

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2009

ASSETS	Note	30 June 2009 RM'000	31 December 2008 RM'000
Cash and short-term funds		830,214	656,635
Available-for-sale securities	4	810,570	833,128
Financing and advances	5	1,948,608	2,130,278
Other assets	6	117,599	15,285
Statutory deposits with Bank Negara Malaysia		21,500	84,000
Property, plant and equipment		6,261	1,934
Deferred taxation asset		20,167	12,642
TOTAL ASSETS		3,754,919	3,733,902
 LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	7	2,362,620	2,691,021
Deposits and placements of financial institutions	8	820,229	313,800
Bills and acceptances payable		9,839	14,102
Subordinated bonds	9	200,000	200,000
Other liabilities	10	173,485	318,416
Taxation and zakat		3,846	15
Total Liabilities		3,570,019	3,537,354
Financed by:			
Share capital		65,000	65,000
Reserves		119,900	131,548
Shareholders' Equity		184,900	196,548
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,754,919	3,733,902
 COMMITMENTS AND CONTINGENCIES	 19	 1,089,998	 1,093,750

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the period ended 31 December 2008.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS FOR THE SECOND QUARTER AND HALF YEAR ENDED
30 JUNE 2009

	Note	2nd Quarter Ended 30 June 2009 RM'000	Half Year Ended 30 June 2009 RM'000
Income derived from investment of depositors' funds	11	42,352	90,439
Allowance for losses on financing and advances	12	(8,335)	(13,815)
Transfer to profit equalisation reserve (net)	10	<u>(9,557)</u>	<u>(15,044)</u>
Total attributable income		24,460	61,580
Income attributable to depositors	13	<u>(15,445)</u>	<u>(35,043)</u>
Income attributable to shareholders		9,015	26,537
Income derived from the investment of shareholder's funds	14	<u>6,525</u>	<u>11,602</u>
Total net income		15,540	38,139
Personnel expenses	15	(3,333)	(6,331)
Other overhead expenses	16	<u>(15,706)</u>	<u>(27,968)</u>
Profit before zakat and taxation		(3,499)	3,840
Taxation	17	<u>807</u>	<u>(1,113)</u>
Net profit for the financial period		<u>(2,692)</u>	<u>2,727</u>
Basic earnings per share (sen)		<u>(4.14)</u>	<u>4.20</u>
Dividend per ordinary share		<u>-</u>	<u>-</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the period ended 31 December 2008.

Company No. 818444-T

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2009

	Non-distributable Reserves			Distributable Reserves		Total Equity
	Share Capital	Share Premium	Statutory Reserve	Fair value Reserve	Retained Profits/(Loss)	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2009	65,000	130,000	-	3,310	(1,762)	196,548
Revaluation of available-for-sale securities (net)	-	-	-	(16,826)	-	(16,826)
Deferred tax on revaluation of available-for-sale securities (net)	-	-	-	4,792	-	4,792
Realised gain on available-for-sale securities reclassified to income statement upon disposal	-	-	-	(2,341)	-	(2,341)
Net losses recognised directly in equity	-	-	-	(14,375)	-	(14,375)
Net profit for the period	-	-	-	-	2,727	2,727
Transfer to statutory reserve	-	-	-	-	-	-
Balance at 30 June 2009	65,000	130,000	-	(11,065)	965	184,900

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial period ended 31 December 2008.

Company No. 818444-T

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED
30 JUNE 2009

	30 June 2009 RM'000
Cash flows from operating activities :	
Profit before zakat and taxation	3,840
Adjustments for non-operating and non-cash items	27,591
Operating profit before changes in working capital	<u>31,431</u>
Changes in working capital:	
Net changes in Operating Assets	131,478
Net changes in Operating Liabilities	10,901
Zakat paid	<u>(15)</u>
Net cash generated in operating activities	173,795
Net cash utilised in investing activities	(216)
Net cash utilised in/(generated from) financing activities	-
Net increase in cash and cash equivalents	<u>173,579</u>
Cash and cash equivalents at beginning of the period	656,635
Cash and cash equivalents at end of the period	<u><u>830,214</u></u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the financial period ended 31 December 2008.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009

1. REVIEW OF PERFORMANCE

The Bank recorded a profit after taxation of RM2.7 million for the first six months of 2009. This was derived mainly from net income of RM38.1 million offset by overheads of RM34.3 million and taxation of RM1.1 million.

Net financing assets stood at RM1.9 billion and deposits from customers was RM2.4 billion. As at 30 June 2009, the quality of the Bank's financing assets remained strong with a net non-performing financing ratio of 0.52%.

The Bank is well capitalised with a core capital ratio of 7.96% and risk weighted capital ratio of 13.53%.

2. ECONOMIC PERFORMANCE AND PROSPECTS

The economy is now in recession with economic growth to contract between 4 and 5 per cent in 2009, much worse than the original forecast of 1 per cent decline. Bank Negara Malaysia announced worse-than-expected first quarter economic growth which shrank 6.2 per cent from a year ago, the worst quarter since it contracted 10.2 per cent in the fourth quarter of 1998 during the height of the Asian financial crisis. However, the central bank expects the economy to rebound in the second half and is confident of "positive growth" in the last quarter and into 2010 following the implementation of the government's fiscal stimulus measures totaling RM67 billion.

The Bank will continue to grow its deposit base and build a new customer franchise. This strategy is further supported by new product launches and marketing campaigns. The Bank recently opened two more branches in Wangsa Maju and Sg Petani respectively in March and April 2009. The Bank now has a total of 3 Islamic branches, which operate in tandem with the 29 shared branches of its parent bank, OCBC Bank (Malaysia) Berhad. The Bank will continue to leverage on OCBC Group's infrastructure and the strong OCBC brand name to strengthen its position as a leading provider of innovative products amongst foreign Islamic banks.

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 period ended 31 December 2008.

OCBC AL-AMIN BANK BERHAD
(Incorporated in Malaysia)

NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)

4. AVAILABLE-FOR-SALE SECURITIES

	30 June 2009 RM'000	31 December 2008 RM'000
<i>At fair value</i>		
Malaysian Government Investment Certificate	618,539	451,642
Private Debt Securities	167,031	307,203
Islamic Negotiable Instruments of Deposit	25,000	74,283
	<u>810,570</u>	<u>833,128</u>

5. FINANCING AND ADVANCES

	30 June 2009 RM'000	31 December 2008 RM'000
i) By type of financing and advances		
Cash financing	352,886	385,085
Term financing :		
- House financing	109,301	119,451
- Syndicated term financing	213,981	217,705
- Hire purchase receivables	601,814	632,603
- Other term financing	507,160	520,693
Bills receivables	8,307	10,242
Trust receipts	622	415
Revolving credits	338,539	364,599
Customer's liability under acceptance credits	151,665	245,594
Other financing	14,311	7,579
Less : Unearned income	<u>(275,602)</u>	<u>(304,579)</u>
Gross financing and advances	2,022,984	2,199,387
Less : Allowance for bad and doubtful financing		
- specific	(38,657)	(35,592)
- general	<u>(35,719)</u>	<u>(33,517)</u>
Net financing and advances	<u>1,948,608</u>	<u>2,130,278</u>
	30 June 2009 RM'000	31 December 2008 RM'000
ii) Financing analysed by concepts		
Al-Ijarah Thumma Al Bai	547,645	632,603
Al-Qardhul Hassan	404	450
Bai' Bithaman Ajil	829,623	866,721
Bai' Inah	256,780	277,221
Other principles	388,532	422,392
	<u>2,022,984</u>	<u>2,199,387</u>

OCBC AL-AMIN BANK BERHAD
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NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)

5. FINANCING AND ADVANCES (continued)

	30 June 2009 RM'000	31 December 2008 RM'000
iii) Financing by type of customer		
Domestic non-bank financial institutions		
- Others	10,054	-
Domestic business enterprises		
- Small and medium enterprises	354,972	394,410
- Others	1,326,200	1,448,009
Individuals	330,382	355,564
Foreign entities	1,376	1,404
	<u>2,022,984</u>	<u>2,199,387</u>
	30 June 2009 RM'000	31 December 2008 RM'000
iv) Financing by profit rate sensitivity		
Fixed rate		
- House financing	65,664	71,516
- Hire purchase receivables	547,644	573,460
- Other financing	1,409,676	1,245,139
Variable rate		
- Other variable rates	-	309,272
	<u>2,022,984</u>	<u>2,199,387</u>
	30 June 2009 RM'000	31 December 2008 RM'000
v) Financing by sector		
Agriculture	524,700	486,309
Mining and quarrying	30,127	33,558
Manufacturing	547,042	680,774
Construction	126,091	114,534
Real Estate	132,314	168,198
Wholesale & retail trade and restaurants & hotels	141,299	149,842
Transport, storage and communication	134,553	134,581
Finance, insurance and business services	41,893	29,939
Community, social and personal services	10,828	40,308
Households, of which:		
i. Purchase of residential properties	69,037	75,401
ii. Purchase of non-residential properties	2,656	1,719
iii. Others	259,446	279,418
Others	2,998	4,806
	<u>2,022,984</u>	<u>2,199,387</u>

OCBC AL-AMIN BANK BERHAD
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NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)

5. FINANCING AND ADVANCES (continued)

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

	30 June 2009 RM'000	31 December 2008 RM'000
At 1 January	43,947	-
Amount vested over from OCBCM*	-	43,206
Non-performing during the period	24,368	3,420
Reclassified as performing during the period	(4,927)	(817)
Amount recovered	(3,866)	(629)
Amount written off	(10,484)	(1,233)
At 30 June / 31 December	<u>49,038</u>	<u>43,947</u>
Specific allowance	<u>(38,657)</u>	<u>(35,592)</u>
Net non-performing financing and advances	<u>10,381</u>	<u>8,355</u>
Net NPF as % of gross financing and advances less specific allowance	<u>0.52%</u>	<u>0.39%</u>

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

	30 June 2009 RM'000	31 December 2008 RM'000
<u>General allowance</u>		
At 1 January	33,517	-
Amount vested over from OCBCM*	-	32,901
Allowance made during the period	2,202	616
At 30 June / 31 December	<u>35,719</u>	<u>33,517</u>
As % of gross financing and advances less specific allowance	<u>1.80%</u>	<u>1.55%</u>

	30 June 2009 RM'000	31 December 2008 RM'000
<u>Specific allowance</u>		
At 1 January	35,592	-
Amount vested over from OCBCM*	-	27,340
Allowance made during the period	21,038	10,412
Amount written back in respect of recoveries	(7,490)	(927)
Amount written off	(10,483)	(1,233)
At 30 June / 31 December	<u>38,657</u>	<u>35,592</u>

* OCBCM represents OCBC Bank (Malaysia) Berhad, our immediate holding company and the amount vested over from OCBCM is arising from the transfer of the Islamic banking business to the Bank.

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NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)

5. FINANCING AND ADVANCES (continued)

(viii) Non-performing financing and advances analysed by sectors are as follows:

	30 June 2009 RM'000	31 December 2008 RM'000
Agriculture	222	252
Manufacturing	24,429	21,082
Construction	4,493	4,255
Real Estate	95	109
Wholesale & retail trade and restaurants & hotels	3,992	3,395
Transport, storage and communication	1,119	680
Finance, insurance and business services	97	-
Community, social and personal services	176	227
Household, of which:		
i. Purchase of residential properties	4,387	4,375
ii. Purchase of non-residential properties	260	3
iii. Others	9,768	9,569
	<u>49,038</u>	<u>43,947</u>

6. OTHER ASSETS

	30 June 2009 RM'000	31 December 2008 RM'000
Profit receivable	8,769	7,482
Derivative assets	3,389	877
Other debtors, deposits and prepayments	14,528	6,926
Amount due from holding company *	90,913	-
	<u>117,599</u>	<u>15,285</u>

* The amount due from holding company is the end of day balance arising from daily operations and is to be settled by cash the following day.

7. DEPOSITS FROM CUSTOMERS

	30 June 2009 RM'000	31 December 2008 RM'000
i) By type of deposit		
Non-Mudharabah Fund:		
Demand deposits	720,707	578,640
Savings deposits	289,083	280,710
Negotiable instrument of deposits	376,862	355,821
Structured investments	138,582	98,366
	<u>1,525,234</u>	<u>1,313,537</u>
Mudharabah Fund:		
General investment deposits	615,217	1,161,907
Islamic short term Mudharabah Investment	222,169	215,577
	<u>837,386</u>	<u>1,377,484</u>
Total deposits from customers	<u>2,362,620</u>	<u>2,691,021</u>

OCBC AL-AMIN BANK BERHAD
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NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)

7. DEPOSITS FROM CUSTOMERS (continued)

	30 June 2009 RM'000	31 December 2008 RM'000
ii) The deposits are sourced from the following customers:-		
Government and statutory bodies	20,005	16
Business enterprises	1,221,915	1,450,954
Individuals	438,047	433,116
Foreign entities	9,833	9,682
Others	672,820	797,253
	<u>2,362,620</u>	<u>2,691,021</u>

8. DEPOSITS AND PLACEMENTS OF FINANCIAL INSTITUTIONS

	30 June 2009 RM'000	31 December 2008 RM'000
Non-Mudharabah Fund:		
Licensed banks	<u>40,229</u>	<u>34,540</u>
Mudharabah Fund:		
Licensed banks	780,000	105,000
Other financial institutions	-	174,260
	<u>780,000</u>	<u>279,260</u>
Total deposits and placements of financial institutions	<u>820,229</u>	<u>313,800</u>

9. SUBORDINATED BONDS

On 1 December 2008, the Bank issued RM200 million non-tradeable non-transferable redeemable Islamic subordinated bonds due in 2021 and non-callable until 2016 under the principle of Mudharabah (profit sharing contract) at a projected constant rate of 5.45% for the period from the issue date up to 23 November 2016 and a step up of 100 basis points commencing from 24 November 2016 and ending on the date of full redemption of the subordinated bonds, subject to the availability of profits and the investors' entitlement under the profit sharing ratio. Unless the call option is exercised by the Bank, the subordinated bonds shall be redeemed in full by five equal and consecutive annual payments. The call option is subject to prior approval from Bank Negara Malaysia and Monetary Authority of Singapore (MAS), be redeemable in whole but not in part on 24 November 2016 and on every Profit Payment Date thereafter.

The restricted subordinated bonds qualify as Tier 2 capital for the purpose of determining the capital adequacy ratio of the Bank subject to up to a maximum of 50% of total Tier 1 capital.

OCBC AL-AMIN BANK BERHAD
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NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)

10. OTHER LIABILITIES

	30 June 2009 RM'000	31 December 2008 RM'000
Profit payable	10,409	13,226
Other accruals and charges *	84,689	221,436
Derivatives liabilities	3,495	877
Profit Equalisation Reserves (a)	31,205	16,161
Amount due to holding company **	-	22,556
Shared service fee payable to holding company	3,687	4,129
Other financing with holding company	40,000	40,031
	<u>173,485</u>	<u>318,416</u>

* Includes accruals for personnel costs.

** The amount due to holding company is unsecured, interest free and has been settled by cash payment in April 2009.

a) Profit Equalisation Reserves (PER)

	30 June 2009 RM'000	31 December 2008 RM'000
At 1 January	16,161	-
Amount vested over from OCBCM	-	19,780
Amount provided during the period	17,171	3,005
Amount written back during the period	(2,127)	(6,624)
At 30 June / 31 December	<u>31,205</u>	<u>16,161</u>

11. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	2nd Quarter Ended 30 June 2009 RM'000	Half Year Ended 30 June 2009 RM'000
Income derived from investment of:		
(i) General investment deposits	7,438	17,481
(ii) Other funds	34,914	72,958
	<u>42,352</u>	<u>90,439</u>
(i) Income derived from investment of general investment deposits		
<u>Finance income and hibah:</u>		
Financing and advances	5,660	12,722
Available-for-sale securities	1,296	2,990
Money at call and deposit with financial institutions	583	1,637
	<u>7,539</u>	<u>17,349</u>
Amortisation of premium less accretion of discounts	(139)	(296)
	<u>7,400</u>	<u>17,053</u>
<u>Other operating income</u>		
Net gain from sale of available-for-sale securities	38	428
	<u>7,438</u>	<u>17,481</u>

OCBC AL-AMIN BANK BERHAD
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NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)

11. INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS (continued)

	2nd Quarter Ended 30 June 2009 RM'000	Half Year Ended 30 June 2009 RM'000
(ii) Income derived from investment of other funds		
<u>Finance income and hibah:</u>		
Financing and advances	26,348	53,099
Available-for-sale securities	6,063	12,479
Money at call and deposit with financial institutions	2,840	6,832
	<u>35,251</u>	<u>72,410</u>
Amortisation of premium less accretion of discounts	(642)	(1,236)
	<u>34,609</u>	<u>71,174</u>
 <u>Other operating income</u>		
Net gain from sale of available-for-sale securities	305	1,784
	<u>34,914</u>	<u>72,958</u>

12. ALLOWANCE FOR LOSSES ON FINANCING AND ADVANCES

	2nd Quarter Ended 30 June 2009 RM'000	Half Year Ended 30 June 2009 RM'000
Allowance for losses on financing and advances:		
Specific allowance		
- Made in the financial period	11,754	21,038
- Written back	(3,837)	(7,490)
General allowance		
- Made in the financial period	1,546	2,202
Bad debts and financing		
- Recovered	(1,128)	(1,935)
	<u>8,335</u>	<u>13,815</u>

13. INCOME ATTRIBUTABLE TO DEPOSITORS

	2nd Quarter Ended 30 June 2009 RM'000	Half Year Ended 30 June 2009 RM'000
Deposits from customers		
- Mudharabah Fund	7,001	17,734
- Non Mudharabah Fund	2,381	4,460
Deposits and placements of financial institutions		
- Mudharabah Fund	3,025	6,500
- Non Mudharabah Fund	3,038	6,349
	<u>15,445</u>	<u>35,043</u>

OCBC AL-AMIN BANK BERHAD
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14. INCOME DERIVED FROM THE INVESTMENT OF SHAREHOLDER'S FUNDS

	2nd Quarter Ended 30 June 2009 RM'000	Half Year Ended 30 June 2009 RM'000
<u>Finance income and hibah:</u>		
Financing and advances	1,604	3,824
Money at call and deposits with financial institutions	161	492
Available-for-sale securities	367	899
	<u>2,132</u>	<u>5,215</u>
Amortisation of premium less accretion of discounts	(40)	(89)
	<u>2,092</u>	<u>5,126</u>
<u>Other operating income</u>		
Net gain from sale of available-for-sale securities	6	129
Net (loss)/gain on revaluation of derivatives	(111)	179
Net gain arising from dealing in foreign currency	604	696
<u>Fee and commission income:</u>		
Commission	1,082	2,087
Service charges and fees	2,852	3,385
	<u>6,525</u>	<u>11,602</u>

15. PERSONAL EXPENSES

	2nd Quarter Ended 30 June 2009 RM'000	Half Year Ended 30 June 2009 RM'000
Salaries and wages	2,000	3,781
Allowances and bonuses	490	895
Equity compensation benefit (deferred share plan)	16	25
Defined contribution plan (EPF)	393	739
Others	434	891
	<u>3,333</u>	<u>6,331</u>

OCBC AL-AMIN BANK BERHAD
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NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)

16. OTHER OVERHEAD EXPENSES

	2nd Quarter Ended 30 June 2009 RM'000	Half Year Ended 30 June 2009 RM'000
Establishment costs	663	1,429
- Rental of premises	305	581
- Depreciation of property, plant and equipment	369	501
- Repair and maintenance	5	22
- Others	(16)	325
Marketing expenses	691	1,150
- Transport and travelling	99	144
- Advertising and business promotion	576	977
- Others	16	29
Administration and general expenses	14,352	25,389
- Printing and stationery	117	188
- Postage and courier	71	123
- Telephone, telex and fax	129	237
- Legal and consultancy fees	59	358
- Shared service fees paid/payable to OCBCM	11,583	20,257
- Transaction processing fees paid/payable to related company	1,859	3,382
- Other administrative and general expenses	534	844
Total Other Overhead Expenses	15,706	27,968

17. TAXATION

	2nd Quarter Ended 30 June 2009 RM'000	Half Year Ended 30 June 2009 RM'000
Malaysian income tax - current period	1,858	3,846
Deferred taxation:		
- relating to originating and reversal of temporary differences	(2,665)	(2,733)
- relating to changes in tax rates	-	-
	<u>(2,665)</u>	<u>(2,733)</u>
	<u>(807)</u>	<u>1,113</u>

18. CAPITAL COMMITMENTS

	30 June 2009 RM'000
Capital expenditure in respect of property, plant and equipment:	
- authorised and contracted for	2,153
- authorised but not contracted for	25,143
	<u>27,296</u>

NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)

19. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to their customers. There were no material losses are anticipated as a result of these transactions.

	30 June 2009			31 December 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
Direct credit substitutes	190	190	190	50,070	50,070	50,070
Transaction-related contingent items	90,218	45,109	45,109	66,809	33,405	33,405
Short-term self-liquidating trade-related contingencies	20,612	4,123	4,123	47,986	9,597	9,597
Irrevocable commitments to extend credit:						
- maturity not exceeding one year	284,430	-	-	404,212	-	-
- maturity exceeding one year	400,261	55,758	55,758	342,236	171,118	171,118
Foreign exchange related contracts:						
- less than one year	4,505	67	32	-	-	-
- one year or less than five years	210,834	9,096	1,820	104,719	6,447	1,314
Equity related contracts	78,948	5,306	1,086	77,718	3,491	1,746
	<u>1,089,998</u>	<u>119,649</u>	<u>108,118</u>	<u>1,093,750</u>	<u>274,128</u>	<u>267,250</u>

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

20. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

The following disclosure information are made pursuant to the revised BNM/GP6 on "Guidelines on Credit Transactions and Exposures with Connected Parties":

	Credit facility and leasing (except guarantee) RM'000	Off balance sheet exposures # RM'000	Total RM'000
Aggregate value of outstanding credit exposure with connected parties [^]	<u>259</u>	<u>-</u>	<u>259</u>
Total exposure to connected parties as a proportion of total credit exposures			<u>0.01%</u>
Percentage of outstanding credit exposure with connected parties which is non-performing or default			<u>-</u>

[^] Comprise of total outstanding balance and unutilised limit

Off balance sheet transactions that give rise to credit and/or counterparty risk

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NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)
21. PROFIT RATE RISK

As at 30 June 2009	----- Non Trading Book ----->					Non- interest sensitive RM'000	Trading Book RM'000	Total RM'000	Average profit 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				
Assets									
Cash and short-term funds	807,518	-	-	-	-	22,696	-	830,214	1.95
Available-for-sale securities	25,000	-	55,530	550,433	179,607	-	-	810,570	3.93
Financing and advances									
- performing	367,233	125,954	113,828	1,004,103	362,828	(35,719) *	-	1,938,227	6.50
- non-performing	-	-	-	-	-	10,381 ^	-	10,381	-
Other assets	-	-	-	-	-	114,210	3,389	117,599	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	21,500	-	21,500	-
Property, plant & equipment	-	-	-	-	-	6,261	-	6,261	-
Deferred taxation asset	-	-	-	-	-	20,167	-	20,167	-
Total assets	1,199,751	125,954	169,358	1,554,536	542,435	159,496	3,389	3,754,919	
Liabilities									
Deposits from customers	1,416,593	298,324	335,198	123,219	-	189,286	-	2,362,620	1.51
Deposits and placements of banks and other financial institutions	482,129	300,000	-	-	-	38,100	-	820,229	3.23
Bills and acceptances payable	-	-	-	-	-	9,839	-	9,839	-
Subordinated bonds	-	-	-	-	200,000	-	-	200,000	5.45
Other liabilities	-	-	-	40,000	-	129,990	3,495	173,485	-
Taxation and zakat	-	-	-	-	-	3,846	-	3,846	-
Total liabilities	1,898,722	598,324	335,198	163,219	200,000	371,061	3,495	3,570,019	
On-balance sheet profit sensitivity gap	(698,971)	(472,370)	(165,840)	1,391,317	342,435	(211,565)	(106)	184,900	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	
Total interest sensitivity gap	(698,971)	(472,370)	(165,840)	1,391,317	342,435	(211,565)	(106)	184,900	

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NOTES TO INTERIM FINANCIAL STATEMENTS - 30 JUNE 2009 (continued)
21. PROFIT RATE RISK (continued)

As at 31 December 2008	----- Non Trading Book ----->					Non-profit sensitive	Trading Book	Total	Average profit rate
	Up to 1 Month	>1-3 months	>3-12 months	>1-5 years	Over 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Cash and short-term funds	653,070	-	-	-	-	3,565	-	656,635	3.44
Available-for-sale securities	74,283	70,026	60,092	309,776	318,951	-	-	833,128	3.69
Financing and advances									
- performing	334,021	350,897	425,755	774,811	269,956	(33,517) *	-	2,121,923	6.34
- non-performing	-	-	-	-	-	8,355 ^	-	8,355	-
Other assets	-	-	-	-	-	14,408	877	15,285	-
Statutory deposits with									
Bank Negara Malaysia	-	-	-	-	-	84,000	-	84,000	-
Property, plant & equipment	-	-	-	-	-	1,934	-	1,934	-
Deferred taxation asset	-	-	-	-	-	12,642	-	12,642	-
Total assets	1,061,374	420,923	485,847	1,084,587	588,907	91,387	877	3,733,902	
Liabilities									
Deposits from customers	1,802,374	513,326	275,189	100,132	-	-	-	2,691,021	2.59
Deposits and placements of financial institutions	253,800	60,000	-	-	-	-	-	313,800	3.55
Bills and acceptances payable	-	-	-	-	-	14,102	-	14,102	-
Subordinated bonds	-	-	-	-	200,000	-	-	200,000	5.45
Other liabilities	-	-	-	-	40,000	277,539	877	318,416	4.31
Taxation and zakat	-	-	-	-	-	15	-	15	-
Total liabilities	2,056,174	573,326	275,189	100,132	240,000	291,656	877	3,537,354	
On-balance sheet profit sensitivity gap	(994,800)	(152,403)	210,658	984,455	348,907	(200,269)	-	196,548	
Off-balance sheet profit sensitivity gap	-	-	-	-	-	-	-	-	
Total profit sensitivity gap	(994,800)	(152,403)	210,658	984,455	348,907	(200,269)	-	196,548	

* This amount relates to the general allowance for financing and advances in accordance with the Bank's accounting policy.

^ This amount is arrived at after deducting the specific allowance from the outstanding gross non-performing financing and advances.

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22. CAPITAL ADEQUACY

	30 June 2009 RM'000	31 December 2008 RM'000
Components of Tier-1 and Tier-2 capital are as follows:		
<u>Tier-1 capital</u>		
Paid-up share capital	65,000	65,000
Share premium	130,000	130,000
Accumulated gain/(loss)	964	(1,762)
	<u>195,964</u>	<u>193,238</u>
Less: Deferred tax assets	(16,478)	(13,745)
Total Tier-1 capital	<u>179,486</u>	<u>179,493</u>
<u>Tier-2 capital</u>		
General allowance for bad and doubtful financing	35,719	33,517
Subordinated bonds	89,743	89,747
Total Tier-2 capital	<u>125,462</u>	<u>123,264</u>
Capital base	<u>304,948</u>	<u>302,757</u>
<u>Capital Ratios</u>		
Core-capital ratio	7.96%	6.56%
Risk-weighted capital ratio	13.53%	11.07%

23. COMPARATIVE FIGURES

Certain comparative figures have been restated arising from the reclassification of other deposits; which were previously included in Deposits from customers to part of Other liabilities to conform to current year's presentation.

	As previously reported	As restated
Balance sheet as at 31 December 2008		
Deposits from customers	2,735,947	2,691,021
Other liabilities	273,490	318,416