

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2009**

	Note	Group		Bank	
		30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
<b>ASSETS</b>					
Cash and short-term funds		9,231,192	4,374,064	8,630,080	3,717,429
Deposits and placements with financial institutions		2,970,938	1,230,613	2,990,938	1,230,613
Held-for-trading securities	4	511,487	581,784	511,487	581,784
Available-for-sale securities	4	6,261,859	8,577,769	5,496,208	7,744,641
Loans, advances and financing	5	30,332,948	30,174,433	28,416,074	28,044,170
Other assets	7	828,925	1,646,421	1,049,590	1,898,721
Statutory deposits with Bank Negara Malaysia	8	35,092	937,608	11,592	853,608
Investment in subsidiary companies		0	0	196,611	196,611
Property, plant and equipment		243,143	255,933	237,190	253,994
Investment property		11,461	12,358	11,461	12,358
Prepaid lease payment		2,890	2,929	2,890	2,929
Non-current assets held for sale		344	0	344	0
Deferred taxation asset		117,461	78,980	97,051	66,627
<b>TOTAL ASSETS</b>		<b>50,547,740</b>	<b>47,872,892</b>	<b>47,651,516</b>	<b>44,603,485</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Deposits from customers	9	38,492,773	36,644,059	35,759,898	33,967,274
Deposits and placements of banks and other financial institutions	10	5,052,823	3,859,946	5,018,229	3,546,146
Bills and acceptances payable		806,969	1,446,081	799,825	1,431,979
Amount due to Cagamas		371,331	435,327	371,331	435,327
Subordinated term loan / bonds	11	1,301,927	981,162	1,301,927	981,162
Other liabilities	12	960,850	1,318,739	851,398	1,068,096
Taxation and zakat		56,848	61,340	51,159	61,325
<b>Total Liabilities</b>		<b>47,043,521</b>	<b>44,746,654</b>	<b>44,153,767</b>	<b>41,491,309</b>
Financed by :					
Share capital		291,500	291,500	291,500	291,500
Reserves		3,212,719	2,834,738	3,206,249	2,820,676
<b>Shareholders' Equity</b>		<b>3,504,219</b>	<b>3,126,238</b>	<b>3,497,749</b>	<b>3,112,176</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>50,547,740</b>	<b>47,872,892</b>	<b>47,651,516</b>	<b>44,603,485</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	20	<b>68,821,241</b>	<b>73,615,708</b>	<b>67,558,677</b>	<b>72,821,958</b>

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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED INCOME STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED  
30 SEPTEMBER 2009**

<b>Group</b>		<b>3<sup>rd</sup> Quarter Ended</b>		<b>Nine Months Ended</b>	
		30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
	Note				
Interest income	13	487,390	543,121	1,474,488	1,580,074
Interest expense	14	(218,837)	(289,129)	(700,653)	(847,223)
Net interest income		268,553	253,992	773,835	732,851
Islamic Banking income		27,930	27,566	88,675	81,592
		296,483	281,558	862,510	814,443
Non-interest income	15	92,055	81,200	330,251	311,781
Net income		388,538	362,758	1,192,761	1,126,224
Staff cost and overhead expenses	16	(145,765)	(152,887)	(426,150)	(440,822)
Operating profits before allowances		242,773	209,871	766,611	685,402
Allowance of losses on loans, advances and financing	17	(41,656)	(24,810)	(122,403)	(17,897)
Write back of commitment and contingencies		0	0	0	3,936
Impairment losses for property, plant and equipment		0	0	0	(577)
Profit before taxation and zakat		201,117	185,061	644,208	670,864
Taxation	18	(48,584)	(48,067)	(161,898)	(176,906)
Zakat			0		0
Net profit attributable to shareholders		152,533	136,994	482,310	493,958
Basic earnings per share (sen)		49.89	47.65	161.5	171.8
Dividend per ordinary share – RM Nil		0	0	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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS  
UNAUDITED INCOME STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED  
30 SEPTEMBER 2009**

<b>Bank</b>		<b>3<sup>rd</sup> Quarter Ended</b>		<b>Nine Months Ended</b>	
		30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
	Note				
Interest income	13	491,771	543,121	1,486,589	1,580,074
Interest expense	14	(218,841)	(289,132)	(700,667)	(847,233)
Net interest income		272,930	253,989	785,922	732,841
Islamic Banking income		0	27,566	0	81,592
		272,930	281,555	785,922	814,433
Non-interest income	15	101,660	81,203	360,186	311,791
Net income		374,590	362,758	1,146,108	1,126,224
Staff cost and overhead expenses	16	(138,327)	(152,821)	(404,592)	(440,578)
Operating profits before allowances		236,263	209,937	741,516	685,646
Allowance of losses on loans, advances and financing	17	(36,782)	(24,810)	(103,714)	(17,897)
Write back of commitment and contingencies		0	0	0	3,936
Impairment losses on property, plant and equipment		0	0	0	(577)
Profit before taxation and zakat		199,481	185,127	637,802	671,108
Taxation	18	(48,004)	(48,068)	(160,175)	(176,930)
Zakat		0	0	0	0
Net profit attributable to shareholders		151,477	137,059	477,627	494,178
Basic earnings per share (sen)		49.52	47.67	159.9	171.9
Dividend per ordinary share – RM Nil		0	0	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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED**  
**30 SEPTEMBER 2009**

Group	Non-distributable					Distributable	Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Capital reserve RM'000	Fair value reserve RM'000	Retained profits RM'000	
Balance at 1 January 2009	291,500	858,500	322,000	56,619	155,607	1,442,012	3,126,238
Revaluation of available-for-sale securities (net)	0	0	0	0	(73,529)	0	(73,529)
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	0	28,186	0	28,186
Realised gain on available-for-sale securities reclassified to income statement upon disposal	0	0	0	0	(40,946)	0	(40,946)
Net gains recognised directly in equity	0	0	0	0	(86,289)	0	(86,289)
Net profit attributable to shareholders	0	0	0	0	0	482,310	482,310
Total recognised income and expense for the period	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	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>56,619</u>	<u>69,318</u>	<u>1,906,282</u>	<u>3,504,219</u>
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	(35,274)	0	(35,274)
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	0	16,632	0	16,632
Realised gain on available-for-sale securities reclassified to income statement upon disposal	0	0	0	0	(24,848)	0	(24,848)
Net gains recognised directly in equity	0	0	0	0	(43,490)	0	(43,490)
Net profit attributable to shareholders	0	0	0	0	0	493,958	493,958
Total recognised income and expense for the period	0	0	0	0	(43,490)	493,958	450,468
Dividends paid on ordinary shares in respect of:							
- Final 2007	0	0	0	0	0	(42,550)	(42,550)
Dividends paid on preference shares	0	0	0	0	0	(18,090)	(18,090)
Balance at 30 September 2008	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>56,619</u>	<u>27,197</u>	<u>1,319,395</u>	<u>2,875,211</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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS****UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED  
30 SEPTEMBER 2009 (Continued)**

	Non-distributable			Distributable		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserve RM'000	Fair value reserve RM'000	Retained Profits RM'000	
<b>Bank</b>						
Balance at 1 January 2009	291,500	858,500	322,000	147,220	1,492,956	3,112,176
Revaluation of available-for-sale securities (net)	0	0	0	(61,335)	0	(61,335)
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	24,672	0	24,672
Realised gain on available-for-sale securities reclassified to income statement upon disposal	0	0	0	(37,351)	0	(37,351)
Net gains recognised directly in equity	0	0	0	(74,014)	0	(74,014)
Net profit attributable to shareholders	0	0	0	0	477,627	477,627
Total recognised income and expense for the period	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	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>73,206</u>	<u>1,952,543</u>	<u>3,497,749</u>
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	(35,274)	0	(35,274)
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	16,632	0	16,632
Realised gain on available-for-sale securities reclassified to income statement upon disposal	0	0	0	(24,848)	0	(24,848)
Net gains recognised directly in equity	0	0	0	(43,490)	0	(43,490)
Net profit attributable to shareholders	0	0	0	0	494,178	494,178
Total recognised income and expense for the period	0	0	0	(43,490)	494,178	450,688
Dividends paid on ordinary shares in respect of: - Final 2007	0	0	0	0	(42,550)	(42,550)
Dividends paid on preference shares	0	0	0	0	(18,090)	(18,090)
Balance at 30 September 2008	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>27,197</u>	<u>1,363,504</u>	<u>2,862,701</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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED CONDENSED CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED**  
**30 SEPTEMBER 2009**

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Profit before taxation and zakat	644,208	670,864	637,802	671,108
Adjustments for non-operating and non-cash items	271,998	(113,881)	230,887	(113,910)
Operating profit before changes in working capital	916,206	556,983	868,689	557,198
Changes in working capital:				
Net changes in Operating Assets	(379,541)	356,382	(622,598)	356,281
Net changes in Operating Liabilities	1,981,698	1,082,318	2,374,395	1,082,204
Income tax and zakat paid	(176,685)	(158,090)	(176,093)	(158,089)
Net cash generated from operating activities	2,341,678	1,837,593	2,444,393	1,837,594
Net cash generated from / (utilised in) investing activities	2,202,054	(49,786)	2,154,862	(49,787)
Net cash generated from financing activities	313,396	339,360	313,396	339,360
Net increase in cash and cash equivalents	4,857,128	2,127,167	4,912,651	2,127,167
Cash and cash equivalents at beginning of the period	4,374,064	5,866,514	3,717,429	5,866,514
Cash and cash equivalents at end of the period	<u>9,231,192</u>	<u>7,993,681</u>	<u>8,630,080</u>	<u>7,993,681</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 2008.

## **NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009**

### **1 REVIEW OF PERFORMANCE**

The Bank and its subsidiaries (“the Group”) recorded a net profit of RM482 million for the first nine months of 2009, registering a decline of RM12 million or 2% compared to the corresponding period for 2008. The lower net profits were due to higher provisions (net recoveries) of RM122 million compared to a net write back of RM15 million for the corresponding period in 2008 even though operating profits increased by RM81 million or 12% to RM767 million.

Total income rose by RM67 million or 6% to RM1.19 billion as a result of a RM41 million or 6% increase in net interest income to RM774 million. Total Islamic banking income grew by RM7 million or 9% to RM89 million, while the Group’s non-interest income registered increase of RM18 million or 6% to RM330 million. Overheads fell by RM15 million or 3%, to RM426 million.

Total loan loss allowances increased by RM105 million to RM122 million, mainly due to increase in specific allowances by RM101 million, lower bad debts recovered by RM43 million partly offset by lower general allowances for loans and financing of RM39 million. Net NPL ratio increased to 2.37% (Dec 08: 1.99%).

Against 31 Dec 2008, the Group’s gross loans outstanding grew by RM0.2 billion to RM31.2 billion as at 30 September 2009 while total assets grew by RM2.7 billion surpassing the RM50 billion mark.

Shareholders’ funds of the Group strengthened to RM 3.5 billion while the Group’s risk weighted capital ratio as at 30 September 2009 stood at 15.20%.

### **2 ECONOMIC PERFORMANCE AND PROSPECTS**

In the 2<sup>nd</sup> quarter of 2009, the Malaysian economy contracted at a slower pace of 3.9%, attributed to higher public spending and growth in private consumption. Although the cumulative effect of measures undertaken to stabilise the economy seems favourable, the country is imminently heading towards a slower recovery.

Facing the challenges ahead, the Bank will focus on growing its businesses as well as building its capabilities in order to meet customers’ needs. The Bank will continue to emphasise on risk management capabilities with an aim to preserve its asset quality and further strengthen its capitalisation to grow market share when the economic conditions improve.

### **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 2008.

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****4 SECURITIES PORTFOLIO**

## i) Held-for-trading securities

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
<u>At fair value</u>				
Malaysian Government treasury bills	706	0	706	0
Malaysian Government securities	86,605	63,059	86,605	63,059
Government Investment Certificate	2,998	41,902	2,998	41,902
Bank Negara Malaysia Bills	277,022	1,662	277,022	1,662
Bank Negara Malaysia negotiable notes	18,281	0	18,281	0
Private debt securities	86,240	474,804	86,240	474,804
Quoted shares in Malaysia	39,635	357	39,635	357
	<u>511,487</u>	<u>581,784</u>	<u>511,487</u>	<u>581,784</u>

## ii) Available-for-sale securities

<u>At fair value</u>				
Malaysian Government treasury bills	66,237	0	66,237	0
Malaysian Government securities	2,197,629	4,136,832	2,197,629	4,136,832
Government Investment Certificate	1,209,166	1,444,231	719,201	992,589
Bank Negara Malaysia bills	0	84,252	0	84,252
Cagamas bonds/notes	100,914	0	80,757	0
Private debt securities	865,820	1,397,080	605,707	1,089,877
Negotiable instruments of deposit	1,694,621	1,224,283	1,699,205	1,150,000
Other government securities	60,829	173,343	60,829	173,343
Quoted shares in Malaysia	0	53,861	0	53,861
Unquoted shares in Malaysia	56,314	56,314	56,314	56,314
Unquoted shares outside Malaysia	10,898	8,142	10,898	8,142
Debentures	190	190	190	190
	<u>6,262,618</u>	<u>8,578,528</u>	<u>5,496,967</u>	<u>7,745,400</u>
Allowance for impairment losses in available-for-sale securities :				
- 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>6,261,859</u>	<u>8,577,769</u>	<u>5,496,208</u>	<u>7,744,641</u>

During the period / year, no available-for-sale securities 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 8. The nominal value of securities utilised as at 30 September 2009 is RM215,000,000.



**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****4 SECURITIES PORTFOLIO (continued)**

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

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Maturity within one year	2,565,656	3,109,664	2,424,708	2,905,263
One year to three years	2,171,374	1,763,298	1,967,951	1,742,720
Three years to five years	694,231	1,449,836	395,623	1,160,638
Over five years	830,598	2,254,971	707,926	1,936,020
	<u>6,261,859</u>	<u>8,577,769</u>	<u>5,496,208</u>	<u>7,744,641</u>

**5 LOANS, ADVANCES AND FINANCING**

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
i) By type				
Overdrafts	3,438,181	3,791,580	3,102,032	3,406,495
Term loans/financing :				
Housing loans/financing	8,187,527	7,724,556	8,085,884	7,605,105
Syndicated term loan/financing	2,334,971	1,867,533	1,979,252	1,649,828
Hire purchase	571,539	632,743	128	140
Lease receivables	10,383	18,377	10,323	17,805
Other term loans	10,671,702	10,716,266	10,171,007	10,195,573
Credit/charge cards receivables	507,959	596,688	507,959	596,688
Bills receivable	87,502	106,383	79,131	96,141
Trust receipts	74,468	114,056	73,982	113,641
Claims on customers under acceptance credits	2,009,138	2,400,698	1,825,855	2,155,104
Block discounting	330	330	330	330
Loan to banks and other financial institutions	186,971	203,631	186,971	203,631
Revolving credit	1,797,370	1,973,320	1,620,077	1,608,721
Staff loans (of which RM Nil [2008 : RM Nil] to Directors)	116,753	116,362	116,753	116,362
Other loans	1,513,808	1,127,044	1,497,278	1,119,465
	<u>31,508,602</u>	<u>31,389,567</u>	<u>29,256,962</u>	<u>28,885,029</u>
Unearned interest and income	(260,019)	(305,848)	(605)	(1,227)
Gross loans, advances and financing	<u>31,248,583</u>	<u>31,083,719</u>	<u>29,256,357</u>	<u>28,883,802</u>
Allowance for bad and doubtful debts and financing :				
- Specific	(447,796)	(449,277)	(407,580)	(413,155)
- General	(467,839)	(460,009)	(432,703)	(426,477)
Net loans, advances and financing	<u>30,332,948</u>	<u>30,174,433</u>	<u>28,416,074</u>	<u>28,044,170</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****5 LOANS, ADVANCES AND FINANCING (continued)**

## ii) By type of customer

	Group		Bank	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Domestic non-bank financial institutions - Others	229,637	244,475	219,583	244,475
Domestic business enterprises - Small medium enterprises ("SME")	5,601,869	5,797,370	5,256,538	5,402,780
- Non-SME	13,829,368	13,787,081	12,507,697	12,338,722
Government and statutory bodies	0	43,822	0	43,822
Individuals	11,478,320	11,110,959	11,164,514	10,755,395
Other domestic entities	1,707	2,319	1,707	2,319
Foreign entities	107,682	97,693	106,318	96,289
	<u>31,248,583</u>	<u>31,083,719</u>	<u>29,256,357</u>	<u>28,883,802</u>

## iii) By interest/profit rate sensitivity

Fixed rate:				
Housing loans/financing	60,936	71,516	0	0
Hire purchase receivables	521,377	573,537	77	77
Other fixed rate loan/financing	1,855,507	2,378,696	978,529	1,133,027
Variable rate:				
BLR plus	20,409,443	19,654,259	20,409,443	19,654,259
Cost-plus	3,522,132	3,819,013	3,522,132	3,819,013
Other variable rates	4,879,188	4,586,698	4,346,176	4,277,426
	<u>31,248,583</u>	<u>31,083,719</u>	<u>29,256,357</u>	<u>28,883,802</u>

## iv) By sector

Agriculture	2,180,654	1,880,061	1,675,393	1,393,752
Mining and quarrying	287,503	307,953	256,601	274,395
Manufacturing	5,003,658	5,624,525	4,444,901	4,943,751
Electricity, gas and water	526,704	352,677	526,704	352,677
Construction	859,043	945,294	738,632	830,410
Real estate	3,689,541	3,818,470	3,561,855	3,650,272
Wholesale & retail trade and restaurants & hotels	4,680,076	4,620,135	4,537,204	4,470,113
Transport, storage and communication	805,445	697,485	672,466	562,904
Finance, insurance and business services	745,880	724,812	703,941	694,873
Community, social and personal services	619,066	557,004	605,216	516,696
Household sector, of which				
i. Purchase of residential properties	8,089,479	7,651,813	8,025,572	7,576,412
ii. Purchase of non-residential properties	1,194,165	1,186,296	1,191,631	1,184,577
iii. Others	2,292,750	2,358,552	2,044,644	2,079,134
Others	274,619	358,642	271,597	353,836
	<u>31,248,583</u>	<u>31,083,719</u>	<u>29,256,357</u>	<u>28,883,802</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****6 NON-PERFORMING LOANS, ADVANCES AND FINANCING**

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

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Balance at 1 January	1,057,965	1,108,380	1,013,488	1,107,852
Non-performing during the period / year (gross)	561,214	511,865	522,785	508,443
Reclassified as performing during the period / year	(107,422)	(226,848)	(99,677)	(226,031)
Amount recovered	(196,984)	(250,319)	(190,992)	(249,690)
Amount written off	(135,352)	(84,576)	(119,515)	(83,343)
Transfer pursuant to business vesting to Islamic subsidiary	0	0	0	(43,206)
Foreign exchange difference	(1,237)	(537)	(1,237)	(537)
Balance at end of period / year	1,178,184	1,057,965	1,124,852	1,013,488
Specific allowance	(447,796)	(449,277)	(407,580)	(413,155)
Net non-performing loans, advances and financing	<u>730,388</u>	<u>608,688</u>	<u>717,272</u>	<u>600,333</u>
Ratio of net non-performing loans, advances and financing to gross loans, advances and financing less specific allowance	<u>2.37%</u>	<u>1.99%</u>	<u>2.49%</u>	<u>2.11%</u>

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

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
<u>General allowance</u>				
Balance at 1 January	460,009	402,112	426,477	402,097
Allowance made during the period / year	7,830	57,897	6,226	57,281
Transfer pursuant to business vesting to Islamic subsidiary	0	0	0	(32,901)
Balance at end of period / year	<u>467,839</u>	<u>460,009</u>	<u>432,703</u>	<u>426,477</u>
(As % of gross loans, advances and financing less specific allowance)	<u>1.52%</u>	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****6 NON-PERFORMING LOANS, ADVANCES AND FINANCING (continued)**

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

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
<u>Specific allowance</u>				
Balance at 1 January	449,277	418,833	413,155	418,305
Allowance made during the period / year	235,371	257,990	204,807	247,581
Amount written back in respect of recoveries	(101,365)	(142,599)	(90,732)	(141,677)
Amount written off	(135,352)	(84,576)	(119,515)	(83,343)
Transfer pursuant to business vesting to Islamic subsidiary	0	0	0	(27,340)
Foreign exchange difference	(135)	(371)	(135)	(371)
Balance at end of period / year	<u>447,796</u>	<u>449,277</u>	<u>407,580</u>	<u>413,155</u>

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

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Agriculture	13,038	7,638	12,823	7,386
Manufacturing	461,196	367,267	433,665	346,185
Electricity, gas and water	48	0	48	0
Construction	40,079	46,337	35,612	41,732
Real estate	100,136	104,754	100,041	104,645
Wholesale and retail trade and restaurant and hotels	168,355	136,018	164,285	132,443
Transport, storage and communication	5,467	3,850	4,405	3,170
Finance, insurance and business services	6,527	4,402	6,429	4,402
Community, social and personal services	2,391	2,363	2,069	2,136
Household sector, of which				
i. Purchase of residential properties	258,454	241,793	254,503	237,418
ii. Purchase of non-residential properties	20,894	14,520	20,635	14,517
iii. Others	86,040	97,112	74,778	87,543
Others	15,559	31,911	15,559	31,911
	<u>1,178,184</u>	<u>1,057,965</u>	<u>1,124,852</u>	<u>1,013,488</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****7 OTHER ASSETS**

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Interest receivable	65,509	121,465	64,161	114,912
Derivative assets	649,938	1,021,420	642,515	1,020,543
Unquoted Islamic Subordinated Bonds of subsidiary	0	0	200,000	200,000
Other debtors, deposits and prepayments	113,478	503,536	142,914	563,266
	<u>828,925</u>	<u>1,646,421</u>	<u>1,049,590</u>	<u>1,898,721</u>

**8 STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA**

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia 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 2009 is RM215,000,000.

**9 DEPOSITS FROM CUSTOMERS**

i) By type of deposit

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Demand deposits	5,232,518	4,779,724	4,547,886	4,215,300
Savings deposits	2,495,480	2,083,575	2,198,112	1,802,865
Fixed deposits	23,607,741	21,171,298	22,427,795	20,009,411
Negotiable instruments of deposits	288,556	649,999	55,600	294,178
Short term money market deposits	5,657,857	6,798,750	5,457,425	6,583,173
Structured investments	1,199,711	1,150,375	1,062,170	1,052,009
Others	10,910	10,338	10,910	10,338
	<u>38,492,773</u>	<u>36,644,059</u>	<u>35,759,898</u>	<u>33,967,274</u>

ii) By type of customers

Government and statutory bodies	212,031	4,585	1,521	4,569
Business enterprises	17,611,874	16,750,153	16,298,399	15,299,199
Individuals	17,956,807	16,663,350	17,522,370	16,230,234
Foreign entities	9,898	9,682	0	0
Others	2,702,163	3,216,289	1,937,608	2,433,272
	<u>38,492,773</u>	<u>36,644,059</u>	<u>35,759,898</u>	<u>33,967,274</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****10 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<u>Group</u>		<u>Bank</u>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Licensed banks	3,816,817	3,293,458	3,782,223	3,153,918
Bank Negara Malaysia	694,435	0	694,435	0
Other financial institutions	541,571	566,488	541,571	392,228
	<u>5,052,823</u>	<u>3,859,946</u>	<u>5,018,229</u>	<u>3,546,146</u>

**11 SUBORDINATED TERM LOAN / BONDS**

	<u>Group</u>		<u>Bank</u>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
USD 100 million subordinated term loan 2003/2013	288,814	361,617	288,814	361,617
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	413,113	419,545	413,113	419,545
RM 400 million Innovative Tier 1 Capital Securities	400,000	0	400,000	0
	<u>1,301,927</u>	<u>981,162</u>	<u>1,301,927</u>	<u>981,162</u>

On 17 April 2009, the Bank issued RM400 million Innovative Tier 1 ("IT1") Capital Securities with permanent tenure but redeemable at the Bank's option (subject to prior approval of BNM and MAS), 10 years after the issue date or on each coupon payment date thereafter or upon occurrence of tax or regulatory events. In addition, if the IT1 Capital Securities is still outstanding after 30 years from issue date, the Bank shall, subject to the prior approval of BNM and MAS, issue sufficient number of preference shares, the proceeds of which shall be utilised to redeem the IT1 Capital Securities. The IT1 Capital Securities bear an initial coupon rate of 6.75% per annum payable semi-annually for the first 10 years and, thereafter, at a rate per annum equal to the 6-month KLIBOR plus 3.32% with effect from (and including) the 10<sup>th</sup> anniversary date onward.

The IT1 Capital Securities, rated AA3 (stable) by RAM Rating Services Berhad, qualify as Tier 1 capital for the purpose of determining the capital adequacy ratio of the Bank.

On 28 May 2009, the Bank repaid USD20 million of the USD100 million subordinated term loan obtained from Overseas-Chinese Banking Corporation Limited, Labuan Branch, as required to be repaid in full by 5 equal and consecutive annual instalments commencing from the 6<sup>th</sup> anniversary year from the date of disbursement.

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****12 OTHER LIABILITIES**

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Accruals for personnel costs *	48,889	59,845	48,851	59,799
Equity compensation benefits	10,024	9,838	10,024	9,838
Obligations under finance lease	0	0	202	259
Provision for commitment and contingencies (a)	0	0	0	0
Interest payable	235,307	227,563	223,607	215,260
Other accruals and charges	164,613	320,289	111,850	98,774
Derivatives liabilities	464,424	685,043	456,864	684,166
Profit equalisation reserve	37,593	16,161	0	0
	<u>960,850</u>	<u>1,318,739</u>	<u>851,398</u>	<u>1,068,096</u>

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

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

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Balance at 1 January	0	3,936	0	3,936
Amount written back during the period / year (net)	0	(3,936)	0	(3,936)
Balance at end of period / year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

**13 INTEREST INCOME**

<b>Group</b>	<b>3<sup>rd</sup> Quarter Ended</b>		<b>Nine Months Ended</b>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Loans and advances				
- Interest income other than recoveries from NPL	358,729	397,111	1,095,303	1,139,331
- Recoveries from NPLs	16,722	6,513	31,084	26,523
Money at call and deposit placements with financial institutions	60,390	78,477	163,499	218,972
Held-for-trading securities	5,169	10,765	17,600	39,966
Available-for-sale securities	48,242	54,144	179,277	169,775
Others	2,807	441	7,163	1,311
	<u>492,059</u>	<u>547,451</u>	<u>1,493,926</u>	<u>1,595,878</u>
Amortisation of premium less accretion of discount	(4,669)	(4,330)	(19,438)	(15,804)
	<u>487,390</u>	<u>543,121</u>	<u>1,474,488</u>	<u>1,580,074</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****13 INTEREST INCOME (continued)**

<u>Bank</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Loans and advances				
- Interest income other than recoveries from NPL	358,728	397,111	1,095,302	1,139,331
- Recoveries from NPLs	16,722	6,513	31,084	26,523
Money at call and deposit placements with financial institutions	60,390	78,477	163,499	218,972
Held-for-trading securities	5,169	10,765	17,600	39,966
Available-for-sale securities	48,242	54,144	179,277	169,775
Others	7,189	441	19,265	1,311
	<u>496,440</u>	<u>547,451</u>	<u>1,506,027</u>	<u>1,595,878</u>
Amortisation of premium less accretion of discount	(4,669)	(4,330)	(19,438)	(15,804)
	<u>491,771</u>	<u>543,121</u>	<u>1,486,589</u>	<u>1,580,074</u>

**14 INTEREST EXPENSE**

<u>Group</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Deposits and placements of banks and other financial institutions	12,410	42,579	36,430	126,170
Deposits from customers	184,497	233,788	604,393	673,684
Loans sold to Cagamas	3,834	4,591	11,830	16,879
Subordinated term loan / bonds	18,097	9,352	47,675	29,760
Others	(1)	(1,181)	325	730
	<u>218,837</u>	<u>289,129</u>	<u>700,653</u>	<u>847,223</u>
<u>Bank</u>				
	<u>30 Sept 2009 RM'000</u>	<u>30 Sept 2008 RM'000</u>	<u>30 Sept 2009 RM'000</u>	<u>30 Sept 2008 RM'000</u>
Deposits and placements of banks and other financial institutions	12,410	42,579	36,430	126,170
Deposits from customers	184,497	233,788	604,393	673,684
Loans sold to Cagamas	3,834	4,591	11,830	16,879
Subordinated term loan / bonds	18,097	9,352	47,675	29,760
Others	3	(1,181)	339	730
	<u>218,841</u>	<u>289,129</u>	<u>700,667</u>	<u>847,223</u>



**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****15 NON-INTEREST INCOME**

<u>Group</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Fee income:-				
Commission	22,535	23,041	61,919	68,121
Service charges and fees	25,666	23,807	84,210	67,019
Guarantee fees	4,208	4,932	12,781	15,770
Other fee income	4,738	7,315	16,562	15,753
	<u>57,147</u>	<u>59,095</u>	<u>175,472</u>	<u>166,663</u>
Income from securities (net):-				
Net gains/(losses) from sale of held-for-trading securities	577	(2,938)	(3,321)	5,464
Net gains from sale of available-for-sale securities	4,861	482	37,351	24,132
Unrealised gains/(losses) on revaluation of held-for-trading securities (net)	4,652	741	7,435	(15,607)
Gross dividends from Malaysia:				
- available-for-sale securities	459	1,442	2,067	5,528
Gross dividends from outside Malaysia:				
- available-for-sale securities	1	0	1	0
	<u>67,697</u>	<u>58,822</u>	<u>219,005</u>	<u>186,180</u>
Other income:-				
Gains arising from dealing in foreign currency (net)	29,730	6,255	101,868	63,819
Gains/(losses) arising from trading derivative (net)	2,375	(14,243)	5,713	5,455
Unrealised (losses)/gains on revaluation of derivatives (net)	(9,138)	25,493	(2,002)	42,617
Rental income (net)	1,619	1,706	4,989	4,599
Gain on disposal of property, plant and equipment	1	3	3	8
Gain on disposal of non-current asset held for sale	508	4,242	508	4,242
Others	(737)	(1,078)	167	4,861
	<u>24,358</u>	<u>22,378</u>	<u>111,246</u>	<u>125,601</u>
	<u>92,055</u>	<u>81,200</u>	<u>330,251</u>	<u>311,781</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****15 NON-INTEREST INCOME (continued)**

<b>Bank</b>	<b>3<sup>rd</sup> Quarter Ended</b>		<b>Nine Months Ended</b>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Fee income:-				
Commission	22,535	23,041	61,919	68,121
Service charges and fees	25,666	23,807	84,210	67,019
Guarantee fees	4,208	4,932	12,781	15,770
Other fee income	14,339	7,315	46,486	15,753
	<u>66,748</u>	<u>59,095</u>	<u>205,396</u>	<u>166,663</u>
Income from securities:-				
Net gains/(losses) from sale of held-for-trading securities	577	(2,938)	(3,321)	5,464
Net gains from sale of available-for-sale securities	4,861	482	37,351	24,132
Unrealised gains / (losses) on revaluation of held-for-trading securities (net)	4,652	741	7,435	(15,607)
Gross dividends from Malaysia:				
- available-for-sale securities	459	1,442	2,067	5,528
Gross dividends from outside Malaysia:				
- available-for-sale securities	1	0	1	0
	<u>77,298</u>	<u>58,822</u>	<u>248,929</u>	<u>186,180</u>
Other income:-				
Gains arising from dealing in foreign currency (net)	29,730	6,255	101,868	63,819
Gains/(losses) arising from trading derivative (net)	2,375	(14,243)	5,713	5,455
Unrealised (losses)/gains on revaluation of derivatives (net)	(9,138)	25,493	(2,002)	42,617
Rental income (net)	1,623	1,709	5,000	4,609
Gain on disposal of property, plant and equipment	1	3	3	8
Gain on disposal of non-current asset held for sale	508	4,242	508	4,242
Others	(737)	(1,078)	167	4,861
	<u>24,362</u>	<u>22,381</u>	<u>111,257</u>	<u>125,611</u>
	<u>101,660</u>	<u>81,203</u>	<u>360,186</u>	<u>311,791</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****16 STAFF COST AND OVERHEAD EXPENSES**

<u>Group</u>	<b>3<sup>rd</sup> Quarter Ended</b>		<b>Nine Months Ended</b>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Personnel costs (i)	67,032	77,955	197,339	224,908
Establishment costs (ii)	19,796	16,862	58,705	44,770
Marketing expenses (iii)	6,853	8,446	15,545	24,178
Administration and general expenses (iv)	52,084	49,624	154,561	146,966
	<u>145,765</u>	<u>152,887</u>	<u>426,150</u>	<u>440,822</u>

<u>Bank</u>	<b>3<sup>rd</sup> Quarter Ended</b>		<b>Nine Months Ended</b>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Personnel costs (i)	63,557	77,899	187,404	224,700
Establishment costs (ii)	18,924	16,859	56,467	44,766
Marketing expenses (iii)	6,283	8,446	13,825	24,178
Administration and general expenses (iv)	49,563	49,617	146,896	146,934
	<u>138,327</u>	<u>152,821</u>	<u>404,592</u>	<u>440,578</u>

**(i) Personnel costs**

<u>Group</u>	<b>3<sup>rd</sup> Quarter Ended</b>		<b>Nine Months Ended</b>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Wages, salaries and bonus	50,601	53,595	151,903	159,655
Defined contribution plan (EPF)	8,347	9,311	24,606	26,942
Equity compensation benefit	1,428	2,071	3,156	4,275
Employee benefit	(156)	588	(1,010)	1,553
Other personnel costs	6,812	12,390	18,684	32,483
	<u>67,032</u>	<u>77,955</u>	<u>197,339</u>	<u>224,908</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****16 STAFF COST AND OVERHEAD EXPENSES (continued)****(i) Personnel costs (continued)**

<u>Bank</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Wages, salaries and bonus	47,988	53,561	144,521	159,507
Defined contribution plan (EPF)	7,928	9,305	23,432	26,917
Equity compensation benefit	1,413	2,071	3,116	4,275
Employee benefit	(159)	577	(1,017)	1,542
Other personnel costs	6,387	12,385	17,352	32,459
	<u>63,557</u>	<u>77,899</u>	<u>187,404</u>	<u>224,700</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>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Rental of premises	2,672	2,491	7,901	5,616
Rental of equipment	465	170	1,066	381
Depreciation of property, plant and equipment	11,078	7,336	32,500	21,112
Depreciation of investment property	211	217	629	419
Amortisation of prepaid lease payment	13	13	39	39
Repair and maintenance	1,132	1,937	4,281	5,485
Others	4,225	4,698	12,289	11,718
	<u>19,796</u>	<u>16,862</u>	<u>58,705</u>	<u>44,770</u>

<u>Bank</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Rental of premises	2,382	2,491	7,030	5,616
Rental of equipment	465	170	1,066	381
Depreciation of property, plant and equipment	10,642	7,335	31,562	21,110
Depreciation of investment property	211	217	629	419
Amortisation of prepaid lease payment	13	13	39	39
Repair and maintenance	1,129	1,936	4,255	5,484
Others	4,082	4,697	11,886	11,717
	<u>18,924</u>	<u>16,859</u>	<u>56,467</u>	<u>44,766</u>

## NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)

## 16 STAFF COST AND OVERHEAD EXPENSES (continued)

## (iii) Marketing expenses

<u>Group</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Transport and travelling	1,079	2,368	3,257	6,140
Advertisement and business promotion	5,466	5,368	11,439	16,301
Others	308	710	849	1,737
	<u>6,853</u>	<u>8,446</u>	<u>15,545</u>	<u>24,178</u>

<u>Bank</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Transport and travelling	998	2,368	3,032	6,140
Advertisement and business promotion	5,005	5,368	10,001	16,301
Others	280	710	792	1,737
	<u>6,283</u>	<u>8,446</u>	<u>13,825</u>	<u>24,178</u>

## (iv) Administration and general expenses

<u>Group</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Printing and stationery	1,755	2,460	5,315	7,291
Postage and courier	1,237	1,819	3,906	4,652
Telephone, telex and fax	2,494	2,130	6,749	6,368
Legal and consultancy fees	962	1,728	3,341	3,947
Transaction processing fees	30,773	32,235	94,298	97,623
Other administrative and general expenses	14,863	9,252	40,952	27,085
	<u>52,084</u>	<u>49,624</u>	<u>154,561</u>	<u>146,966</u>

<u>Bank</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Printing and stationery	1,644	2,460	5,015	7,290
Postage and courier	1,168	1,819	3,714	4,652
Telephone, telex and fax	2,383	2,129	6,400	6,367
Legal and consultancy fees	887	1,725	2,908	3,944
Transaction processing fees	29,131	32,235	89,274	97,623
Other administrative and general expenses	14,350	9,249	39,585	27,058
	<u>49,563</u>	<u>49,617</u>	<u>146,896</u>	<u>146,934</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****17 (WRITE BACK OF) / ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING**

<b><u>Group</u></b>	<b><u>3<sup>rd</sup> Quarter Ended</u></b>		<b><u>Nine Months Ended</u></b>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Allowance for bad and doubtful debts and financing:-				
Specific allowance				
- made in the financial period	76,856	40,543	235,371	153,007
- written back	(30,619)	(27,833)	(101,365)	(119,755)
General allowance				
- made in the financial period	4,198	15,795	7,830	46,767
Other allowance	203	232	603	1,065
Bad debts and financing :-				
- written off	3	30	64	203
- recovered	(8,985)	(3,957)	(20,100)	(63,390)
	<u>41,656</u>	<u>24,810</u>	<u>122,403</u>	<u>17,897</u>

<b><u>Bank</u></b>	<b><u>3<sup>rd</sup> Quarter Ended</u></b>		<b><u>Nine Months Ended</u></b>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Allowance for bad and doubtful debts and financing:-				
Specific allowance				
- made in the financial period	67,330	40,543	204,807	153,007
- written back	(27,476)	(27,833)	(90,732)	(119,755)
General allowance				
- made in the financial period	4,795	15,795	6,226	46,767
Other allowance	204	232	603	1,065
Bad debts and financing :-				
- written off	3	30	64	203
- recovered	(8,074)	(3,957)	(17,254)	(63,390)
	<u>36,782</u>	<u>24,810</u>	<u>103,714</u>	<u>17,897</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****18 TAXATION**

<u>Group</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Malaysian income tax				
- current period	53,822	52,831	169,442	177,688
- under provision in prior year	2,174	0	2,174	0
Deferred taxation :				
- relating to originating and reversal of temporary differences	(2,737)	(4,764)	(6,056)	(782)
- over provision in prior year	(4,675)	0	(3,662)	0
Total charged to income statements	(7,412)	(4,764)	(9,718)	(782)
	<u>48,584</u>	<u>48,067</u>	<u>161,898</u>	<u>176,906</u>

<u>Bank</u>	<u>3<sup>rd</sup> Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 Sept 2009 RM'000	30 Sept 2008 RM'000	30 Sept 2009 RM'000	30 Sept 2008 RM'000
Malaysian income tax				
- current period	51,979	52,831	163,753	177,692
- under provision in prior year	2,174	0	2,174	0
Deferred taxation :				
- relating to originating and reversal of temporary differences	(1,403)	(4,763)	(2,019)	(762)
	(4,746)	0	(3,733)	0
Total charged to income statements	(6,149)	(4,763)	(5,752)	(762)
	<u>48,004</u>	<u>48,068</u>	<u>160,175</u>	<u>176,930</u>

**19 CAPITAL COMMITMENTS**

	<u>Group</u>		<u>Bank</u>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 RM'000
Capital expenditure in respect of property, plant and equipment:-				
- authorised and contracted for	16,379	24,081	15,140	19,775
- authorised but not contracted for	39,058	25,623	12,753	10,391
	<u>55,437</u>	<u>49,704</u>	<u>27,893</u>	<u>30,166</u>

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****20 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, no material losses are anticipated as a result of these transactions.

	30 Sept 2009			31 Dec 2008		
	Principal Amount RM'000	Credit	Risk	Principal Amount RM'000	Credit	Risk
		Equivalent Amount* RM'000	Weighted Amount RM'000		Equivalent* Amount* RM'000	Weighted Amount RM'000
<b>Group</b>						
Direct credit substitutes	514,201	514,201	513,923	861,930	861,930	858,654
Transaction-related contingent items	1,531,449	765,725	740,551	1,471,531	735,766	703,771
Short-term self-liquidating trade-related contingencies	270,147	54,029	54,008	207,425	41,485	41,427
Obligations under underwriting agreement	111,000	55,500	55,500	116,000	58,000	58,000
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	9,838,956	0	0	8,553,412	0	0
- maturity exceeding one year	4,730,945	1,450,982	1,450,982	9,744,501	4,872,251	4,872,251
Foreign exchange related contracts						
- less than one year	18,833,850	351,169	103,706	17,959,119	598,281	192,371
- one year to less than five years	1,597,711	216,313	63,881	1,557,177	204,498	64,995
- five years and above	815,543	125,890	37,178	813,476	145,027	46,632
Interest rate contracts						
- less than one year	8,057,431	46,127	12,814	8,976,652	37,642	10,202
- one year to less than five years	19,083,614	772,939	214,711	20,840,496	994,719	269,590
- five years and above	1,311,001	93,810	26,059	1,395,113	118,046	31,993
Equity and commodity related contracts	903,315	109,913	31,459	1,042,586	125,602	31,546
Miscellaneous	1,222,078	0	0	76,290	0	0
<b>Total</b>	<b>68,821,241</b>	<b>4,556,598</b>	<b>3,304,772</b>	<b>73,615,708</b>	<b>8,793,247</b>	<b>7,181,432</b>

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



**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****20 COMMITMENTS AND CONTINGENCIES (continued)**

	30 Sept 2009			31 Dec 2008		
	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
<b>Bank</b>						
Direct credit substitutes	514,201	514,201	513,923	811,860	811,860	808,584
Transaction-related contingent items	1,441,275	720,638	695,464	1,404,722	702,361	670,366
Short-term self-liquidating trade-related contingencies	248,296	49,659	49,638	159,439	31,888	31,830
Obligations under underwriting agreement	111,000	55,500	55,500	116,000	58,000	58,000
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	10,145,727	0	0	8,449,200	0	0
- maturity exceeding one year	3,913,911	1,445,035	1,445,035	9,402,265	4,701,133	4,701,133
Foreign exchange related contracts						
- less than one year	18,378,329	339,633	103,702	17,959,119	598,281	192,371
- one year to less than five years	1,490,871	209,774	60,268	1,452,458	198,051	63,681
- five years and above	815,544	125,890	37,178	813,476	145,027	46,632
Interest rate contracts						
- less than one year	8,057,431	46,127	12,813	8,976,652	37,642	10,202
- one year to less than five years	19,083,614	772,939	214,711	20,840,496	994,719	269,590
- five years and above	1,311,001	93,810	26,059	1,395,113	118,046	31,993
Equity and commodity related contracts	825,399	103,453	30,143	964,868	122,111	29,800
Miscellaneous	1,222,078	0	0	76,290	0	0
<b>Total</b>	<b>67,558,677</b>	<b>4,476,659</b>	<b>3,244,434</b>	<b>72,821,958</b>	<b>8,519,119</b>	<b>6,914,182</b>

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

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****21 INTEREST/PROFIT RATE RISK****Group**

As at 30 Sept 2009	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			
<b>Assets</b>									
Cash and short term funds	9,109,803	0	0	0	0	121,389	0	9,231,192	1.99
Deposits and placements with financial institutions	0	2,542,495	428,443	0	0	0	0	2,970,938	1.99
Held-for-trading securities	0	0	0	0	0	0	511,487	511,487	3.38
Available-for-sale securities	345,365	1,468,967	751,323	2,866,244	774,214	55,746 <sup>^</sup>	0	6,261,859	3.23
Loans, advances and financing									
- performing	25,469,648	615,972	479,542	1,017,875	662,343	1,357,180 <sup>*</sup>	0	29,602,560	4.42
- non-performing	0	0	0	0	0	730,388 <sup>#</sup>	0	730,388	-
Other assets	0	0	0	0	0	178,987	649,938	828,925	-
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	0	35,092	35,092	-
Property, plant and equipment	0	0	0	0	0	243,143	0	243,143	-
Investment property	0	0	0	0	0	11,461	0	11,461	-
Prepaid lease payment	0	0	0	0	0	2,890	0	2,890	-
Non-current assets held for sale	0	0	0	0	0	344	0	344	-
Deferred taxation asset	0	0	0	0	0	117,461	0	117,461	-
<b>Total assets</b>	<b>34,924,816</b>	<b>4,627,434</b>	<b>1,659,308</b>	<b>3,884,119</b>	<b>1,436,557</b>	<b>2,818,989</b>	<b>1,196,517</b>	<b>50,547,740</b>	
<b>Liabilities</b>									
Deposits from customers	20,807,061	4,964,282	8,202,704	610,584	0	3,908,142	0	38,492,773	1.95
Deposits and placements of banks and other financial institutions	4,736,663	857	4,013	93,469	183,227	34,594	0	5,052,823	0.95
Bills and acceptances payable	0	0	0	0	0	806,969	0	806,969	-
Amount due to Cagamas	4,698	2,361	21,615	342,657	0	0	0	371,331	3.99
Subordinated term loan / bonds	0	0	93,597	208,330	1,000,000	0	0	1,301,927	5.59
Other liabilities	0	0	0	0	0	496,427	464,423	960,850	-
Taxation and zakat	0	0	0	0	0	56,848	0	56,848	-
<b>Total liabilities</b>	<b>25,548,422</b>	<b>4,967,500</b>	<b>8,321,929</b>	<b>1,255,040</b>	<b>1,183,227</b>	<b>5,302,980</b>	<b>464,423</b>	<b>47,043,521</b>	
On-balance sheet interest sensitivity gap	9,376,394	(340,066)	(6,662,621)	2,629,079	253,330	(2,483,991)	732,094	3,504,219	
Off-balance sheet interest sensitivity gap	0	(677,774)	69,444	608,330	0	0	0	0	
<b>Total interest sensitivity gap</b>	<b>9,376,394</b>	<b>(1,017,840)</b>	<b>(6,593,177)</b>	<b>3,237,409</b>	<b>253,330</b>	<b>(2,483,991)</b>	<b>732,094</b>	<b>3,504,219</b>	

## NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)

## 21 INTEREST/PROFIT RATE RISK (continued)

Bank

As at 30 Sept 2009	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			
<b>Assets</b>									
Cash and short term funds	8,524,691	0	0	0	0	105,389	0	8,630,080	1.99
Deposits and placements with financial institutions	0	2,422,495	428,443	140,000	0	0	0	2,990,938	1.99
Held-for-trading securities	0	0	0	0	0	0	511,487	511,487	3.38
Available-for-sale securities	349,949	1,463,950	610,809	2,364,212	651,542	55,746 <sup>^</sup>	0	5,496,208	3.28
Loans, advances and financing									
- performing	25,234,576	479,330	361,191	135,855	95,182	1,392,668 <sup>*</sup>	0	27,698,802	4.29
- non-performing	0	0	0	0	0	717,272 <sup>#</sup>	0	717,272	-
Other assets	0	0	0	0	0	407,075	642,515	1,049,590	-
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	11,592	0	11,592	-
Investment in subsidiary companies	0	0	0	0	0	196,611	0	196,611	-
Property, plant and equipment	0	0	0	0	0	237,190	0	237,190	-
Investment property	0	0	0	0	0	11,461	0	11,461	-
Prepaid lease payment	0	0	0	0	0	2,890	0	2,890	-
Non-current assets held for sale	0	0	0	0	0	344	0	344	-
Deferred taxation asset	0	0	0	0	0	97,051	0	97,051	-
<b>Total assets</b>	<b>34,109,216</b>	<b>4,365,775</b>	<b>1,400,443</b>	<b>2,640,067</b>	<b>746,724</b>	<b>3,235,289</b>	<b>1,154,002</b>	<b>47,651,516</b>	
<b>Liabilities</b>									
Deposits from customers	19,213,202	4,408,441	7,909,140	509,514	0	3,719,601	0	35,759,898	1.96
Deposits and placements of banks and other financial institutions	4,736,663	857	4,013	93,469	183,227	0	0	5,018,229	0.93
Bills and acceptances payable	0	0	0	0	0	799,825	0	799,825	-
Amount due to Cagamas	4,698	2,361	21,615	342,657	0	0	0	371,331	3.99
Subordinated term loan / bonds	0	0	93,597	208,330	1,000,000	0	0	1,301,927	5.59
Other liabilities	0	0	0	0	0	394,535	456,863	851,398	-
Taxation and zakat	0	0	0	0	0	51,159	0	51,159	-
<b>Total liabilities</b>	<b>23,954,563</b>	<b>4,411,659</b>	<b>8,028,365</b>	<b>1,153,970</b>	<b>1,183,227</b>	<b>4,965,120</b>	<b>456,863</b>	<b>44,153,767</b>	
On-balance sheet interest sensitivity gap	10,154,653	(45,884)	(6,627,922)	1,486,097	(436,503)	(1,729,831)	697,139	3,497,749	
Off-balance sheet interest sensitivity gap	0	(677,774)	69,444	608,330	0	0	0	0	
<b>Total interest sensitivity gap</b>	<b>10,154,653</b>	<b>(723,658)</b>	<b>(6,558,478)</b>	<b>2,094,427</b>	<b>(436,503)</b>	<b>(1,729,831)</b>	<b>697,139</b>	<b>3,497,749</b>	

<sup>^</sup> The amount includes allowance for impairment losses in investment securities in accordance with the Bank's accounting policy amounting to RM 759,000 for Group and Bank.

<sup>\*</sup> The amount includes general allowance for loans, advances and financing in accordance with the Bank's accounting policy amounting to RM 467,839,000 for Group and RM 432,703,000 for Bank.

<sup>#</sup> The amount includes specific allowance for loans, advances and financing in accordance with the Bank's accounting policy amounting to RM 447,796,000 for Group and RM 407,580,000 for Bank.

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****21 INTEREST/PROFIT RATE RISK (continued)****Group**

As at 31 December 2008	Non Trading Book						Non-interest sensitive RM'000	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	Over 5 years RM'000				
<b>Assets</b>										
Cash and short-term funds	4,192,299	0	0	0	0	181,765	0	4,374,064	3.59	
Deposits and placements with banks and other financial institutions	86,584	1,083,737	60,292	0	0	0	0	1,230,613	3.59	
Held-for-trading securities	0	0	0	0	0	0	581,784	581,784	4.62	
Available-for-sale securities	79,210	2,297,177	733,277	3,213,187	2,145,312	109,606 <sup>^</sup>	0	8,577,769	3.93	
Loans, advances and Financing										
- performing	24,427,833	1,218,777	917,954	1,124,856	311,942	1,564,383 <sup>*</sup>	0	29,565,745	6.08	
- non-performing	0	0	0	0	0	608,688 <sup>#</sup>	0	608,688	-	
Other assets	0	0	0	0	0	661,584	984,837	1,646,421	-	
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	937,608	0	937,608	-	
Property, plant and equipment	0	0	0	0	0	255,933	0	255,933	-	
Investment property	0	0	0	0	0	12,358	0	12,358	-	
Prepaid lease payment	0	0	0	0	0	2,929	0	2,929	-	
Non-current assets held for sale	0	0	0	0	0	0	0	0	-	
Deferred taxation asset	0	0	0	0	0	78,980	0	78,980	-	
<b>Total assets</b>	<b>28,785,926</b>	<b>4,599,691</b>	<b>1,711,523</b>	<b>4,338,043</b>	<b>2,457,254</b>	<b>4,413,834</b>	<b>1,566,621</b>	<b>47,872,892</b>		
<b>Liabilities</b>										
Deposits from customers	19,208,144	5,180,761	7,699,985	1,016,575	0	3,583,520	0	36,688,985	2.86	
Deposits and placements of banks and other financial institutions	3,508,477	112,386	4,989	87,263	146,831	0	0	3,859,946	2.54	
Bills and acceptances payable	0	0	0	0	0	1,446,081	0	1,446,081	-	
Amount due to Cagamas	0	45,457	22,683	367,187	0	0	0	435,327	4.13	
Subordinated term loan / bonds	0	0	76,232	304,930	600,000	0	0	981,162	5.12	
Other liabilities	0	0	0	0	0	588,770	685,043	1,273,813	-	
Taxation and zakat	0	0	0	0	0	61,340	0	61,340	-	
<b>Total liabilities</b>	<b>22,716,621</b>	<b>5,338,604</b>	<b>7,803,889</b>	<b>1,775,955</b>	<b>746,831</b>	<b>5,679,711</b>	<b>685,043</b>	<b>44,746,654</b>		
On-balance sheet interest sensitivity gap	6,069,305	(738,913)	(6,092,366)	2,562,088	1,710,423	(1,265,877)	881,578	3,126,238		
Off-balance sheet interest sensitivity gap	0	(746,338)	69,268	677,070	0	0	0	0		
<b>Total interest sensitivity gap</b>	<b>6,055,203</b>	<b>(1,485,251)</b>	<b>(6,023,098)</b>	<b>3,239,158</b>	<b>1,710,423</b>	<b>(1,265,877)</b>	<b>881,578</b>	<b>3,126,238</b>		

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****21 INTEREST/PROFIT RATE RISK (continued)**

As at 31 December 2008	Non Trading Book						Trading Book RM'000	Total RM'000	Average interest rate %
	Bank	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			
<b>Assets</b>									
Cash and short-term funds	3,539,229	0	0	0	0	178,200	0	3,717,429	3.61
Deposits and placements with banks and other financial institutions	86,584	1,083,737	60,292	0	0	0	0	1,230,613	3.61
Held-for-trading securities	0	0	0	0	0	0	581,784	581,784	4.62
Available-for-sale securities	4,927	2,227,151	673,185	2,903,411	1,826,361	109,606 <sup>^</sup>	0	7,744,641	3.96
Loans, advances and Financing									
- performing	24,093,812	867,880	492,179	349,935	41,986	1,598,045 <sup>*</sup>	0	27,443,837	6.06
- non-performing	0	0	0	0	0	600,333 <sup>#</sup>	0	600,333	-
Other assets	0	0	0	0	0	914,761	983,960	1,898,721	-
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	853,608	0	853,608	-
Investment in subsidiary companies	0	0	0	0	0	196,611	0	196,611	-
Property, plant and equipment	0	0	0	0	0	253,994	0	253,994	-
Investment property	0	0	0	0	0	12,358	0	12,358	-
Prepaid lease payment	0	0	0	0	0	2,929	0	2,929	-
Non-current assets held for sale	0	0	0	0	0	0	0	0	-
Deferred taxation asset	0	0	0	0	0	66,627	0	66,627	-
<b>Total assets</b>	<b>27,724,552</b>	<b>4,178,768</b>	<b>1,225,656</b>	<b>3,253,346</b>	<b>1,868,347</b>	<b>4,787,072</b>	<b>1,565,744</b>	<b>44,603,485</b>	
<b>Liabilities</b>									
Deposits from customers	17,405,770	4,667,435	7,424,816	916,443	0	3,552,810	0	33,967,274	2.88
Deposits and placements of banks and other financial institutions	3,254,677	52,387	4,989	87,263	146,830	0	0	3,546,146	2.45
Bills and acceptances payable	0	0	0	0	0	1,431,979	0	1,431,979	-
Amount due to Cagamas	0	45,457	22,683	367,187	0	0	0	435,327	4.13
Subordinated term loan / bonds	0	0	76,232	304,930	600,000	0	0	981,162	5.06
Other liabilities	0	0	0	0	0	383,930	684,166	1,068,096	-
Taxation and zakat	0	0	0	0	0	61,325	0	61,325	-
<b>Total liabilities</b>	<b>20,660,447</b>	<b>4,765,279</b>	<b>7,528,720</b>	<b>1,675,823</b>	<b>746,830</b>	<b>5,430,044</b>	<b>684,166</b>	<b>41,491,309</b>	
On-balance sheet interest sensitivity gap	7,064,105	(586,511)	(6,303,064)	1,577,523	1,121,517	(642,972)	881,578	3,112,176	
Off-balance sheet interest sensitivity gap	0	(746,338)	69,268	677,070	0	0	0	0	
<b>Total interest sensitivity gap</b>	<b>7,064,105</b>	<b>(1,332,849)</b>	<b>(6,233,796)</b>	<b>2,254,593</b>	<b>1,121,517</b>	<b>(642,972)</b>	<b>881,578</b>	<b>3,112,176</b>	

<sup>^</sup> The amount includes allowance for impairment loss in available-for-sale securities in accordance with the Bank's accounting policy amounting to RM 759,000 for Group and Bank.

<sup>\*</sup> The amount includes general allowance for loans, advances and financing in accordance with the Bank's accounting policy amounting to RM 460,009,000 for Group and RM 426,477,000 for Bank.

<sup>#</sup> The amount includes specific allowance for loans, advances and financing in accordance with the Bank's accounting policy amounting to RM 449,277,000 for Group and RM 413,155,000 for Bank.

**NOTES TO INTERIM FINANCIAL STATEMENTS – 30 SEPTEMBER 2009 (continued)****22 CAPITAL ADEQUACY**

	<b>Group</b>		<b>Bank</b>	
	30 Sept 2009 RM'000	31 Dec 2008 RM'000	30 Sept 2009 RM'000	31 Dec 2008 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	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	1,753,749	1,442,012	1,801,067	1,492,956
Other reserves	322,000	322,000	322,000	322,000
Innovative Tier 1 capital	400,000	0	400,000	0
Capital reserves	56,619	56,619	0	0
	<u>3,682,368</u>	<u>2,970,631</u>	<u>3,673,067</u>	<u>2,964,956</u>
Less: Deferred tax assets	(117,509)	(113,243)	(101,082)	(101,479)
Total Tier-1 capital	<u>3,564,859</u>	<u>2,857,388</u>	<u>3,571,985</u>	<u>2,863,477</u>
<u>Tier-2 capital</u>				
General allowance for bad and doubtful debts and financing	467,839	460,009	432,703	426,477
Subordinated term loan / bonds	875,996	944,579	675,997	744,579
Total Tier-2 capital	<u>1,343,835</u>	<u>1,404,588</u>	<u>1,108,700</u>	<u>1,171,056</u>
Total capital	4,908,694	4,261,976	4,680,685	4,034,533
Less: Investment in subsidiaries	0	0	(196,617)	(196,617)
Valuation adjustments in Excess of Financial Statements	(8,742)	0	(8,742)	0
Capital base	<u>4,899,952</u>	<u>4,261,976</u>	<u>4,475,326</u>	<u>3,837,916</u>
<u>Capital Ratios</u>				
Excluding proposed interim dividend :				
Core-capital ratio	11.06%	7.76%	11.86%	8.40%
Risk-weighted capital ratio	15.20%	11.58%	14.86%	11.27%
Including proposed interim dividend :				
Core-capital ratio	11.06%	7.74%	11.86%	8.38%
Risk-weighted capital ratio	15.20%	11.56%	14.86%	11.24%

**23 COMPARATIVE FIGURES**

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

	<b>Group</b>	
	As previously reported RM'000	As restated RM'000
Balance Sheet as at 31 December 2008		
Deposits from customers	36,688,985	36,644,059
Other liabilities	<u>1,273,813</u>	<u>1,318,739</u>