

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2005**

	Note	Group		Bank	
		30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
ASSETS					
Cash and short-term funds		1,479,720	1,379,166	1,479,720	1,379,166
Securities purchased under resale agreement		2,092,367	0	2,092,367	0
Deposits and placements with financial institutions		409,953	523,991	409,953	523,991
Held-for-trading securities	4	687,594	579,445	687,594	579,445
Available-for-sale securities	4	5,311,541	4,881,721	5,311,541	4,881,721
Loans, advances and financing	5	19,811,126	19,081,516	19,810,391	19,080,640
Other assets	7	344,616	148,000	341,600	152,851
Statutory deposits with Bank Negara Malaysia		780,086	694,086	780,086	694,086
Investment in subsidiary companies		0	0	1,611	1,611
Property, plant and equipment		221,696	202,724	221,691	202,721
Deferred taxation asset		89,073	100,267	89,338	100,493
TOTAL ASSETS		31,227,772	27,590,916	31,225,892	27,596,725
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from customers	8	18,721,305	16,941,812	18,734,863	16,962,910
Deposits and placements of banks and other financial institutions	9	4,448,694	3,514,906	4,448,694	3,514,906
Obligations on securities sold under repurchase agreements		3,014,420	2,128,354	3,014,420	2,128,354
Bills and acceptances payable		1,670,337	1,533,193	1,670,337	1,533,193
Amount due to Cagamas		968,517	1,010,781	968,517	1,010,781
Subordinated term loan		552,775	570,000	552,775	570,000
Other liabilities	10	296,717	274,687	293,663	271,644
Taxation and zakat		(42,039)	8,464	(42,039)	8,464
Total Liabilities		29,630,726	25,982,197	29,641,230	26,000,252
Financed by :					
Share capital		287,500	287,500	287,500	287,500
Reserves		1,309,546	1,321,219	1,297,162	1,308,973
Shareholders' Equity		1,597,046	1,608,719	1,584,662	1,596,473
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		31,227,772	27,590,916	31,225,892	27,596,725
COMMITMENTS AND CONTINGENCIES	18	27,191,392	23,372,056	27,191,392	23,341,877

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005**

Group	Note	2nd Quarter Ended		Half Year Ended	
		30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Interest income	11	331,523	288,625	637,882	572,865
Interest expense	12	(176,724)	(152,062)	(339,139)	(300,334)
Net interest income		154,799	136,563	298,743	272,531
Islamic Banking income		11,185	5,991	20,735	9,632
		165,984	142,554	319,478	282,163
Non-interest income	13	62,642	48,569	119,424	93,776
Net income		228,626	191,123	438,902	375,939
Staff cost and overhead expenses	14	(87,445)	(69,339)	(171,469)	(125,994)
Operating profits before allowances		141,181	121,784	267,433	249,945
Allowance for losses on loans and financing	15	(3,690)	(13,336)	1,972	(15,848)
Provision for commitment and contingencies		235	0	619	324
Write back of / (allowance for) diminution in value of investment securities (net)		1,812	136	2,133	1,512
Profit before taxation and zakat		139,538	108,584	272,157	235,933
Taxation	16	(45,301)	(38,399)	(82,044)	(72,755)
Zakat		(200)	(24)	(200)	(24)
Net profit attributable to shareholders		94,037	70,161	189,913	163,154
Basic earnings per share (sen)		32.7	24.4	66.1	56.7
Dividend per ordinary share – 45 sen gross (2004 : 40 sen) less income tax (sen)	22	93.2	82.8	93.2	82.8

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005**

<u>Bank</u>	Note	2nd Quarter Ended		Half Year Ended	
		30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Interest income	11	331,517	288,607	637,858	572,837
Interest expense	12	(176,825)	(152,220)	(339,355)	(300,652)
Net interest income		154,692	136,387	298,503	272,185
Islamic Banking income		11,185	5,991	20,735	9,632
		165,877	142,378	319,238	281,817
Non-interest income	13	62,642	48,569	119,424	93,776
Net income		228,519	190,947	438,662	375,593
Staff cost and overhead expenses	14	(87,399)	(69,280)	(171,360)	(125,897)
Operating profits before allowances		141,120	121,667	267,302	249,696
Allowance for losses on loans and financing	15	(3,717)	(13,434)	1,926	(16,017)
Provision for commitment and contingencies		235	0	619	324
Write back of / (allowance for) diminution in value of investment securities (net)		1,812	136	2,133	1,512
Profit before taxation and zakat		139,450	108,369	271,980	235,515
Taxation	16	(45,282)	(38,227)	(82,005)	(72,538)
Zakat		(200)	(24)	(200)	(24)
Net profit attributable to shareholders		93,968	70,118	189,775	162,953
Basic earnings per share (sen)		32.7	24.4	66.0	56.7
Dividend per ordinary share – 45 sen gross (2004 : 40 sen) less income tax (sen)	22	93.2	82.8	93.2	82.8

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2005

	Non-distributable					Distributable		Total
	Share capital	Share premium	Statutory reserve	Capital reserve	Fair value reserve	General reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000
Group								
Balance at 1 January 2005 :								
- As previously stated	287,500	462,500	322,000	56,619	0	36,750	443,350	1,608,719
- Adjustments on adoption of Revised BNM/GP8	0	0	0	0	51,371	0	(110,932)	(59,561)
As restated	287,500	462,500	322,000	56,619	51,371	36,750	332,418	1,549,158
Net profit attributable to shareholders	0	0	0	0	0	0	189,913	189,913
Revaluation of available-for-sale securities	0	0	0	0	9,924	0	0	9,924
Deferred tax on revaluation of available-for-sale securities	0	0	0	0	(1,874)	0	0	(1,874)
Dividends payable in respect of:								
- year ended 31 December 2004	0	0	0	0	0	0	(150,075)	(150,075)
Balance at 30 June 2005	287,500	462,500	322,000	56,619	59,421	36,750	372,256	1,597,046
Balance at 1 January 2004	287,500	462,500	322,000	56,619	0	436,750	201,699	1,767,068
Transfer (to)/from	0	0	0	0	0	(400,000)	400,000	0
	287,500	462,500	322,000	56,619	0	36,750	601,699	1,767,068
Net profit attributable to shareholders	0	0	0	0	0	0	163,154	163,154
Dividends paid in respect of :								
- year ended 31 December 2003	0	0	0	0	0	0	(351,900)	(351,900)
Balance at 30 June 2004	287,500	462,500	322,000	56,619	0	36,750	412,953	1,578,322

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2005

	Non-distributable					Distributable		Total
	Share capital	Share premium	Statutory reserve	Capital reserve	Fair value reserve	General reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000
Bank								
Balance at 1 January 2005 :								
- As previously stated	287,500	462,500	322,000	0	0	0	524,473	1,596,473
- Adjustments on adoption of Revised BNM/GP8	0	0	0	0	51,371	0	(110,932)	(59,561)
As restated	287,500	462,500	322,000	0	51,371	0	413,541	1,536,912
Net profit attributable to shareholders	0	0	0	0	0	0	189,775	189,775
Revaluation of available-for-sale securities	0	0	0	0	9,924	0	0	9,924
Deferred tax on revaluation of available-for-sale securities	0	0	0	0	(1,874)	0	0	(1,874)
Dividends payable in respect of:								
- year ended 31 December 2004	0	0	0	0	0	0	(150,075)	(150,075)
Balance at 30 June 2005	287,500	462,500	322,000	0	59,421	0	453,241	1,584,662
Balance at 1 January 2004	287,500	462,500	322,000	0	0	400,000	280,708	1,752,708
Transfer (to)/from	0	0	0	0	0	(400,000)	400,000	0
	287,500	462,500	322,000	0	0	0	680,708	1,752,708
Net profit attributable to shareholders	0	0	0	0	0	0	162,953	162,953
Dividends paid in respect of - year ended 31 December 2003	0	0	0	0	0	0	(351,900)	(351,900)
Balance at 30 June 2004	287,500	462,500	322,000	0	0	0	491,761	1,563,761

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005

	Group		Bank	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and zakat	272,157	235,933	271,980	235,515
Adjustments for non-operating and non-cash items	15,189	48,815	15,234	48,984
Operating profit before changes in working capital	287,346	284,748	287,214	284,499
Change in working capital:				
Net changes in Operating Assets	(3,337,528)	(645,563)	(3,329,848)	(645,836)
Net changes in Operating Liabilities	3,677,181	2,783,301	3,669,630	2,783,819
Income tax and zakat paid	(80,202)	(34,360)	(80,202)	(34,360)
Net cash (utilised in) / generated from operating activities	546,797	2,388,126	546,794	2,388,122
Net cash utilised in investing activities	(410,206)	(562,579)	(410,203)	(562,575)
Net cash utilised in financing activities	(150,075)	(351,900)	(150,075)	(351,900)
Net (decrease) / increase in cash and cash equivalents	(13,484)	1,473,647	(13,484)	1,473,647
Cash and cash equivalents at beginning of the period	1,903,157	3,124,725	1,903,157	3,124,725
Cash and cash equivalents at end of the period	<u>1,889,673</u>	<u>4,598,372</u>	<u>1,889,673</u>	<u>4,598,372</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005

1 Review of Performance

The Bank and its subsidiaries 1H05 profit before tax rose to RM272.2 million registering an increase of RM36.2 million or 15.4% over the previous corresponding period (1H04: RM235.9 million). This was mainly due to higher operating profits of RM17.5 million or 7.0% to RM267.4 million (1H04: RM249.9 million) while provisions had improved to a net write back of RM4.7 million (1H04: RM14.0 million).

Higher operating profits for 1H05 was contributed by growth in net interest income of RM26.2 million or 9.6% to RM298.7 million. Better net interest income were attributed to 15bps increase in net interest margin and growth in average loans of RM2.4 billion or 14.3% to RM19 billion (1H04: RM16.6 billion). Non-interest income also recorded a commendable growth of 27.4% or RM25.6 million to RM119.4 million compared to 1H04 of RM93.8 million. Major fee income contributors came from structured investments, trade finance and credit card. Overheads increased by RM45.5 million or 36.1% to RM171.5 million (1H04: RM125.9 million) largely in transaction processing fees as selected back office processing were outsourced to e2 Power Sdn Bhd with effect from 17 January 2005.

Comparing against 31 Dec 2004 Balance Sheet, outstanding loans registered an increase of RM872.7 million or 4.4% for first 6 months in 2005 to RM20.7 billion. Total assets also expanded correspondingly by 13.2% to RM31.2 billion while net NPL ratio continued to drop from 5.87% to 4.03%.

Although shareholders' funds as of June 2005 strengthened to RM1.6 billion after incorporating 1H05 profits, the RWCR decreased slightly from 10.97% to 10.23% as a result of FRS 39 adjustments to reserves as at 1 Jan 2005.

For the 2nd quarter ended 30 June 2005, the Bank and its subsidiaries profit before tax recorded an increase of RM30.9 million or 28.5% to RM139.5 million compared to the previous corresponding quarter of RM108.6 million. This was due to higher operating profits of RM19.4 million or 15.9% to RM141.2 million (2Q04: RM121.8 million) and lower provisions of RM1.6 million (2Q04: RM13.2 million).

2 Economic Performance and Prospects

In the 1Q2005, the economy grew by 5.7% yoy, driven by manufacturing, services and the primary commodity sectors while the construction sector remained weak. Real GDP is still on target to achieve growth of between 5% and 6% by end 2005 supported by strong domestic economy. Despite Malaysia being a net exporter of oil, there are concerns that prospects could be dampened by rising crude oil prices which would affect global growth and hinder export growth.

Inflation remains under control despite the rise in inflation that reached 3.1% in May 2005. BNM has reiterated that inflation is envisaged to spike in the next few months but will abate towards the end of 2005.

Banks will continue to see loan growth in key areas of home financing and loans to small and medium enterprises (SME). However with stiff competition in these areas, earnings may be impacted by the narrowing of interest margins amid the softening of the property sector. Islamic Banking is another area with untapped potential as some banks have shown an interest in this area, especially with the establishment of licenced Islamic Banks.

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**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 2004, except for the adoption of new applicable 'Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8)' issued by Bank Negara Malaysia on 5 October 2004 and has applied prospectively from 1 January 2005.

4 Securities Portfolio

i) Held-for-Trading

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Money market instruments:-				
Quoted:				
Malaysian Government securities	341,674	75,548	341,674	75,548
Government Investment Certificate	10,069	0	10,069	0
Cagamas bonds / notes	5,061	0	5,061	0
Private debt securities	330,790	503,897	330,790	503,897
	<u>687,594</u>	<u>579,445</u>	<u>687,594</u>	<u>579,445</u>

ii) Available-for-Sale

Money market instruments:-				
Quoted:				
Malaysian Government securities	2,735,732	2,286,164	2,735,732	2,286,164
Government Investment Certificate	325,384	272,166	325,384	272,166
Cagamas bonds / notes	825,322	972,654	825,322	972,654
Khazanah bonds	14,827	0	14,827	0
Danaharta bonds	0	32,589	0	32,589
Private debt securities	605,125	644,112	605,125	644,112
	<u>4,506,390</u>	<u>4,207,685</u>	<u>4,506,390</u>	<u>4,207,685</u>
Unquoted:				
Negotiable instruments of deposit	730,000	780,000	730,000	780,000
Bankers' acceptances and Islamic accepted bills	96,063	26,002	96,063	26,002
	<u>5,332,453</u>	<u>5,013,687</u>	<u>5,332,453</u>	<u>5,013,687</u>
Unquoted securities in Malaysia :-				
Shares	45,635	15,650	45,635	15,650
Debentures	188	186	188	186
	<u>5,378,276</u>	<u>5,029,523</u>	<u>5,378,276</u>	<u>5,029,523</u>
Amortisation of premium less accretion of discounts	0	(77,908)	0	(77,908)
Allowance for diminution in value of Available-for-sale securities :				
-Unquoted shares in Malaysia	(121)	(121)	(121)	(121)
-Private debt securities	(66,614)	(69,773)	(66,614)	(69,773)
	<u>5,311,541</u>	<u>4,881,721</u>	<u>5,311,541</u>	<u>4,881,721</u>

Included in available-for-sale securities is an amount of RM3,143,935,000 (Dec 2004: RM2,307,772,000) being pledged to third parties in sale and repurchase agreements.

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**4 Securities Portfolio (continued)**

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

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Maturity within one year	1,320,475	1,594,633	1,320,475	1,594,633
One year to three years	2,436,605	2,180,147	2,436,605	2,180,147
Three years to five years	1,291,065	1,166,658	1,291,065	1,166,658
Over five years	284,308	72,249	284,308	72,249
	<u>5,332,453</u>	<u>5,013,687</u>	<u>5,332,453</u>	<u>5,013,687</u>

5 Loans, Advances and Financing

Overdrafts	3,366,168	3,362,531	3,366,168	3,362,531
Term loans :				
-fixed rate	751,848	723,641	751,848	723,641
-floating rate	12,601,566	11,803,125	12,601,566	11,803,125
Credit/charge cards receivables	308,345	264,136	308,345	264,136
Bills receivable	52,030	39,221	52,030	39,221
Trust receipts	106,871	116,668	106,871	116,668
Claims on customers under acceptance credits	1,715,131	1,564,013	1,715,131	1,564,013
Hire purchase	303,922	260,936	303,922	260,936
Lease receivables	31,251	26,275	29,781	24,582
Block discounting	357	366	357	366
Other loans	1,525,778	1,697,619	1,525,778	1,697,619
Staff loans (of which None [Dec 2004 : Nil] to directors)	104,447	105,173	104,447	105,173
	<u>20,867,714</u>	<u>19,963,704</u>	<u>20,866,244</u>	<u>19,962,011</u>
Unearned interest and income	(151,352)	(119,853)	(151,270)	(119,735)
Gross loans, advances and financing	<u>20,716,362</u>	<u>19,843,851</u>	<u>20,714,974</u>	<u>19,842,276</u>
Allowance for bad and doubtful debts and financing :				
- Specific	(598,366)	(455,465)	(597,728)	(454,781)
- General	(306,870)	(306,870)	(306,855)	(306,855)
Net loans, advances and financing	<u>19,811,126</u>	<u>19,081,516</u>	<u>19,810,391</u>	<u>19,080,640</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**5 Loans, Advances and Financing (continued)**

ii) By type of customer

	Group		Bank	
	30 June 2005	31 Dec 2004	30 June 2005	31 Dec 2004
	RM'000	RM'000	RM'000	RM'000
Domestic banking institutions	244,410	243,817	243,660	242,929
Domestic non-bank financial institutions				
- Stockbroking companies	0	9,000	0	9,000
- Others	199,836	233,245	199,836	233,245
Domestic business enterprises				
- Small medium enterprises	3,200,036	2,988,969	3,199,825	2,988,735
- Others	8,043,681	7,926,272	8,043,254	7,925,819
Government and statutory bodies	1,304,751	1,273,590	1,304,751	1,273,590
Individuals	7,680,929	7,137,038	7,680,929	7,137,038
Other domestic entities	1,993	1,092	1,993	1,092
Foreign entities	40,726	30,828	40,726	30,828
	<u>20,716,362</u>	<u>19,843,851</u>	<u>20,714,974</u>	<u>19,842,276</u>

iii) By interest/profit rate sensitivity

Fixed rate

Housing loans/financing	91,127	70,415	91,127	70,415
Hire purchase receivables	269,722	225,199	269,722	225,199
Other fixed rate loan/financing	974,516	1,010,927	973,128	1,009,352

Variable rate

BLR plus	12,855,973	12,204,095	12,855,973	12,204,095
Cost-plus	2,796,306	2,744,657	2,796,306	2,744,657
Other variable rates	3,728,718	3,588,558	3,728,718	3,588,558
	<u>20,716,362</u>	<u>19,843,851</u>	<u>20,714,974</u>	<u>19,842,276</u>

iv) By sector

Agriculture	1,283,974	1,300,604	1,283,974	1,300,604
Mining and quarrying	18,325	21,033	18,325	21,033
Manufacturing	3,514,399	3,335,573	3,514,281	3,335,424
Electricity, gas and water	82,382	83,447	82,382	83,447
Construction	846,481	909,396	846,131	909,047
Real estate	1,591,255	1,369,766	1,591,255	1,369,766
Purchase of landed property				
of which : i. Residential	5,964,672	5,571,658	5,964,672	5,571,658
ii. Non-residential	892,361	822,738	892,361	822,738
General commerce	2,451,281	2,402,247	2,451,110	2,402,061
Transport, storage and communication	388,178	418,183	388,178	418,183
Finance, insurance and business services	656,956	833,534	656,956	833,534
Purchase of securities	364,653	266,936	364,653	266,936
Purchase of transport vehicles	9,583	10,154	9,583	10,154
Consumption credit	1,060,003	976,009	1,059,254	975,118
Others	1,591,859	1,522,573	1,591,859	1,522,573
	<u>20,716,362</u>	<u>19,843,851</u>	<u>20,714,974</u>	<u>19,842,276</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**6 Non-performing Loans, Advances and Financing**

(i) The movements in the non-performing loans, advances and financing

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Balance at 1 January				
- As previously stated	1,797,614	1,909,993	1,796,282	1,908,369
- Adjustments on adoption of revised BNM/GP8	(204,141)	(205,213)	(203,468)	(204,525)
As restated	1,593,473	1,704,780	1,592,814	1,703,844
Non-performing during the period/year	138,726	436,505	138,721	436,496
Reclassified as performing during the period/year	(135,374)	(129,099)	(135,374)	(129,099)
Amount converted to investment securities	0	(1,341)	0	(1,341)
Amount recovered	(139,166)	(298,812)	(139,142)	(298,554)
Amount written off	(48,127)	(118,560)	(48,127)	(118,532)
Balance at end of period/year	1,409,532	1,593,473	1,408,892	1,592,814
Specific allowance	(598,366)	(455,465)	(597,728)	(454,781)
Net non-performing loans, advances and financing	811,166	1,138,008	811,164	1,138,033
Ratio of net non-performing loans and financing to net loans, advances and financing	4.03%	5.87%	4.03%	5.87%

ii) Movements in allowance for bad and doubtful debts and financing

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
<u>General allowance</u>				
Balance at 1 January	306,870	305,758	306,855	305,743
Allowance made during the period/year	0	1,112	0	1,112
Balance at end of period/year	306,870	306,870	306,855	306,855
As % of gross loans, advances and financing less specific allowance	1.63%	1.70%	1.63%	1.69%

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**6 Non-performing Loans, Advances and Financing (continued)**

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

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
<u>Specific allowance</u>				
Balance at 1 January				
- As previously stated	455,465	448,813	454,781	447,853
- Adjustments on adoption of revised BNM/GP8	179,836	0	179,836	0
As restated	635,301	448,813	634,617	447,853
Allowance made during the period/year	81,826	240,947	81,821	240,938
Amount transferred to allowance for diminution in value of investment securities	0	(1,341)	0	(1,341)
Amount written back in respect of recoveries	(70,634)	(114,395)	(70,583)	(114,137)
Amount written off	(48,127)	(118,559)	(48,127)	(118,532)
Balance at end of period/year	<u>598,366</u>	<u>455,465</u>	<u>597,728</u>	<u>454,781</u>

(iii) Non-performing loans, advances and financing by sector

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Agriculture	54,554	88,604	54,554	88,604
Manufacturing	313,143	362,556	313,024	362,407
Construction	126,139	143,654	125,789	143,305
Real estate	161,382	223,460	161,382	223,460
Purchase of landed property				
of which : i. Residential	93,328	73,683	93,328	73,683
ii. Non-residential	68,085	72,726	68,085	72,726
General commerce	320,998	336,669	320,827	336,508
Transport, storage and communication	14,898	20,676	14,898	20,676
Finance, insurance and business services	58,748	58,961	58,748	58,961
Purchase of securities	139,898	147,271	139,898	147,271
Purchase of transport vehicles	303	300	303	300
Consumption credit	35,334	37,820	35,334	37,820
Others	22,722	27,093	22,722	27,093
	<u>1,409,532</u>	<u>1,593,473</u>	<u>1,408,892</u>	<u>1,592,814</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**7 Other Assets**

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Amount due from subsidiary	0	0	0	7,867
Interest receivable	68,091	54,821	68,091	54,821
Other debtors, deposits and prepayments	276,525	93,179	273,509	90,163
	344,616	148,000	341,600	152,851

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
<u>Amount recoverable from Danaharta</u>				
Balance at 1 January	0	0	0	0
Amount arising during the period/year 1/	0	8,053	0	8,053
Allowance made during the period/year	0	(8,053)	0	(8,053)
Balance at end of period/year	0	0	0	0

1/ This amount arose from the recognition of 8% holding cost amount on loans and advances sold and outstanding form Danaharta

8 Deposits from Customers

(i) By type of deposits

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Demand deposits	2,475,025	2,334,706	2,475,899	2,335,372
Savings deposits	1,632,765	1,577,662	1,632,765	1,577,662
Fixed deposits	11,414,410	11,804,056	11,427,094	11,824,488
Negotiable instruments of deposits	2,202,727	900,156	2,202,727	900,156
Islamic short term Mudharabah investment	241,561	183,203	241,561	183,203
Structured investments	717,800	118,500	717,800	118,500
Others	37,017	23,529	37,017	23,529
	18,721,305	16,941,812	18,734,863	16,962,910

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**8 Deposits from Customers (continued)**

ii) By type of customers

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Government and statutory bodies	46,774	15,447	46,774	15,447
Business enterprises	5,542,622	6,445,703	5,542,622	6,445,703
Individuals	10,268,684	9,687,340	10,268,684	9,687,340
Others	2,863,225	793,322	2,876,783	814,420
	<u>18,721,305</u>	<u>16,941,812</u>	<u>18,734,863</u>	<u>16,962,910</u>

9 Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Licensed banks	4,375,231	3,158,182	4,375,231	3,158,182
Licensed finance companies	0	120,000	0	120,000
Licensed merchant banks	0	50,000	0	50,000
Bank Negara Malaysia	0	32,741	0	32,741
Other financial institutions	73,463	153,983	73,463	153,983
	<u>4,448,694</u>	<u>3,514,906</u>	<u>4,448,694</u>	<u>3,514,906</u>

10 Other Liabilities

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Equity compensation benefits (a)	11,660	680	11,660	680
Accruals for personnel costs *	19,956	19,589	19,940	19,587
Obligations under finance lease	749	888	749	888
Provision for commitment and contingencies (b)	2,545	7,494	2,545	7,494
Interest payable	123,247	122,095	123,247	122,095
Other accruals and charges	138,560	123,941	135,522	120,900
Profit equalisation reserve [Note 22 (6)]	0	0	0	0
	<u>296,717</u>	<u>274,687</u>	<u>293,663</u>	<u>271,644</u>

*Includes accrual for salary, employee benefits and EPF

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**10 Other Liabilities (continued)**

a) Movements in equity compensation benefits are as follows:

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Balance at 1 January				
- As previous stated	680	200	680	200
- Prior year adjustment	8,302	0	8,302	0
As restated	8,982	200	8,982	200
Provision made during the period (net)	3,021	455	3,021	455
Adjustment on foreign currency revaluation	(343)	25	(343)	25
Balance at 30 June	11,660	680	11,660	680

Equity compensation benefits

Included in equity compensation benefits are:

- (i) OCBC Deferred Share Plan ("the Plan") was implemented with effect from 2003. Under the Plan, shares of the ultimate holding company of the Bank are granted to executive directors and officers of the rank of Vice President and above. Shares granted under the Plan will vest three years from the grant date and will lapse when the staff ceases employment during the vesting period.
- (ii) Shares Option Schemes that are offered to executives, of the rank of Assistant Manager and above, including executive directors and to non-executive directors. Options granted are exercisable for a period commencing after the 1st anniversary of the respective dates of grant and expiring on the 10th anniversary of the respective dates of grant. One-third of the share options granted will vest each financial year after the 1st anniversary of the respective dates of grant and fully vested after the 3rd anniversary.

A trust is set up to administer the shares purchased under the Plan. The remuneration expense is amortised and recognised in the income statement on a straight-line basis over the vesting period.

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

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Balance at 1 January	7,494	3,192	7,494	3,192
Provision made during the period/year (net)	(619)	4,330	(619)	4,330
Provision written back during the period/year	(4,330)	(28)	(4,330)	(28)
Reclassification to other accruals and charges	0	0	0	0
Balance at end of period/year	2,545	7,494	2,545	7,494

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**11 Interest Income**

Group	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPL	254,808	213,614	490,147	425,177
- Recoveries from NPLs	6,590	9,187	15,402	17,883
Money at call and deposit placements with financial institutions	7,271	26,306	16,379	53,527
Held-for-trading securities	6,482	2,286	14,397	3,627
Available-for-sale securities	68,909	42,164	125,478	83,897
Others	1,319	3,746	3,362	6,139
	<u>345,379</u>	<u>297,303</u>	<u>665,165</u>	<u>590,250</u>
Amortisation of premium less accretion of discount	(13,856)	(8,678)	(27,283)	(17,385)
	<u>331,523</u>	<u>288,625</u>	<u>637,882</u>	<u>572,865</u>
Bank	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPL	254,814	213,613	490,147	425,176
- Recoveries from NPLs	6,578	9,169	15,378	17,856
Money at call and deposit placements with financial institutions	7,271	26,307	16,379	53,527
Held-for-trading securities	6,482	2,286	14,397	3,627
Available-for-sale securities	68,909	42,164	125,478	83,897
Others	1,319	3,746	3,362	6,139
	<u>345,373</u>	<u>297,285</u>	<u>665,141</u>	<u>590,222</u>
Amortisation of premium less accretion of discount	(13,856)	(8,678)	(27,283)	(17,385)
	<u>331,517</u>	<u>288,607</u>	<u>637,858</u>	<u>572,837</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**12 Interest Expense**

<u>Group</u>	2nd Quarter Ended		Half Year Ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Deposits and placements of banks and other financial institutions	26,422	14,365	47,618	28,870
Deposits from other customers	111,429	101,220	218,200	200,912
Loans sold to Cagamas	10,465	11,355	21,236	23,096
Subordinated term loan	8,073	8,074	16,058	13,495
Others	20,335	17,048	36,027	33,961
	176,724	152,062	339,139	300,334

<u>Bank</u>	2nd Quarter Ended		Half Year Ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Deposits and placements of banks and other financial institutions	26,422	14,365	47,618	28,870
Deposits from other customers	111,512	101,357	218,380	201,186
Loans sold to Cagamas	10,465	11,355	21,236	23,096
Subordinated term loan	8,073	8,074	16,058	13,495
Others	20,353	17,069	36,063	34,005
	176,825	152,220	339,355	300,652

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**13 Non-interest Income**

Group	2nd Quarter Ended		Half Year Ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Fee income:-				
Commission	20,493	22,141	46,601	40,068
Service charges and fees	12,668	12,360	35,440	25,023
Guarantee fees	190	929	260	1,079
Other fee income	2,466	1,755	4,895	3,432
	<u>35,817</u>	<u>37,185</u>	<u>87,196</u>	<u>69,602</u>
Investment income:-				
Net profit from held-for-trading securities	3,100	1,379	6,513	3,219
Loss from sale of available-for-sale securities	(196)	0	(194)	0
Gross dividends from Malaysia :- Available-for-sale securities	707	224	707	699
	<u>39,428</u>	<u>38,788</u>	<u>94,222</u>	<u>73,520</u>
Other income:-				
Foreign exchange profit / (loss)				
- realised	8,894	9,136	17,107	15,931
- unrealised	(367)	0	(1,381)	2,666
Rental income	452	212	386	188
Gain on disposal of property, plant and equipment	0	369	0	1,399
Unrealised gains on revaluation of financial instruments	14,350	0	9,371	0
Others	(115)	64	(281)	72
	<u>23,214</u>	<u>9,781</u>	<u>25,202</u>	<u>20,256</u>
	<u>62,642</u>	<u>48,569</u>	<u>119,424</u>	<u>93,776</u>
Bank				
Fee income:-				
Commission	20,493	22,141	46,601	40,068
Service charges and fees	12,668	12,360	35,440	25,023
Guarantee fees	190	929	260	1,079
Other fee income	2,466	1,755	4,895	3,432
	<u>35,817</u>	<u>37,185</u>	<u>87,196</u>	<u>69,602</u>
Investment income:-				
Net profit from held-for-trading securities	3,100	1,379	6,513	3,219
Loss from sale of available-for-sale securities	(196)	0	(194)	0
Gross dividends from Malaysia :- Available-for-sale securities	707	224	707	699
	<u>39,428</u>	<u>38,788</u>	<u>94,222</u>	<u>73,520</u>
Other income:-				
Foreign exchange profit / (loss)				
- realised	8,894	9,136	17,107	15,931
- unrealised	(367)	0	(1,381)	2,666
Rental income	452	212	386	188
Gain on disposal of property, plant and equipment	0	369	0	1,399
Unrealised gains on revaluation of financial instruments	14,350	0	9,371	0
Others	(115)	64	(281)	72
	<u>23,214</u>	<u>9,781</u>	<u>25,202</u>	<u>20,256</u>
	<u>62,642</u>	<u>48,569</u>	<u>119,424</u>	<u>93,776</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**14 Staff Cost and Overhead Expenses**

<u>Group</u>	2nd Quarter Ended		Half Year Ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Personnel costs (i)	37,456	41,342	77,953	75,659
Establishment costs (ii)	8,640	13,340	16,849	25,775
Marketing expenses (iii)	4,177	4,705	7,898	6,787
Administration and general expenses (iv)	37,172	9,952	68,769	17,773
	87,445	69,339	171,469	125,994

<u>Bank</u>	2nd Quarter Ended		Half Year Ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Personnel costs (i)	37,419	41,299	77,861	75,584
Establishment costs (ii)	8,639	13,340	16,848	25,775
Marketing expenses (iii)	4,177	4,704	7,898	6,786
Administration and general expenses (iv)	37,164	9,937	68,753	17,752
	87,399	69,280	171,360	125,897

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**14 Staff Cost and Overhead Expenses (continued)**

(i) Personnel costs

Group	2nd Quarter Ended		Half Year Ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Wages, salaries and bonus	22,932	28,413	50,375	54,381
Defined contribution plan (EPF)	5,805	4,493	11,673	8,521
Equity compensation benefit (deferred share plan)	271	173	299	242
Employee benefits	970	2,390	970	2,390
Other personnel costs	7,478	5,873	14,636	10,125
	37,456	41,342	77,953	75,659

Bank	2nd Quarter Ended		Half Year Ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Wages, salaries and bonus	22,908	28,383	50,316	54,331
Defined contribution plan (EPF)	5,801	4,489	11,663	8,513
Equity compensation benefit (deferred share plan)	271	173	299	242
Employee benefits	967	2,390	967	2,390
Other personnel costs	7,472	5,864	14,616	10,108
	37,419	41,299	77,861	75,584

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.

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**14 Staff Cost and Overhead Expenses (continued)**

(ii) Establishment costs

Group	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Rental of premises	1,272	1,806	2,804	3,614
Depreciation of property, plant and equipment	4,387	4,980	7,646	9,774
Repair and maintenance	1,067	2,508	2,637	4,739
Others	1,914	4,046	3,762	7,648
	8,640	13,340	16,849	25,775

Bank	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Rental of premises	1,272	1,806	2,804	3,614
Depreciation of property, plant and equipment	4,387	4,980	7,645	9,774
Repair and maintenance	1,067	2,508	2,637	4,739
Others	1,913	4,046	3,762	7,648
	8,639	13,340	16,848	25,775

(iii) Marketing expenses

Group	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Transport and travelling	1,263	1,196	2,494	1,978
Advertisement and business promotion	2,637	3,267	4,907	4,395
Others	277	242	497	414
	4,177	4,705	7,898	6,787

Bank	2nd Quarter Ended		Half Year Ended	
	30 June	30 June	30 June	30 June
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Transport and travelling	1,263	1,196	2,494	1,978
Advertisement and business promotion	2,637	3,267	4,907	4,395
Others	277	241	497	413
	4,177	4,704	7,898	6,786

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**14 Staff Cost and Overhead Expenses (continued)**

(iv) Administration and general expenses

Group	2nd Quarter Ended		Half Year Ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Printing and stationery	1,313	1,563	2,894	3,132
Postage and courier	657	495	2,046	1,084
Telephone, telex and fax	1,599	1,352	3,362	2,680
Legal and consultancy fees	1,637	2,502	2,922	3,321
Transaction processing fees*	27,722	0	49,006	0
Other administrative and general expenses	4,244	4,040	8,539	7,556
	37,172	9,952	68,769	17,773

Bank	2nd Quarter Ended		Half Year Ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Printing and stationery	1,312	1,563	2,893	3,132
Postage and courier	657	495	2,046	1,084
Telephone, telex and fax	1,598	1,351	3,360	2,679
Legal and consultancy fees	1,636	2,493	2,921	3,312
Transaction processing fees*	27,722	0	49,006	0
Other administrative and general expenses	4,239	4,035	8,527	7,545
	37,164	9,937	68,753	17,752

*Transaction processing fees were incurred for transactions being processed by e2 Power Sdn Bhd with effect from 17 January 2005.

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**15 Allowance for Losses on Loans and Financing**

<u>Group</u>	<u>2nd Quarter Ended</u>		<u>Half Year Ended</u>	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Allowance for bad and doubtful debts and financing:-				
Specific allowance				
- Made in the financial period/year	59,105	46,831	81,826	80,522
- Written back	(51,365)	(25,693)	(70,634)	(53,575)
General allowance				
- Made/(written back) in the financial period	0	1,112	0	1,112
Other allowance	116	251	342	630
Bad debts and financing :-				
- written off	157	14	193	22
- recovered	(4,323)	(9,179)	(13,699)	(12,863)
	<u>3,690</u>	<u>13,336</u>	<u>(1,972)</u>	<u>15,848</u>

<u>Bank</u>	<u>2nd Quarter Ended</u>		<u>Half Year Ended</u>	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Allowance for bad and doubtful debts and financing:-				
Specific allowance				
- Made in the financial period/year	59,105	46,828	81,821	80,517
- Written back	(51,338)	(25,592)	(70,583)	(53,401)
General allowance				
- Made/(written back) in the financial period	0	1,112	0	1,112
Other allowance	116	251	342	630
Bad debts and financing :-				
- written off	157	14	193	22
- recovered	(4,323)	(9,179)	(13,699)	(12,863)
	<u>3,717</u>	<u>13,434</u>	<u>(1,926)</u>	<u>16,017</u>

16 Taxation

<u>Group</u>	<u>2nd Quarter Ended</u>		<u>Half Year Ended</u>	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Malaysia income tax – current year	40,853	30,804	79,855	66,131
Deferred taxation :				
- relating to originating and reversal of temporary differences	4,448	7,595	2,189	6,624
	<u>45,301</u>	<u>38,399</u>	<u>82,044</u>	<u>72,755</u>

Bank

Malaysia income tax – current year	40,853	30,804	79,855	66,131
Deferred taxation :				
- relating to originating and reversal of temporary differences	4,429	7,423	2,150	6,407
	<u>45,282</u>	<u>38,227</u>	<u>82,005</u>	<u>72,538</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**17 Capital Commitments**

	Group		Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000	30 June 2005 RM'000	31 Dec 2004 RM'000
Capital expenditure in respect of property, plant and equipment:-				
- authorised and contracted for	30,671	10,689	30,671	10,689
- authorised but not contracted for	22,454	106	22,454	106
	<u>53,125</u>	<u>10,795</u>	<u>53,125</u>	<u>10,795</u>

18 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. No material losses are anticipated as a result of these transactions.

Group	30 June 2005			31 Dec 2004		
	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	283,709	283,709	263,568	280,841	280,841	260,701
Transaction-related contingent items	504,154	252,077	244,879	468,060	234,030	226,832
Short-term self-liquidating trade-related contingencies	468,902	93,780	93,688	294,616	58,923	58,719
Obligations under underwriting agreement	45,000	22,500	22,500	157,000	78,500	78,500
Irrevocable commitments to extend credit:-						
- maturity exceeding one year	6,685,034	3,342,517	3,342,517	5,921,834	2,960,917	2,960,917
- maturity not exceeding one year	5,922,175	0	0	5,410,656	0	0
Foreign exchange related contracts						
-less than one year	7,043,328	105,409	36,058	8,905,977	122,956	34,924
-one year to less than five years	0	0	0	112,543	6,336	3,168
Interest rate contracts						
-less than one year	2,457,500	8,604	2,345	145,250	692	138
-one year to less than five years	3,101,590	95,100	34,290	928,300	24,610	8,730
-five years and above	570,000	41,800	20,900	716,800	55,253	27,476
Miscellaneous	110,000	0	0	30,179	0	0
Total	<u>27,191,392</u>	<u>4,245,496</u>	<u>4,060,745</u>	<u>23,372,056</u>	<u>3,823,058</u>	<u>3,660,105</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**18 Commitments and Contingencies (continued)**

	30 June 2005			31 Dec 2004		
	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	283,709	283,709	263,568	280,841	280,841	260,701
Transaction-related contingent items	504,154	252,077	244,879	468,060	234,030	226,832
Short-term self-liquidating trade-related contingencies	468,902	93,780	93,688	294,616	58,923	58,719
Obligations under underwriting agreement	45,000	22,500	22,500	157,000	78,500	78,500
Irrevocable commitments to extend credit:-						
- maturity exceeding one year	6,685,034	3,342,517	3,342,517	5,921,834	2,960,917	2,960,917
- maturity not exceeding one year	5,922,175	0	0	5,410,656	0	0
Foreign exchange related contracts						
-less than one year	7,043,328	105,409	36,058	8,905,977	122,956	34,924
-one year to less than five years	0	0	0	112,543	6,336	3,168
Interest rate contracts						
-less than one year	2,457,500	8,604	2,345	145,250	692	138
-one year to less than five years	3,101,590	95,100	34,290	928,300	24,610	8,730
-five years and above	570,000	41,800	20,900	716,800	55,253	27,476
Miscellaneous	110,000	0	0	0	0	0
Total	27,191,392	4,245,496	4,060,745	23,341,877	3,823,058	3,660,105

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

Foreign exchange related contracts which consist of forward, swaps and interest rate are subject to market risk and credit risk.

Detail of the foreign exchange related contracts and interest rate contracts at 30 June 2005 are as follows:

	Group and Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000
Foreign exchange related contracts		
- Forward contracts	2,253,265	2,419,410
- Swaps	4,038,410	6,279,502
- Options	751,653	319,608
Interest rate contracts		
- Swaps	5,821,900	1,628,850
- Options	272,500	161,500
- Swaption	34,600	0

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance positions. As at 30 June 2005, the amount of contracts which were not hedged and hence, exposed to market risk was RM9,390,741 (Dec 2004 : RM1,108,771).

Credit risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank has a gain position. As at 30 June 2005, the amounts of credit risk, measured in term of the cost to replace the profitable contracts was RM35,856,938 (Dec 2004 : RM16,653,122). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**19 Interest /Profit Rate Risk**

Group	Non Trading Book						Trading Book	Total	Average interest rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-interest sensitive			
As at 30 June 2005	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Cash and short term funds	833,211	0	0	0	0	344,017	302,492	1,479,720	2.40
Securities purchased under resale agreement	251,061	1,175,083	666,223	0	0	0	0	2,092,367	2.64
Deposits and placements with financial institutions	0	198,400	2,553	0	0	0	209,000	409,953	2.40
Held-for-trading securities	0	0	0	0	0	0	687,594	687,594	4.40
Available-for-sale securities	794,044	220,163	305,782	3,726,672	284,309	(19,429)^	0	5,311,541	4.74
Loans, advances and financing	14,361,216	376,488	712,782	844,492	210,209	622,322*	2,683,617	19,811,126	5.50
Other assets	0	0	0	0	0	330,664	13,952	344,616	0
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	780,086	0	780,086	0
Property, plant and equipment	0	0	0	0	0	221,696	0	221,696	0
Deferred taxation asset	0	0	0	0	0	89,073	0	89,073	0
Total assets	16,239,532	1,970,134	1,687,340	4,571,164	494,518	2,368,429	3,896,655	31,227,772	
Liabilities									
Deposits from customers	8,372,141	2,469,908	4,856,358	533,999	0	1,978,491	510,408	18,721,305	2.59
Deposits and placements of banks and other financial institutions	1,803,811	249,814	9,260	14,776	2,622	0	2,368,411	4,448,694	2.80
Obligations on securities sold under repurchase agreements	2,941,524	72,896	0	0	0	0	0	3,014,420	2.63
Bills and acceptances payable	0	0	0	0	0	1,670,337	0	1,670,337	0
Amount due to Cagamas	6,469	13,007	211,692	400,877	336,472	0	0	968,517	4.25
Subordinated term loan	0	0	0	0	0	0	552,775	552,775	5.68
Other liabilities	0	0	0	0	0	277,988	18,729	296,717	0
Taxation and zakat	0	0	0	0	0	(42,039)	0	(42,039)	0
Total liabilities	13,123,945	2,805,625	5,077,310	949,652	339,094	3,884,777	3,450,323	29,630,726	
On-balance sheet interest sensitivity gap	3,115,587	(835,491)	(3,389,970)	3,621,512	155,424	(1,516,348)	446,332	1,597,046	
Off-balance sheet interest sensitivity gap	0	0	0	0	0	0	0	0	
Total interest sensitivity gap	3,115,587	(835,491)	(3,389,970)	3,621,512	155,424	(1,516,348)	446,332	1,597,046	

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**19 Interest/Profit Rate Risk (continued)**

Bank	Non Trading Book						Trading Book	Total	Average interest rate %
	Up to 1 Month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-interest sensitive			
As at 30 June 2005	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short term funds	833,211	0	0	0	0	344,017	302,492	1,479,720	2.40
Securities purchased under resale agreement	251,061	1,175,083	666,223	0	0	0	0	2,092,367	2.64
Deposits and placements with financial institutions	0	198,400	2,553	0	0	0	209,000	409,953	2.40
Held-for-trading securities	0	0	0	0	0	0	687,594	687,594	4.40
Available-for-sale securities	794,044	220,163	305,782	3,726,672	284,309	(19,429) [^]	0	5,311,541	4.74
Loans, advances and financing	14,360,578	376,488	712,782	843,743	210,209	622,974 [*]	2,683,617	19,810,391	5.50
Other assets	0	0	0	0	0	327,648	13,952	341,600	0
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	780,086	0	780,086	0
Investment in subsidiary companies	0	0	0	0	0	1,611	0	1,611	
Property, plant and equipment	0	0	0	0	0	221,691	0	221,691	0
Deferred taxation asset	0	0	0	0	0	89,338	0	89,338	0
Total assets	16,238,894	1,970,134	1,687,340	4,570,415	494,518	2,367,936	3,896,655	31,225,892	
Liabilities									
Deposits from customers	8,384,825	2,469,908	4,856,358	533,999	0	1,979,365	510,408	18,734,863	2.59
Deposits and placements of banks and other financial institutions	1,803,811	249,814	9,260	14,776	2,622	0	2,368,411	4,448,694	2.80
Obligations on securities sold under repurchase agreements	2,941,524	72,896	0	0	0	0	0	3,014,420	2.63
Bills and acceptances payable	0	0	0	0	0	1,670,337	0	1,670,337	0
Amount due to Cagamas	6,469	13,007	211,692	400,877	336,472	0	0	968,517	4.25
Subordinated term loan	0	0	0	0	0	0	552,775	552,775	5.68
Other liabilities	0	0	0	0	0	274,934	18,729	293,663	0
Taxation and zakat	0	0	0	0	0	(42,039)	0	(42,039)	0
Total liabilities	13,136,629	2,805,625	5,077,310	949,652	339,094	3,882,597	3,450,323	29,641,230	
On-balance sheet interest sensitivity gap	3,102,265	(835,491)	(3,389,970)	3,620,763	155,424	(1,514,661)	446,332	1,584,662	
Off-balance sheet interest sensitivity gap	0	0	0	0	0	0	0	0	
Total interest sensitivity gap	3,102,265	(835,491)	(3,389,970)	3,620,763	155,424	(1,514,661)	446,332	1,584,662	

[^]The negative amount includes allowance for diminution in value of investment securities in accordance with the Company's accounting policy amounting to (RM66,735,000) for Group and Bank.

^{*}The amount includes specific allowance and general allowance for loan, advances and financing in accordance with the Company's accounting policy amounting to (RM905,236,000) for Group and (RM904,583,000) for Bank

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**19 Interest /Profit Rate Risk**

Group	Non Trading Book						Trading Book	Total	Average interest rate
	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-interest sensitive			
As at 31 December 2004									
Assets	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Cash and short term funds	1,043,027	0	0	0	0	60,625	275,514	1,379,166	2.45
Deposits and placements with financial institutions	0	67,500	0	0	0	287,391	169,100	523,991	2.45
Held-for-trading securities	0	0	0	0	0	0	579,445	579,445	4.44
Available-for-sale securities	270,230	596,172	709,766	3,286,791	70,495	(51,733)^	0	4,881,721	4.95
Loans, advances and financing	13,178,977	501,845	888,141	770,219	376,446	612,665*	2,753,223	19,081,516	4.87
Other assets	0	0	0	0	0	128,603	19,397	148,000	0
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	694,086	0	694,086	0
Property, plant and equipment	0	0	0	0	0	202,724	0	202,724	0
Deferred taxation asset	0	0	0	0	0	100,267	0	100,267	0
Total assets	14,492,234	1,165,517	1,597,907	4,057,010	446,941	2,034,628	3,796,679	27,590,916	
Liabilities									
Deposits from customers	7,458,847	2,904,260	3,938,065	230,684	0	1,990,083	419,873	16,941,812	2.70
Deposits and placements of banks and other financial institutions	493,217	712,530	11,407	15,988	2,796	0	2,278,968	3,514,906	2.32
Obligations on securities sold under repurchase agreements	2,100,694	27,660	0	0	0	0	0	2,128,354	2.65
Bills and acceptances payable	0	0	0	0	0	1,533,193	0	1,533,193	0
Amount due to Cagamas	6,461	12,993	59,636	575,793	355,898	0	0	1,010,781	4.42
Subordinated term loan	0	0	0	0	0	0	570,000	570,000	5.79
Other liabilities	0	0	0	0	0	251,261	23,426	274,687	0
Taxation and zakat	0	0	0	0	0	8,464	0	8,464	0
Total liabilities	10,059,219	3,657,443	4,009,108	822,465	358,694	3,783,001	3,292,267	25,982,197	
On-balance sheet interest sensitivity gap	4,433,015	(2,491,926)	(2,411,201)	3,234,545	88,247	(1,748,373)	504,412	1,608,719	
Off-balance sheet interest sensitivity gap	0	0	0	0	0	0	0	0	
Total interest sensitivity gap	4,433,015	(2,491,926)	(2,411,201)	3,234,545	88,247	(1,748,373)	504,412	1,608,719	

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**19 Interest/Profit Rate Risk (continued)**

Bank	Non Trading Book						Trading Book	Total	Average interest rate %
	Up to 1 Month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	Non-interest sensitive			
As at 31 December 2004	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short term funds	1,043,027	0	0	0	0	60,625	275,514	1,379,166	2.45
Deposits and placements with financial institutions	0	67,500	0	0	0	287,391	169,100	523,991	2.45
Held-for-trading securities	0	0	0	0	0	0	579,445	579,445	4.44
Available-for-sale securities	270,230	596,172	709,766	3,286,791	70,495	(51,733) [^]	0	4,881,721	4.95
Loans, advances and financing	13,178,977	501,845	888,141	769,328	376,446	612,680 [*]	2,753,223	19,080,640	4.87
Other assets	0	0	0	0	0	133,454	19,397	152,851	0
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	694,086	0	694,086	0
Investment in subsidiary companies	0	0	0	0	0	1,611	0	1,611	0
Property, plant and equipment	0	0	0	0	0	202,721	0	202,721	0
Deferred taxation asset	0	0	0	0	0	100,493	0	100,493	0
Total assets	14,492,234	1,165,517	1,597,907	4,056,119	446,941	2,041,328	3,796,679	27,596,725	
Liabilities									
Deposits from customers	7,479,259	2,904,280	3,938,065	230,684	0	1,990,083	420,539	16,962,910	2.7
Deposits and placements of banks and other financial institutions	493,217	712,530	11,407	15,988	2,796	0	2,278,968	3,514,906	2.32
Obligations on securities sold under repurchase agreements	2,100,694	27,660	0	0	0	0	0	2,128,354	2.65
Bills and acceptances payable	0	0	0	0	0	1,533,193	0	1,533,193	0
Amount due to Cagamas	6,461	12,993	59,636	575,793	355,898	0	0	1,010,781	4.42
Subordinated term loan	0	0	0	0	0	0	570,000	570,000	5.79
Other liabilities	0	0	0	0	0	248,218	23,426	271,644	0
Taxation and zakat	0	0	0	0	0	8,464	0	8,464	0
Total liabilities	10,079,631	3,657,463	4,009,108	822,465	358,694	3,779,958	3,292,933	26,000,252	
On-balance sheet interest sensitivity gap	4,412,603	(2,491,946)	(2,411,201)	3,233,654	88,247	(1,738,630)	503,746	1,596,473	
Off-balance sheet interest sensitivity gap	0	0	0	0	0	0	0	0	
Total interest sensitivity gap	4,412,603	(2,491,946)	(2,411,201)	3,233,654	88,247	(1,738,630)	503,746	1,596,473	

[^]The negative amount includes allowance for diminution in value of investment securities in accordance with the Company's accounting policy amounting to (RM 69,894,000) for Group and Bank.

^{*}The amount includes specific allowance and general allowance for loan, advances and financing in accordance with the Company's accounting policy amounting to (RM 762,335,000) for Group and (RM 761,636,000) for Bank

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**20 IMPACT ON ADOPTION OF REVISED BNM/GP8****Group**

Increase / (decrease)	Previously reported RM'000	Effects RM'000	Restated RM'000
<u>Balance Sheet – 1 January 2005</u>			
Fair value reserves	0	51,371	51,371
- Fair value adjustments for available-for-sale assets		60,945	
- Deferred tax adjustments		(9,574)	
Unappropriated profits	443,350	(110,932)	332,418
<u>Income Statement – Period Ended 30 June 2005</u>			Effects RM'000
Total income			16,823
Staff costs and overhead expenses			(3,145)
Net profit before tax			13,678
Tax			(3,830)
Net profit after tax			9,848

Bank

Increase / (decrease)	Previously reported RM'000	Effects RM'000	Restated RM'000
<u>Balance Sheet – 1 January 2005</u>			
Fair value reserves	0	51,371	51,371
Unappropriated profits	524,473	(110,932)	413,541
<u>Income Statement – Period Ended 30 June 2005</u>			Effects RM'000
Net profit after tax			9,848

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**21 Capital Adequacy**

	<u>Bank</u>	
	30 June 2005 RM'000	31 Dec 2004 RM'000
(i) The capital adequacy ratios of the Bank are as follows:-		
Components of Tier-1 and Tier-2 capital are as follow:		
<u>Tier-1 capital</u>		
Paid-up share capital	287,500	287,500
Share premium	462,500	462,500
Retained profit/loss	453,241	524,473
Other reserves	322,000	322,000
	<u>1,525,241</u>	<u>1,596,473</u>
Less: Deferred tax assets	(100,786)	(100,493)
	<u>1,424,455</u>	<u>1,495,980</u>
 <u>Tier-2 capital</u>		
General allowance for bad and doubtful debts and financing	306,855	306,855
Subordinated term loan	570,000	570,000
Total Tier-2 capital	<u>876,855</u>	<u>876,855</u>
 Less :		
Investment in subsidiaries	(1,611)	(1,611)
Capital base	<u>2,299,699</u>	<u>2,371,224</u>
 <u>Capital Ratios</u>		
Excluding proposed final dividend :		
Core-capital ratio	6.60%	7.39%
Risk-weighted capital ratio	10.67%	11.71%
 Including proposed interim / final dividend :		
Core-capital ratio	6.16%	6.65%
Risk-weighted capital ratio	10.23%	10.97%

22 DIVIDENDS

The directors have proposed an interim dividend of 45 sen (2004: 40 sen) per share less tax amounting to RM93.15 million on the fully issued and paid up ordinary shares of the Bank in respect of the financial period ended 30 June 2005. These financial statements do not reflect this proposed interim dividend which will be accrued as a liability in the second half of the financial year ending 31 December 2005 when approved by board of directors at the Board of Directors meeting.

23 CAPITAL ADEQUACY

Profit after taxation and zakat of RM189.8 million for the current half-year which was included in the capital base, was subjected to a limited review by the external auditors in accordance with Technical Bulletin 4.

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**24 The Operation of Islamic Banking (IB)****CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2005**

	Group and Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000
ASSETS		
Cash and short-term funds	67,562	71,656
Available-for sale securities	(1) 537,436	449,757
Financing and other advances	(2) 910,254	865,927
Other assets	(4) 22,101	145,570
Statutory deposits with Bank Negara Malaysia	45,906	39,352
Deferred taxation assets	3,955	3,963
TOTAL ASSETS	<u>1,587,214</u>	<u>1,576,225</u>
LIABILITIES AND ISLAMIC BANKING FUNDS		
Deposits from customers	(5) 1,200,266	1,098,541
Deposits and placements of banks and other financial institutions	193,000	299,000
Bills and acceptances payable	1,023	1,122
Other liabilities	(6) 66,065	59,191
Tax and Zakat	4,924	10,671
Total Liabilities	<u>1,465,278</u>	<u>1,468,525</u>
Islamic Banking Funds	(7) 64,000	64,000
Retained profits	(7) 57,936	43,700
	<u>121,936</u>	<u>107,700</u>
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS	<u>1,587,214</u>	<u>1,576,225</u>
COMMITMENTS AND CONTINGENCIES	<u>761,834</u>	<u>588,043</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**24 The Operation of Islamic Banking (IB) (continued)****CONDENSED INTERIM FINANCIAL STATEMENTS****UNAUDITED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2005**

Group and Bank	2nd Quarter Ended		Half Year Ended	
	30 June 2005 RM'000	30 June 2004 RM'000	30 June 2005 RM'000	30 June 2004 RM'000
Income derived from investment of depositors' funds	9,092	16,570	19,710	26,428
Allowance for losses on financing and other loans	(1,680)	(1,378)	(3,654)	(1,701)
Transfer from/(to) profit equalisation reserve	110	788	0	(31)
Total attributable income	7,522	15,980	16,056	24,696
Income attributable to depositors	(9,268)	(12,321)	(19,894)	(22,209)
Income attributable to shareholders	(1,746)	3,659	(3,838)	2,487
Income derived from the investment of Islamic banking funds	11,251	954	20,919	5,444
Total net income	9,505	4,613	17,081	7,931
Personnel expenses	(403)	(249)	(761)	(483)
Other overhead expenses	(318)	(127)	(473)	(247)
Profit before zakat and taxation	8,784	4,237	15,847	7,201
Zakat	(200)	(24)	(200)	(24)
Taxation	(2,456)	(1,667)	(4,177)	(2,728)
Net profit for the financial period	6,128	2,546	11,470	4,449

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**24 The Operation of Islamic Banking (IB) (continued)****(1) Available-For-Sale Securities**

	Group and Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000
Money market instruments :-		
Quoted :		
Malaysian Government investment issues	239,335	226,532
Khazanah Bonds	14,707	14,199
Sanadat Mudharabah Cagamas	110,606	110,134
Private debt securities	10,139	10,507
	<u>374,787</u>	<u>361,372</u>
Unquoted :		
Islamic Negotiable Instruments of Deposits	80,000	80,000
Bankers acceptances and Islamic accepted bills	82,649	0
	<u>537,436</u>	<u>441,372</u>
Amortisation of premium less accretion of discounts	0	8,385
	<u>537,436</u>	<u>449,757</u>
The maturity structure of money market instruments under available- for-sale are as follow :		
Maturing within one year	280,407	190,883
One year to three years	221,340	205,354
Three to five years	35,689	45,135
	<u>537,436</u>	<u>441,372</u>

(2) Financing and Advances

	Group and Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000
(i) By type:		
Cash Line	102,334	85,753
Term financing		
- Housing financing	156,980	122,944
- Syndicated term financing	235,663	244,031
- Hire purchase receivables	299,688	256,068
- Leasing receivables	29,782	24,556
- Other term financing	140,033	87,458
Revolving Credits	118,623	183,895
Unearned income	(148,429)	(117,952)
Gross financing	<u>934,674</u>	<u>886,753</u>
Allowance for bad and doubtful debts and financing		
- Specific	(10,417)	(7,635)
- General	(14,003)	(13,191)
Net financing	<u>910,254</u>	<u>865,927</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**24 The Operation of Islamic Banking (IB) (continued)**

	Group and Bank	
	30 June 2005 RM'000	31 Dec 2004 RM'000
(3) Non-performing financing		
i) Movements in non-performing financing:		
Balance at 1 January		
- As previously stated	13,508	4,553
- Adjustments on adoption of revised BNM/GP8	(794)	(477)
As restated	<u>12,714</u>	<u>4,076</u>
Non-performing during the period/year	5,796	12,150
Reclassified as performing during the period/year	(965)	(2,441)
Amount recovered	(884)	(1,059)
Amount written off	(60)	(12)
Balance at end of period/year	<u>16,601</u>	<u>12,714</u>
Specific allowance	<u>(10,417)</u>	<u>(7,635)</u>
Net non performing financing	<u>6,184</u>	<u>5,079</u>
Ratio of net non-performing financing to net financing	<u>0.67%</u>	<u>0.58%</u>
ii) Movements in the allowance for bad and doubtful financing are as follows :		
<u>General allowance</u>		
Balance at 1 January	13,191	4,635
Allowance made during the period/year	812	8,556
Balance at end of period/year	<u>14,003</u>	<u>13,191</u>
As % of total financing less specific allowance	<u>1.52%</u>	<u>1.50%</u>
<u>Specific allowance</u>		
Balance at 1 January	7,635	696
Allowance made during period/year	3,075	7,984
Amount recovered	(234)	(1,031)
Amount written off	(59)	(14)
Balance at end of period/year	<u>10,417</u>	<u>7,635</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)**24 The Operation of Islamic Banking (IB) (continued)****(4) Other Assets**

	Group and Bank	
	30 June	31 Dec
	2005	2004
	RM'000	RM'000
Income receivable	2,478	1,718
Other debtors, deposit and prepayments	19,623	143,852
	<u>22,101</u>	<u>145,570</u>

(5) Deposits from Customers

i) By type of deposits

Non-Mudharabah Fund:

Demand deposits	108,872	98,662
Savings deposits	265,369	255,514
Negotiable Islamic Debt Certificate	396,280	219,655
Others	10,247	9,117
	<u>780,768</u>	<u>582,948</u>

Mudharabah Fund:

General investment deposits	177,937	332,390
Islamic short term Mudharabah Investment	241,561	183,203
	<u>419,498</u>	<u>515,593</u>

Total deposits from customers	<u>1,200,266</u>	<u>1,098,541</u>
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(6) Other Liabilities

Other accruals and charges	66,065	59,191
Profit equalisation reserve	0	0
	<u>66,065</u>	<u>59,191</u>

Profit equalisation reserve (PER)

Balance at 1 January	0	4,479
Amount provided during the period/year	(297)	0
Amount written back during the period/year	297	(4,479)
Balance at end of the period/year	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS – 30 JUNE 2005 (continued)

24 The Operation of Islamic Banking (IB) (continued)

(7) Islamic Banking Capital Funds

	Group and Bank	
	<u>30 June</u>	<u>31 Dec</u>
	2005	2004
	RM'000	RM'000
Islamic banking funds	64,000	64,000
Reserves :		
Net unrealised gains on available-for-sale investments of which the depositors' portion is RM1,634,000 (Dec 2004 : Nil)	1,279	0
Retained profits	56,657	43,700
	<u>121,936</u>	<u>107,700</u>