</u>	<u>125,945,888</u>	<u>130,033,992</u>	<u>121,327,448</u>
Allowances for bad and doubtful debts and financing:				
- specific	(3,759,445)	(3,541,718)	(3,452,054)	(3,249,740)
- general	(2,904,214)	(2,810,356)	(2,691,520)	(2,596,076)
Net loans, advances and financing	<u><u>126,963,697</u></u>	<u><u>119,593,814</u></u>	<u><u>123,890,418</u></u>	<u><u>115,481,632</u></u>

A11. Loans, Advances and Financing (continued)**A11a. By type of customer**

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
Domestic operations:				
Domestic banking institutions	-	665	-	665
Domestic non-bank financial institutions				
- Stockbroking companies	330,525	204,047	330,525	204,047
- Others	10,685,448	10,586,762	10,685,448	10,569,169
Domestic business enterprise				
- Small and medium enterprise	22,946,527	20,794,134	22,943,268	20,772,772
- Others	19,364,406	20,000,292	19,364,406	19,859,385
Government and statutory bodies	134,488	1,118,981	134,488	1,115,370
Individuals	49,738,274	47,198,722	49,513,940	47,183,516
Other domestic entities	380,347	73,781	270,419	73,629
Foreign entities	228,626	444,041	228,626	388,012
	<u>103,808,641</u>	<u>100,421,425</u>	<u>103,471,120</u>	<u>100,166,565</u>
Labuan offshore	2,964,774	3,860,522	-	-
Total domestic operations	<u>106,773,415</u>	<u>104,281,947</u>	<u>103,471,120</u>	<u>100,166,565</u>
Overseas operations:				
Singapore	22,766,211	17,899,783	22,766,211	17,899,783
Hong Kong	1,528,575	1,388,034	1,528,575	1,388,034
United States of America	746,261	570,893	746,261	570,893
United Kingdom	492,083	225,769	492,083	225,769
China	462,618	437,316	462,618	437,316
Vietnam	317,608	363,802	317,608	363,802
Brunei	195,513	192,663	195,513	192,663
Cambodia	44,797	82,623	44,797	82,623
Bahrain	9,206	-	9,206	-
Philippines	225,902	431,045	-	-
Indonesia	39,784	41,329	-	-
Papua New Guinea	25,383	30,684	-	-
	<u>26,853,941</u>	<u>21,663,941</u>	<u>26,562,872</u>	<u>21,160,883</u>
	<u>133,627,356</u>	<u>125,945,888</u>	<u>130,033,992</u>	<u>121,327,448</u>

A11b. By interest/profit rate sensitivity

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
Fixed rate				
- Housing loans/financing	12,861,245	11,471,746	12,479,871	11,432,672
- Hire purchase receivables	18,320,732	17,008,268	17,305,963	16,876,373
- Other fixed rate loans/financing	17,484,186	24,979,726	17,452,774	24,922,602
Variable rate				
- Base lending rate plus	44,667,619	41,577,203	45,607,001	41,360,396
- Cost plus	12,112,050	10,521,092	11,899,907	10,232,276
- Other variable rates	28,181,524	20,387,853	25,288,476	16,503,129
Gross loans, advances and financing	<u>133,627,356</u>	<u>125,945,888</u>	<u>130,033,992</u>	<u>121,327,448</u>

A11. Loans, Advances and Financing (continued)

A11c. Total loans by sector

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
Domestic operations:				
Agriculture, hunting forestry and fishing	1,978,401	2,142,683	1,978,401	2,140,709
Mining and quarrying	207,471	172,044	207,471	166,989
Manufacturing	12,244,219	11,959,682	12,172,136	11,934,214
Electricity, gas and water	1,523,036	1,566,292	1,523,036	1,555,719
Construction	5,767,013	5,780,581	5,667,496	5,749,787
Real estate	1,646,799	1,594,165	1,605,301	1,568,985
Purchase of landed properties	31,028,637	29,496,138	30,978,265	29,462,321
(of which: - residential	24,724,273	23,739,516	24,673,904	23,705,699
- non-residential)	6,760,027	6,233,922	6,760,024	6,233,922
Less: Islamic housing loans sold to Cagamas	(455,663)	(477,300)	(455,663)	(477,300)
General commerce	8,560,270	8,204,501	8,544,696	8,148,918
Transport, storage and communication	1,449,674	1,217,629	1,449,674	1,193,348
Finance, insurance and business services	11,976,046	11,731,346	12,160,846	11,716,802
Purchase of securities	8,291,568	7,016,709	8,108,542	7,014,697
Purchase of transport vehicles	12,395,855	11,409,855	12,393,801	11,407,504
Less: Islamic loans sold to Cagamas	(1,188,376)	(270,216)	(1,188,376)	(270,216)
Consumption credit	4,654,564	4,421,089	4,654,564	4,418,289
Others	3,273,464	3,978,927	3,215,267	3,958,499
	103,808,641	100,421,425	103,471,120	100,166,565
Labuan Offshore	2,964,774	3,860,522	-	-
Total domestic operations	106,773,415	104,281,947	103,471,120	100,166,565
Overseas operations:				
Singapore	22,766,211	17,899,783	22,766,211	17,899,783
Hong Kong	1,528,575	1,388,034	1,528,575	1,388,034
United States of America	746,261	570,893	746,261	570,893
United Kingdom	492,083	225,769	492,083	225,769
China	462,618	437,316	462,618	437,316
Vietnam	317,608	363,802	317,608	363,802
Brunei	195,513	192,663	195,513	192,663
Cambodia	44,797	82,623	44,797	82,623
Bahrain	9,206	-	9,206	-
Philippines	225,902	431,045	-	-
Indonesia	39,784	41,329	-	-
Papua New Guinea	25,383	30,684	-	-
	26,853,941	21,663,941	26,562,872	21,160,883
	133,627,356	125,945,888	130,033,992	121,327,448

A11. Loans, Advances and Financing (continued)

A11d. Non-performing loans by sector

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
Domestic operations:				
Agriculture, hunting forestry and fishing	77,434	63,428	77,434	63,428
Mining and quarrying	5,628	3,756	5,628	3,756
Manufacturing	767,810	849,151	757,238	835,511
Electricity, gas and water	428,828	413,058	428,828	412,485
Construction	786,948	855,948	769,020	822,449
Real estate	173,035	244,480	143,647	212,070
Purchase of landed properties	3,463,695	3,417,953	3,463,371	3,417,630
(of which: - residential	2,869,223	2,770,423	2,868,899	2,770,100
- non-residential)	594,472	647,530	594,472	647,530
Wholesale and retail trade and restaurants and hotels	665,726	582,278	665,726	569,118
Transport, storage and communication	30,815	33,154	30,815	32,274
Finance, insurance and business services	322,706	360,464	322,706	360,464
Purchase of securities	392,718	439,428	318,340	354,261
Purchase of transport vehicles	241,829	223,896	241,829	223,896
Consumption credit	322,266	341,221	322,266	341,221
Others	482,648	474,098	462,902	450,347
	8,162,086	8,302,313	8,009,750	8,098,910
Labuan Offshore	304,941	325,355	-	-
Total domestic operations	8,467,027	8,627,668	8,009,750	8,098,910
Overseas operations:				
Singapore	594,895	684,835	594,895	684,834
United States of America	11,866	27,312	11,866	27,312
Hong Kong	38,635	115,381	38,635	115,381
Brunei	37,542	37,447	37,542	37,447
Vietnam	17,837	18,406	17,837	18,406
China	16,731	5,700	16,731	5,700
Cambodia	3,821	3,896	3,821	3,896
Papua New Guinea	5,166	5,592	-	-
Philippines	67,695	71,211	-	-
Indonesia	1,376	12,132	-	-
	795,564	981,912	721,327	892,976
	9,262,591	9,609,580	8,731,077	8,991,886

A11. Loans, Advances and Financing (continued)

A11e. Movement in non-performing loans, advances and financing ("NPL") are as follows:

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
At 1 July 2005/2004	9,609,580	10,397,446	8,991,886	8,062,241
Non-performing during the period/year	4,119,152	6,485,055	4,093,138	5,589,748
Reclassified as performing	(2,134,841)	(3,617,452)	(2,088,022)	(3,081,885)
Acquired by/from subsidiary	1,051	-	1,156	2,006,385
Recoveries	(1,603,223)	(1,730,420)	(1,567,493)	(1,784,644)
Amount written off	(748,005)	(1,954,142)	(725,620)	(1,828,805)
Loans converted to investment securities	(13,058)	(23,152)	(12,061)	(23,152)
Exchange differences	31,935	52,245	38,093	51,998
Closing balance	9,262,591	9,609,580	8,731,077	8,991,886
Specific allowance	(3,759,445)	(3,541,718)	(3,452,054)	(3,249,740)
Net non-performing loans, advances and financing	5,503,146	6,067,862	5,279,023	5,742,146
Net NPL as a% of gross loans, advances and financing (including Islamic loans sold to Cagamas) less specific allowance	4.18%	4.93%	4.12%	4.83%

A11f. Movement in general allowance for bad and doubtful debts (and financing) accounts are as follows:

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
<u>General Allowance</u>				
At 1 July 2005/2004	2,810,356	3,625,584	2,596,076	2,689,417
Allowance made during the period/year	110,426	22,934	90,145	-
Acquired by a subsidiary	364	-	-	-
Amount written back	(18,680)	(833,555)	-	(88,753)
Transfer from/(to) specific allowance	12,114	(7,289)	5,466	(7,237)
Exchange differences	(10,366)	2,682	(167)	2,649
Closing balance	2,904,214	2,810,356	2,691,520	2,596,076
As % of gross loans, advances and financing (including Islamic loans sold to Cagamas) less specific allowance	2.21%	2.28%	2.10%	2.18%

A11g. Movement in specific allowance for bad and doubtful debts (and financing) accounts are as follows:

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
<u>Specific Allowance</u>				
At 1 July 2005/2004	3,541,718	3,634,101	3,249,740	2,688,326
Allowance made during the period/year	1,489,860	2,641,324	1,407,984	2,124,527
Acquired by/from subsidiary	184	-	1,119	772,431
Amount written back in respect of recoveries	(486,677)	(707,911)	(435,844)	(430,957)
Amount written off	(736,784)	(1,949,754)	(725,620)	(1,828,805)
Amount transferred to accumulated impairment losses in value of securities	(10,385)	(23,152)	(10,151)	(23,152)
Transfer to restructured/rescheduled loans	(30,879)	(65,632)	(30,879)	(65,632)
Transfer (to)/from general allowance	(12,114)	7,289	(5,466)	7,237
Exchange differences	4,522	5,453	1,171	5,765
Closing balance	3,759,445	3,541,718	3,452,054	3,249,740

A12. Other Assets

	Group		Bank	
	31 March	30 June	31 March	30 June
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Interest/Income receivable	668,447	485,023	517,336	459,627
Other debtors, deposits and prepayments	1,156,481	1,023,970	815,362	479,448
Foreclosed properties	103,419	117,266	39,490	54,524
Investment properties	2,989	38,074	-	-
Derivatives	90,253	-	90,253	-
	2,021,589	1,664,333	1,462,441	993,599

A13. Deposits from Customers

Fixed deposits and negotiable instruments of deposits				
- One year or less	82,759,347	78,743,307	69,899,060	66,983,183
- More than one year	2,362,430	3,373,895	2,102,758	3,157,274
Savings deposits	23,973,889	22,947,897	23,721,617	22,697,326
Demand deposits	25,257,748	26,002,946	25,774,801	25,437,930
Others	33,928	-	33,928	-
	134,387,342	131,068,045	121,532,164	118,275,713
<u>By type of customer</u>				
Government and statutory bodies	8,138,149	8,147,680	6,144,936	5,064,055
Business enterprise	51,491,845	52,297,166	41,929,046	43,737,516
Individuals	67,979,559	63,788,782	67,503,631	63,411,919
Others	6,777,789	6,834,417	5,954,551	6,062,223
	134,387,342	131,068,045	121,532,164	118,275,713

A14. Deposits and Placement of Banks and Other Financial Institutions and Debt Securities

Licensed banks	17,852,549	13,258,419	21,172,179	15,804,783
Licensed finance companies	274,008	303,427	274,008	54,113
Licensed merchant banks	545,242	9,998	545,242	9,998
Licensed discount houses	118,000	94,600	118,000	94,600
Other financial institutions	4,596,105	4,694,738	3,962,297	3,910,700
	23,385,904	18,361,182	26,071,726	19,874,194
Maturity structure of deposits and placements of banks and other financial institutions				
- One year or less	19,968,913	14,644,226	22,654,735	16,157,238
- More than one year	3,416,991	3,716,956	3,416,991	3,716,956
	23,385,904	18,361,182	26,071,726	19,874,194
Subordinated obligations				
Unsecured				
- less than one year	610,000	¹ 950,000	610,000	¹ 950,000
- more than one year	² 2,399,350	² 2,054,000	² 2,399,350	² 2,054,000

¹ Subordinated Notes of USD250 million.² Includes Subordinated Notes of USD380 million.

A15. Other Liabilities

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
Interest/Profit payable	784,440	726,507	774,437	710,358
Provision for outstanding claims	419,141	191,190	-	-
Unearned premium reserves	277,212	109,969	-	-
Provision for commitments and contingencies	7,208	7,208	-	-
Profit Equalisation Reserves	185,267	250,839	183,548	238,604
Provisions and accruals	660,989	421,271	597,959	518,443
Due to brokers and clients	167,413	115,183	-	-
Deposits and other creditors	1,091,365	1,307,975	1,735,524	1,672,998
Derivatives	71,351	-	71,351	-
	<u>3,664,386</u>	<u>3,130,142</u>	<u>3,362,819</u>	<u>3,140,403</u>

A16. Interest Income

	3rd Quarter ended		Nine months ended	
	31 March	31 March	31 March	31 March
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Group				
Loans, advances and financing				
- Interest income other than recoveries from NPL	1,516,092	1,308,112	4,358,892	3,907,556
- Recoveries from NPLs	86,397	100,765	262,067	298,290
Money at call and deposit placements with financial institutions	246,506	251,136	811,494	754,871
Securities held-for-trading/dealing securities	46,040	82,789	122,792	123,887
Securities available-for-sale/investment securities	274,917	150,110	796,990	690,908
Securities held-to-maturity	61,508	-	77,517	-
Others	-	4,382	-	13,042
	<u>2,231,460</u>	<u>1,897,294</u>	<u>6,429,752</u>	<u>5,788,554</u>
Amortisation of premium less accretion of discount	(17,318)	(13,846)	(38,028)	(56,466)
Interest income suspended	(15,357)	(14,506)	(47,778)	(59,911)
	<u>2,198,785</u>	<u>1,868,942</u>	<u>6,343,946</u>	<u>5,672,177</u>
Bank				
Loans, advances and financing				
- Interest income other than recoveries from NPL	1,456,574	1,253,990	4,175,335	3,399,120
- Recoveries from NPLs	85,384	92,093	258,196	298,573
Money at call and deposit placements with financial institutions	221,815	240,814	739,178	709,947
Securities held-for-trading/dealing securities	43,338	4,975	110,775	32,177
Securities available-for-sale/investment securities	253,432	171,841	680,438	599,773
Securities held-to-maturity	3,562	-	9,698	-
	<u>2,064,105</u>	<u>1,763,713</u>	<u>5,973,620</u>	<u>5,039,590</u>
Amortisation of premium less accretion of discount	(15,073)	(14,698)	(39,475)	(60,450)
Interest income suspended	(15,268)	(15,182)	(47,683)	(44,841)
	<u>2,033,764</u>	<u>1,733,833</u>	<u>5,886,462</u>	<u>4,934,299</u>

A17. Interest Expense

Group				
Deposits and placements of banks and other financial institutions	258,373	120,032	712,331	371,110
Deposits from customers	735,299	632,234	2,068,306	1,831,799
Loans sold to Cagamas	45,639	61,094	140,495	196,513
Subordinated notes	21,771	45,219	80,038	139,869
Others	6,157	(2,856)	14,183	12,260
	<u>1,067,239</u>	<u>855,723</u>	<u>3,015,353</u>	<u>2,551,551</u>
Bank				
Deposits and placements of banks and other financial institutions	208,320	136,448	593,241	362,898
Deposits from customers	680,705	538,280	1,910,529	1,535,974
Loans sold to Cagamas	45,639	61,094	140,495	155,744
Subordinated notes	4,397	47,707	80,038	143,602
Others	25,070	1,050	18,956	4,665
	<u>964,131</u>	<u>784,579</u>	<u>2,743,259</u>	<u>2,202,883</u>

A18. Other Operating Income

<u>Group</u>	3rd Quarter ended		Nine months ended	
	31 March 2006 RM'000	31 March 2005 RM'000	31 March 2006 RM'000	31 March 2005 RM'000
(a) Fee income:				
Commissions	163,657	120,649	395,069	344,166
Service charges and fees	124,432	117,968	384,659	355,838
Guarantee fees	21,991	23,611	64,400	62,098
Net brokerage and commissions	-	-	-	-
from stock broking activities	11,424	20,366	32,581	53,949
Other fee income	10,830	13,592	43,139	35,783
	<u>332,334</u>	<u>296,186</u>	<u>919,848</u>	<u>851,834</u>
(b) Gain/loss arising from sale of securities:				
Net gain from sale of securities held-for-trading/dealing securities	1,255	(4,848)	11,163	14,660
Net gain from sale of securities available-for-sale/investment securities	40,112	89,441	219,978	270,762
	<u>41,367</u>	<u>84,593</u>	<u>231,141</u>	<u>285,422</u>
(c) Gross dividend from:				
Securities available-for-sale/investment securities	10,264	10,317	16,834	14,094
	<u>10,264</u>	<u>10,317</u>	<u>16,834</u>	<u>14,094</u>
(d) Unrealised gains/(losses) on revaluation of securities held-for-trading and derivatives	79,551	-	228,471	-
Write back of impairment losses on securities	2,118	(15,541)	24,356	37,233
	<u>81,669</u>	<u>(15,541)</u>	<u>252,827</u>	<u>37,233</u>
(e) Other income:				
Foreign exchange profit/(loss)				
- Realised	130,428	48,470	302,675	238,247
- Unrealised	(46,802)	14,694	(22,173)	5,960
Net premiums written	120,313	56,895	252,978	175,501
Rental Income	4,527	1,627	14,352	7,401
Gains on disposal of property, plant and equipment	18,963	558	19,063	4,064
Gain on disposal of foreclosed properties	514	133	15,861	539
Others	11,006	10,331	39,775	44,888
	<u>238,949</u>	<u>132,708</u>	<u>622,531</u>	<u>476,600</u>
Total other operating income	<u>704,583</u>	<u>508,263</u>	<u>2,043,181</u>	<u>1,665,183</u>

A18. Other Operating Income (continued)

	3rd Quarter ended		Nine months ended	
	31 March 2006 RM'000	31 March 2005 RM'000	31 March 2006 RM'000	31 March 2005 RM'000
Bank				
(a) Fee income:				
Commissions	130,134	123,681	389,018	366,191
Service charges and fees	108,945	100,293	336,868	291,708
Guarantee fees	21,904	22,394	63,992	59,878
Other fee income	4,584	6,259	17,730	19,099
	<u>265,567</u>	<u>252,627</u>	<u>807,608</u>	<u>736,876</u>
(b) Gain/(loss) arising from sale of securities:				
Net gain from sale of securities held-for-trading/dealing securities	4,283	394	(5,264)	1,138
Net gain/(loss) from sale of securities available-for-sale/investment securities	29,476	75,669	166,146	231,172
Net gain from sale of associated company	-	-	4,320	-
	<u>33,759</u>	<u>76,063</u>	<u>165,202</u>	<u>232,310</u>
(c) Gross dividend income from:				
Securities available-for-sale/investment securities	6,089	10,155	9,173	11,320
Subsidiary companies	600	5,662	75,363	2,924,037
	<u>6,689</u>	<u>15,817</u>	<u>84,536</u>	<u>2,935,357</u>
(d) Unrealised gains/(losses) on revaluation of securities held-for-trading and derivatives/ provision for diminution in value	78,003	(9,718)	241,925	32,970
Write back of impairment losses on securities	3,674	-	36,338	-
	<u>81,677</u>	<u>(9,718)</u>	<u>278,263</u>	<u>32,970</u>
(e) Other income:				
Foreign exchange profit/(loss)				
- Realised	121,536	46,998	288,548	234,191
- Unrealised	(46,855)	14,694	(22,226)	5,960
Rental Income	3,761	2,834	12,220	9,245
Gain on disposal of property and equipment (net)	18,336	190	17,829	3,926
Gain on disposal of foreclosed properties	-	-	14,905	-
Others	29,361	9,582	63,070	35,836
	<u>126,139</u>	<u>74,298</u>	<u>374,346</u>	<u>289,158</u>
Total other operating income	<u>513,831</u>	<u>409,087</u>	<u>1,709,955</u>	<u>4,226,671</u>

A19. Other Operating Expenses

<u>Group</u>	3rd Quarter ended		Nine months ended	
	31 March 2006 RM'000	31 March 2005 RM'000	31 March 2006 RM'000	31 March 2005 RM'000
Personnel costs				
- Salaries, allowances and bonuses	316,188	267,818	874,691	790,101
- Pension costs	46,754	38,824	128,679	114,574
- Others	41,705	28,663	125,847	88,301
Establishment costs				
- Depreciation	44,212	44,844	131,900	134,786
- Rental	15,662	22,530	44,278	50,468
- Repairs and maintenance of property, plant and equipment	23,762	11,549	82,907	49,631
- Information technology expenses	47,431	21,563	142,933	144,977
- Others	11,506	13,814	19,598	44,252
Marketing expenses				
- Advertisement and publicity	36,901	24,596	158,992	76,797
- Others	30,707	37,525	47,279	72,796
Administration and general expenses				
- Fees and brokerage	61,276	65,542	193,254	167,576
- Administrative expenses	54,750	37,287	153,041	136,084
- General expenses	28,206	54,128	93,590	125,790
- Claims incurred	52,617	22,076	102,317	68,464
- Others	14,917	12,263	34,772	40,976
	<u>826,594</u>	<u>703,022</u>	<u>2,334,078</u>	<u>2,105,573</u>
 Bank				
Personnel costs				
- Salaries, allowances and bonuses	287,415	249,893	805,791	700,823
- Pension costs	42,973	36,409	119,633	103,528
- Others	34,197	25,019	106,441	75,862
Establishment costs				
- Depreciation	38,605	41,622	117,009	116,113
- Rental	14,280	14,251	42,749	44,154
- Repairs and maintenance of property, plant and equipment	23,956	26,271	76,383	44,394
- Information technology expenses	44,245	28,952	134,016	134,815
- Others	6,249	6,956	11,715	27,981
Marketing expenses				
- Advertisement and publicity	41,739	19,555	137,795	72,401
- Others	13,062	12,494	39,388	28,978
Administration and general expenses				
- Fees and brokerage	57,106	60,203	184,871	178,857
- Administrative expenses	34,696	36,100	147,412	116,389
- General expenses	53,981	51,364	94,672	107,981
- Others	8,678	9,280	28,614	27,665
	<u>701,182</u>	<u>618,369</u>	<u>2,046,489</u>	<u>1,779,941</u>

A20. Allowance for Losses on Loans, Advances and Financing

	3rd Quarter ended		Nine months ended	
	31 March	31 March	31 March	31 March
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Allowance for bad and doubtful debts and financing:				
- general allowance (net)	59,908	(64,943)	92,746	(76,335)
- specific allowance	409,710	300,740	1,489,860	1,222,696
- specific allowance written back	(111,689)	(115,140)	(489,213)	(413,956)
Bad debts and financing written off	52,597	2,380	144,506	8,083
Bad debts and financing recovered	(112,864)	(6,249)	(342,205)	(227,027)
	<u>297,662</u>	<u>116,788</u>	<u>895,694</u>	<u>513,461</u>
<u>Bank</u>				
Allowance for bad and doubtful debts and financing:				
- general allowance (net)	70,379	30,051	90,145	552,600
- specific allowance	393,511	300,018	1,407,984	1,025,047
- specific allowance written back	(76,113)	(104,141)	(435,844)	(294,699)
Net write back of allowance in share broking activities	-	-	-	-
Bad debts and financing written off	37,943	2,380	130,446	6,400
Bad debts and financing recovered	(98,209)	(5,933)	(317,928)	(185,656)
	<u>327,511</u>	<u>222,375</u>	<u>874,803</u>	<u>1,103,692</u>

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A21. SEGMENT INFORMATION ON REVENUES, RESULTS, ASSETS AND LIABILITIES

BUSINESS SEGMENT

REVENUE AND EXPENSES	Banking and Finance		Investment Banking		Insurance and Takaful		Others		Eliminations		Consolidated	
	Mar 2006	Mar 2005	Mar 2006	Mar 2005	Mar 2006	Mar 2005	Mar 2006	Mar 2005	Mar 2006	Mar 2005	Mar 2006	Mar 2005
Revenue	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	9,073,502	6,960,189	348,808	343,254	326,470	195,360	38,522	57,637	-	-	9,787,302	7,556,750
Inter-segment revenue	283,124	3,026,738	45,196	25,353	139,024	51,972	11,081	15,097	(478,425)	(3,119,160)	-	-
Total revenue	9,356,626	9,986,927	394,004	368,607	465,494	247,332	49,603	72,734	(478,425)	(3,119,160)	9,787,302	7,556,750
Result												
Segment results	4,067,175	6,214,182	144,334	156,361	240,402	103,928	(7,438)	40,667	(225,848)	(2,975,059)	4,218,625	3,540,341
Finance costs	(508,092)	(341,983)	-	-	-	-	-	-	-	-	(508,092)	(341,983)
Operating profit	3,559,083	5,872,199	144,334	156,361	240,402	103,928	(7,438)	40,667	(225,848)	(2,975,059)	3,710,533	3,198,358
Loan loss and provision	(901,085)	(518,288)	3,608	5,327	2,695	-	(912)	(500)	-	-	(895,694)	(513,794)
Share of net profits of associates	-	-	-	-	(50)	-	(2)	1,562	-	-	(52)	1,562
Profit before taxation	2,657,998	5,353,911	147,942	161,688	243,047	103,928	(8,352)	41,729	(225,848)	(2,975,059)	2,814,787	2,686,664
Taxation & Zakat	(738,741)	(1,475,750)	(48,958)	(39,477)	(78,794)	(20,879)	(7,359)	(7,794)	51,234	826,400	(822,598)	(717,964)
Profit after taxation and zakat	1,919,257	3,878,161	98,984	122,211	164,253	83,049	(15,691)	33,935	(174,614)	(2,148,659)	1,992,189	1,968,696
Minority interest	-	-	-	-	-	-	-	-	-	-	(43,972)	(33,935)
Net profit for the year	1,919,257	3,878,161	98,984	122,211	164,253	83,049	(15,691)	33,935	(174,614)	(2,148,659)	1,948,217	1,935,331

OTHER INFORMATION

Capital expenditure	105,869	123,123	556	4,773	3,921	739	114	2,645	-	-	110,460	131,134
Depreciation	119,270	122,800	4,513	4,510	6,230	5,957	1,887	1,248	-	-	131,900	134,134
Non-cash expenses/(income) other than depreciation	514,834	311,229	(3,230)	32,349	(7,739)	(4,677)	18,884	381	-	-	522,749	339,899

ASSETS AND LIABILITIES

Segment assets	Mar 2006		June 2005		Mar 2006		June 2005		Mar 2006		June 2005	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Investment in associates companies	201,506,870	187,080,016	11,252,682	10,973,432	13,176,923	5,283,241	1,520,473	298,022	(15,185,127)	(11,759,499)	212,271,821	191,875,200
Total assets	201,512,464	187,086,180	11,252,682	10,973,432	13,176,923	5,283,241	1,523,603	311,906	(15,185,127)	(11,759,499)	212,280,545	191,895,200

Total segment liabilities

GEOGRAPHICAL SEGMENT

Revenue from external Customers	Profit Before Tax & Zakat		Capital expenditure		Segment assets	
	Mar 2006	Mar 2005	Mar 2006	Mar 2005	Mar 2006	June 2005
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	8,564,740	9,913,278	2,676,387	5,454,341	189,385,463	172,260,910
Singapore	1,085,464	447,792	250,807	118,545	29,019,626	21,764,859
Other locations	615,523	314,530	113,441	88,370	9,060,583	9,628,990
	10,265,727	10,675,600	3,040,635	5,661,256	227,465,672	203,654,759
Eliminations	(478,425)	(3,119,160)	(225,848)	(2,975,059)	(15,185,127)	(11,759,499)
Consolidated	9,787,302	7,556,440	2,814,787	2,686,197	212,280,545	191,895,260

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A25. Commitments and Contingencies and Off-Balance Sheet Financial Instruments

In the normal course of business, the Bank and its subsidiaries 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 and its subsidiaries as at the following dates are as follows:

Group	As at 31 March 2006			As at 30 June 2005		
	Notional Amount RM'000	Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Notional Amount RM'000	Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	5,236,918	5,236,918	5,010,410	5,320,687	5,320,687	5,148,704
Certain transaction-related contingent items	6,406,013	3,203,007	3,118,896	5,975,347	2,987,673	2,810,889
Short-term self-liquidating trade-related contingencies	7,524,815	1,504,963	770,229	8,027,254	1,605,451	475,399
Islamic housing and hire purchase loans sold to Cagamas Berhad	1,644,039	1,644,039	1,416,208	747,516	747,516	508,866
Obligations under underwriting agreements	2,084,060	1,042,030	1,042,030	393,537	196,769	196,769
Irrevocable commitments to extend credit:						
- maturity within one year	49,873,498	-	-	39,382,518	-	-
- maturity exceeding one year	6,409,117	3,204,558	2,004,376	5,349,646	2,674,823	1,939,408
Foreign exchange related contracts:						
- less than one year	20,936,003	235,499	121,928	25,495,197	239,934	90,393
- one year to less than five years	98,248	8,429	-	219,892	10,803	-
- five years and above	-	-	-	7,461	-	-
Interest rate related contracts:						
- less than one year	10,125,865	71,373	17,962	6,856,875	97,558	14,825
- one year to less than five years	8,168,855	316,277	79,398	7,156,136	296,026	51,438
- five years and above	2,389,712	188,500	48,222	2,266,263	232,562	36,429
Miscellaneous	2,176,100	-	-	2,253,492	-	-
	123,073,243	16,655,593	13,629,659	109,451,821	14,409,802	11,273,120

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A25. Commitments and Contingencies and Off-Balance Sheet Financial Instruments (continued)

	As at 31 March 2006			As at 30 June 2005		
	Notional Amount RM'000	Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Notional Amount RM'000	Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Bank						
Direct credit substitutes	4,440,698	4,440,698	4,331,374	4,486,618	4,486,618	4,430,077
Certain transaction-related contingent items	6,384,878	3,192,439	3,111,629	5,965,051	2,982,526	2,808,122
Short-term self-liquidating trade-related contingencies	7,496,615	1,499,323	770,145	8,006,585	1,601,317	475,177
Islamic housing and hire purchase loans sold to Cagamas Berhad	1,644,039	1,644,039	1,416,208	747,516	747,516	508,866
Obligations under underwriting agreements	273,060	136,530	136,530	262,429	131,215	131,215
Irrevocable commitments to extend credit:						
- maturity within one year	49,813,938	-	-	39,030,173	-	-
- maturity exceeding one year	6,297,068	3,148,534	1,948,352	5,318,584	2,659,292	1,923,877
Foreign exchange related contracts:						
- less than one year	20,936,003	235,499	121,928	25,495,197	239,934	90,393
- one year to less than five years	98,248	8,429	-	208,960	10,803	-
Interest rate related contracts:						
- less than one year	10,031,323	71,149	17,746	6,586,077	94,520	14,597
- one year to less than five years	7,915,827	311,051	77,581	7,027,515	293,750	45,364
- five years and above	2,324,472	183,360	45,733	2,235,793	230,391	35,579
Miscellaneous	2,170,315	-	-	2,245,253	-	-
	119,826,484	14,871,051	11,977,226	107,615,751	13,477,882	10,463,267

* The credit equivalent amount is arrived at using the credit conversion factors as specified by Bank Negara Malaysia.

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A26. Interest/Profit Rate Risk

Group As at 31 March 2006	Non trading book					Effective interest rate %			
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 over 5 RM'000		Non- interest sensitive RM'000	Trading book RM'000	Total RM'000
ASSETS									
Cash and short-term funds	15,904,956	-	-	-	-	4,960,308	-	20,865,264	3.74
Deposits and placements with banks and other financial institutions	515,339	7,610,329	1,339,582	2,450	45,510	547,401	-	10,060,611	3.61
Securities purchased under resale agreements	619,261	802,168	169,783	-	-	-	-	1,591,212	3.41
Securities	538,599	908,743	1,969,560	1,927,717	955,960	190,639	29,577,364	36,068,582	4.24
Loans, advances and financing - performing	39,366,074	13,880,387	12,996,163	14,503,580	34,313,165	9,305,396	-	124,364,765	6.25
- non-performing*	-	-	-	-	-	2,598,932	-	2,598,932	-
Life, general takaful and family takaful fund assets	-	-	-	-	-	8,708,474	-	8,708,474	-
Other non-interest sensitive balances	-	-	-	-	-	8,022,705	-	8,022,705	-
TOTAL ASSETS	56,944,229	23,201,627	16,475,088	16,433,747	35,314,635	34,333,855	29,577,364	212,280,545	

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A26. Interest/Profit Rate Risk (contd)

Group As at 31 March 2006	Non trading book					Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 RM'000				
LIABILITIES AND									
SHAREHOLDERS' EQUITY									
Deposits from customers	60,759,108	12,922,348	23,569,658	1,736,684	176,218	35,223,326	-	134,387,342	2.91
Deposits and placements of banks and other financial institutions	7,980,603	5,193,946	3,833,800	2,020,436	655,337	3,701,782	-	23,385,904	3.52
Obligations on securities sold under repurchase agreements	9,677,193	1,889,882	30,356	-	-	-	-	11,597,431	2.98
Bills and acceptances payable	884,345	585,236	293,039	-	-	3,412,047	-	5,174,667	3.40
Recourse obligations on loans sold to Cagamas	414,753	274,911	3,617,028	-	-	-	-	4,306,692	4.13
Subordinated notes	-	-	610,000	-	1,399,350	1,000,000	-	3,009,350	4.66
Life, general takaful and family takaful fund liabilities	-	-	-	-	-	386,605	-	386,605	-
Life, general takaful and family takaful policy holders' funds	-	-	-	-	-	8,321,869	-	8,321,869	-
Other non-interest sensitive balances	-	-	-	-	-	4,814,096	-	4,814,096	-
Total Liabilities	79,716,002	20,866,323	31,953,881	3,757,120	2,230,905	56,859,725	-	195,383,956	
Shareholders' equity	-	-	-	-	-	16,092,384	-	16,092,384	
Minority interests	-	-	-	-	-	804,205	-	804,205	
Total Liabilities and Shareholders' Equity	79,716,002	20,866,323	31,953,881	3,757,120	2,230,905	73,756,314	-	212,280,545	
On-balance sheet interest sensitivity gap	(22,771,773)	2,335,304	(15,478,793)	12,676,627	33,083,730	(39,422,459)	29,577,364	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	(491,326)	196,866	(327,420)	591,880	30,000	-	-	-	
Total interest sensitivity gap	(23,263,099)	2,532,170	(15,806,213)	13,268,507	33,113,730	(39,422,459)	29,577,364	-	

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A26. Interest/Profit Rate Risk (contd)

Group As at 30 June 2005	Non trading book						Effective interest 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- interest sensitive RM'000		Trading book RM'000	Total RM'000
ASSETS									
Cash and short-term funds	18,253,501	-	-	-	-	4,342,943	-	22,596,444	2.87
Deposits and placements with banks and other financial institutions	134,438	7,587,548	1,015,314	8,287	60,307	518,902	-	9,324,796	2.92
Securities purchased under resale agreements	197,481	102,376	-	-	-	-	-	299,857	1.28
Dealing securities	104,378	70,317	163,756	25,000	240,038	25,621	-	629,110	4.32
Investment securities	2,760,802	2,706,484	2,158,235	9,559,315	5,702,042	4,745,028	-	27,631,906	4.01
Loans, advances and financing - performing	34,517,481	21,693,037	12,831,875	11,424,879	20,220,528	15,648,508	-	116,336,308	6.30
- non-performing*	-	-	-	-	-	3,257,506	-	3,257,506	-
Life, general takaful and family takaful fund assets	-	-	-	-	-	3,600,656	-	3,600,656	-
Other non-interest sensitive balances	-	-	-	-	-	8,218,677	-	8,218,677	-
TOTAL ASSETS	55,968,081	32,159,762	16,169,180	21,017,481	26,222,915	40,357,841	-	191,895,260	

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A26. Interest/Profit Rate Risk (contd)

Group As at 30 June 2005	Non trading book					Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 RM'000				
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	58,777,116	12,708,896	22,628,629	1,947,719	160,918	34,844,767	-	131,068,045	2.21
Deposits and placements of banks and other financial institutions	6,980,048	3,671,226	1,673,411	1,874,297	603,937	3,558,263	-	18,361,182	2.62
Obligations on securities sold under repurchase agreements	7,051,486	339,742	236,217	250	-	-	-	7,627,695	2.53
Bills and acceptances payable	131,317	48,432	76,564	-	-	2,101,811	-	2,358,124	2.98
Recourse obligations on loans sold to Cagamas	-	507,620	484,357	3,998,796	-	-	-	4,990,773	4.39
Subordinated notes	-	950,000	610,000	1,444,000	-	-	-	3,004,000	6.34
Life, general takaful and family takaful fund liabilities	-	-	-	-	-	120,506	-	120,506	-
Life, general takaful and family takaful policy holders' funds	-	-	-	-	-	3,480,150	-	3,480,150	-
Other non-interest sensitive balances	-	-	-	-	-	4,031,032	-	4,031,032	-
Total Liabilities	72,939,967	18,225,916	25,709,178	9,265,062	764,855	48,136,529	-	175,041,507	
Shareholders' equity	-	-	-	-	-	16,401,309	-	16,401,309	
Minority interests	-	-	-	-	-	452,444	-	452,444	
Total Liabilities and Shareholders' Equity	72,939,967	18,225,916	25,709,178	9,265,062	764,855	64,990,282	-	191,895,260	
On-balance sheet interest sensitivity gap	(16,971,886)	13,933,846	(9,539,998)	11,752,419	25,458,060	(24,632,441)	-	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	902,400	5,322,571	(912,736)	(3,272,400)	(2,039,835)	-	-	-	
Total interest sensitivity gap	(16,069,486)	19,256,417	(10,452,734)	8,480,019	23,418,225	(24,632,441)	-	-	

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A26. Interest/Profit Rate Risk (contd)

Bank As at 31 March 2006	Non trading book						Effective interest 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- interest sensitive RM'000		Trading book RM'000	Total RM'000
ASSETS									
Cash and short-term funds	13,547,207	-	-	-	-	4,902,681	-	18,449,888	3.73
Deposits and placements with banks and other financial institutions	208,980	7,083,532	1,310,114	-	45,510	543,196	-	9,191,332	3.57
Securities purchased under resale agreements	619,261	802,168	169,783	-	-	-	-	1,591,212	3.30
Securities	1,991	13,444	1,066,507	1,373,919	638,481	187,917	24,745,919	28,028,178	4.12
Loans, advances and financing - performing	38,067,518	12,654,302	12,297,079	14,393,162	34,599,356	9,291,498	-	121,302,915	6.21
- non-performing*	-	-	-	-	-	2,587,503	-	2,587,503	-
Other non-interest sensitive balances	-	-	-	-	-	9,777,706	-	9,777,706	-
TOTAL ASSETS	52,444,957	20,553,446	14,843,483	15,767,081	35,283,347	27,290,501	24,745,919	190,928,734	

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A26. Interest/Profit Rate Risk (contd)

Bank As at 31 March 2006	Non trading book					Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 over 5 RM'000				
LIABILITIES AND SHAREHOLDERS' EQUITY									
Deposits from customers	51,984,524	10,577,819	22,824,798	1,623,507	15,300	34,506,216	-	121,532,164	2.91
Deposits and placements of banks and other financial institutions	10,507,920	5,409,115	3,778,282	2,019,290	655,337	3,701,782	-	26,071,726	3.48
Obligations on securities sold under repurchase agreements	8,864,248	1,889,585	30,355	-	-	-	-	10,784,188	2.87
Bills and acceptances payable	877,811	1,516,513	293,039	-	-	3,412,047	-	6,099,410	3.20
Recourse obligations on loans sold to Cagamas	414,752	274,911	3,617,029	-	-	-	-	4,306,692	4.13
Subordinated notes	-	-	610,000	-	1,399,350	1,000,000	-	3,009,350	4.66
Other non-interest sensitive balances	-	-	-	-	-	4,435,499	-	4,435,499	-
Total Liabilities	72,649,255	19,667,943	31,153,503	3,642,797	2,069,987	47,055,544	-	176,239,029	
Shareholders' equity	-	-	-	-	-	14,689,705	-	14,689,705	
Total Liabilities and Shareholders' Equity	72,649,255	19,667,943	31,153,503	3,642,797	2,069,987	61,745,249	-	190,928,734	
On-balance sheet interest sensitivity gap	(20,204,298)	885,503	(16,310,020)	12,124,284	33,213,360	(34,454,748)	24,745,919	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	(491,326)	147,521	(350,252)	664,057	30,000	-	-	-	
Total interest sensitivity gap	(20,695,624)	1,033,024	(16,660,272)	12,788,341	33,243,360	(34,454,748)	24,745,919	-	

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

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A26. Interest/Profit Rate Risk (contd)

Bank As at 30 June 2005	Non trading book						Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	over 5 over 5 RM'000					
ASSETS										
Cash and short-term funds	14,516,549	-	-	-	-	3,962,855	-	18,479,404	2.78	
Deposits and placements with banks and other financial institutions	121,317	7,530,271	1,927,650	7,897	-	388,601	-	9,975,736	2.92	
Securities purchased under resale agreements	194,495	102,376	-	-	-	-	-	296,871	1.27	
Dealing securities	10,704	56,158	163,755	-	-	-	-	230,617	2.64	
Investment securities	1,879,753	1,637,198	1,245,340	7,792,324	5,080,108	4,262,837	-	21,897,560	3.96	
Loans, advances and financing										
- performing	32,888,392	20,182,258	12,170,515	11,256,094	20,189,618	15,648,685	-	112,335,562	6.33	
- non-performing*	-	-	-	-	-	3,146,070	-	3,146,070	-	
Other non-interest sensitive balances	-	-	-	-	-	9,072,893	-	9,072,893	-	
TOTAL ASSETS	49,611,210	29,508,261	15,507,260	19,056,315	25,269,726	36,481,941	-	175,434,713	-	

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A26. Interest/Profit Rate Risk (contd)

Bank As at 30 June 2005	Non trading book					Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest 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 SHAREHOLDERS' EQUITY									
Deposits from customers	48,017,028	10,960,635	22,541,627	1,898,414	-	34,858,009	-	118,275,713	2.10
Deposits and placements of banks and other financial institutions	8,150,273	3,957,420	1,728,807	1,874,297	603,937	3,559,460	-	19,874,194	2.48
Obligations on securities sold under repurchase agreements	6,846,060	339,742	236,217	250	-	-	-	7,422,269	2.53
Bills and acceptances payable	249,839	193,568	175,460	-	-	2,073,701	-	2,692,568	2.69
Recourse obligations on loans sold to Cagamas	-	507,620	484,357	3,998,796	-	-	-	4,990,773	4.39
Subordinated notes	-	950,000	610,000	1,444,000	-	-	-	3,004,000	6.34
Other non-interest sensitive balances	-	-	-	-	-	3,995,917	-	3,995,917	-
Total Liabilities	63,263,200	16,908,985	25,776,468	9,215,757	603,937	44,487,087	-	160,255,434	
Shareholders' equity	-	-	-	-	-	15,179,279	-	15,179,279	
Total Liabilities and Shareholders' Equity	63,263,200	16,908,985	25,776,468	9,215,757	603,937	59,666,366	-	175,434,713	
On-balance sheet interest sensitivity gap	(13,651,990)	12,599,276	(10,269,208)	9,840,558	24,665,789	(23,184,425)	-	-	
Off-balance sheet interest sensitivity gap (interest rate swaps)	902,399	5,322,571	(912,735)	(3,272,400)	(2,039,835)	-	-	-	
Total interest sensitivity gap	(12,749,591)	17,921,847	(11,181,943)	6,568,158	22,625,954	(23,184,425)	-	-	

* This is arrived at after deducting the general allowance and specific allowance from the outstanding non-performing loans.

A27. Capital Adequacy

The capital adequacy ratios of the Group and the Bank, based on credit and market risks as at the following dates:

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
Core capital ratio	8.65%	10.27%	8.41%	9.81%
Risk-weighted capital ratio	12.49%	13.84%	11.13%	12.61%
Components of Tier I and Tier II capital:				
<u>Tier I capital</u>				
Paid-up share capital	3,789,700	3,721,053	3,789,700	3,721,053
Share premium	2,076,214	1,501,117	2,076,214	1,501,117
Other reserves ¹	8,133,606	11,114,651	6,883,907	9,867,691
Tier I minority interest	327,793	215,226	-	-
Less: Deferred tax assets ¹	(963,946)	(963,946)	(911,753)	(911,753)
Total Tier I capital	13,363,367	15,588,101	11,838,068	14,178,108
<u>Tier II capital</u>				
Subordinated obligations	3,009,350	2,054,000	3,009,350	2,054,000
General allowance for bad and doubtful debts	2,904,214	2,810,356	2,691,520	2,596,076
Total Tier II capital	5,913,564	4,864,356	5,700,870	4,650,076
Total capital	19,276,931	20,452,457	17,538,938	18,828,184
Less: Investment in subsidiary companies ²	-	-	(1,873,790)	(1,075,978)
Capital base	19,276,931	20,452,457	15,665,148	17,752,206

¹ Under Bank Negara Guidelines, unaudited profits (which includes deferred tax) are not allowed for computation of capital adequacy ratios.

² Excludes the cost of investment in a subsidiary, Myfin Berhad (formerly known as Mayban Finance Berhad) of RM840.0 million as its business, assets and liabilities have been transferred to the Bank.

A28. Operations of Islamic Banking

A28a. Unaudited Balance Sheets as at 31 March 2006

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
ASSETS				
Cash and short-term funds	2,266,346	2,644,671	2,153,565	2,264,460
Deposits and placements with banks and other financial institutions	543,195	467,066	543,195	340,990
Securities	3,192,398	3,401,307	2,888,781	3,019,940
Financing, advances and other loans	16,353,073	16,052,758	16,353,073	16,052,758
Other assets	13,559	14,176	9,676	9,543
Deferred tax assets	220,199	235,516	219,088	230,410
Total Assets	22,588,770	22,815,494	22,167,378	21,918,101
LIABILITIES AND ISLAMIC BANKING FUNDS				
Deposits from customers	13,007,970	15,335,991	12,906,783	15,044,703
Deposit and placements of banks and other financial institutions	2,972,289	3,140,408	2,952,019	3,125,900
Bills and acceptances payable	2,508,669	1,191,359	2,508,668	1,191,359
Other liabilities	1,091,685	1,169,572	1,089,694	1,156,729
Provision for tax expense and zakat	125,767	171,593	125,617	165,017
Subordinated bonds	1,000,000	-	1,000,000	-
Total Liabilities	20,706,380	21,008,923	20,582,781	20,683,708
Islamic Banking Funds	1,882,390	1,806,571	1,584,597	1,234,393
Total Liabilities and Islamic Banking Funds	22,588,770	22,815,494	22,167,378	21,918,101
COMMITMENTS AND CONTINGENCIES	8,126,692	3,194,904	8,126,692	3,194,904

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A28b. Unaudited Income Statements for the 3rd Quarter and Nine Months Ended 31 March 2006

	3rd Quarter ended		Nine months ended	
	31 March 2006 RM'000	31 March 2005 RM'000	31 March 2006 RM'000	31 March 2005 RM'000
Group				
Income derived from investment of depositors' funds	307,193	306,793	915,500	896,040
Allowance for losses on financing, advances and other loans	(62,538)	(82,037)	(141,850)	(105,036)
Transfer from/(to) profit equalisation reserve	34,236	(5,372)	65,569	(82,062)
Other expenses directly attributable to depositors and Islamic Banking Funds	(5,040)	(4,574)	(17,626)	(16,260)
Total attributable income	273,851	214,810	821,593	692,682
Income attributable to the depositors	(107,228)	(96,513)	(331,019)	(322,359)
Income attributable to the reporting institution	166,623	118,297	490,574	370,323
Income derived from investment of depositors' funds	17,511	19,706	50,649	47,449
Total net income	184,134	138,003	541,223	417,772
Other operating expenses	(9,784)	(15,069)	(21,352)	(21,208)
Finance cost	(6,510)	-	(6,510)	-
Profit before zakat and tax expense	167,840	122,934	513,361	396,564
Zakat	86	-	-	-
Tax expense	(51,342)	(28,286)	(139,977)	(104,384)
Net profit for the financial period	116,584	94,648	373,384	292,180

A28b. Unaudited Income Statements for the 3rd Quarter and Nine Months Ended 31 March 2006

	3rd Quarter ended		Nine months ended	
	31 March 2006 RM'000	31 March 2005 RM'000	31 March 2006 RM'000	31 March 2005 RM'000
Bank				
Income derived from investment of depositors' funds	299,507	292,645	893,932	791,002
Allowance for losses on financing, advances and other loans	(58,537)	(82,038)	(139,850)	(229,019)
Transfer from/(to) profit equalisation reserve	27,792	(3,001)	55,057	(77,226)
Other expenses directly attributable to depositors and Islamic Banking Funds	(5,961)	(4,775)	(17,312)	(15,258)
Total attributable income	262,801	202,831	791,827	469,499
Income attributable to the depositors	(106,371)	(93,944)	(327,316)	(287,990)
Income attributable to the reporting institution	156,430	108,887	464,511	181,509
Income derived from investment of Islamic Banking Funds	17,512	19,723	50,568	46,760
Total net income	173,942	128,610	515,079	228,269
Other operating expenses	(6,378)	(15,069)	(21,056)	(21,208)
Finance cost	(6,510)	-	(6,510)	-
Profit before zakat and tax expense	161,054	113,541	487,513	207,061
Tax expense	(49,992)	(34,436)	(136,022)	(49,670)
Net profit for the financial period	111,062	79,105	351,491	157,391

A28c. Financing, Advances and Other Loans

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
Overdrafts	1,285,077	1,260,198	1,285,077	1,260,198
Term financing	18,015,626	18,346,671	18,015,626	18,346,671
Hire purchase receivables	3,253,057	3,159,755	3,253,057	3,159,755
Trust receipts	172,811	208,811	172,811	208,811
Other financing	3,815,255	3,318,393	3,815,255	3,318,393
	26,541,826	26,293,828	26,541,826	26,293,828
Unearned income	(9,214,083)	(9,353,925)	(9,214,083)	(9,353,925)
Gross financing, advances and other loans	17,327,743	16,939,903	17,327,743	16,939,903
Allowance for bad and doubtful debts and financing:				
- specific	(350,676)	(277,770)	(350,676)	(277,770)
- general	(623,994)	(609,375)	(623,994)	(609,375)
Net financing, advances and other loans	16,353,073	16,052,758	16,353,073	16,052,758

A28d. (i) Movements in non-performing financing, advances and other loans ("NPL") are as follows:

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
At 1 July	1,291,218	856,279	1,291,218	856,279
Non-performing during the period/year	693,652	907,066	693,652	907,066
Transfer from the finance subsidiary	-	227,924	-	227,924
Reclassified as performing	(370,165)	(496,966)	(370,165)	(496,966)
Recoveries	(205,379)	(171,623)	(205,379)	(171,623)
Amount written off	(62,503)	(34,236)	(62,503)	(34,236)
Expenses debited to customers' accounts	4,420	2,774	4,420	2,774
Closing balance	1,351,243	1,291,218	1,351,243	1,291,218
Specific allowance	(350,676)	(277,770)	(350,676)	(277,770)
Net non-performing financing, advances and other loans	1,000,567	1,013,448	1,000,567	1,013,448
Net NPL as % of gross financing, advances and other loans less specific allowance	5.37%	5.82%	5.37%	5.82%

(ii) Movements in the allowance for bad and doubtful debts and financing accounts are as follows:

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
<u>General allowance</u>				
At 1 July	609,375	395,910	609,375	395,910
Allowance made during the period/year	12,871	213,465	12,871	213,465
Transfer from specific allowance	1,748	-	1,748	-
Closing balance	623,994	609,375	623,994	609,375
As % gross loans, financing and other loans less specific allowance	3.35%	3.50%	3.35%	3.50%

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
<u>Specific allowance</u>				
At 1 July	277,770	121,607	277,770	121,607
Allowance made during the period/year	184,755	129,592	184,755	129,592
Transfer from the finance subsidiary	-	110,547	-	110,547
Amount written back	(47,598)	(54,497)	(47,598)	(54,497)
Amount written off	(62,503)	(34,238)	(62,503)	(34,238)
Transfer to general allowance	(1,748)	-	(1,748)	-
Transfer from/(to) specific allowance for restructured/rescheduled loans and financing	-	4,759	-	4,759
Closing balance	350,676	277,770	350,676	277,770

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A28e. Deposit from Customers

(i) By type of deposit

	Group		Bank	
	31 March 2006 RM'000	30 June 2005 RM'000	31 March 2006 RM'000	30 June 2005 RM'000
<u>Mudharabah Fund</u>				
Demand deposits	-	245	-	-
General investment deposits	4,218,164	5,047,202	4,118,022	4,756,159
Special investment deposits	600,391	525,114	599,591	525,114
	<u>4,818,555</u>	<u>5,572,561</u>	<u>4,717,613</u>	<u>5,281,273</u>
<u>Non-Mudharabah Fund</u>				
Demand deposits	3,783,901	3,670,085	3,783,657	3,670,085
Savings deposits	2,576,702	2,264,203	2,576,701	2,264,203
Negotiable instruments of deposits	1,828,812	3,829,142	1,828,812	3,829,142
	<u>8,189,415</u>	<u>9,763,430</u>	<u>8,189,170</u>	<u>9,763,430</u>
Deposit from Customers	<u>13,007,970</u>	<u>15,335,991</u>	<u>12,906,783</u>	<u>15,044,703</u>

A29. Change in Accounting Policies and Transitional Adjustments (continued)

- 3) Where a loan becomes non-performing, interest accrued and recognised as income prior to the date the loans are classified as non-performing shall be reversed out of income and set-off against the accrued interest receivables account in the balance sheet. Thereafter, the interest accrued on the non-performing loans shall be recognised as income on a cash basis instead of being accrued and suspended at the same time as prescribed previously.

(b) Transitional Adjustments

The effects of the transitional adjustments to opening retained profits and unrealised holding reserves of the Group and Bank as described in Note A1 above are as follows:

	Group	Bank
	31 March	31 March
	2006	2006
	RM'000	RM'000
Effects on retained profits:		
At 30 June, as previously stated	7,149,183	5,996,652
Effects of adopting the fair value accounting for derivatives	(160,798)	(160,798)
Effects of impairment to securities available-for-sale, previously net against unrealised gains not recognised	(94,812)	(57,403)
Effects of deferred tax	84,928	80,063
	(170,682)	(138,138)
At 30 June, as restated	6,978,501	5,858,514

	Group	Bank
	31 March	31 March
	2006	2006
	RM'000	RM'000
Effects on unrealised holding reserves		
At 30 June, as previously stated	-	-
Effects of adopting the fair value accounting for accounting for securities available-for-sale	482,181	469,749
Effects of deferred tax	(135,011)	(131,530)
	347,170	338,219
At 30 June, as restated	347,170	338,219

(c) Comparative Figures

The following comparative figures have been reclassified to conform with the revised BNM/GP8 format:

	Group		Bank	
	As restated	As previously reported	As restated	As previously reported
	RM'000	RM'000	RM'000	RM'000
Balance sheet as at 30 June 2005				
Dealing securities	-	629,110	-	230,617
Investment securities	-	27,631,906	-	21,897,560
Securities	28,261,016	-	22,128,177	-

B5. Tax Expense and Zakat

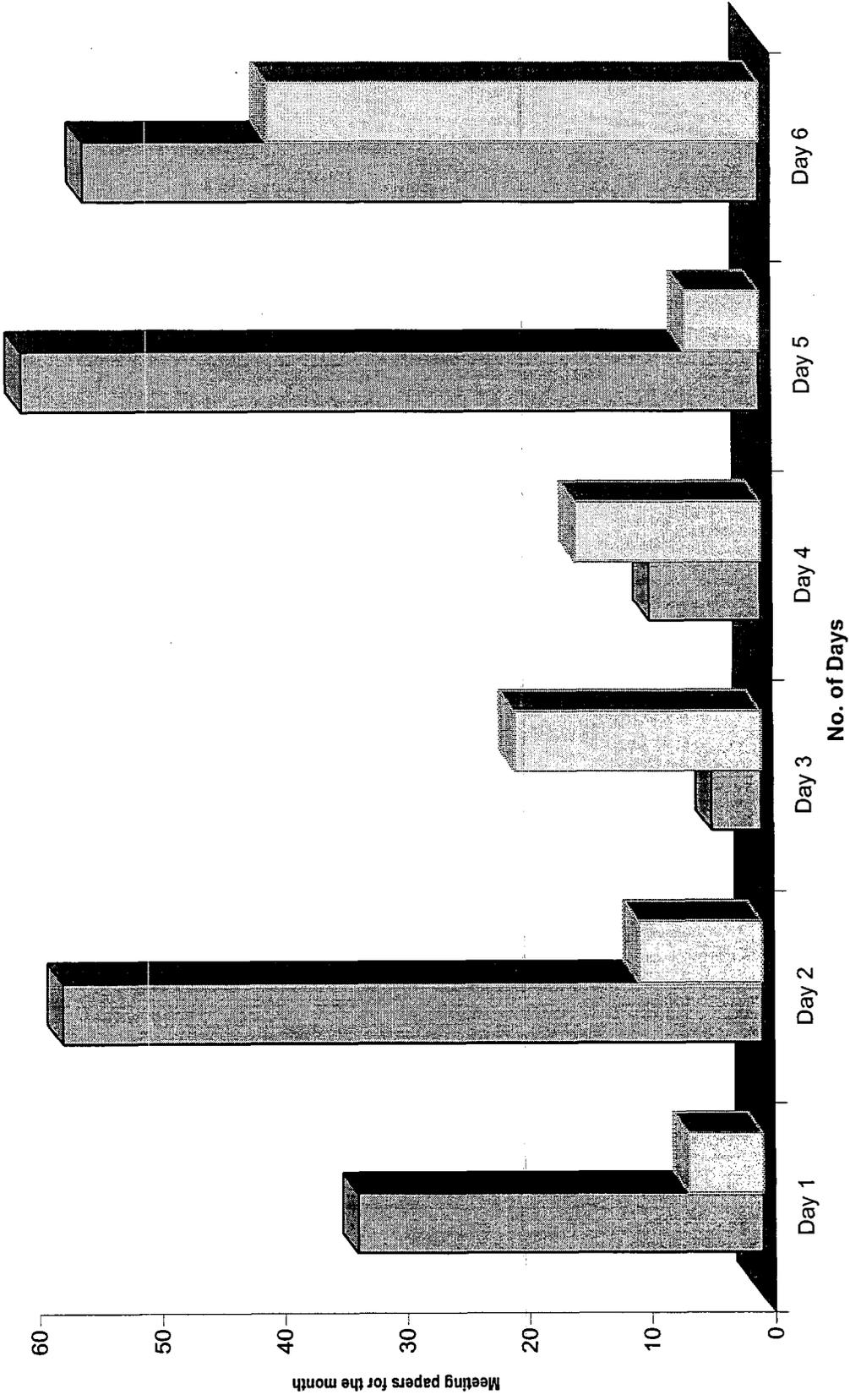
The analysis of the tax expense for the 9 months ended 31 March 2006 are as follows:

Group	3rd Quarter ended		Nine months ended	
	31 March	31 March	31 March	31 March
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	408,211	275,239	944,818	794,025
Overseas income tax	2,061	2,075	7,838	14,201
	<u>410,272</u>	<u>277,314</u>	<u>952,656</u>	<u>808,226</u>
Under/(Over) provision in prior years	(3,054)	(15,242)	-	(15,242)
Share of tax expense in associated companies	-	88	-	463
	<u>407,218</u>	<u>262,160</u>	<u>952,656</u>	<u>793,447</u>
Deferred tax expense				
- Origination and reversal of temporary differences, as restated	(130,622)	(47,119)	(130,058)	(75,947)
Tax expense	<u>276,596</u>	<u>215,041</u>	<u>822,598</u>	<u>717,500</u>

Bank	3rd Quarter ended		Nine months ended	
	31 March	31 March	31 March	31 March
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	350,054	261,262	854,513	1,519,555
Overseas income tax	287	452	1,436	8,985
	<u>350,341</u>	<u>261,714</u>	<u>855,949</u>	<u>1,528,540</u>
Deferred tax expense				
- Origination and reversal of temporary differences, as restated	(122,944)	(57,154)	(122,159)	(236,128)
Tax expense	<u>227,397</u>	<u>204,560</u>	<u>733,790</u>	<u>1,292,412</u>

The Bank's effective tax rate approximates the statutory tax rate.

Report on Turnaround



B13. Earning Per Share (EPS)

Basic

The basic EPS of the Group is calculated by dividing the net profit for the quarter and the financial year by the weighted-average number of ordinary shares in issue during the quarter and the financial year respectively.

	3rd Quarter ended		Nine months ended	
	31 March 2006	31 March 2005	31 March 2006	31 March 2005
Net profit for the period (RM'000)	<u>641,193</u>	<u>686,669</u>	<u>1,948,217</u>	<u>1,935,231</u>
Weighted average number of ordinary shares in issue ('000)	<u>3,786,692</u>	<u>3,685,858</u>	<u>3,759,335</u>	<u>3,636,945</u>
Basic earnings per share	<u>16.93 sen</u>	<u>18.63 sen</u>	<u>51.82 sen</u>	<u>53.21 sen</u>

Diluted

The diluted EPS of the Group is calculated by dividing the net profit for the quarter and the financial year by the weighted-average number of ordinary shares in issue, which has been adjusted for the number of shares that could have been issued under the Maybank Group Employee Share Option Scheme.

In the diluted EPS calculation, it was assumed that the share options were exercised into ordinary shares. A calculation is done to determine the number of shares that could have been issued at fair value (determined as the average price of the Bank's shares during the quarter) based on the monetary value of the subscription rights attached to the outstanding share options. This calculation serves to determine the number of dilutive shares to be added to the weighted-average ordinary shares in issue for the purpose of computing the dilution. No adjustment was made to the net profit for the quarter.

	3rd Quarter ended		Nine months ended	
	31 March 2006	31 March 2005	31 March 2006	31 March 2005
Net profit for the period (RM'000)	<u>641,193</u>	<u>686,669</u>	<u>1,948,217</u>	<u>1,935,231</u>
Weighted average number of ordinary shares in issue ('000)	<u>3,786,692</u>	<u>3,685,858</u>	<u>3,759,335</u>	<u>3,636,945</u>
Effects of share option ('000)	<u>14,278</u>	<u>47,926</u>	<u>16,666</u>	<u>37,258</u>
Adjusted weighted average number of ordinary shares in issue or issuable ('000)	<u>3,800,970</u>	<u>3,733,784</u>	<u>3,776,001</u>	<u>3,674,203</u>
Diluted earnings per share (sen)	<u>16.87 sen</u>	<u>18.39 sen</u>	<u>51.59 sen</u>	<u>52.67 sen</u>

By Order of the Board

Mohd Nazlan bin Mohd Ghazali
LS0008977
Company Secretary
15 May 2006

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

A1. Basis of Preparation

The unaudited condensed interim financial statements for the 3rd quarter ended 31 March 2006 have been prepared in accordance with FRS134 (Interim Financial Reporting) (formerly known as MASB26) issued by the Malaysian Accounting Standards Board ("MASB") and Chapter 9, part K of the Listing Requirements of the Bursa Malaysia Securities Berhad. The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Bank for the year ended 30 June 2005.

The accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the previous audited annual financial statements except for the adoption of the revised guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) issued by Bank Negara Malaysia, which became effective for the current financial year. The adoption of the revised BNM/GP8 has resulted in significant changes in the accounting policies of the Group and the Bank pertaining to the treatment of financial instruments.

Comparative figures were not restated to reflect the changes in accounting policies arising from the adoption of the revised BNM/GP8. It was considered not meaningful to restate comparative figures because the classification of securities in line with BNM/GP8 only commenced towards the end of the previous financial year. This non-restatement of comparative figures is also line with the transitional provisions of FRS 139. Under the transitional provisions of FRS 139, retrospective application is not permitted and the policies followed in prior year shall not be reversed. Accordingly, the comparative figures of the Group and the Bank are not restated and any adjustment for the previous carrying amounts shall be recognised as an adjustment of the balance of retained earnings or reserves at the beginning of the current financial year. The details of adjustments made to the opening retained earnings or reserves are disclosed in Note A29 of these unaudited condensed interim financial statements.

Bank Negara Malaysia has granted indulgence to Maybank from complying with the requirement on the impairment of loans under the revised BNM/GP8 for the financial year ending 30 June 2006. Therefore, the allowance for bad and doubtful debts and financing of the Group are computed based on the existing requirement of BNM/GP3, which is consistent with the adoption made in the previous audited annual financial statements.

A2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 30 June 2005 was not qualified.

A3. Seasonal or Cyclical Factors

The operations of the Group and the Bank were not materially affected by any seasonal or cyclical factors in the 3rd quarter ended 31 March 2006.

A4. Unusual Items Due to Their Nature, Size or Incidence

During the quarter ended 31 March 2006, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank, other than the inclusion of post-acquisition pre-tax profits of RM35.8 million of the MNI Holdings Berhad Group ("MNIH Group"), which was acquired in the previous quarter as disclosed in Note A24.

A5. Changes in Estimates

During the 9 months ended 31st March 2006, the Bank changed its estimate of the recoverable value of collaterals on long outstanding non-performing loans. This resulted in an additional RM391.6 million provision.

A6. Changes in Debt and Equity Securities

Save as disclosed below, there were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Bank.

During the 3rd quarter ended 31 March 2006, the issued and paid-up share capital of the Bank was increased from RM3,721,052,721 as at 30 June 2005 to RM3,789,700,421 as at 31 March 2006, from the issuance of 68,647,700 new ordinary shares of RM1.00 each to eligible persons who have exercised their options under the Maybank Group Employee Share Option Scheme (ESOS) at the following option prices:

<u>Number of shares issued:</u>	<u>Option price per share</u>
53,456,900	RM 9.23
7,213,900	RM 9.87
7,966,900	RM 9.92
10,000	RM10.58

A7. Dividends Paid

The Bank paid the following dividends:-

- a) A final dividend of 25.0 sen per share less 28% income tax and a special dividend of 35.0 sen per share less 28% income tax for the financial year ended 30 June 2005, amounting to RM1,622,301,407 was paid on 23 November 2005.
- b) An interim dividend of 50.0 sen per share less 28% income tax for the financial year ending 30 June 2006, amounting to RM1,361,264,371 was paid on 16 January 2006.

A22. Carrying Amount of Revalued Assets

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the year ended 30 June 2005.

A23. Subsequent Events

There were no material events subsequent to the balance sheet date.

A24. Changes in the Composition of the Group

(a) Increase in Equity Interest in Aseambankers Malaysia Berhad (Aseambankers)

Maybank's equity interest in Aseambankers increased from 79.69% to 94.69% following the acquisition of 7,517,400 ordinary shares of RM1.00 each from three minority shareholders for a total cash consideration of RM83.3 million.

(b) Disposal of Associated Company

Maybank disposed of its entire equity interest of 45%, representing 2,700,000 ordinary shares of RM1.00 each in Computer Recovery Centre Sdn Bhd for an amount of RM6,950,000.

(c) Acquisition of MNI Holdings Berhad

On 13 December 2005, Mayban Fortis Holdings Berhad ("MFHB") acquired 210,060,496 ordinary shares of RM 1.00 each, representing approximately 73.62% of the share capital of MNI Holdings Berhad (MNIH) for a consideration of RM847.1 million. At the close of the Mandatory General Offer ("MGO"), MFHB's total equity interest in MNIH has increased to 98.84% for an additional consideration of RM291.3 million. The effects of the acquisition are summarised below:

	RM'000
Cash and short term funds	44,255
Deposits and placements with banks and other financial institutions	476,212
Securities	944,813
Loans and advances	44,603
Other assets	353,678
Property, plant and equipment	78,930
Deferred tax assets	16,709
Life and family takaful fund assets	6,838,145
Other liabilities	(600,907)
Provision for tax and zakat	(157,606)
Deferred tax liabilities	(1,246)
Life and family takaful fund liabilities	(421,916)
Life and family takaful policy holders' funds	(6,416,227)
Minority interest	(55,749)
Net assets acquired	1,143,694
Negative goodwill on acquisitions	(5,243)
Purchase consideration	1,138,451

A25. Commitments and Contingencies and Off-Balance Sheet Financial Instruments (continued)

Market Risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 31 March 2006, the amount of contracts that was not hedged in the Group and the Bank and, hence, exposed to market risk was RM51.38 million (30 June 2005: RM119.44 million).

Credit Risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the Group and the Bank has a gain in a contract. As at 31 March 2006, the amount of credit risk in the Group and the Bank, measured in terms of the cost to replace the profitable contracts, was RM84.44 million (30 June 2005: RM68.74 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

A29. Change in Accounting Policies and Transitional Adjustments

(a) Change in Accounting Policies

With effect from 1 July 2005, the Group and the Bank have adopted the revised BNM/GP8, which resulted in the following new accounting policies:

- 1) The holding of the securities portfolio of the Group and the Bank are segregated based on the following categories and valuation methods:

i) Securities held-for-trading

Securities are classified as held-for-trading if they are acquired principally for the purpose of benefiting from actual or expected short-term price movement or to lock in arbitrage profits. The securities held-for-trading will be stated at fair value and any gain or loss arising from a change in their values and de-recognition of these securities are recognized in the income statements.

ii) Securities held-to-maturity

Held-to-maturity securities are financial assets with fixed or determinable payments and fixed maturity that the Group and Bank have the positive intent and ability to hold to maturity. The held-to-maturity securities are measured at accreted/amortised cost based on effective yield method. Amortisation of premium, accretion of discount and impairment as well as gain or loss arising from de-recognition of securities held-to-maturity are recognised in the income statement.

iii) Securities available-for-sale

Available-for-sale securities are financial assets that are not classified as held-for-trading or held-to-maturity. The available-for-sale securities are measured at fair value, or at cost (less impairment losses, if applicable) if the fair value cannot be reliably measured. The return and cost of the securities available-for-sale are credited and charged to the income statement using accreted/amortised cost based on the effective yield method. Any gain or loss arising from a change in fair value after applying the accreted/amortised cost method are recognised directly in equity through the statement of changes in equity, until the financial asset is sold, collected, disposed of or impaired, at which time the cumulative gain or loss previously recognized in equity will be transferred to the income statements.

- 2) Derivative financial instruments are measured at fair value and are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gain or loss arising from a change in the fair value of the derivatives is recognised in the income statements unless they are part of a hedging relationship that qualifies for hedge accounting where the gain or loss is recognised as follows:

Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognized asset or liability, any gain or loss on the hedging instrument is recognized in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

Cash flow hedge

Gains and losses on the hedging instrument, to the extent that the hedge is effective, are deferred in the separate component of equity. The ineffective part of any gain or loss is recognized in the income statement. The deferred gains and losses are the released to the income statement in the periods when the hedged item affects the income statement.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Performance Review

For the 3rd quarter ended 31 March 2006, the Group registered a marginal increase of 0.7% or RM13.0 million in profit after tax and minority interest over that of the corresponding period due mainly to the higher allowance for loan loss pursuant to the change in estimate of the recoverable value of collaterals on long outstanding non-performing loans as mentioned in Note A5.

B2. Variation of Results Against Preceding Quarter

The Group registered an increase in profit after tax and minority interest from RM634.1 million for the preceding quarter to RM641.2 million for the quarter just ended, due mainly to lower allowance for loan loss.

B3. Prospects

The Group expects to register better results in the current financial year on the back of the growing Malaysian economy.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank made any profit forecast or issued any profit guarantee.

B6. Sale of Unquoted Investments and Properties

The profits from the sale of unquoted investments of the Group and Bank amounted to RM153.8 million and RM135.4 million respectively. There were no sales of properties during the period.

B7. Quoted Securities

Financial institutions are exempted from the disclosure requirements relating to quoted securities.

B8. Status of Corporate Proposals Announced but Not Completed

(a) Tie-up With BinaFikir Sdn Bhd.

During the December quarter, both Maybank and BinaFikir Sdn Bhd have mutually agreed to cease negotiations on any tie up with Aseambankers Malaysia Berhad.

(b) Issue of Islamic Subordinated Debts

The Bank successfully issued RM1.0 billion Islamic Subordinated Bonds to finance its Islamic financial activities in November 2005.

(c) Transfer of Businesses of Aseamlease Berhad and Aseam Credit Sdn Bhd to Maybank

The businesses of Aseamlease Berhad and Aseam Credit Sdn Bhd were transferred to Maybank with effect from 2 November 2005.

(d) Proposed Disposal Of Mayban Unit Trust Berhad (MUTB)

The Memorandum of Understanding (“MOU”) for the disposal of Mayban Unit Trust Berhad (“MUTB”) to Amanah Saham Nasional Berhad (“ASNB”), a wholly owned subsidiary of Permodalan Nasional Berhad (“PNB”) was extended for another 3 months to 27 May 2006 to allow the parties to complete the negotiations.

PNB is a substantial shareholder of Maybank and as such the Proposed Disposal is deemed a related party transaction pursuant to Paragraph 10.08 of Bursa Malaysia Securities Berhad’s Listing Requirements.

(e) Mandatory General Offer

Subsequent to the completion of the acquisition of MNI Holdings Berhad as disclosed in Note A24, Mayban Fortis Holdings Berhad (“Mayban Fortis”) made an unconditional Mandatory General Offer (“MGO”) for:

- i) All the remaining ordinary shares of RM1.00 each in MNI Holdings Berhad (“MNIH”) not already owned by Mayban Fortis at a cash offer price of RM4.02 per MNIH ordinary share; and
- ii) All the remaining ordinary shares of RM1.00 each in Malaysia National Insurance Berhad (“MNIB”) not already owned by MNIH at a cash offer price of RM6.83 per MNIB ordinary share.

As of the close of the final MNIH MGO on 3 March 2006, Mayban Fortis and persons acting in concert with Mayban Fortis collectively hold approximately 98.84% of the issued and paid –up capital of MNIH. As the level of Mayban Fortis’ shareholdings in MNIH has exceeded 90% of the total issued and paid-up share capital of MNIH, the entire issued and paid-up share capital of MNI was removed from the Official List of Bursa Malaysia Securities Berhad with effect from 23 March 2006, pursuant to paragraph 8.15(5) of the Listing Requirements.

(e) **Mandatory General Offer (contd)**

On 29 March 2006, Mayban Fortis invoked the provisions of Section 34 of the Securities Commission Act, 1993 to compulsorily acquire the remaining MNIH shares for which acceptances have not been received, by despatching the notice to the dissenting shareholders of MNIH ("Notice") stating its desire to acquire the remaining MNIH shares held by the dissenting shareholders on the basis of a cash payment of RM4.02 for each MNIH share, together with a statutory declaration confirming that the conditions for the sending of the Notice have been satisfied.

As of the closed of the MNIB MGO on 24 January 2006, Sampo Japan Insurance Inc., being the only remaining shareholder in MNIB, has not accepted the MNIB MGO. Consequently, MNIH's shareholdings in MNIB remain at 98.59%.

B9. Deposits and Placements of Financial Institutions and Debt Securities

Please refer to note A13 and A14.

B10. Off-Balance Sheet Financial Instruments

Please refer to note A25.

B11. Changes in Material Litigation

The Group and the Bank do not have any material litigation that would materially and adversely affect the financial position of the Group and the Bank.

B12. Interim Dividend

There was no interim dividend declared during the quarter.