



BALANCE SHEET AS AT 30 JUNE 2010

Note	2010 RM'000	Restated 2009 RM'000
Assets		
Cash and short-term funds	5,817,989	4,125,960
Deposits and placements with banks and other financial institutions	707	421
Securities portfolio	1 4,471,808	4,102,498
Financing and advances	2 33,410,134	25,339,016
Derivative assets	17,513	23,641
Other assets	206,678	170,760
Statutory deposits with Bank Negara Malaysia	153,000	206,000
Deferred tax assets	79,712	58,304
Total assets	44,157,541	34,026,600
Liabilities		
Deposits from customers	34,498,653	24,289,832
Deposits and placements of banks and other financial institutions	691,700	485,503
Deposits and placements of holding company	4,359,646	5,667,663
Bills and acceptances payable	28,175	2,931
Derivative liabilities	20,775	27,138
Other liabilities	1,231,139	970,184
Provision for taxation and zakat	30,092	24,888
Total liabilities	40,860,180	31,468,139
Equity attributable to equity holder of the bank		
Share capital	110,600	110,500
Reserves	3,186,761	2,447,961
	3,297,361	2,558,461
Total liabilities and shareholder's equity	44,157,541	34,026,600
Commitments and contingencies		
	3 13,627,915	15,234,088
Capital adequacy		
Core capital ratio	9.14%	9.85%
Risk-weighted capital ratio	10.66%	11.56%

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

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	2010 RM'000	2009 RM'000
Income derived from investment of depositors' funds	1,821,023	1,525,511
Income derived from investment of shareholder's funds	137,190	131,826
Allowance for losses on financing and advances	(350,363)	(198,653)
Profit equalisation reserve	41,333	20,435
Other expenses directly attributable to depositors' and shareholder's fund	(15,492)	(14,719)
Total distributable income	1,633,691	1,464,400
Income attributable to the depositors	(671,924)	(635,922)
Total net income	961,767	828,478
Overhead expenses	(428,771)	(352,883)
Profit before taxation and zakat	532,996	475,595
Taxation	(120,202)	(113,160)
Zakat	(7,069)	(5,016)
Profit for the year attributable to equity holder of the Bank	405,725	357,419
Earnings per share attributable to equity holder of the Bank		
Basic/diluted (sen)	339.3	345.7

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Non-distributable Equity Contribution From The Holding Company						Total Equity
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Reserve/ (Deficit) RM'000	Holding Profits RM'000	Distributable Profits RM'000	Total Equity RM'000
At 1 July 2009	110,500	1,988,500	1,697	147,338	(15,621)	326,047	2,558,461
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	33,361	-	33,361
Net gain not recognised in the income statement	-	-	-	-	33,361	-	33,361
Net profit for the year	-	-	-	-	-	405,725	405,725
Total recognised income for the year	-	-	-	-	33,361	405,725	439,086
Issue of ordinary shares	100	499,900	-	-	-	-	500,000
Dividend on ordinary shares	-	-	-	-	-	(200,186)	(200,186)
At 30 June 2010	110,600	2,488,400	1,697	147,338	17,740	531,586	3,297,361

	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Unrealised Reserve/ (Deficit) RM'000	Holding Profits RM'000	Distributable Profits RM'000	Total Equity RM'000
At 1 July 2008	100,000	1,500,000	-	57,983	(31,126)	57,983	1,684,840
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	15,505	-	15,505
Net gain not recognised in the income statement	-	-	-	-	15,505	-	15,505
Net profit for the year	-	-	-	-	-	357,419	357,419
Total recognised income for the year	-	-	-	-	15,505	357,419	372,924
Waiver of intercompany balances during the year *	-	-	1,697	-	-	-	1,697
Transfer to statutory reserve	-	-	-	89,355	-	(89,355)	-
Issue of ordinary shares	10,500	488,500	-	-	-	-	499,000
At 30 June 2009	110,500	1,988,500	1,697	147,338	(15,621)	326,047	2,558,461

* Arose from waiver of intercompany balances with fellow subsidiaries on the instruction of the holding company.

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	2010 RM'000	Restated to 2009 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	532,996	475,595
Adjustments for:		
Amortisation of premium less accretion of discount	(4,091)	(10,089)
Allowances for losses on financing and advances	389,460	222,287
Profit equalisation reserves	(41,333)	(20,435)
Operating profit before working capital changes	877,032	667,358
Change in deposits and placements with banks and other financial institutions	(286)	840
Change in securities portfolio	(331,858)	(1,359,772)
Change in financing and advances	(8,460,578)	(4,663,337)
Change in derivative assets and liabilities	(235)	3,482
Change in other assets	(35,918)	9,639
Change in statutory deposits with Bank Negara Malaysia	53,000	569,000
Change in deposits from customers	10,208,821	5,579,260
Change in deposits and placements of banks and other financial institutions	206,197	(3,105,475)
Change in deposits and placements of holding company	(1,308,017)	3,667,663
Change in bills and acceptances payable	25,244	(387,179)
Change in other liabilities	102,102	534,364
Cash generated from operations	1,335,504	1,515,843
Taxes and zakat paid	(143,475)	(171,243)
Net cash generated from operating activities	1,192,029	1,344,600
Cash flows from financing activities		
Proceeds from issuance of shares representing net cash generated from financing activities	500,000	499,000
Net increase in cash and cash equivalents	1,692,029	1,843,600
Cash and cash equivalents at beginning of year	4,125,960	2,282,360
Cash and cash equivalents at end of year	5,817,989	4,125,960
Cash and cash equivalents comprise:		
Cash and short term funds	5,817,989	4,125,960

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

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2010

1. SECURITIES PORTFOLIO

	Note	2010 RM'000	2009 RM'000
Securities available-for-sale	(i)	4,222,546	3,937,078
Securities held-to-maturity	(ii)	180,466	135,474
Securities held-for-trading	(iii)	68,796	29,946
		4,471,808	4,102,498
(i) Securities available-for-sale			
		2010 RM'000	2009 RM'000
At fair value			
Money market instruments:			
Cagamas bonds		231,996	-
Malaysian Government Investment Issues		2,446,888	2,717,524
Negotiable instruments of deposits		429,386	243,401
Bankers' acceptances and Islamic accepted bills		78,499	46,119
Khazanah bonds		186,560	353,069
		3,373,329	3,360,113
Unquoted securities:			
Islamic private debt securities in Malaysia		849,217	576,965
Total securities available-for-sale		4,222,546	3,937,078

(ii) Securities held-to-maturity

	2010 RM'000	2009 RM'000
At amortised cost		
Money market instruments:		
Malaysian Government Investment Issues	150,466	135,474
Unquoted Securities:-		
Islamic private debt securities in Malaysia	30,000	-
Total securities held-to-maturity	180,466	135,474

(iii) Securities held-for-trading

	2010 RM'000	2009 RM'000
At fair value		
Money market instruments:		
Malaysian Government Investment Issues	25,365	29,946
Bank Negara Malaysia Sukuk Ijarah bonds	19,972	-
Bank Negara Malaysia Monetary Notes	23,459	-
Total securities held-for-trading	68,796	29,946
Total securities portfolio	4,471,808	4,102,498

The maturity structure of money market instruments available-for-sale and held-to-maturity are as follows:

	2010 RM'000	2009 RM'000
Maturing within one year	668,611	1,090,605
One year to three years	740,697	549,617
Three years to five years	559,389	671,185
After five years	1,555,098	1,184,180
	3,523,795	3,495,587

2. FINANCING AND ADVANCES

	2010 RM'000	2009 RM'000
Cashline	2,092,616	2,032,608
Term financing		
- House financing	5,465,917	4,967,816
- Syndicated financing	71,137	-
- Hire purchase receivables	15,028,210	12,658,514
- Other term financing	23,512,350	13,491,187
Bills receivables	5,004	47,931
Trust receipts	126,423	137,853
Claims on customers under acceptance credits	2,881,944	3,374,953
Staff financing	455,891	308,966
Credit cards receivables	193,114	82,596
Revolving credit	1,540,800	263,100
	51,373,406	37,365,524
Unearned income	(16,796,539)	(11,028,542)
Gross financing and advances	34,576,867	26,336,982
Allowance for bad and doubtful financing:		
- Specific	(633,025)	(561,520)
- General	(533,708)	(436,446)
Net financing and advances	33,410,134	25,339,016
(i) Financing and advances analysed by Shariah concepts are as follows:		
	2010 RM'000	2009 RM'000
Bai' Bithaman Ajil	13,712,133	9,373,223
Al-Ijarah Thumma Al-Bai (AITAB)	12,399,343	10,581,933
Murabahah	6,938,773	5,914,894
Mudharabah	-	25,712
Musharakah Mutanaqisah	1,255,688	325,692
Bai Al-Dayn	3,004	28,507
Al-Ijarah Muntahiyah Bi-Tamleek (AITAB)	71,137	-
Others	196,789	87,021
Gross financing and advances	34,576,867	26,336,982

(ii) Financing and advances analysed by type of customers are as follows:

	2010 RM'000	2009 RM'000
Domestic non-banking institutions	2,921,405	1,792,589
Domestic business enterprises		
- Small and medium enterprises	2,418,673	3,553,629
- Others	6,705,571	3,919,823
Government and statutory bodies	21,439	69,465
Individuals	22,386,011	16,886,525
Other domestic entities	7,986	12,263
Foreign entities in Malaysia	115,782	102,688
Gross financing and advances	34,576,867	26,336,982

(iii) Financing and advances analysed by profit rate sensitivity are as follows:

	2010 RM'000	2009 RM'000
Fixed rate		
- House financing	3,094,989	3,458,004
- Hire purchase receivables	12,399,743	10,581,881
- Other financing	4,752,629	3,425,624
Floating rate		
- House financing	1,719,045	916,436
- Other financing	12,610,461	7,955,037
Gross financing and advances	34,576,867	26,336,982

(iv) Financing and advances analysed by their economic purposes are as follows:

	2010		2009	
	RM'000	RM'000	RM'000	RM'000
Purchase of securities		4,020,840		1,324,293
Purchase of transport vehicles	13,585,853		10,921,969	
Less: Hire purchase receivables sold to Cagamas	(1,137,321)	12,448,532	(268,304)	10,653,665
Purchase of landed properties:				
- Residential	5,566,632		5,364,137	
- Non-residential	750,607		659,299	
Less: House financing sold to Cagamas	-	6,317,239	(315,069)	5,708,367
Personal use		702,426		434,302
Consumer durables		1,113		856
Construction		769,318		872,845
Working capital		10,117,332		7,230,993
Credit/charge card		193,113		82,596
Other purposes		6,954		29,065
Gross financing and advances		34,576,867		26,336,982

(v) The maturity structure of financing and advances is as follows:

	2010		2009	
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	5,911,689		6,288,298	
One year to three years	1,657,436		1,335,348	
Three years to five years	5,250,191		3,352,385	
After five years	21,757,551		15,360,951	
Gross financing and advances		34,576,867		26,336,982

(vi) Movements in the non-performing financing and advances ("NPF") are as follows:

	2010		2009	
	RM'000	RM'000	RM'000	RM'000
At beginning of the year	1,045,712		1,106,390	
Non-performing during the year	639,433		425,269	
Reclassified as performing	(404,555)		(267,311)	
Recovered during the year	(143,316)		(116,344)	
Expenses debited to customers' accounts	14,498		5,509	
Amount written off	(220,279)		(107,801)	
At end of the year	931,493		1,045,712	
Less: Specific allowance	(633,025)		(561,520)	
Net NPF		298,468		484,192
Gross financing and advances		34,576,867		26,336,982
Less: Specific allowance		(633,025)		(561,520)
Net financing and advances		33,943,842		25,775,462
Ratio of net NPF		0.88%		1.88%

(vii) NPF analysed by their economic purposes are as follows:

	2010		2009	
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	6,739		7,038	
Purchase of transport vehicles	40,757		31,793	
Purchase of landed properties:				
- Residential	342,569		474,157	
- Non-residential	27,656		37,578	
Personal use	26,574		37,807	
Consumer durables		3		4
Construction		86,167		97,321
Working capital		398,194		359,479
Credit/charge cards		2,834		535
		931,493		1,045,712

(viii) Movements in the allowance for losses on financing and advances are as follows:

	2010		2009	
	RM'000	RM'000	RM'000	RM'000
Specific allowance				
Balance at beginning of the year	561,520		549,632	
Allowance made during the year	351,462		193,410	
Amount written back in respect of recoveries	(59,678)		(73,721)	
Amount written off	(220,279)		(107,801)	
Balance at end of the year	633,025		561,520	
General allowance				
Balance at beginning of the year	436,446		333,981	
Allowance made during the year	97,262		102,465	
Balance at end of the year	533,708		436,446	
As a percentage of total financing (less specific allowance)		1.57%		1.69%
As a percentage of total risk-weighted assets for credit risk, excluding deferred tax assets		1.55%		1.73%

3. COMMITMENTS AND CONTINGENCIES

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

The risk-weighted exposures of the Bank as at 30 June, are as follows:

	2010			2009		
	Notional Amount	Credit Equivalent Amount*	Risk Weighted Amount*	Notional Amount	Credit Equivalent Amount*	Risk Weighted Amount*
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	231,467	231,467	197,308	190,877	190,877	150,107
Certain transaction-related contingent items	578,250	289,125	261,531	575,052	287,526	252,382
Short-term self-liquidating trade-related contingencies	141,549	28,310	25,121	138,077	27,615	22,778
Housing and hire purchase financing sold to Cagamas Berhad	1,137,321	1,137,321	1,137,321	583,373	583,373	425,839
Irrevocable commitments to extend credit:						
- maturity within one year	8,490,457	-	-	12,392,187	-	-
- maturity more than one year	993,810	496,905	465,488	362,205	181,103	164,291
Foreign exchange related contracts:						
- less than one year	685,223	22,572	4,711	-	-	-
Profit rate related contracts:						
- one year	1,363,850	33,532	6,706	983,800	22,349	4,470
- less than five years	5,988	-	-	8,517	-	-
Miscellaneous	13,627,915	2,239,232	2,098,186	15,234,088	1,292,843	1,019,867

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

4. CAPITAL ADEQUACY

The Bank closely monitors and manages its capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by Bank Negara Malaysia. During the year, the Bank had complied with the externally imposed capital requirements.

With effect from 1 January 2008, the capital adequacy ratios of Islamic Banks are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB) for those Islamic Banks adopting the Standardised Approach. However, the Bank is fully committed to adopt the Foundation Internal Ratings Based ("FIRB") Approach for credit risk and Alternative Standardised Approach for operational risk, in line with the Maybank Group initiative to adopt FIRB approach beginning financial year ended 30 June 2011.

On 29 June 2010, Bank Negara Malaysia has approved Maybank Group's application to migrate fully into FIRB Approach from 1 July 2010.

The capital adequacy ratios of the Bank as at 30 June, are as follows:

	2010	2009
Capital ratio		
Core capital ratio	9.14%	9.85%
Risk-weighted capital ratio	10.66%	11.56%

2010
RM'000

2009
RM'000

Tier 1 capital

Paid-up share capital	110,600	110,500
Share premium	2,488,400	1,988,500
Other reserves	680,621	475,082
Less: Deferred tax assets	(79,712)	(58,304)
Total Tier 1 capital	3,199,909	2,515,778

Tier 2 capital

General allowance for bad and doubtful financing	533,708	436,446
Total Tier 2 capital	533,708	436,446
Less: Liquidity reserve on illiquid securities	(9)	-
Capital base	3,733,608	2,952,224

The breakdown of risk-weighted assets for credit risk (excluding deferred tax assets) in the various categories of risk-weights are as follows:

	2010		2009	
	Principal RM'000	Risk-Weighted RM'000	Principal RM'000	Risk-Weighted RM'000
0%	8,079,415	-	7,005,243	-
10%	280,000	28,000	325,000	32,500
20%	1,876,056	375,211	863,001	172,600
50%	5,281,495	2,640,748	4,927,914	2,463,957
100%	31,473,796	31,473,796	22,576,426	22,576,426
Total risk-weighted assets for credit risk		34,517,755		25,245,483
Total risk-weighted assets for market risk		483,259		287,203
Total risk-weighted assets for credit and market risks		35,001,014		25,532,686

5. COMPARATIVES

Restatement of comparatives:

	Previously Stated RM'000	Increase/(Decrease) RM'000	Restated RM'000
Balance Sheets:			
Financing and advances	25,302,763	36,253	25,339,016
Other assets	207,013	(36,253)	170,760

Restatement of comparative relates to reclassification of certain credit card receivables which were previously reported in other assets to financing and advances. The balances have been restated to conform with the current year presentation.

REPORT OF THE AUDITORS ON THE ABRIDGED FINANCIAL STATEMENTS TO THE MEMBER OF MAYBANK ISLAMIC BERHAD (Incorporated in Malaysia)

We have audited the financial statements of Maybank Islamic Berhad for the year ended 30 June 2010, from which the abridged financial statements were derived, in accordance with Approved Standards on Auditing in Malaysia. The financial statements were drawn up in accordance with the Companies Act, 1965 and the Financial Reporting Standards in Malaysia as modified by Bank Negara Malaysia Guidelines and the principles of Shariah. In our report dated 20 August 2010, we expressed an unqualified opinion on the financial statements from which the abridged financial statements were derived.

In our opinion, the accompanying abridged financial statements, which have been prepared in accordance with the presentation and disclosure requirements as specified by Bank Negara Malaysia pursuant to Section 18(b) of the Islamic Banking Act 1983, are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the Bank's financial position as at 30 June 2010, and of their financial performance and cash flows for the year then ended and of the scope of our audit, the abridged financial statements should be read in conjunction with the financial statements from which the abridged financial statements were derived and our audit report thereon.

Ernst & Young
AF: 0039
Chartered Accountants

Abdul Rauf bin Rashid
No. 2305/ 05/ 12 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
20 August 2010