

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2008**

	Note	Group		Bank	
		31/3/2008 RM'000	31/12/2007 RM'000	31/3/2008 RM'000	31/12/2007 RM'000
ASSETS					
Cash and short-term funds		7,973,211	5,636,115	7,973,211	5,636,115
Securities purchased under resale agreement		209,941	358,344	209,941	358,344
Deposits and placements with financial institutions		1,803,423	230,399	1,803,423	230,399
Held-for-trading securities	4	1,236,529	1,872,798	1,236,529	1,872,798
Available-for-sale securities	4	5,673,569	5,850,023	5,673,569	5,850,023
Loans, advances and financing	5	27,723,601	26,611,732	27,723,616	26,611,747
Other assets	7	631,385	445,658	631,384	445,656
Statutory deposits with Bank Negara Malaysia		817,608	843,608	817,608	843,608
Investment in subsidiary companies		0	0	1,611	1,611
Property, plant and equipment		223,403	221,683	223,396	221,675
Investment property		10,810	10,066	10,810	10,066
Prepaid lease payments		2,968	2,981	2,968	2,981
Non-current assets held for sale		2,092	2,092	2,092	2,092
Deferred taxation asset		80,722	100,056	80,994	100,345
TOTAL ASSETS		46,389,262	42,185,555	46,391,152	42,187,460
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from customers	8	33,090,680	31,467,966	33,105,288	31,482,621
Deposits and placements of banks and other financial institutions	9	5,918,710	4,064,268	5,918,710	4,064,268
Bills and acceptances payable		2,293,775	1,682,232	2,293,775	1,682,232
Amount due to Cagamas		610,194	628,680	610,194	628,680
Subordinated term loan / bonds	10	925,887	1,089,210	925,887	1,089,210
Other liabilities	11	810,485	702,179	810,513	702,240
Taxation and zakat		67,677	65,637	67,600	65,556
Total Liabilities		43,717,408	39,700,172	43,731,967	39,714,807
Financed by :					
Share capital		291,500	291,500	291,500	291,500
Reserves		2,380,354	2,193,883	2,367,685	2,181,153
Shareholders' Equity		2,671,854	2,485,383	2,659,185	2,472,653
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		46,389,262	42,185,555	46,391,152	42,187,460
COMMITMENTS AND CONTINGENCIES	19	79,937,027	59,568,827	79,937,027	59,568,827

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and Bank for the financial year ended 31 December 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS FOR THE FIRST QUARTER AND THREE MONTHS ENDED
31 MARCH 2008**

	Note	Group		Bank	
		1 st Quarter Ended		1 st Quarter Ended	
		31 Mar 2008 RM'000	31 Mar 2007 RM'000	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Interest income	12	509,392	439,704	509,392	439,704
Interest expense	13	(276,163)	(237,777)	(276,167)	(237,890)
Net interest income		233,229	201,927	233,225	201,814
Islamic Banking income	23(8)	27,194	18,326	27,194	18,326
		260,423	220,253	260,419	220,140
Non-interest income	14	148,634	96,011	148,634	96,011
Net income		409,057	316,264	409,053	316,151
Staff cost and overhead expenses	15	(143,130)	(109,088)	(143,045)	(108,993)
Operating profits before allowances		265,927	207,176	266,008	207,158
Allowance for losses on loans, advances and financing	16	(20,515)	(23,828)	(20,515)	(23,919)
Write back of provision for commitment and contingencies		3,936	3	3,936	3
Profit before taxation and zakat		249,348	183,351	249,429	183,242
Taxation	17	(68,017)	(54,862)	(68,037)	(54,845)
Net profit attributable to shareholders		181,331	128,489	181,392	128,397
Basic earnings per share (sen)		59.9	41.6	59.9	41.5

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and Bank for the financial year ended 31 December 2007.

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2008

	Non-distributable					Distributable	Total
	Share capital	Share premium	Statutory reserve	Capital reserve	Fair value reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
Balance at 1 January 2008	291,500	858,500	322,000	56,619	70,687	886,077	2,485,383
Revaluation of available-for-sale securities (net)	0	0	0	0	18,260	0	18,260
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	0	(4,124)	0	(4,124)
Net gains recognised directly in equity	0	0	0	0	14,136	0	14,136
Net profit attributable to Shareholders	0	0	0	0	0	181,331	181,331
Total recognised income and expense for the year	0	0	0	0	14,136	181,331	195,467
Dividends paid on preference Shares	0	0	0	0	0	(8,996)	(8,996)
Balance at 31 March 2008	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>56,619</u>	<u>84,823</u>	<u>1,058,412</u>	<u>2,671,854</u>
Balance at 1 January 2007	291,500	858,500	322,000	56,619	67,892	633,437	2,229,948
Revaluation of available-for-sale securities (net)	0	0	0	0	31,113	0	31,113
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	0	(7,917)	0	(7,917)
Net gains recognised directly in equity	0	0	0	0	23,196	0	23,196
Net profit attributable to shareholders	0	0	0	0	0	128,489	128,489
Total recognised income and expense for the year	0	0	0	0	23,196	128,489	151,685
Dividends paid on ordinary shares in respect of : - Final 2006	0	0	0	0	0	(199,381)	(199,381)
Dividends paid on preference shares	0	0	0	0	0	(8,946)	(8,946)
Balance at 31 March 2007	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>56,619</u>	<u>91,088</u>	<u>553,599</u>	<u>2,173,306</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and Bank for the financial year ended 31 December 2007.

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2008
(continued)

	Non-distributable			Distributable		Total
	Share capital	Share premium	Statutory reserve	Fair value reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank						
Balance at 1 January 2008	291,500	858,500	322,000	70,687	929,966	2,472,653
Revaluation of available-for-sale securities (net)	0	0	0	18,260	0	18,260
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	(4,124)	0	(4,124)
Net gains recognised directly in equity	0	0	0	14,136	0	14,136
Net profit attributable to shareholders	0	0	0	0	181,392	181,392
Total recognised income and expense for the year	0	0	0	14,136	181,392	195,528
Dividends paid on preference shares	0	0	0	0	(8,996)	(8,996)
Balance at 31 March 2008	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>84,823</u>	<u>1,102,362</u>	<u>2,659,185</u>
Balance at 1 January 2007	291,500	858,500	322,000	67,892	677,425	2,217,317
Revaluation of available-for-sale securities (net)	0	0	0	31,113	0	31,113
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	(7,917)	0	(7,917)
Net gains recognised directly in equity	0	0	0	23,196	0	23,196
Net profit attributable to shareholders	0	0	0	0	128,397	128,397
Total recognised income and expense for the year	0	0	0	23,196	128,397	151,593
Dividends paid on ordinary shares in respect of : - Final 2006	0	0	0	0	(199,381)	(199,381)
Dividends paid on preference shares	0	0	0	0	(8,946)	(8,946)
Balance at 31 March 2007	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>91,088</u>	<u>597,495</u>	<u>2,160,583</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and Bank for the financial year ended 31 December 2007.

CONDENSED INTERIM FINANCIAL STATEMENTS**UNAUDITED CONDENSED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2008**

	Group		Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000	31 Mar 2008 RM'000	31 Mar 2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and zakat	249,348	183,351	249,429	183,242
Adjustments for non-operating and non-cash items	(53,427)	45,349	(53,428)	45,439
Operating profit before changes in working capital	195,921	228,700	196,001	228,681
Changes in working capital:				
Net changes in Operating Assets	(320,937)	(921,018)	(320,959)	(921,193)
Net changes in Operating Liabilities	3,496,797	1,444,673	3,496,738	1,444,867
Income tax and zakat paid	(50,767)	(35,307)	(50,766)	(35,307)
Net cash generated from operating activities	3,321,014	717,048	3,321,014	717,048
Net cash generated from / (utilised in) investing Activities	198,102	(385,455)	198,102	(385,455)
Net cash generated from / (utilised in) financing Activities	391,004	(8,327)	391,004	(8,327)
Net increase in cash and cash equivalents	3,910,120	323,266	3,910,120	323,266
Cash and cash equivalents at beginning of the period	5,866,514	5,927,925	5,866,514	5,927,925
Cash and cash equivalents at end of the period	<u>9,776,634</u>	<u>6,251,191</u>	<u>9,776,634</u>	<u>6,251,191</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and Bank for the financial year ended 31 December 2007.

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008

1 REVIEW OF PERFORMANCE

The Bank recorded a higher pre-tax profit of RM249 million for the first quarter of 2008, representing a RM66 million or 36% increase over the corresponding quarter last year. The significant increase was attributed to stronger operating profits which surged 28% or RM59 million to RM266 million and lower provisioning of 44% or RM7 million.

Total income grew 29% to RM409 million, supported by a 16% or RM31 million increase in net interest income due to robust growth in average loan volumes of RM3.4 billion, partially offset by narrower net interest margins of 10 bps. Non-interest income grew significantly by 55% or RM53 million, mainly from higher income from securities and gains from foreign exchange and derivatives. In line with the growth in business volumes, overhead expenses rose by 31% or RM34 million, attributable mainly to an increase in personnel cost due to the hiring of 627 new staff.

Gross loans outstanding grew 4% to RM28.5 billion in the first 3 months of 2008. Comparing against Mar 2007, outstanding loans growth was 15%. Corresponding to this, customer deposits also increased by 5%, to RM33.1 billion from RM31.4 billion in December 2007. The Bank's net NPL ratio improved to 2.31% (Dec 07: 2.55%).

As at 31 March 2008, shareholders' funds stood at RM2.7 billion and the Bank's risk weighted capital was 10.08%.

2 ECONOMIC PERFORMANCE AND PROSPECTS

The Malaysian economy expanded by 6.3% in 2007 despite weaker global sentiments. The growth was broad-based and mainly due to robust domestic demand, driven by strong private consumption and expansion in the services sector. This was reinforced by a significant increase in public sector spending. Moving into 2008, domestic demand is expected to be strong, supported by steady growth in income, firm labour market conditions and high commodity prices, coupled with the risk of an upside inflation rate. Private investments, particularly in the manufacturing, services, and oil and gas sectors are expected to remain robust and also benefit from measures implemented to further improve the business environment, including the reduction of corporate tax rates. Against this backdrop, the outlook for the economy remains favourable, with growth rates expected to stand at between 5 - 6% barring a recession in the US economy.

The banking sector is also poised to experience significant challenges ahead resulting from changes both domestically and internationally, the setting up of new Islamic banks, and the recent steep decline in US lending rates. These are expected to pave the way into a more competitive business environment for banks while further cuts in the US rates may apply greater pressure on domestic lending rates.

3 BASIS OF PREPARATION

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2007, except for the adoption of the following revised Financial Reporting Standards (FRS), amendments to FRSs and IC Interpretations, that are effective 1 January 2008,

FRS	Title
FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 137	Provision, Contingent Liabilities and Contingent Assets
IC Interpretation 8	Scope of FRS 2

The adoption of the above FRS did not result in substantial changes to the Group and Bank interim financial statements.

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**4 SECURITIES PORTFOLIO**

i) Held-for-trading securities

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
<u>At fair value</u>				
Malaysian Government treasury bills	2,191	38,410	2,191	38,410
Malaysian Government securities	114,441	234,984	114,441	234,984
Government Investment Certificate	(53) *	93,704	(53) *	93,704
Bank Negara Malaysia Bills	176,502	224,022	176,502	224,022
Bank Negara Malaysia Negotiable notes	3,951	53,750	3,951	53,750
Private debt securities	929,535	1,225,322	929,535	1,225,322
Quoted shares in Malaysia	9,962	2,606	9,962	2,606
	<u>1,236,529</u>	<u>1,872,798</u>	<u>1,236,529</u>	<u>1,872,798</u>

* The negative amount resulted from recognition of mark-to-market losses using trade date accounting.

ii) Available-for-sale securities

<u>At fair value</u>				
Malaysian Government treasury bills	28,968	28,973	28,968	28,973
Malaysian Government securities	2,704,795	2,757,797	2,704,795	2,757,797
Government Investment Certificate	1,177,055	1,069,944	1,177,055	1,069,944
Bank Negara Malaysia Negotiable notes	49,998	153,162	49,998	153,162
Cagamas bonds / notes	35,314	35,280	35,314	35,280
Private debt securities	1,091,962	1,040,538	1,091,962	1,040,538
Negotiable instruments of deposit	25,000	625,000	25,000	625,000
Bankers' acceptances and Islamic accepted bills	443,353	0	443,353	0
Quoted shares in Malaysia	62,263	93,889	62,263	93,889
Unquoted shares in Malaysia	51,673	51,673	51,673	51,673
Unquoted shares outside Malaysia	9,421	0	9,421	0
Debentures	188	188	188	188
	<u>5,679,990</u>	<u>5,856,444</u>	<u>5,679,990</u>	<u>5,856,444</u>
Allowance for impairment losses in available-for-sale securities :				
- Unquoted shares in Malaysia	(121)	(121)	(121)	(121)
- Private debt securities	(6,300)	(6,300)	(6,300)	(6,300)
	<u>(6,421)</u>	<u>(6,421)</u>	<u>(6,421)</u>	<u>(6,421)</u>
	<u>5,673,569</u>	<u>5,850,023</u>	<u>5,673,569</u>	<u>5,850,023</u>

During the period / year, no available-for-sale securities being pledged to third parties in sale and repurchase agreements.

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**4 SECURITIES PORTFOLIO (continued)**

iii) The maturity structure of money market instruments held under available-for-sale are as follows:-

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Maturity within one year	1,599,456	1,157,823	1,599,456	1,157,823
One year to three years	1,152,863	1,861,528	1,152,863	1,861,528
Three years to five years	2,096,886	2,008,968	2,096,886	2,008,968
Over five years	824,364	821,704	824,364	821,704
	5,673,569	5,850,023	5,673,569	5,850,023

5 LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
i) By type				
Overdrafts	3,238,789	3,261,190	3,238,789	3,261,190
Term loans/financing :				
Housing loans/financing	6,964,355	6,762,610	6,964,355	6,762,610
Syndicated term loan/financing	1,843,292	1,560,204	1,843,292	1,560,204
Hire purchase	528,404	449,570	528,404	449,570
Lease receivables	25,548	24,267	24,998	23,714
Other term loans	9,576,584	9,448,499	9,576,584	9,448,499
Credit/charge cards receivables	572,734	583,652	572,734	583,652
Bills receivable	84,922	79,123	84,922	79,123
Trust receipts	108,194	114,657	108,194	114,657
Claims on customers under acceptance credits	2,614,792	2,356,607	2,614,792	2,356,607
Block discounting	330	330	330	330
Loans to banks and other financial institutions	250,190	218,050	250,190	218,050
Revolving credit	1,973,287	2,032,899	1,973,287	2,032,899
Staff loans (of which RM Nil [2007 : RM Nil] to Directors)	112,906	114,217	112,906	114,217
Other loans	915,560	665,208	915,560	665,208
	28,809,887	27,671,083	28,809,337	27,670,530
Unearned interest and income	(262,467)	(238,406)	(262,445)	(238,381)
Gross loans, advances and financing	28,547,420	27,432,677	28,546,892	27,432,149
Allowance for bad and doubtful debts and financing :				
- Specific	(403,996)	(418,833)	(403,468)	(418,305)
- General	(419,823)	(402,112)	(419,808)	(402,097)
Net loans, advances and financing	27,723,601	26,611,732	27,723,616	26,611,747

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**5 LOANS, ADVANCES AND FINANCING (continued)**

ii) By type of customer

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Domestic banking institutions	0	33,074	0	33,074
Domestic non-bank financial institutions				
- Stockbroking companies	0	50,161	0	50,161
- Others	301,794	235,908	301,794	235,908
Domestic business enterprises				
- Small medium enterprises ("SME")	5,079,668	4,677,986	5,079,490	4,677,808
- Non-SME	12,954,210	12,441,181	12,953,860	12,440,831
Government and statutory bodies	181,536	219,651	181,536	219,651
Individuals	9,955,071	9,712,221	9,955,071	9,712,221
Other domestic entities	2,723	2,666	2,723	2,666
Foreign entities	72,418	59,829	72,418	59,829
	<u>28,547,420</u>	<u>27,432,677</u>	<u>28,546,892</u>	<u>27,432,149</u>

iii) By interest/profit rate sensitivity

Fixed rate:				
Housing loans/financing	78,841	78,618	78,841	78,618
Hire purchase receivables	477,675	406,910	477,675	406,910
Other fixed rate loan/financing	2,432,571	2,400,090	2,432,043	2,399,562
Variable rate:				
BLR plus	17,334,812	16,566,038	17,334,812	16,566,038
Cost-plus	4,042,991	3,818,288	4,042,991	3,818,288
Other variable rates	4,180,530	4,162,733	4,180,530	4,162,733
	<u>28,547,420</u>	<u>27,432,677</u>	<u>28,546,892</u>	<u>27,432,149</u>

iv) By sector

Agriculture	1,475,472	1,651,442	1,475,472	1,651,442
Mining and quarrying	331,018	275,747	331,018	275,747
Manufacturing	5,422,845	5,089,382	5,422,845	5,089,382
Electricity, gas and water	231,402	230,974	231,402	230,974
Construction	1,384,258	1,326,049	1,383,909	1,325,700
Real estate	3,137,181	2,821,911	3,137,181	2,821,911
Wholesale & retail trade and restaurants & hotels	3,943,548	3,661,575	3,943,369	3,661,396
Transport, storage and communication	624,690	609,475	624,690	609,475
Finance, insurance and business services	740,413	734,952	740,413	734,952
Community, social and personal services	510,759	462,357	510,759	462,357
Households				
of which :				
i. Purchase of residential properties	6,983,752	6,817,604	6,983,752	6,817,604
ii. Purchase of non-residential properties	919,662	863,765	919,662	863,765
iii. Others	2,113,024	2,088,470	2,113,024	2,088,470
Others	729,396	798,974	729,396	798,974
	<u>28,547,420</u>	<u>27,432,677</u>	<u>28,546,892</u>	<u>27,432,149</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**6 NON-PERFORMING LOANS, ADVANCES AND FINANCING**

i) The movements in the non-performing loans and financing are as follows :

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Balance at 1 January	1,108,380	1,307,988	1,107,852	1,307,469
Non-performing during the period / year (gross)	101,339	490,377	101,339	490,368
Reclassified as performing during the period / year	(73,049)	(171,768)	(73,049)	(171,768)
Amount converted to available-for-sale securities	0	(5,662)	0	(5,662)
Amount recovered	(58,901)	(365,502)	(58,901)	(365,502)
Amount written off	(24,424)	(147,053)	(24,424)	(147,053)
Balance at end of period / year	1,053,345	1,108,380	1,052,817	1,107,852
Specific allowance	(403,996)	(418,833)	(403,468)	(418,305)
Net non-performing loans, advances and financing	<u>649,349</u>	<u>689,547</u>	<u>649,349</u>	<u>689,547</u>
Ratio of net non-performing loans, advances and financing to gross loans, advances and financing less specific allowance	<u>2.31%</u>	<u>2.55%</u>	<u>2.31%</u>	<u>2.55%</u>

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

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
<u>General allowance</u>				
Balance at 1 January	402,112	344,400	402,097	344,385
Allowance made during the period / year	17,711	57,712	17,711	57,712
Balance at end of period / year	<u>419,823</u>	<u>402,112</u>	<u>419,808</u>	<u>402,097</u>
(As % of gross loans, advances and financing less specific allowance)	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**6 NON-PERFORMING LOANS, ADVANCES AND FINANCING (continued)**

ii) Movements in the allowance for bad and doubtful debts and financing (continued)

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
<u>Specific allowance</u>				
Balance at 1 January	418,833	550,681	418,305	550,162
Allowance made during the period / year	54,797	248,125	54,797	248,116
Amount transferred to allowance for impairment losses for available-for-sale securities	0	(3,795)	0	(3,795)
Amount written back in respect of recoveries	(45,210)	(229,126)	(45,210)	(229,126)
Amount written off	(24,424)	(147,052)	(24,424)	(147,052)
Balance at end of period/ year	<u>403,996</u>	<u>418,833</u>	<u>403,468</u>	<u>418,305</u>

iii) Non-performing loans, advances and financing by sector are as follows:

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Agriculture	11,967	17,871	11,967	17,871
Mining and quarrying	409	0	409	0
Manufacturing	324,738	323,981	324,738	323,981
Construction	55,086	60,266	54,736	59,916
Real estate	129,127	132,105	129,127	132,105
Wholesale & retail trade and restaurants & hotels	139,294	180,046	139,116	179,868
Transport, storage and communication	5,227	5,360	5,227	5,360
Finance, insurance and business services	1,612	2,960	1,612	2,960
Community, social and personal services	1,602	1,753	1,602	1,753
Households				
of which : i. Purchase of residential properties	223,916	227,513	223,916	227,513
ii. Purchase of non-residential properties	16,390	16,155	16,390	16,155
iii. Others	107,026	98,987	107,026	98,987
Others	36,951	41,383	36,951	41,383
	<u>1,053,345</u>	<u>1,108,380</u>	<u>1,052,817</u>	<u>1,107,852</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**7 OTHER ASSETS**

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Interest receivable	79,540	97,182	79,549	97,182
Derivative assets	426,934	261,577	426,934	261,577
Other debtors, deposits and prepayments	124,911	86,899	124,901	86,897
	<u>631,385</u>	<u>445,658</u>	<u>631,384</u>	<u>445,656</u>

8 DEPOSITS FROM CUSTOMERS

i) By type of deposit

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Demand deposits	4,215,508	4,160,825	4,230,096	4,175,460
Savings deposits	1,963,805	1,931,446	1,963,805	1,931,446
Fixed deposits	18,137,569	17,334,211	18,137,589	17,334,231
Negotiable instruments of deposits	121,099	138,833	121,099	138,833
Short-term money market deposits	7,627,107	7,272,115	7,627,107	7,272,115
Structured investments	931,976	594,447	931,976	594,447
Others	93,616	36,089	93,616	36,089
	<u>33,090,680</u>	<u>31,467,966</u>	<u>33,105,288</u>	<u>31,482,621</u>

ii) By type of customers

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Government and statutory bodies	5,320	80,248	5,320	80,248
Business enterprises	15,331,534	14,722,391	15,331,534	14,722,391
Individuals	14,283,549	13,597,992	14,283,549	13,597,992
Others	3,470,277	3,067,335	3,484,885	3,081,990
	<u>33,090,680</u>	<u>31,467,966</u>	<u>33,105,288</u>	<u>31,482,621</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**9 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Licensed banks	4,071,998	1,746,978	4,071,998	1,746,978
Bank Negara Malaysia	1,437,734	1,653,463	1,437,734	1,653,463
Other financial institutions	408,978	663,827	408,978	663,827
	<u>5,918,710</u>	<u>4,064,268</u>	<u>5,918,710</u>	<u>4,064,268</u>

10 SUBORDINATED TERM LOAN / BONDS

On 31 March 2008, the Bank repaid the full subordinated term loan of USD50 million 10-year unsecured term loan obtained from Oversea-Chinese Banking Corporation Limited, Labuan Branch upon approval of Bank Negara Malaysia.

11 OTHER LIABILITIES

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Accruals for personnel costs *	20,866	54,571	20,806	54,519
Equity compensation benefits	4,978	5,274	4,978	5,274
Obligations under finance lease	0	0	177	198
Provision for commitments and contingencies (a)	0	3,936	0	3,936
Interest payable	191,064	186,182	191,064	186,182
Other accruals and charges	240,735	210,256	240,646	210,171
Derivatives liabilities	339,224	226,888	339,224	226,888
Profit equalisation reserve [Note 23(6)]	13,618	15,072	13,618	15,072
	<u>810,485</u>	<u>702,179</u>	<u>810,513</u>	<u>702,240</u>

* Includes accrual for salary, bonus, employee benefits and EPF.

a) Movements in provision for commitment and contingencies are as follows:

	Group		Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Balance at 1 January	3,936	2,632	3,936	2,632
Amount (written back) / provided during the period / year (net)	<u>(3,936)</u>	<u>1,304</u>	<u>(3,936)</u>	<u>1,304</u>
Balance at end of period / year	<u>0</u>	<u>3,936</u>	<u>0</u>	<u>3,936</u>

This refers to a provision made for the Bank's commitment and contingencies which was incurred in the normal course of business.

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**12 INTEREST INCOME**

	Group		Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Loans and advances				
- Interest income other than recoveries from NPL	363,722	326,769	363,722	326,769
- Recoveries from NPL	12,018	6,118	12,018	6,118
Money at call and deposit placements with financial institutions	66,210	42,677	66,210	42,677
Held-for-trading securities	17,977	9,439	17,977	9,439
Available-for-sale securities	54,585	65,513	54,585	65,513
Others	436	492	436	492
	<u>514,948</u>	<u>451,008</u>	<u>514,948</u>	<u>451,008</u>
Amortisation of premium less accretion of Discount	(5,556)	(11,304)	(5,556)	(11,304)
	<u>509,392</u>	<u>439,704</u>	<u>509,392</u>	<u>439,704</u>

13 INTEREST EXPENSE

	Group		Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Deposits and placements of banks and other financial institutions	41,011	28,735	41,011	28,735
Deposits from other customers	215,564	162,587	215,564	162,693
Loans sold to Cagamas	6,640	7,284	6,640	7,284
Subordinated term loan / bonds	11,350	7,325	11,350	7,325
Others	1,598	31,846	1,602	31,853
	<u>276,163</u>	<u>237,777</u>	<u>276,167</u>	<u>237,890</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**14 NON-INTEREST INCOME**

	Group		Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Fee income:-				
Commission	23,138	32,291	23,138	32,291
Service charges and fees	20,070	17,382	20,070	17,382
Guarantee fees	6,803	322	6,803	322
Other fee income	3,971	3,614	3,971	3,614
	<u>53,982</u>	<u>53,609</u>	<u>53,982</u>	<u>53,609</u>
Income from securities (net):-				
Net gains from sale of held-for-trading securities	8,757	6,504	8,757	6,504
Net gains from sale of available-for-sale securities	17,508	133	17,508	133
Unrealised gains on revaluation of held-for-trading securities (net)	1,233	2,742	1,233	2,742
Gross dividends from Malaysia: - available-for-sale securities	724	635	724	635
	<u>82,204</u>	<u>63,623</u>	<u>82,204</u>	<u>63,623</u>
Other income (net):-				
Gains arising from dealing in foreign currency (net)	54,503	21,190	54,503	21,190
Losses arising from trading derivatives (net)	(7,025)	(3,518)	(7,025)	(3,518)
Unrealised gains on revaluation of derivatives (net)	17,070	12,502	17,070	12,502
Rental income (net)	1,360	1,229	1,360	1,229
Gain on disposal of property, plant and equipment	5	35	5	35
Others	517	950	517	950
	<u>66,430</u>	<u>32,388</u>	<u>66,430</u>	<u>32,388</u>
	<u>148,634</u>	<u>96,011</u>	<u>148,634</u>	<u>96,011</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**15 STAFF COST AND OVERHEAD EXPENSES**

	Group		Bank	
	31 Mar 2008	31 Mar 2007	31 Mar 2008	31 Mar 2007
	RM'000	RM'000	RM'000	RM'000
Personnel costs (i)	71,586	49,702	71,510	49,645
Establishment costs (ii)	13,689	11,223	13,685	11,218
Marketing expenses (iii)	10,382	8,623	10,382	8,623
Administration and general expenses (iv)	47,473	39,540	47,468	39,507
	<u>143,130</u>	<u>109,088</u>	<u>143,045</u>	<u>108,993</u>

(i) Personnel costs

	Group		Bank	
	31 Mar 2008	31 Mar 2007	31 Mar 2008	31 Mar 2007
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	52,043	36,952	51,985	36,912
Defined contribution plan (EPF)	9,071	5,794	9,061	5,787
Equity compensation benefits	822	988	822	988
Employee benefits	(397)	(409)	(397)	(409)
Other personnel costs	10,047	6,377	10,039	6,367
	<u>71,586</u>	<u>49,702</u>	<u>71,510</u>	<u>49,645</u>

Defined contribution plan

The Group contributes to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligation.

(ii) Establishment costs

	Group		Bank	
	31 Mar 2008	31 Mar 2007	31 Mar 2008	31 Mar 2007
	RM'000	RM'000	RM'000	RM'000
Rental of premises	1,277	1,129	1,274	1,125
Depreciation of property, plant and equipment	6,750	6,075	6,749	6,074
Depreciation of investment property	79	181	79	181
Amortisation of prepaid lease payments	13	18	13	18
Repair and maintenance	2,098	1,254	2,098	1,254
Others	3,472	2,566	3,472	2,566
	<u>13,689</u>	<u>11,223</u>	<u>13,685</u>	<u>11,218</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**15 STAFF COST AND OVERHEAD EXPENSES (continued)****(iii) Marketing expenses**

	Group		Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Transport and travelling	1,706	1,213	1,706	1,213
Advertisement and business promotion	8,043	6,794	8,043	6,794
Others	633	616	633	616
	<u>10,382</u>	<u>8,623</u>	<u>10,382</u>	<u>8,623</u>

(iv) Administration and general expenses

	Group		Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Printing and stationery	2,275	1,506	2,275	1,505
Postage and courier	1,641	746	1,641	746
Telephone, telex and fax	2,060	1,097	2,060	1,097
Legal and consultancy fees	1,043	1,193	1,043	1,161
Transaction processing fees	31,899	26,995	31,899	26,995
Other administrative and general expenses	8,555	8,003	8,550	8,003
	<u>47,473</u>	<u>39,540</u>	<u>47,468</u>	<u>39,507</u>

16 ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Allowance for losses on loans, advances and financing:-				
Specific allowance				
- made in the financial period	54,797	50,375	54,797	50,375
- written back	(45,210)	(33,249)	(45,210)	(33,249)
General allowance				
- made in the financial period	17,711	13,234	17,711	13,234
Other allowance	597	6	597	6
Bad debts and financing				
- written off	159	31	159	31
- recovered	(7,539)	(6,569)	(7,539)	(6,478)
	<u>20,515</u>	<u>23,828</u>	<u>20,515</u>	<u>23,919</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**17 TAXATION**

	Group		Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Malaysian income tax – current period	52,806	49,666	52,810	49,633
Deferred taxation :				
- relating to originating and reversal of temporary differences	15,211	5,196	15,227	5,212
	<u>68,017</u>	<u>54,862</u>	<u>68,037</u>	<u>54,845</u>

18 CAPITAL COMMITMENTS

	Group		Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Capital expenditure in respect of property, plant and equipment:-				
- authorised and contracted for	10,133	18,044	10,133	18,044
- authorised but not contracted for	23,369	1,946	23,369	1,946
	<u>33,502</u>	<u>19,990</u>	<u>33,502</u>	<u>19,990</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**19 COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Group and the Bank make various commitments and incurs certain contingent liabilities with legal recourse to their customers. Apart from the provision for commitments and contingencies already made in the interim financial statements (Note 11), no material losses are anticipated as a result of these transactions.

	31 March 2008			31 Dec 2007		
	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount RM'000
Group and Bank						
Direct credit substitutes	1,127,142	1,127,142	1,122,384	1,119,803	1,119,803	1,114,337
Transaction-related contingent items	1,223,209	611,604	583,797	1,172,085	586,042	559,760
Short-term self-liquidating trade-related contingencies	443,454	88,691	88,562	413,645	82,729	82,618
Obligations under underwriting agreement	285,000	142,500	142,500	76,000	38,000	38,000
Irrevocable commitments to extend credit:						
- maturity exceeding one year	9,707,131	4,853,566	4,853,566	8,835,582	4,417,791	4,417,791
- maturity not exceeding one year	8,376,957	0	0	7,894,166	0	0
Foreign exchange related contracts						
- less than one year	26,118,907	442,106	139,238	12,726,356	239,586	66,171
- one year to less than five years	1,368,601	191,826	60,414	467,519	64,310	17,762
- five years and above	860,724	218,864	68,929	97,763	14,665	4,050
Interest rate contracts						
- less than one year	8,006,764	22,096	6,200	5,859,413	16,664	4,352
- one year to less than five years	18,497,995	548,953	154,039	19,237,098	535,190	139,777
- five years and above	1,671,972	135,732	38,087	1,177,772	95,811	25,023
Equity and commodity related contracts	534,235	74,824	40,619	358,023	74,853	41,453
Miscellaneous	1,714,936	0	0	133,602	0	0
Total	79,937,027	8,457,904	7,298,335	59,568,827	7,285,444	6,511,094

* The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)

20 INTEREST/PROFIT RATE RISK

Group

As at 31 March 2008	Non Trading Book						Trading Book RM'000	Total RM'000	Average 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			
Assets									
Cash and short term funds	7,874,151	0	0	0	0	99,060	0	7,973,211	3.71
Securities purchased under resale agreement	0	209,941	0	0	0	0	0	209,941	3.52
Deposits and placements with financial institutions	0	807,361	996,062	0	0	0	0	1,803,423	3.71
Held-for-trading securities	0	0	0	0	0	0	1,236,529	1,236,529	4.33
Available-for-sale securities	92,824	288,306	1,218,325	3,249,801	716,610	107,703 [^]	0	5,673,569	3.88
Loans, advances and financing									
- performing	21,844,618	931,267	865,833	1,348,752	275,432	1,808,350 [*]	0	27,074,252	6.49
- non-performing	0	0	0	0	0	649,349 [#]	0	649,349	-
Other assets	0	0	0	0	0	204,451	426,934	631,385	-
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	817,608	0	817,608	-
Property, plant and equipment	0	0	0	0	0	223,403	0	223,403	-
Investment property	0	0	0	0	0	10,810	0	10,810	-
Prepaid lease payments	0	0	0	0	0	2,968	0	2,968	-
Non-current assets held for sale	0	0	0	0	0	2,092	0	2,092	-
Deferred taxation asset	0	0	0	0	0	80,722	0	80,722	-
Total assets	29,811,593	2,236,875	3,080,220	4,598,553	992,042	4,006,516	1,663,463	46,389,262	
Liabilities									
Deposits from customers	17,129,258	4,992,217	6,943,173	638,443	0	3,387,589	0	33,090,680	2.91
Deposits and placements of banks and other financial institutions	3,503,909	1,710,915	506,140	59,342	138,404	0	0	5,918,710	3.21
Bills and acceptances payable	0	0	0	0	0	2,293,775	0	2,293,775	-
Amount due to Cagamas	0	0	142,591	424,245	43,358	0	0	610,194	4.35
Subordinated term loan / bonds	0	0	0	260,710	665,177	0	0	925,887	5.22
Other liabilities	0	0	0	0	0	471,260	339,225	810,485	-
Taxation and zakat	0	0	0	0	0	67,677	0	67,677	-
Total liabilities	20,633,167	6,703,132	7,591,904	1,382,740	846,939	6,220,301	339,225	43,717,408	
On-balance sheet interest sensitivity gap	9,178,426	(4,466,257)	(4,511,684)	3,215,813	145,103	(2,213,785)	1,324,238	2,671,854	
Off-balance sheet interest sensitivity gap	0	(409,496)	0	345,597	63,899	0	0	0	
Total interest sensitivity gap	9,178,426	(4,875,753)	(4,511,684)	3,561,410	209,002	(2,213,785)	1,324,238	2,671,854	

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**20 INTEREST/PROFIT RATE RISK (continued)****Bank**

As at 31 March 2008	Non Trading Book						Trading Book RM'000	Total RM'000	Average 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			
Assets									
Cash and short term funds	7,874,151	0	0	0	0	99,060	0	7,973,211	3.71
Securities purchased under resale agreement	0	209,941	0	0	0	0	0	209,941	3.52
Deposits and placements with financial institutions	0	807,361	996,062	0	0	0	0	1,803,423	3.71
Held-for-trading securities	0	0	0	0	0	0	1,236,529	1,236,529	4.33
Available-for-sale securities	92,824	288,306	1,218,325	3,249,801	716,610	107,703 [^]	0	5,673,569	3.88
Loans, advances and financing									
- performing	21,844,618	931,267	865,833	1,348,752	275,433	1,808,364 [*]	0	27,074,267	6.49
- non-performing	0	0	0	0	0	649,349 [#]	0	649,349	-
Other assets	0	0	0	0	0	204,450	426,934	631,384	-
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	817,608	0	817,608	-
Investment in subsidiary companies	0	0	0	0	0	1,611	0	1,611	-
Property, plant and equipment	0	0	0	0	0	223,396	0	223,396	-
Investment property	0	0	0	0	0	10,810	0	10,810	-
Prepaid lease payments	0	0	0	0	0	2,968	0	2,968	-
Non-current assets held for sale	0	0	0	0	0	2,092	0	2,092	-
Deferred taxation asset	0	0	0	0	0	80,994	0	80,994	-
Total assets	29,811,593	2,236,875	3,080,220	4,598,553	992,043	4,008,405	1,663,463	46,391,152	
Liabilities									
Deposits from customers	17,129,258	4,992,237	6,943,173	638,443	0	3,402,177	0	33,105,288	2.91
Deposits and placements of banks and other financial institutions	3,503,909	1,710,915	506,140	59,342	138,404	0	0	5,918,710	3.21
Bills and acceptances payable	0	0	0	0	0	2,293,775	0	2,293,775	-
Amount due to Cagamas	0	0	142,591	424,245	43,358	0	0	610,194	4.35
Subordinated term loan / bonds	0	0	0	260,710	665,177	0	0	925,887	5.22
Other liabilities	0	0	0	0	0	471,288	339,225	810,513	-
Taxation and zakat	0	0	0	0	0	67,600	0	67,600	-
Total liabilities	20,633,167	6,703,152	7,591,904	1,382,740	846,939	6,234,840	339,225	43,731,967	
On-balance sheet interest sensitivity gap	9,178,426	(4,466,277)	(4,511,684)	3,215,813	145,104	(2,226,435)	1,324,238	2,659,185	
Off-balance sheet interest sensitivity gap	0	(409,496)	0	345,597	63,899	0	0	0	
Total interest sensitivity gap	9,178,426	(4,875,773)	(4,511,684)	3,561,410	209,003	(2,226,435)	1,324,238	2,659,185	

[^] The amount includes allowance for diminution in value of investment securities in accordance with the Bank's accounting policy amounting to RM 6,421,000 for Group and Bank.

^{*} The amount includes general allowance for loans, advances and financing in accordance with the Bank's accounting policy amounting to RM 419,823,000 for Group and RM 419,808,000 for Bank.

[#] The amount includes specific allowance for loans, advances and financing in accordance with the Bank's accounting policy amounting to RM 403,996,000 for Group and RM 403,468,000 for Bank.

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**20 INTEREST/PROFIT RATE RISK (continued)****Group**

As at 31 December 2007	Non Trading Book						Trading Book RM'000	Total RM'000	Average 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			
Assets									
Cash and short-term funds	5,540,690	0	0	0	0	95,425	0	5,636,115	4.08
Securities purchased under resale agreements	181,828	176,516	0	0	0	0	0	358,344	3.55
Deposits and placements with financial institutions	0	142,990	87,409	0	0	0	0	230,399	4.08
Held-for-trading securities	0	0	0	0	0	0	1,872,798	1,872,798	4.20
Available-for-sale securities	200,000	593,670	364,153	3,870,549	682,323	139,328 [^]	0	5,850,023	4.02
Loans, advances and financing									
- performing	20,713,714	1,600,222	538,637	1,228,642	222,505	1,618,465 [*]	0	25,922,185	6.54
- non-performing	0	0	0	0	0	689,547 [#]	0	689,547	-
Other assets	0	0	0	0	0	184,146	261,512	445,658	-
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	843,608	0	843,608	-
Property, plant and equipment	0	0	0	0	0	221,683	0	221,683	-
Investment property	0	0	0	0	0	10,066	0	10,066	-
Prepaid lease payments	0	0	0	0	0	2,981	0	2,981	-
Non-current assets held for sale	0	0	0	0	0	2,092	0	2,092	-
Deferred taxation asset	0	0	0	0	0	100,056	0	100,056	-
Total assets	26,636,232	2,513,398	990,199	5,099,191	904,828	3,907,397	2,134,310	42,185,555	
Liabilities									
Deposits from customers	15,404,972	5,428,247	6,243,058	552,199	0	3,839,490	0	31,467,966	2.94
Deposits and placements of banks and other financial institutions	3,799,498	57,401	34,763	60,659	111,947	0	0	4,064,268	3.98
Bills and acceptances payable	0	0	0	0	0	1,682,232	0	1,682,232	-
Amount due to Cagamas	0	0	144,644	440,454	43,582	0	0	628,680	4.30
Subordinated term loan / bonds	0	0	0	358,754	730,456	0	0	1,089,210	5.13
Other liabilities	0	0	0	0	0	483,772	218,407	702,179	-
Taxation and zakat	0	0	0	0	0	65,637	0	65,637	-
Total liabilities	19,204,470	5,485,648	6,422,465	1,412,066	885,985	6,071,131	218,407	39,700,172	
On-balance sheet interest sensitivity gap	7,431,762	(2,972,250)	(5,432,266)	3,687,125	18,843	(2,163,734)	1,915,903	2,485,383	
Off-balance sheet interest sensitivity gap	(90,000)	(165,346)	(330,693)	453,762	132,277	0	0	0	
Total interest sensitivity gap	7,341,762	(3,137,596)	(5,762,959)	4,140,887	151,120	(2,163,734)	1,915,903	2,485,383	

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**20 INTEREST/PROFIT RATE RISK (continued)****Bank**

As at 31 December 2007	Non Trading Book						Trading Book RM'000	Total RM'000	Average 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			
Assets									
Cash and short-term funds	5,540,690	0	0	0	0	95,425	0	5,636,115	4.08
Securities purchased under resale agreements	181,828	176,516	0	0	0	0	0	358,344	3.55
Deposits and placements with financial institutions	0	142,990	87,409	0	0	0	0	230,399	4.08
Held-for-trading securities Available-for-sale securities	0	0	0	0	0	0	1,872,798	1,872,798	4.20
Loans, advances and Financing	200,000	593,670	364,153	3,870,549	682,323	139,328 [^]	0	5,850,023	4.02
- performing	20,713,714	1,600,222	538,835	1,228,466	222,484	1,618,479 [*]	0	25,922,200	6.54
- non-performing	0	0	0	0	0	689,547 [#]	0	689,547	-
Other assets	0	0	0	0	0	184,144	261,512	445,656	-
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	843,608	0	843,608	-
Investment in subsidiary companies	0	0	0	0	0	1,611	0	1,611	-
Property, plant and equipment	0	0	0	0	0	221,675	0	221,675	-
Investment property	0	0	0	0	0	10,066	0	10,066	-
Prepaid lease payment	0	0	0	0	0	2,981	0	2,981	-
Non-current assets held for sale	0	0	0	0	0	2,092	0	2,092	-
Deferred taxation asset	0	0	0	0	0	100,345	0	100,345	-
Total assets	26,636,232	2,513,398	990,397	5,099,015	904,807	3,909,301	2,134,310	42,187,460	
Liabilities									
Deposits from customers	15,404,972	5,428,247	6,243,078	552,199	0	3,854,125	0	31,482,621	2.94
Deposits and placements of banks and other financial institutions	3,799,498	57,401	34,763	60,659	111,947	0	0	4,064,268	3.98
Bills and acceptances payable	0	0	0	0	0	1,682,232	0	1,682,232	-
Amount due to Cagamas	0	0	144,644	440,454	43,582	0	0	628,680	4.30
Subordinated term loan / bonds	0	0	0	358,754	730,456	0	0	1,089,210	5.13
Other liabilities	0	0	0	0	0	483,833	218,407	702,240	-
Taxation and zakat	0	0	0	0	0	65,556	0	65,556	-
Total liabilities	19,204,470	5,485,648	6,422,485	1,412,066	885,985	6,085,746	218,407	39,714,807	
On-balance sheet interest sensitivity gap	7,431,762	(2,972,250)	(5,432,088)	3,686,949	18,822	(2,176,445)	1,915,903	2,472,653	
Off-balance sheet interest sensitivity gap	(90,000)	(165,346)	(330,693)	453,762	132,277	0	0	0	
Total interest sensitivity gap	7,341,762	(3,137,596)	(5,762,781)	4,140,711	151,099	(2,176,445)	1,915,903	2,472,653	

[^] The amount includes allowance for diminution in value of investment securities in accordance with the Bank's accounting policy amounting to RM 6,421,000 for Group and Bank.

^{*} The amount includes general allowance for loans, advances and financing in accordance with the Bank's accounting policy amounting to RM 402,112,000 for Group and RM 402,097,000 for Bank.

[#] The amount includes specific allowance for loans, advances and financing in accordance with the Bank's accounting policy amounting to RM 418,833,000 for Group and RM 418,305,000 for Bank.

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**21 CAPITAL ADEQUACY**

	Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000
Components of Tier-1 and Tier-2 capital are as follows:		
<u>Tier-1 capital</u>		
Paid-up share capital	287,500	287,500
Paid-up non-cumulative perpetual preference shares	4,000	4,000
Share premium	858,500	858,500
Retained profit	909,932	929,966
Other reserves	322,000	322,000
	<u>2,381,932</u>	<u>2,401,966</u>
Less: Deferred tax assets	(100,782)	(111,821)
Total Tier-1 capital	<u>2,281,150</u>	<u>2,290,145</u>
<u>Tier-2 capital</u>		
General allowance for bad and doubtful debts and financing	419,808	402,097
Subordinated term loan / bonds	920,567	932,172
Total Tier-2 capital	<u>1,340,375</u>	<u>1,334,269</u>
Total capital	3,621,525	3,624,414
Less :		
Investment in subsidiaries	(1,611)	(1,611)
Capital base	<u>3,619,914</u>	<u>3,622,803</u>
<u>Capital Ratios</u>		
Excluding proposed final dividend :		
Core-capital ratio	6.43%	6.92%
Risk-weighted capital ratio	10.20%	10.95%
Including proposed final dividend :		
Core-capital ratio	6.31%	6.77%
Risk-weighted capital ratio	10.08%	10.80%

22 COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's presentation as follow:

	Group	
	As previously reported RM'000	As restated RM'000
Balance Sheet as at 31 December 2007		
Loan, advances and financing	26,611,930	26,611,732
Other liabilities	702,377	702,179

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**23 THE OPERATION OF ISLAMIC BANKING (IB)****CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2008**

		Group and Bank	
		31 Mar	31 Dec
		2008	2007
ASSETS	Note	RM'000	RM'000
Cash and short-term funds		1,540,276	1,165,604
Available-for-sale securities	(1)	555,211	556,500
Financing and other advances	(2)	1,964,183	1,825,661
Other assets	(4)	20,570	23,571
Statutory deposits with Bank Negara Malaysia		77,413	91,913
Deferred taxation assets		13,711	14,695
TOTAL ASSETS		<u>4,171,364</u>	<u>3,677,944</u>
 LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(5)	3,160,599	2,817,443
Deposits and placements of banks and other financial institutions		474,000	270,000
Subordinated bonds		200,000	3,999
Bills and acceptances payable		4,717	200,000
Other liabilities	(6)	140,054	203,838
Taxation and zakat		10,803	8,512
Total Liabilities		<u>3,990,173</u>	<u>3,503,792</u>
Capital funds		85,000	85,000
Reserves	(9)	96,191	89,152
Islamic Banking Funds	(7)	181,191	174,152
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		<u>4,171,364</u>	<u>3,677,944</u>
 COMMITMENTS AND CONTINGENCIES		 <u>1,375,140</u>	 <u>1,249,213</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)

23 THE OPERATION OF ISLAMIC BANKING (IB) (continued)

CONDENSED INTERIM FINANCIAL STATEMENTS

UNAUDITED INCOME STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008

	Group and Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Income derived from investment of depositors' funds	50,162	33,842
Allowance for losses on financing and other advances	(7,025)	(6,131)
Transfer from profit equalisation reserve	1,454	1,059
Total attributable income	<u>44,591</u>	<u>28,770</u>
Income attributable to depositors	<u>(28,307)</u>	<u>(19,434)</u>
Income attributable to shareholders	16,284	9,336
Income derived from the investment of Islamic Banking funds	<u>3,885</u>	<u>2,859</u>
Total net income	20,169	12,195
Personnel expenses	(658)	(506)
Other overhead expenses	(11,347)	(7,192)
Profit before taxation	<u>8,164</u>	<u>4,497</u>
Taxation	<u>(2,727)</u>	<u>(1,887)</u>
Net profit for the financial period	<u><u>5,437</u></u>	<u><u>2,610</u></u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**23 THE OPERATION OF ISLAMIC BANKING (IB) (continued)****(1) AVAILABLE-FOR-SALE SECURITIES**

	Group and Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000
<u>At fair value</u>		
Malaysian Government investment issues	296,492	194,871
Bank Negara Negotiable Notes	49,999	153,162
Sanadat Cagamas (SAC)	35,315	35,281
Private debt securities	119,436	119,212
Malaysian Government Islamic treasury bills	28,968	28,974
Islamic negotiable instruments of deposits	25,000	25,000
Khazanah Bonds	1	0
	<u>555,211</u>	<u>556,500</u>

The maturity structure of money market instruments under available-for-sale are as follows :

Maturing within one year	103,967	207,136
One year to three years	451,244	349,364
	<u>555,211</u>	<u>556,500</u>

(2) FINANCING AND OTHER ADVANCES

	Group and Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000
By type:		
Cash financing	341,042	324,263
Term financing		
- Housing financing	131,872	131,272
- Syndicated term financing	227,699	235,536
- Hire purchase receivables	528,200	449,077
- Leasing receivables	24,998	23,714
- Other term financing	410,876	380,973
Revolving credits	320,347	323,357
Customer's liability under acceptance credits	291,162	241,548
Unearned income	<u>(262,347)</u>	<u>(238,281)</u>
Gross financing	2,013,849	1,871,459
Allowance for bad and doubtful debts and financing		
- Specific	(19,754)	(17,986)
- General	<u>(29,912)</u>	<u>(27,812)</u>
Net financing	<u>1,964,183</u>	<u>1,825,661</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**23 THE OPERATION OF ISLAMIC BANKING (IB) (continued)****(3) NON-PERFORMING FINANCING**

	Group and Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000
i) Movements in non-performing financing are as follows:		
Balance at 1 January	27,410	23,221
Non-performing during the period / year	7,176	28,231
Reclassified as performing during the period / year	(1,176)	(6,075)
Amount recovered	(1,198)	(3,423)
Amount written off	(3,568)	(14,544)
Balance at end of period / year	<u>28,644</u>	<u>27,410</u>
Specific allowance	(19,754)	(17,986)
Net non-performing financing	<u>8,890</u>	<u>9,424</u>
Ratio of net non-performing financing and other advances to net financing and other advances	<u>0.45%</u>	<u>0.51%</u>
ii) Movements in the allowance for losses on financing and other advances are as follows :		
<u>General allowance</u>		
Balance at 1 January	27,812	24,949
Allowance made during the period / year	2,100	2,863
Balance at end of period / year	<u>29,912</u>	<u>27,812</u>
(as % of total financing and other advances less specific allowance)	<u>1.50%</u>	<u>1.50%</u>
<u>Specific allowance</u>		
Balance at 1 January	17,986	10,960
Allowance made during the period / year	6,526	26,017
Amount recovered	(1,190)	(4,447)
Amount written off	(3,568)	(14,544)
Balance at end of period / year	<u>19,754</u>	<u>17,986</u>
(4) OTHER ASSETS		
Income receivable	6,924	7,669
Derivative assets	2,128	4,263
Other debtors, deposits and prepayments	11,518	11,639
	<u>20,570</u>	<u>23,571</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**23 THE OPERATION OF ISLAMIC BANKING (IB) (continued)****(5) DEPOSITS FROM CUSTOMERS**

	Group and Bank	
	31 Mar 2008 RM'000	31 Dec 2007 RM'000
By type of deposits		
Non-Mudharabah Fund:		
Demand deposits	434,549	324,201
Savings deposits	276,979	269,502
Negotiable Islamic Debt Certificate	29,713	47,446
Structured investment	87,982	88,232
Others	30,881	33,223
	<u>860,104</u>	<u>762,604</u>
Mudharabah Fund:		
General investment deposits	1,749,326	1,523,335
Islamic short term Mudharabah Investment	551,169	531,504
	<u>2,300,495</u>	<u>2,054,839</u>
Total deposits from customers	<u>3,160,599</u>	<u>2,817,443</u>

(6) OTHER LIABILITIES

Other accruals and charges	124,309	184,503
Derivative liabilities	2,127	4,263
Profit equalisation reserve	13,618	15,072
	<u>140,054</u>	<u>203,838</u>
<u>Profit equalisation reserve (PER)</u>		
Balance at 1 January	15,072	19,155
Amount provided during the period / year	1,078	5,339
Amount written back during the period / year	(2,532)	(9,422)
Balance at end of period / year	<u>13,618</u>	<u>15,072</u>

(7) ISLAMIC BANKING FUNDS

Capital funds	85,000	85,000
Reserves :		
Net unrealised gains/(losses) on available-for-sale securities of which the depositors' portion is RM 1,067,000 (Dec 2007 : RM 977,000)	840	(762)
Retained profits	95,351	89,914
	<u>181,191</u>	<u>174,152</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2008 (continued)**23 THE OPERATION OF ISLAMIC BANKING (IB) (continued)****(8) NET INCOME FROM ISLAMIC BANKING OPERATIONS**

For consolidation with the conventional banking operations, net income from Islamic Banking operations comprise the following items:

	Group and Bank	
	31 Mar 2008 RM'000	31 Mar 2007 RM'000
Income derived from investment of depositors' funds	50,162	33,842
Transfer from profit equalisation reserve (net)	1,454	1,059
Total attributable income	<u>51,616</u>	<u>34,901</u>
Income attributable to the depositors	(28,307)	(19,434)
Income attributable to the Bank	<u>23,309</u>	<u>15,467</u>
Income derived from the investment of Islamic Banking funds	3,885	2,859
Net income from Islamic Banking operations	<u>27,194</u>	<u>18,326</u>

(9) COMPARATIVE FIGURES

Certain comparative figures have been restated to exclude the allocated costs that were charged to Islamic Banking operation for the year ended 31 December 2005, as the requirement for banks with Islamic Banking operations to apportion overhead costs and other expenditure incurred when managing the Islamic Banking portfolio in accordance to the BNM Circular dated 11 November 2005 "Measures to Further Strengthen Islamic Banking Operations" was effective from 3 January 2006. The comparative figures that were restated are as follows:

	<u>As previously reported</u> RM'000	<u>As restated</u> RM'000
Balance Sheet as at 31 December 2007		
Other liabilities	217,260	203,838
Taxation and zakat	4,754	8,512
Reserves	<u>79,488</u>	<u>89,152</u>