

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

	Note	Group		Bank	
		30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Assets					
Cash and short-term funds		8,378,144	11,211,535	8,031,683	9,945,874
Deposits and placements with banks and other financial institutions		3,618,241	2,019,784	4,226,702	2,459,784
Securities held-for-trading	13	540,145	367,148	540,145	367,148
Securities available-for-sale	14	5,588,068	6,519,318	4,562,162	5,577,667
Loans, advances and financing	15	33,880,696	31,688,667	31,634,529	29,576,545
Derivative assets	17	537,714	547,154	531,216	543,171
Other assets	18	241,153	200,207	474,013	425,261
Statutory deposits with Bank Negara Malaysia	19	87,842	43,092	58,592	19,592
Investments in subsidiaries		0	0	256,611	196,611
Property, plant and equipment		210,129	236,984	201,753	230,439
Investment properties		21,033	11,250	21,033	11,250
Prepaid lease payments		2,838	2,877	2,838	2,877
Deferred tax assets		131,072	115,263	121,779	103,989
Current tax assets		0	133	0	0
Total assets		53,237,075	52,963,412	50,663,056	49,460,208
Liabilities					
Deposits from customers	20	40,555,413	41,592,510	38,170,533	38,083,344
Deposits and placements of banks and other financial institutions	21	5,724,773	4,821,395	5,230,890	4,781,105
Bills and acceptances payable		227,475	244,983	215,875	225,309
Recourse obligation on loans sold to Cagamas Berhad		337,606	361,563	337,606	361,563
Subordinated term loan / bonds	22	1,202,430	1,295,098	1,202,430	1,295,098
Derivative liabilities	17	471,667	435,130	465,193	430,809
Other liabilities	23	427,396	480,918	802,870	578,955
Current tax liabilities and zakat		94,178	42,459	92,853	42,459
Total liabilities		49,040,938	49,274,056	46,518,250	45,798,642
Equity					
Share capital		291,500	291,500	291,500	291,500
Reserves		3,904,637	3,397,856	3,853,306	3,370,066
Total equity		4,196,137	3,689,356	4,144,806	3,661,566
Total liabilities and equity		53,237,075	52,963,412	50,663,056	49,460,208
Commitments and contingencies	31	57,176,581	64,332,373	55,776,110	63,186,944

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2009.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED
30 SEPTEMBER 2010**

Group	Note	3rd Quarter Ended		Nine Months Ended	
		30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Interest income	24	536,055	487,390	1,516,412	1,474,488
Interest expense	25	(242,207)	(218,837)	(677,265)	(700,653)
Net interest income		293,848	268,553	839,147	773,835
Islamic Banking income		39,053	27,930	119,617	88,675
		332,901	296,483	958,764	862,510
Non-interest income	26	124,822	92,055	365,741	330,251
Net income		457,723	388,538	1,324,505	1,192,761
Personnel costs and overhead expenses	27	(170,775)	(145,765)	(485,417)	(426,150)
Operating profits before impairment loss and provision		286,948	242,773	839,088	766,611
Net impairment loss on loans, advances and financing	28	(52,929)	(41,656)	(98,476)	(122,403)
Impairment loss on property, plant and equipment		0	0	(361)	0
Provision for commitment and contingencies		0	0	(7,604)	0
Profit before income tax expense and zakat		234,019	201,117	732,647	644,208
Income tax expense and zakat	29	(62,087)	(48,584)	(188,612)	(161,898)
Profit for the period		171,932	152,533	544,035	482,310
Basic earnings per ordinary share (sen)		59.8	49.9	183.0	161.5
Dividend per ordinary share – 20 sen gross (2009:RM Nil) less income tax		15.0	0	15.0	0

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 2009.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED
30 SEPTEMBER 2010 (continued)**

Bank	Note	3rd Quarter Ended		Nine Months Ended	
		30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Interest income	24	543,456	491,771	1,535,425	1,486,589
Interest expense	25	(242,182)	(218,841)	(677,252)	(700,667)
Net interest income		301,274	272,930	858,173	785,922
Non-interest income	26	137,126	101,660	400,382	360,186
Net income		438,400	374,590	1,258,555	1,146,108
Personnel costs and overhead expenses	27	(159,096)	(138,327)	(453,719)	(404,592)
Operating profits before impairment loss and provision		279,304	236,263	804,836	741,516
Net impairment loss on loans, advances and financing	28	(51,848)	(36,782)	(92,135)	(103,714)
Impairment loss on property, plant and equipment		0	0	(361)	0
Provision for commitment and contingencies		0	0	(7,604)	0
Profit before income tax expense and zakat		227,456	199,481	704,736	637,802
Income tax expense and zakat	29	(60,618)	(48,004)	(181,565)	(160,175)
Profit for the period		166,838	151,477	523,171	477,627
Basic earnings per ordinary share (sen)		58.0	49.5	175.7	171.9
Dividend per ordinary share – 20 sen gross (2009:RM Nil) less income tax		15.0	0	15.0	0

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 2009.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE
MONTHS ENDED 30 SEPTEMBER 2010**

<u>Group</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>30 Sept</u> <u>2010</u> <u>RM'000</u>	<u>30 Sept</u> <u>2009</u> <u>RM'000</u>	<u>30 Sept</u> <u>2010</u> <u>RM'000</u>	<u>30 Sept</u> <u>2009</u> <u>RM'000</u>
Profit for the period	<u>171,932</u>	<u>152,533</u>	<u>544,035</u>	<u>482,310</u>
Fair value of available-for-sale securities				
- change in fair value	23,266	19,064	21,373	(73,529)
- disposal	(3,458)	(5,312)	(15,713)	(40,946)
Income tax expense relating to components of other comprehensive income	(4,929)	(3,670)	(2,176)	28,186
Other comprehensive income for the period, net of income tax	<u>14,879</u>	<u>10,082</u>	<u>3,484</u>	<u>(86,289)</u>
Total comprehensive income for the period	<u>186,811</u>	<u>162,615</u>	<u>547,519</u>	<u>396,021</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 2009.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE
MONTHS ENDED 30 SEPTEMBER 2010 (continued)**

<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Profit for the period	<u>166,838</u>	<u>151,477</u>	<u>523,171</u>	<u>477,627</u>
Fair value of available-for-sale securities				
- change in fair value	20,317	14,433	16,775	(61,335)
- disposal	(3,855)	(4,861)	(14,657)	(37,351)
Income tax expense relating to components of other comprehensive income	(4,092)	(2,392)	(1,311)	24,672
Other comprehensive income for the period, net of income tax	<u>12,370</u>	<u>7,180</u>	<u>807</u>	<u>(74,014)</u>
Total comprehensive income for the period	<u>179,208</u>	<u>158,657</u>	<u>523,978</u>	<u>403,613</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 2009.

CONDENSED INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED 30 SEPTEMBER 2010**

	Non-distributable					Distributable	Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Capital reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
Group							
Balance at 1 January 2010	291,500	858,500	330,660	56,619	128,936	2,023,141	3,689,356
- As previously stated							
- Effect of adopting FRS 139	0	0	0	0	0	20,427	20,427
As restated	291,500	858,500	330,660	56,619	128,936	2,043,568	3,709,783
Profit for the period	0	0	0	0	0	544,035	544,035
Other comprehensive income for the period	0	0	0	0	3,484	0	3,484
Total comprehensive income	0	0	0	0	3,484	544,035	547,519
Dividends paid on ordinary shares: - final 2009	0	0	0	0	0	(43,125)	(43,125)
Dividends paid on preference shares	0	0	0	0	0	(18,040)	(18,040)
Balance at 30 September 2010	291,500	858,500	330,660	56,619	132,420	2,526,438	4,196,137
Balance at 1 January 2009	291,500	858,500	322,000	56,619	155,607	1,442,012	3,126,238
Profit for the period	0	0	0	0	0	482,310	482,310
Other comprehensive income for the period	0	0	0	0	(86,289)	0	(86,289)
Total comprehensive income	0	0	0	0	(86,289)	482,310	396,021
Dividends paid on preference shares	0	0	0	0	0	(18,040)	(18,040)
Balance at 30 September 2009	291,500	858,500	322,000	56,619	69,318	1,906,282	3,504,219

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 2009.

CONDENSED INTERIM FINANCIAL STATEMENTS**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 (continued)**

	Non-distributable			Distributable		Total Equity RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
Bank						
Balance at 1 January 2010	291,500	858,500	322,000	127,537	2,062,029	3,661,566
- As previously stated						
- Effect of adopting FRS 139					20,427	20,427
As restated	291,500	858,500	322,000	127,537	2,082,456	3,681,993
Profit for the period	0	0	0	0	523,171	523,171
Other comprehensive income for the period	0	0	0	807	0	807
Total comprehensive income	0	0	0	807	523,171	523,978
Dividends paid on ordinary shares:						
- final 2009	0	0	0	0	(43,125)	(43,125)
Dividends paid on preference shares	0	0	0	0	(18,040)	(18,040)
Balance at 30 September 2010	291,500	858,500	322,000	128,344	2,544,462	4,144,806
Balance at 1 January 2009	291,500	858,500	322,000	147,220	1,492,956	3,112,176
Profit for the period	0	0	0	0	477,627	477,627
Other comprehensive income for the period	0	0	0	(74,014)	0	(74,014)
Total comprehensive income	0	0	0	(74,014)	477,627	403,613
Dividends paid on preference shares	0	0	0	0	(18,040)	(18,040)
Balance at 30 September 2009	291,500	858,500	322,000	73,206	1,952,543	3,497,749

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 2009.

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2010

	Group		Bank	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Profit before income tax and zakat	732,647	644,208	704,736	637,802
Adjustments for non-operating and non-cash items	287,832	271,998	287,701	230,887
Operating profit before changes in working capital	1,020,479	916,206	992,437	868,689
Changes in working capital:				
Net changes in Operating Assets	(4,136,669)	(379,541)	(4,164,060)	(622,598)
Net changes in Operating Liabilities	(335,338)	1,981,698	610,448	2,374,395
Cash (used in)/generated for operation	(3,451,528)	2,518,363	(2,561,175)	2,620,486
Income tax and zakat paid	(161,583)	(176,685)	(157,081)	(176,093)
Net cash (used in) / from operating activities	(3,613,111)	2,341,678	(2,718,256)	2,444,393
Net cash from investing activities	937,398	2,202,054	961,743	2,154,862
Net cash (used in) / from financing activities	(157,678)	313,396	(157,678)	313,396
Net (decrease)/ increase in cash and cash equivalents	(2,833,391)	4,857,128	(1,914,191)	4,912,651
Cash and cash equivalents at beginning of the period	11,211,535	4,374,064	9,945,874	3,717,429
Cash and cash equivalents at end of the period	8,378,144	9,231,192	8,031,683	8,630,080

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 2009.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010

1 GENERAL INFORMATION

The principal activities of the Group and of the Bank are banking and related financial services which also include Islamic Banking (“IB”) business. The principal activities of the subsidiary companies during the financial period are in the businesses of IB, lease financing and the provision of nominee services.

The financial statements incorporate all activities relating to IB which have been undertaken by the Group and the Bank in compliance with Shariah principles.

IB refers generally to the acceptance of deposits and granting of financing under Shariah principles.

There have been no significant changes in these activities during the financial period.

2 REVIEW OF PERFORMANCE - GROUP

The Bank and its subsidiaries (“Group”) recorded a net profit of RM544 million for the first nine months of 2010, marking a RM62 million or 13% increase compared with the corresponding period last year. The increase comes as a result of higher operating profits which grew by 9% or RM72 million to RM839 million compared with RM767 million last year. Allowances were lower by RM16 million or 13%, declining to RM106 million in the first nine months compared with the corresponding period last year.

Total net income for the Group grew by RM132 million or 11% to RM1.32 billion, attributable to increases in all business segments as seen in the overall RM65 million growth in net interest income, and increases of income by RM35 million in non-interest income and by RM31 million in Islamic banking. Overheads rose by RM59 million or 14% to RM485 million as the Group continues to build capability and expand its branch network.

Individual impairment losses declined by RM39 million while collective impairment allowances rose by RM31 million to cater to loans growth.

Gross loans outstanding as at 30 September 2010 grew by RM2.2 billion or 6.7% to RM34.8 billion compared with 31 December 2009. The growth was derived from consumer and business loans of RM900 million and RM1.3 billion respectively.

Shareholders’ funds strengthened to RM4.2 billion while the Group’s risk weighted capital ratio as at 30 September 2010 stood at 14.02%.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)

3 ECONOMIC PERFORMANCE AND PROSPECTS

The Malaysian economy registered robust growth of 9.5% in the first half of 2010. This was achieved largely through the various stimulus packages implemented by the Government in 2009. The recent National Budget 2011 announcement envisages the economy to expand between 5% and 6%, supported by resilience in domestic demand as well as pro-growth strategies and measures that will be systematically implemented. The 2011 Budget, which is the first of the 10th Malaysian Plan, is pivotal for transforming Malaysia into a developed and high-income nation.

In line with the country's growth targets, the Group will continue to focus on the manufacturing and services sectors together with the residential property segment. Following the recent initiatives and new incentives introduced for the Islamic capital market, the Group will also concentrate on expanding its range of Islamic products to meet the needs of its customers. The Group expects to reinforce its infrastructure and strong distribution channels to acquire new customers and to offer innovative solutions to existing customers.

In managing asset quality and capital, the Group will maintain a cautious stance in preserving high quality assets while strengthening and improving the quality of its capital in view of anticipated future capital requirements to be introduced by the regulators.

4 BASIS OF PREPARATION

4.1 STATEMENT OF COMPLIANCE

The unaudited condensed interim financial statements of the Group and the Bank for the period ended 30 September 2010 have been prepared in accordance with FRS 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB") and Bank Negara Malaysia ("BNM") guidelines.

The Group and the Bank's unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2009. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2009.

4.2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Group and the Bank for the preparation of the condensed interim financial statements are consistent with those adopted for the audited annual financial statements for the year ended 31 December 2009, except for the adoption of the following applicable Financial Reporting Standards ("FRS"), amendments to FRSs and IC Interpretations issued by MASB which are effective for annual periods beginning on or after 1 January 2010:

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**4 BASIS OF PREPARATION (continued)**

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010
FRS 7, Financial Instruments: Disclosures
FRS 101, Presentation of Financial Statements (raised)
FRS 139, Financial Instruments: Recognition and Measurement
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 7, Financial Instruments: disclosures
Amendments to FRS 101, Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising From Liquidation
Amendments to FRS 127, Consolidated and Separate Financial statements: Cost of an Investment in a subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132, Financial Instruments Presentation - Puttable Financial Instruments and Obligations Arising From Liquidation - Separation of Compound Instrument
Amendments to FRS 139, Financial Instruments Recognition and Measurement - Reclassification of Financial Assets - Collective Assessment of Impairment of Banking Institutions
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2009)"
IC Interpretation 9, Reassessment of Embedded Derivatives
IC Interpretation 10, Interim Financial Reporting and Impairment
IC Interpretation 11, FRS 2 Group and Treasury Share Transactions
IC Interpretation 13, Customer Loyalty Programmes
IC Interpretation 14, FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

The Group and the Bank have not applied the following applicable FRS, amendments to FRSs and IC Interpretations that have been issued by MASB but are not yet effective for the Group and the Bank:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010
Amendments to FRS 132, Financial Instruments: Presentation - Classification of Rights Issues

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010
FRS 1, First-time Adoption of Financial Reporting Standards (revised)
FRS 3, Business Combinations (revised)
FRS 127, Consolidated and Separate Financial Statements (revised)
Amendments to FRS 2, Share-based Payment
Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138, Intangible Assets
Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters - Additional Exemptions for First-time Adopters
Amendments to FRS 7, Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
Amendments to FRS 2, Group Cash-settled Share Based Payment
IC Interpretation 4, Determining whether an Arrangement contains a Lease

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)

4 BASIS OF PREPARATION (continued)

The initial application of the above FRSs, amendments to FRSs, and IC Interpretations did not have any material impact to the results of the Group and the Bank as the changes are presentation in nature except for FRS139 and its related amendments and IC Interpretation which is explained as below.

Pursuant the adoption of FRS 101, the Group and Bank's income statement for the financial period ended 30 September 2010 has been presented in two separate statements; comprising of an income statement and a statement of comprehensive income. The changes in equity which were previously presented in the statement of changes in equity are now included in the statement of comprehensive income as other comprehensive income. As a result, components of comprehensive income are not separately presented in the statement of changes in equity.

The adoption of FRS 7 has resulted in changes to the disclosure of financial instruments, whereby the disclosures are now made by categories of financial assets and liabilities. The disclosure of comparative figures in the statement of financial position as at 31 December 2009 and the income statement for the financial period ended 30 September 2009 have been restated to conform with the current period's presentation.

FRS 139 establishes the principles for the recognition, derecognition and measurement of financial instruments and for hedge accounting. The adoption of BNM's Circular: Guidelines on Financial Reporting for Banking Institutions, has already aligned certain requirements related to the recognition, derecognition, measurement and presentation of financial instruments and derivative instruments.

Prior to adoption of FRS 139, impairment loss on loans, advances and financing were guided by BNM/GP3 Guidelines on Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts. The Group has also adopted the previous Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) issued by BNM on 5 October 2004, where impaired loans, advances and financing are measured at their estimated recoverable amount. Additional allowance is provided if the recoverable amount is lower than the net book value of the loans, advances and financing. Recoverable amount refers to the present value of estimated future cash flows discounted at original effective profit rate. Net book value is the outstanding amount of loans, financing and advances net of individual assessment allowances.

In the Amendments to FRS 139, MASB has included an additional transitional arrangement for entities in the financial sector, whereby BNM has prescribed an alternative basis for collective assessment of impairment for banking institutions. The guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 sets the minimum requirements for the Bank to ensure that their financing impairment assessment and provisioning comply with the requirements specified under FRS 139 subject to the transitional provisions provided in the guideline. The Group and the Bank maintain a collective assessment allowance of at least 1.5% of total outstanding loan/financing, net of individual assessment allowance as at the reporting date based on this transitional arrangement issued by BNM.

Pursuant to the adoption of FRS 139 and the transitional arrangement under BNM's Guidelines Classification and Impairment Provisions for Loans/Financing, there is an adjustment of RM20,427,025 (gross individual assessment allowance of RM27,236,034 less tax) written back to restate the retained earnings of the Group and the Bank as at 1 January 2010. The change above have been accounted for prospectively, in line with the transitional arrangements under para 103AA of FRS 139, with adjustments to the carrying values of financial assets affecting income statements as at the beginning of the current financial period being adjusted to opening retained earnings.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)

5 AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the financial statements for the financial year ended 31 December 2009 was not qualified.

6 SEASONAL OR CYCLICAL FACTORS

The business operations of the Group and the Bank have not been affected by any material seasonal or cyclical factors.

7 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting the assets, liabilities, equity, net income or cashflows of the Group and the Bank for the financial period ended 30 September 2010.

8 CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements for the financial period ended 30 September 2010.

9 DEBT AND EQUITIES SECURITIES

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities during the financial period ended 30 September 2010.

10 DIVIDEND

A net cash dividend of 4.51% amounting to RM8.95 million and 4.51% amounting to RM9.09 million were paid to preference shareholders on 16 March 2010 and 20 September 2010 respectively. A final gross dividend of 20 cents per ordinary share less tax at 25% amounting to RM43.13 million was paid to the ordinary shareholders on 28 April 2010 in respect of the financial year ended 31 December 2009.

11 SUBSEQUENT EVENTS

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

12 CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group during the financial period ended 30 September 2010.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**13 SECURITIES HELD-FOR-TRADING**

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
<u>At fair value</u>				
Malaysian Government treasury bills	496	30,230	496	30,230
Malaysian Government securities	20,527	75,284	20,527	75,284
Government Investment Certificate	56,520	2,994	56,520	2,994
Bank Negara Bills	221,673	73,676	221,673	73,676
Bank Negara Malaysia negotiable notes	0	3,445	0	3,445
Bank Negara Malaysia monetary notes	98,856	0	98,856	0
Cagamas bond and notes	15,394	10,148	15,394	10,148
Private debt securities	78,548	131,903	78,548	131,903
Quoted shares in Malaysia	48,131	39,468	48,131	39,468
	<u>540,145</u>	<u>367,148</u>	<u>540,145</u>	<u>367,148</u>

14 SECURITIES AVAILABLE-FOR-SALE

<u>At fair value</u>				
Malaysian Government treasury bills	19,862	29,446	19,862	29,446
Malaysian Government securities	1,983,077	1,985,050	1,983,077	1,985,050
Government Investment Certificate	511,042	823,053	314,449	648,470
Bank Negara Malaysia bills	653,858	0	653,858	0
Bank Negara Malaysia monetary notes	496,699	0	0	0
Bank Negara Malaysia sukuk islamic	33,217	0	0	0
Cagamas bonds / notes	81,177	126,133	81,177	106,037
Private debt securities	1,509,372	1,014,320	1,182,952	690,271
Negotiable instruments of deposit	25,000	2,421,825	52,203	1,998,902
Bankers' acceptances	158,399	0	158,399	0
Unquoted shares in Malaysia	106,478	106,478	106,478	106,478
Unquoted shares outside Malaysia	10,456	13,582	10,456	13,582
Debentures	190	190	190	190
	<u>5,588,827</u>	<u>6,520,077</u>	<u>4,563,101</u>	<u>5,578,426</u>
Impairment losses of:				
- Unquoted shares in Malaysia	(109)	(109)	(109)	(109)
- Private debt securities	(638)	(638)	(638)	(638)
- Debentures	(12)	(12)	(12)	(12)
	<u>(759)</u>	<u>(759)</u>	<u>(759)</u>	<u>(759)</u>
	<u>5,588,068</u>	<u>6,519,318</u>	<u>4,562,152</u>	<u>5,577,667</u>

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

Included in Malaysian Government Securities are securities utilised to meet the statutory reserve requirement as referred to in Note 19. The nominal value of securities utilised as at 30 September 2010 is RM218,000,000.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**15 LOANS, ADVANCES AND FINANCING**

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
i) By type				
Overdrafts	3,380,996	3,436,809	2,985,199	3,103,268
Term loans/financing:				
Housing loans/financing	9,700,423	8,511,252	9,571,835	8,415,620
Syndicated term loan/financing	3,705,788	3,036,232	3,380,196	2,680,452
Hire purchase	530,627	546,579	208	128
Lease receivables	3,894	8,570	3,894	8,517
Other term loans	12,184,552	10,697,608	11,765,990	10,197,855
Credit/charge cards receivables	419,395	506,282	419,395	506,282
Bills receivable	67,008	87,764	55,863	73,623
Trust receipts	61,013	68,573	60,884	68,573
Claims on customers under acceptance credits	2,158,511	2,087,772	1,935,827	1,874,656
Block discounting	330	330	330	330
Loan to banks and other financial institutions	228,025	205,385	228,025	205,385
Revolving credit	1,896,293	1,863,930	1,385,998	1,498,484
Staff loans (of which RM Nil [2009 : RM Nil] to Directors)	115,834	117,182	115,834	117,182
Other loans	624,082	1,716,800	594,037	1,695,358
	<u>35,076,771</u>	<u>32,891,068</u>	<u>32,503,515</u>	<u>30,445,713</u>
Unearned interest and income	(257,561)	(255,720)	(205)	(469)
Gross loans, advances and financing	<u>34,819,210</u>	<u>32,635,348</u>	<u>32,503,310</u>	<u>30,445,244</u>
Allowance for impairment loss on impaired loans, advances and financing:				
- Individual assessed	(418,601)	(457,392)	(386,807)	(418,140)
- Collective assessed	(519,913)	(489,289)	(481,974)	(450,559)
Net loans, advances and financing	<u>33,880,696</u>	<u>31,688,667</u>	<u>31,634,529</u>	<u>29,576,545</u>
ii) By type of customer				
Domestic non-bank financial institutions				
- Stockbroking companies	1,502	0	1,502	0
- non-stockbroking companies	940,461	243,832	940,461	233,778
Domestic business enterprises				
- Small medium enterprises ("SME")	5,811,134	5,630,718	5,459,064	5,286,507
- Non-SME	14,870,408	14,793,598	13,369,553	13,337,384
Individuals	13,013,960	11,790,595	12,615,661	11,481,090
Other domestic entities	1,300	1,577	1,300	1,577
Foreign entities	180,445	175,028	115,769	104,908
	<u>34,819,210</u>	<u>32,635,348</u>	<u>32,503,310</u>	<u>30,445,244</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**15 LOANS, ADVANCES AND FINANCING (continued)****iii) By interest/profit rate sensitivity**

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Fixed rate:				
Housing loans/financing	48,904	57,543	0	0
Hire purchase receivables	482,881	498,902	75	77
Other fixed rate loan/financing	1,855,748	1,995,606	990,472	1,083,096
Variable rate:				
BLR plus	22,454,378	21,018,906	22,406,417	21,018,906
Cost-plus	4,174,919	3,343,754	3,303,966	3,343,754
Other variable rates	5,802,380	5,720,637	5,802,380	4,999,411
	<u>34,819,210</u>	<u>32,635,348</u>	<u>32,503,310</u>	<u>30,445,244</u>

iv) By sector

Agriculture	2,255,254	2,370,946	1,765,289	1,794,485
Mining and quarrying	320,841	301,218	237,453	275,411
Manufacturing	5,007,791	5,007,796	4,365,798	4,405,750
Electricity, gas and water	470,651	1,147,820	359,056	1,147,820
Construction	1,058,621	908,924	980,294	765,480
Real estate	4,063,409	3,584,656	3,978,384	3,488,795
Wholesale & retail trade and restaurants & hotels	4,893,115	4,908,760	4,740,527	4,737,064
Transport, storage and communication	1,165,681	843,097	1,017,470	706,149
Finance, insurance and business services	1,461,682	764,810	1,435,382	722,392
Community, social and personal services	671,489	622,040	635,691	607,030
Household sector, of which				
i. Purchase of residential properties	9,645,022	8,383,815	9,550,067	8,323,331
ii. Purchase of non-residential properties	1,203,481	1,170,817	1,200,808	1,168,380
iii. Others	2,270,439	2,335,157	1,968,129	2,087,656
Sector N.E.C	331,734	285,492	268,962	215,501
	<u>34,819,210</u>	<u>32,635,348</u>	<u>32,503,310</u>	<u>30,445,244</u>

v) By geographical distribution

Malaysia	34,640,727	32,465,210	32,386,913	30,343,877
Singapore	130,382	118,916	68,296	50,145
Other ASEAN	4,811	7,106	4,811	7,106
Rest of the World	43,290	44,116	43,290	44,116
	<u>34,819,210</u>	<u>32,635,348</u>	<u>32,503,310</u>	<u>30,445,244</u>

vi) By residual contractual maturity

Maturity within one year	13,980,946	12,613,936	13,208,902	11,883,621
One year to five years	9,760,306	10,239,796	8,883,979	9,484,160
Over five years	11,077,958	9,781,616	10,410,429	9,077,463
	<u>34,819,210</u>	<u>32,635,348</u>	<u>32,503,310</u>	<u>30,445,244</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**16 IMPAIRED LOANS, ADVANCES AND FINANCING**i) **The movements of the impaired loans, advances and financing are as follows :**

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Balance at 1 January	1,234,780	1,057,965	1,181,182	1,013,488
Impaired during the period / year (gross)	351,672	764,960	316,026	713,587
Reclassified as non-impaired during the period / year	(122,937)	(153,437)	(113,758)	(142,300)
Amount recovered	(300,157)	(255,490)	(284,575)	(247,172)
Amount written off	(92,853)	(175,723)	(74,958)	(152,926)
Foreign exchange difference	(3,227)	(3,495)	(3,227)	(3,495)
Balance at end of period / year	1,067,278	1,234,780	1,020,690	1,181,182
Individual assessed allowance for impairment loss	(418,601)	(457,392)	(386,807)	(418,140)
Net impaired loans, advances and financing	<u>648,677</u>	<u>777,388</u>	<u>633,883</u>	<u>763,042</u>

ii) **Movements in allowances for impairment loss on impaired loans, advances and financing are as follows :**

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
<u>Collective assessed allowance for impairment loss</u>				
Balance at 1 January	489,289	460,009	450,559	426,477
Change for the period / year	30,624	29,280	31,415	24,082
Balance at end of period / year	<u>519,913</u>	<u>489,289</u>	<u>481,974</u>	<u>450,559</u>
(As % of net gross loans, advances and financing)	<u>1.51%</u>	<u>1.52%</u>	<u>1.50%</u>	<u>1.50%</u>
<u>Individual assessed allowance for impairment loss</u>				
Balance at 1 January	457,392	449,277	418,140	413,155
Effect of adopting FRS 139	(27,236)	0	(27,236)	0
As restated	430,156	449,277	390,904	413,155
Change for the period / year	191,327	316,769	161,909	275,745
Amount written back in respect of recoveries	(98,337)	(131,405)	(79,510)	(116,308)
Amount written off	(92,853)	(175,723)	(74,957)	(152,926)
Interest recognised on impaired loans	(9,906)	0	(9,753)	0
Foreign exchange difference	(1,786)	(1,526)	(1,786)	(1,526)
Balance at end of period / year	<u>418,601</u>	<u>457,392</u>	<u>386,807</u>	<u>418,140</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)**

iii) Impaired loans, advances and financing by sector are as follows:

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Agriculture	13,248	19,432	12,726	19,229
Manufacturing	375,264	457,742	350,951	429,657
Electricity, gas and water	49	48	49	48
Construction	74,972	69,867	70,532	64,472
Real estate	46,306	91,125	46,299	91,029
Wholesale & retail trade and restaurants & hotels	154,953	190,219	152,313	186,358
Transport, storage and communication	23,625	5,649	23,101	4,955
Finance, insurance and business services	20,001	19,974	19,316	19,779
Community, social and personal services	4,702	2,392	4,426	2,119
Household sector, of which				
i. Purchase of residential properties	244,196	262,112	240,532	258,754
ii. Purchase of non-residential properties	19,764	19,238	19,741	19,174
iii. Others	82,540	82,980	73,046	71,606
Others	7,658	14,002	7,658	14,002
	<u>1,067,278</u>	<u>1,234,780</u>	<u>1,020,690</u>	<u>1,181,182</u>

iv) Impaired loans, advances and financing by geographical distribution are as follows:

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Malaysia	<u>1,067,278</u>	<u>1,234,780</u>	<u>1,020,690</u>	<u>1,181,182</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**17 DERIVATIVE ASSETS AND LIABILITIES**

Group	30 Sept 2010			31 Dec 2009		
	Contract or underlying principal amount RM'000	Fair value		Contract or underlying principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Financial derivatives						
Trading:						
Foreign exchange derivatives						
- forward	1,613,757	37,147	63,292	2,630,133	27,232	17,806
- swaps	9,365,153	237,355	194,747	14,149,744	120,221	130,932
- currency option	673,041	20,171	20,586	2,070,117	39,343	21,879
- principle protected deposits	0	354	354	0	0	0
Interest rate derivatives						
- swaps	25,532,139	215,445	175,663	25,474,363	323,548	248,310
- option	838,991	3,095	5,570	1,301,275	6,624	1,748
- principle protected deposits	8,853	650	0	0	0	0
Equity and commodity derivatives						
- swaps	0	1,148	1,149	0	0	0
- option	447,240	3,539	5,756	907,050	6,827	14,455
- futures	0	5	117	0	0	0
- commodity	0	0	0	5,919	0	0
	<u>38,479,174</u>	<u>518,909</u>	<u>467,234</u>	<u>46,538,601</u>	<u>523,795</u>	<u>435,130</u>
Hedging:						
Interest rate derivatives						
- swaps	<u>1,003,134</u>	<u>18,805</u>	<u>4,433</u>	<u>673,934</u>	<u>23,359</u>	<u>0</u>
	<u>39,482,308</u>	<u>537,714</u>	<u>471,667</u>	<u>47,212,535</u>	<u>547,154</u>	<u>435,130</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**17 DERIVATIVE ASSETS AND LIABILITIES (continued)**

	30 Sept 2010			31 Dec 2009		
	Contract or underlying principal amount RM'000	Fair value		Contract or underlying principal amount RM'000	Fair value	
Bank		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Financial derivatives						
Trading:						
Foreign exchange derivatives						
- forward	1,369,133	35,388	58,539	2,630,133	27,232	17,806
- swaps	9,166,288	234,337	194,747	14,149,744	120,221	130,932
- currency option	627,987	18,450	18,865	1,626,238	35,364	17,562
- principle protected deposits	0	354	354	0	0	0
Interest rate derivatives						
- swaps	25,532,139	215,445	175,663	25,474,363	323,548	248,310
- option	838,991	3,095	5,570	1,301,275	6,624	1,748
- principle protected deposits	8,853	650	0	0	0	0
Equity and commodity derivatives						
- swaps	0	1,148	1,149	0	0	0
- option	447,240	3,539	5,756	830,212	6,823	14,451
- futures	0	5	117	0	0	0
- commodity	0	0	0	5,919	0	0
	37,990,631	512,411	460,760	46,017,884	519,812	430,809
Hedging:						
Interest rate derivatives						
- swaps	1,003,134	18,805	4,433	673,934	23,359	0
	38,993,765	531,216	465,193	46,691,818	543,171	430,809

18 OTHER ASSETS

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Interest receivables	61,812	77,993	58,775	74,652
Unquoted Islamic Subordinated Bonds of subsidiary company	0	0	200,000	200,000
Other debtors, deposits and prepayments	179,341	122,214	215,238	150,609
	241,153	200,207	474,013	425,261

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**19 STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA**

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia (“BNM”) in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act 1958 (Revised - 1994), the amounts of which are determined as set percentages of total eligible liabilities.

Pursuant to BNM’s circular “Statutory Reserve Requirement” and BNM’s subsequent letter dated 10 July 2009 in regards to “Regulatory Treatment related to the Statutory Reserve Requirement (SRR) Incentive for Principal Dealers and Islamic Principal Dealers”, the Bank has utilised Malaysian Government Securities instead of cash to meet a portion of the SRR requirement as allowed under the Principal Dealership granted to the Bank. The nominal value of securities utilised as at 30 September 2010 is RM218,000,000.

20 DEPOSITS FROM CUSTOMERS**i) By type of deposit**

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Demand deposits	6,375,041	5,546,072	5,478,337	4,859,491
Savings deposits	2,760,228	2,583,132	2,444,054	2,272,653
Fixed deposits	23,814,937	26,898,390	23,021,502	25,393,430
Negotiable instruments of deposits	44,927	705,840	26,477	36,062
Short-term money market deposits	6,230,987	4,843,535	5,965,352	4,639,930
Structured investments	1,320,431	1,002,020	1,225,949	868,257
Others	8,862	13,521	8,862	13,521
	<u>40,555,413</u>	<u>41,592,510</u>	<u>38,170,533</u>	<u>38,083,344</u>

ii) By type of customers

Government and statutory bodies	302,772	288,465	2,756	1,558
Business enterprises	19,995,657	20,016,546	18,700,014	18,805,917
Individuals	17,786,619	18,073,785	17,363,374	17,618,121
Foreign entities	9,268	10,257	0	0
Others	2,461,097	3,203,457	2,104,389	1,657,748
	<u>40,555,413</u>	<u>41,592,510</u>	<u>38,170,533</u>	<u>38,083,344</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**20 DEPOSITS FROM CUSTOMERS (continued)**

iii) Maturity structure of deposits are as follows:-

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Maturity within six months	39,060,613	36,169,896	36,817,275	32,883,636
Six months to one year	255,255	4,656,088	216,745	4,487,004
One year to three years	1,123,190	320,240	1,113,485	266,514
Three years to five years	116,355	446,286	23,028	446,190
	<u>40,555,413</u>	<u>41,592,510</u>	<u>38,170,533</u>	<u>38,083,344</u>

21 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Licensed banks	3,384,812	4,324,075	2,890,929	4,283,785
Bank Negara Malaysia	1,851,108	0	1,851,108	0
Other financial institutions	488,853	497,320	488,853	497,320
	<u>5,724,773</u>	<u>4,821,395</u>	<u>5,230,890</u>	<u>4,781,105</u>

22 SUBORDINATED TERM LOAN / BONDS

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
USD 100 million subordinated term loan 2003/2013	194,272	283,638	194,272	283,638
RM 200 million redeemable Islamic subordinated bonds 2006/2021	200,000	200,000	200,000	200,000
RM 400 million redeemable subordinated bonds 2007/2017	408,158	411,460	408,158	411,460
RM 400 million Innovative Tier 1 Capital Securities	400,000	400,000	400,000	400,000
	<u>1,202,430</u>	<u>1,295,098</u>	<u>1,202,430</u>	<u>1,295,098</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**23 OTHER LIABILITIES**

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Accruals for personnel costs *	44,991	62,475	44,946	62,422
Equity compensation benefits	13,661	11,533	13,661	11,533
Obligations under finance lease	0	0	390	354
Provision for commitments and contingencies (a)	7,704	100	7,704	100
Interest payables	198,204	198,114	187,058	188,421
Other accruals and charges	165,836	200,623	549,111	316,125
Profit equalisation reserve	0	8,073	0	0
	<u>427,396</u>	<u>480,918</u>	<u>802,870</u>	<u>578,955</u>

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

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

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Balance at 1 January	100	100	100	0
Amount provided during the period / year (net)	7,604	0	7,604	100
Balance at end of period / year	<u>7,704</u>	<u>100</u>	<u>7,704</u>	<u>100</u>

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**24 INTEREST INCOME**

Group	3rd Quarter Ended		Nine Months Ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Loans , advances and financing				
- other than recoveries and impaired loans, advances and financing	413,279	358,729	1,155,760	1,095,303
- Recoveries of impaired loans, advances and financing	15,392	16,722	33,430	31,084
- impaired loans, advances and financing	3,271	0	9,753	0
Money at call and deposit placements				
with banks and other financial institutions	58,973	60,390	178,246	163,499
Securities held-for-trading	2,322	5,169	8,068	17,600
Securities available-for-sale	39,129	43,573	118,576	159,839
Others	3,689	2,807	12,579	7,163
	536,055	487,390	1,516,412	1,474,488

Bank	3rd Quarter Ended		Nine Months Ended	
	30 Sept	30 Sept	30 Sept	30 Sept
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- other than recoveries and impaired loans, advances and financing	413,248	358,728	1,155,729	1,095,302
- Recoveries of impaired loans, advances and financing	15,392	16,722	33,430	31,084
- impaired loans, advances and financing	3,271	0	9,753	0
Money at call and deposit placements				
with banks and other financial institutions	58,973	60,390	178,246	163,499
Securities held-for-trading	2,322	5,169	8,068	17,600
Securities available-for-sale	39,129	43,573	118,576	159,839
Others	11,121	7,189	31,623	19,265
	543,456	491,771	1,535,425	1,486,589

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**25 INTEREST EXPENSE**

<u>Group</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept	30 Sept	30 Sept	30 Sept
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	17,236	12,410	53,721	36,430
Deposits from customers	204,479	184,497	558,877	604,393
Loans sold to Cagamas Berhad	3,515	3,834	10,590	11,830
Subordinated term loan / bonds	16,785	18,097	51,578	47,675
Others	192	(1)	2,499	325
	<u>242,207</u>	<u>218,837</u>	<u>677,265</u>	<u>700,653</u>

<u>Bank</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept	30 Sept	30 Sept	30 Sept
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	17,236	12,410	53,721	36,430
Deposits from customers	204,479	184,497	558,877	604,393
Loans sold to Cagamas Berhad	3,515	3,834	10,590	11,830
Subordinated term loan / bonds	16,785	18,097	51,578	47,675
Others	167	3	2,486	339
	<u>242,182</u>	<u>218,841</u>	<u>677,252</u>	<u>700,667</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**26 NON-INTEREST INCOME**

<u>Group</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Fee and commission income:				
Commission	22,688	22,535	66,984	61,919
Service charges and fees	45,813	25,666	110,935	84,210
Guarantee fees	4,497	4,208	13,273	12,781
Other fee income	1,226	4,738	5,304	16,562
	<u>74,224</u>	<u>57,147</u>	<u>196,496</u>	<u>175,472</u>
Income from investment securities (net):-				
Net (losses)/gains from sale of securities held-for-trading	(1,249)	577	(1,630)	(3,321)
Net gains from sale of securities available-for-sale	3,854	4,861	14,657	37,351
Unrealised gains on revaluation of securities held-for-trading (net)	6,705	4,652	6,690	7,435
Gross dividends from Malaysia:				
- securities available-for-sale	900	459	2,028	2,067
Gross dividends from outside Malaysia:				
- securities available-for-sale	14	1	46	1
	<u>84,448</u>	<u>67,697</u>	<u>218,287</u>	<u>219,005</u>
Other income (net):-				
Gains arising from dealing in foreign currency (net)	99,108	29,730	223,574	101,868
(Losses)/Gains arising from trading derivatives (net)	(34)	2,375	(5,888)	5,713
Unrealised losses on revaluation of derivatives (net)	(60,839)	(9,138)	(75,017)	(2,002)
Rental income (net)	1,892	1,619	5,066	4,989
Gain on disposal of property, plant and equipment	4	1	211	3
Gain on disposal of non-current asset held for sale	0	508	0	508
Others	243	(737)	(492)	167
	<u>40,374</u>	<u>24,358</u>	<u>147,454</u>	<u>111,246</u>
	<u>124,822</u>	<u>92,055</u>	<u>365,741</u>	<u>330,251</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**26 NON-INTEREST INCOME (continued)**

<u>Bank</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Fee and commission income:-				
Commission	22,688	22,535	66,984	61,919
Service charges and fees	45,813	25,666	110,935	84,210
Guarantee fees	4,497	4,208	13,273	12,781
Other fee income	13,517	14,339	39,823	46,486
	<u>86,515</u>	<u>66,748</u>	<u>231,015</u>	<u>205,396</u>
Income from securities (net):-				
Net (losses)/gains from sale of securities held-for-trading	(1,249)	577	(1,630)	(3,321)
Net gains from sale of securities available-for-sale	3,854	4,861	14,657	37,351
Unrealised gains on securities held-for-trading (net)	6,705	4,652	6,690	7,435
Gross dividends from Malaysia:				
- securities available-for-sale	900	459	2,028	2,067
Gross dividends from outside Malaysia:				
- securities available-for-sale	14	1	46	1
	<u>96,739</u>	<u>77,298</u>	<u>252,806</u>	<u>248,929</u>
Other income (net):-				
Gains arising from dealing in foreign currency (net)	99,108	29,730	223,574	101,868
(Losses)/Gains arising from trading derivative (net)	(34)	2,375	(5,888)	5,713
Unrealised losses on revaluation of derivatives (net)	(60,839)	(9,138)	(75,017)	(2,002)
Rental income (net)	1,905	1,623	5,188	5,000
Gain on disposal of property, plant and equipment	4	1	211	3
Gain on disposal of non-current asset held for sale	0	508	0	508
Others	243	(737)	(492)	167
	<u>40,387</u>	<u>24,362</u>	<u>147,576</u>	<u>111,257</u>
	<u>137,126</u>	<u>101,660</u>	<u>400,382</u>	<u>360,186</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**27 PERSONNEL COSTS AND OVERHEAD EXPENSES**

<u>Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Personnel costs (i)	81,337	67,032	233,003	197,339
Establishment costs (ii)	18,951	19,796	59,609	58,705
Marketing expenses (iii)	8,748	6,853	20,222	15,545
Administration and general expenses (iv)	61,739	52,084	172,583	154,561
	<u>170,775</u>	<u>145,765</u>	<u>485,417</u>	<u>426,150</u>

<u>Bank</u>	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Personnel costs (i)	75,432	63,557	215,735	187,404
Establishment costs (ii)	17,749	18,924	56,018	56,467
Marketing expenses (iii)	8,147	6,283	19,348	13,825
Administration and general expenses (iv)	57,768	49,563	162,618	146,896
	<u>159,096</u>	<u>138,327</u>	<u>453,719</u>	<u>404,592</u>

(i) Personnel costs

<u>Group</u>	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonus	63,085	50,601	182,661	151,903
Defined contribution plan (EPF)	9,984	8,347	29,101	24,606
Equity compensation benefit	2,058	1,428	5,799	3,156
Employee benefit	681	(156)	(1,159)	(1,010)
Other personnel costs	5,529	6,812	16,601	18,684
	<u>81,337</u>	<u>67,032</u>	<u>233,003</u>	<u>197,339</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**27 STAFF COST AND OVERHEAD EXPENSES (continued)****(i) Personnel costs (continued)**

<u>Bank</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Wages, salaries and bonus	58,273	47,988	168,732	144,521
Defined contribution plan (EPF)	9,249	7,928	26,944	23,432
Equity compensation benefit	2,004	1,413	5,671	3,116
Employee benefit	681	(159)	(1,159)	(1,017)
Other personnel costs	5,225	6,387	15,547	17,352
	<u>75,432</u>	<u>63,557</u>	<u>215,735</u>	<u>187,404</u>

Defined contribution plan

The Group contribute 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

<u>Group</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Rental of premises	2,829	2,672	8,760	7,901
Rental of equipment	369	465	1,334	1,066
Depreciation of property, plant and equipment	9,981	11,078	31,168	32,500
Depreciation of investment property	265	211	796	629
Amortisation of prepaid lease payment	13	13	39	39
Repair and maintenance	1,084	1,132	3,831	4,281
Others	4,410	4,225	13,681	12,289
	<u>18,951</u>	<u>19,796</u>	<u>59,609</u>	<u>58,705</u>

<u>Bank</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Rental of premises	2,443	2,382	7,535	7,030
Rental of equipment	369	465	1,334	1,066
Depreciation of property, plant and equipment	9,677	10,642	30,300	31,562
Depreciation of investment property	265	211	796	629
Amortisation of prepaid lease payment	13	13	39	39
Repair and maintenance	1,056	1,129	3,743	4,255
Others	3,926	4,082	12,271	11,886
	<u>17,749</u>	<u>18,924</u>	<u>56,018</u>	<u>56,467</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)

27 STAFF COST AND OVERHEAD EXPENSES (continued)

(iii) Marketing expenses

<u>Group</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Transport and travelling	1,455	1,079	3,829	3,257
Advertisement and business promotion	6,871	5,466	15,365	11,439
Others	422	308	1,028	849
	<u>8,748</u>	<u>6,853</u>	<u>20,222</u>	<u>15,545</u>

<u>Bank</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Transport and travelling	1,358	998	3,550	3,032
Advertisement and business promotion	6,383	5,005	14,800	10,001
Others	406	280	998	792
	<u>8,147</u>	<u>6,283</u>	<u>19,348</u>	<u>13,825</u>

(iv) Administration and general expenses

<u>Group</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Printing and stationery	1,761	1,755	5,203	5,315
Postage and courier	1,263	1,237	3,627	3,906
Telephone, telex and fax	2,145	2,494	6,290	6,749
Legal and consultancy fees	1,020	962	3,544	3,341
Transaction processing fees	40,364	30,773	110,604	94,298
Other administrative and general expenses	15,186	14,863	43,315	40,952
	<u>61,739</u>	<u>52,084</u>	<u>172,583</u>	<u>154,561</u>

<u>Bank</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Printing and stationery	1,638	1,644	4,742	5,015
Postage and courier	1,161	1,168	3,404	3,714
Telephone, telex and fax	2,029	2,383	5,960	6,400
Legal and consultancy fees	962	887	3,332	2,908
Transaction processing fees	37,059	29,131	102,300	89,274
Other administrative and general expenses	14,919	14,350	42,880	39,585
	<u>57,768</u>	<u>49,563</u>	<u>162,618</u>	<u>146,896</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**28 IMPAIRMENT LOSS ON LOANS, ADVANCES AND FINANCING**

<u>Group</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Impairment loss on loans, advances and financing:-				
Individual assessed allowance for impairment loss				
- made in the financial period	88,026	76,856	191,327	235,371
- written back	(44,442)	(30,619)	(98,337)	(101,365)
Collective assessed allowance for impairment loss				
- made in the financial period	15,821	4,198	30,624	7,830
Others	100	203	353	603
Bad debts and financing:-				
- written off	0	3	0	64
- recovered	(6,576)	(8,985)	(25,491)	(20,100)
	<u>52,929</u>	<u>41,656</u>	<u>98,476</u>	<u>122,403</u>

<u>Bank</u>	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2010	30 Sept 2009	30 Sept 2010	30 Sept 2009
	RM'000	RM'000	RM'000	RM'000
Impairment loss on loans, advances and financing:-				
Individual assessed allowance for impairment loss				
- made in the financial period	78,199	67,330	161,909	204,807
- written back	(37,094)	(27,476)	(79,510)	(90,732)
Collective assessed allowance for impairment loss				
- made in the financial period	15,836	4,795	31,415	6,226
Others	100	204	353	603
Bad debts and financing:-				
- written off	0	3	0	64
- recovered	(5,193)	(8,074)	(22,032)	(17,254)
	<u>51,848</u>	<u>36,782</u>	<u>92,135</u>	<u>103,714</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**29 INCOME TAX EXPENSE**

Group	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Malaysian income tax				
- current period	61,153	53,822	193,512	169,442
- under provision in prior year	13,103	2,174	13,103	2,174
	74,256	55,996	206,615	171,616
Zakat	4	0	11	0
	74,260	55,996	206,626	171,616
Deferred tax				
- relating to originating and reversal of temporary differences	(1,624)	(2,737)	(7,465)	(6,056)
- over provision in prior year	(10,549)	(4,675)	(10,549)	(3,662)
	(12,173)	(7,412)	(18,014)	(9,718)
	62,087	48,584	188,612	161,898

Bank	3rd Quarter Ended		Nine Months Ended	
	30 Sept 2010 RM'000	30 Sept 2009 RM'000	30 Sept 2010 RM'000	30 Sept 2009 RM'000
Malaysian income tax				
- current period	58,618	51,979	187,563	163,753
- under provision in prior year	13,103	2,174	13,103	2,174
	71,721	54,153	200,666	165,927
Deferred tax				
- relating to originating and reversal of temporary differences	(554)	(1,403)	(8,552)	(2,019)
- over provision in prior year	(10,549)	(4,746)	(10,549)	(3,733)
	(11,103)	(6,149)	(19,101)	(5,752)
	60,618	48,004	181,565	160,175

30 CAPITAL COMMITMENTS

	Group		Bank	
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
Capital expenditure in respect of property, plant and equipment:-				
- authorised and contracted for	13,457	26,763	12,994	24,610
- authorised but not contracted for	106,763	41,867	87,182	16,724
	120,220	68,630	100,176	41,334

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**31 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 condensed interim financial statements, no material losses are anticipated as a result of these transactions.

	30 Sept 2010			31 Dec 2009		
	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						
Direct credit substitutes	354,217	354,217	404,210	496,006	496,006	495,805
Transaction-related contingent items	1,684,376	842,188	875,326	1,643,315	821,657	796,654
Short-term self-liquidating trade-related contingencies	434,121	86,824	56,963	211,611	42,322	42,263
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	82,091	82,091	9,009	0	0	0
Obligations under underwriting agreement	48,882	24,441	24,441	71,000	35,500	35,500
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	12,799,252	464,657	129,943	9,458,461	0	0
- maturity exceeding one year	2,291,334	1,872,990	1,383,650	5,141,104	1,588,153	1,588,153
Foreign exchange related contracts						
- less than one year	8,856,740	339,891	92,651	16,436,336	295,137	85,623
- one year to less than five years	1,999,765	214,954	110,412	2,294,951	293,688	82,590
- five years and above	795,446	195,701	185,295	118,707	20,618	5,889
Interest rate contracts						
- less than one year	8,688,094	40,568	7,353	8,371,152	48,651	13,427
- one year to less than five years	17,829,711	552,882	219,603	18,464,830	715,114	197,365
- five years and above	865,312	75,515	33,356	613,590	53,427	14,747
Equity and commodity related contracts	447,240	35,247	5,633	912,972	108,999	25,759
Miscellaneous	0	0	0	98,338	0	0
Total	57,176,581	5,182,166	3,537,845	64,332,373	4,519,272	3,383,775

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**31 COMMITMENTS AND CONTINGENCIES (continued)**

	30 Sept 2010			31 Dec 2009		
	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
Bank						
Direct credit substitutes	349,864	349,863	399,870	494,113	494,113	493,912
Transaction-related contingent items	1,590,893	795,447	844,919	1,543,266	771,633	746,630
Short-term self-liquidating trade-related contingencies	416,064	83,213	54,602	202,843	40,569	40,509
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	82,091	82,091	9,009	0	0	0
Obligations under underwriting agreement	48,882	24,441	24,441	71,000	35,500	35,500
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	12,008,977	464,190	129,593	9,943,916	0	0
- maturity exceeding one year	2,285,574	1,867,640	1,382,102	4,141,647	1,580,674	1,580,674
Foreign exchange related contracts						
- less than one year	8,508,006	329,869	84,194	16,098,067	288,627	84,316
- one year to less than five years	1,859,956	198,258	101,005	2,189,341	287,557	81,362
- five years and above	795,446	195,701	185,295	118,707	20,618	5,889
Interest rate contracts						
- less than one year	8,688,094	40,568	7,353	8,371,152	48,651	13,427
- one year to less than five years	17,829,711	552,882	219,603	18,464,830	715,114	197,365
- five years and above	865,312	75,515	33,356	613,590	53,427	14,747
Equity and commodity related contracts	447,240	35,247	5,633	836,132	100,751	24,110
Miscellaneous	0	0	0	98,340	0	0
Total	55,776,110	5,094,925	3,480,975	63,186,944	4,437,234	3,318,441

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**32 CAPITAL ADEQUACY**

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

	Group		Bank	
	Basel II	Basel I	Basel II	Basel I
	30 Sept 2010 RM'000	31 Dec 2009 RM'000	30 Sept 2010 RM'000	31 Dec 2009 RM'000
<u>Tier-1 capital</u>				
Paid-up share capital	287,500	287,500	287,500	287,500
Paid-up non-cumulative perpetual preference shares	4,000	4,000	4,000	4,000
Share premium	858,500	858,500	858,500	858,500
Retained profits	2,339,375	2,023,141	2,380,376	2,062,029
Other reserves	330,660	330,660	322,000	322,000
Innovative Tier 1 capital	400,000	400,000	400,000	400,000
Capital reserves	56,619	56,619	0	0
	<u>4,276,654</u>	<u>3,960,420</u>	<u>4,252,376</u>	<u>3,934,029</u>
Less: Deferred tax assets	(131,072)	(122,215)	(121,779)	(111,031)
Eligible Tier-1 capital	<u>4,145,582</u>	<u>3,838,205</u>	<u>4,130,597</u>	<u>3,822,998</u>
<u>Tier-2 capital</u>				
General provision under standardised approach	107,959	489,289	100,112	450,559
Subordinated debt capital	783,624	871,739	583,624	671,739
Surplus of Total Eligible Provisions, subject to limits	18,725	0	11,408	0
Total Tier-2 capital	<u>910,308</u>	<u>1,361,028</u>	<u>695,144</u>	<u>1,122,298</u>
Less:				
Investment in subsidiaries		0	(256,617)	(196,617)
Valuation adjustments	0	(7,547)	0	(7,547)
Eligible Tier-2 capital	<u>910,308</u>	<u>1,353,481</u>	<u>438,527</u>	<u>918,134</u>
Capital base	<u>5,055,890</u>	<u>5,191,686</u>	<u>4,569,124</u>	<u>4,741,132</u>
<u>Before payment of dividend</u>				
Core capital ratio	11.50%	11.55%	12.24%	12.37%
Risk-weighted capital ratio	<u>14.02%</u>	<u>15.63%</u>	<u>13.54%</u>	<u>15.34%</u>
<u>After payment of dividend</u>				
Core capital ratio	11.50%	11.40%	12.24%	12.20%
Risk-weighted capital ratio	<u>14.02%</u>	<u>15.47%</u>	<u>13.54%</u>	<u>15.18%</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**32 CAPITAL ADEQUACY (continued)**

Breakdown of risk-weighted assets (“RWA”) in the various categories of risk-weights:

	Group		Bank	
	Basel II	Basel I	Basel II	Basel I
	30 Sept 2010	31 Dec 2009	30 Sept 2010	31 Dec 2009
Credit risk	30,705,920	32,238,300	28,098,557	29,947,579
Market risk	1,042,447	967,643	1,033,798	941,525
Operational risk	3,002,302	0	2,905,297	0
Large Exposure for Equity Holdings	294	0	294	0
Additional RWA due to Capital Floor	1,299,285	0	1,698,118	0
	<u>36,050,248</u>	<u>33,205,943</u>	<u>33,736,064</u>	<u>30,889,104</u>

The capital adequacy ratios of the Group and the Bank consist of capital base and risk-weighted assets derived from consolidated balances of the Bank and its wholly-owned subsidiary company, OCBC Al-Amin Bank Berhad.

With effect from 1 January 2010, the capital ratios have been computed in accordance with Bank Negara Malaysia’s Risk Weighted Capital Adequacy Framework (RWCAF-Basel II). The Group and the Bank have adopted the Internal Ratings Based Approach for Credit Risk, Standardised Approach for Market Risk and Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.

Comparative figures have been computed in accordance with Bank Negara Malaysia’s Risk Weighted Capital Adequacy Framework (RWCAF-Basel I) and have not been restated for the first time adoption and disclosure of Risk Weighted Capital Adequacy Framework (RWCAF-Basel II).

The capital adequacy ratios of the banking subsidiary company of the Group are as follows:

	OCBC Al-Amin Bank Berhad	
	30 Sept 2010	31 Dec 2009
Core capital ratio	9.11%	7.74%
Risk-weighted capital ratio	<u>14.23%</u>	<u>13.12%</u>

The capital adequacy ratios of OCBC Al-Amin Bank Berhad are computed in accordance with Bank Negara Malaysia’s Capital Adequacy Framework for Islamic Banks (CAFIB), which are based on the Basel II capital accord. OCBC Al-Amin Bank Berhad has adopted the Internal Ratings Based Approach for Credit Risk, Standardised Approach Market Risk and Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2010 (continued)**33 COMPARATIVE FIGURES**

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

	Group		Bank	
	As previously reported RM'000	As restated RM'000	As previously reported RM'000	As restated RM'000
Balance Sheet as at 31 December 2009				
Derivative assets	0	547,154	0	543,171
Other assets	747,361	200,207	968,432	425,261
Deposits from customers	41,590,752	41,592,510	38,083,246	38,083,344
Derivative liabilities	0	435,130	0	430,809
Other liabilities	917,806	480,918	1,009,862	578,955