

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2009**

	Note	Group		Bank	
		31/3/2009 RM'000	31/12/2008 RM'000	31/3/2009 RM'000	31/12/2008 RM'000
ASSETS					
Cash and short-term funds		7,144,065	4,374,064	6,548,657	3,717,429
Deposits and placements with financial institutions		2,798,284	1,230,613	2,798,284	1,230,613
Held-for-trading securities	4	579,571	581,784	579,571	581,784
Available-for-sale securities	4	6,867,447	8,577,769	6,041,053	7,744,641
Loans, advances and financing	5	30,130,247	30,174,433	28,093,405	28,044,170
Other assets	7	1,476,422	1,646,421	1,732,796	1,898,721
Statutory deposits with Bank Negara Malaysia		275,592	937,608	248,092	853,608
Investment in subsidiary companies		0	0	196,611	196,611
Property, plant and equipment		253,391	255,933	250,662	253,994
Investment property		12,146	12,358	12,146	12,358
Prepaid lease payments		2,916	2,929	2,916	2,929
Non-current assets held for sale		4	0	4	0
Deferred taxation asset		100,978	78,980	86,060	66,627
TOTAL ASSETS		49,641,063	47,872,892	46,590,257	44,603,485
LIABILITIES AND SHAREHOLDERS' EQUITY					
Deposits from customers	8	38,582,450	36,644,059	36,165,085	33,967,274
Deposits and placements of banks and other financial institutions	9	4,252,768	3,859,946	3,710,210	3,546,146
Bills and acceptances payable		703,834	1,446,081	696,056	1,431,979
Amount due to Cagamas		387,728	435,327	387,728	435,327
Subordinated term loan / bonds		999,971	981,162	999,971	981,162
Other liabilities	10	1,380,763	1,318,739	1,312,499	1,068,096
Taxation and zakat		78,783	61,340	76,795	61,325
Total Liabilities		46,386,297	44,746,654	43,348,344	41,491,309
Financed by :					
Share capital		291,500	291,500	291,500	291,500
Reserves		2,963,266	2,834,738	2,950,413	2,820,676
Shareholders' Equity		3,254,766	3,126,238	3,241,913	3,112,176
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		49,641,063	47,872,892	46,590,257	44,603,485
COMMITMENTS AND CONTINGENCIES	18	71,299,942	73,615,708	70,188,242	72,821,958

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 FIRST QUARTER AND THREE MONTHS ENDED
31 MARCH 2009**

	Note	Group		Bank	
		1 st Quarter Ended		1 st Quarter Ended	
		31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Interest income	11	509,699	509,392	513,178	509,392
Interest expense	12	(257,202)	(276,163)	(257,207)	(276,167)
Net interest income		252,497	233,229	255,971	233,225
Islamic Banking income	22(8)	32,600	27,194	0	27,194
		285,097	260,423	255,971	260,419
Non-interest income	13	173,226	148,634	181,904	148,634
Net income		458,323	409,057	437,875	409,053
Staff cost and overhead expenses	14	(139,624)	(143,130)	(132,967)	(143,045)
Operating profits before allowances		318,699	265,927	304,908	266,008
Allowance for losses on loans, advances and financing	15	(43,050)	(20,515)	(37,570)	(20,515)
Write back of provision for commitment and contingencies		0	3,936	0	3,936
Profit before taxation and zakat		275,649	249,348	267,338	249,429
Taxation	16	(70,801)	(68,017)	(68,853)	(68,037)
Net profit attributable to shareholders		204,848	181,331	198,485	181,392
Basic earnings per share (sen)		68.1	59.9	65.9	59.9

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 STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2009

	Non-distributable				Distributable		Total
	Share capital	Share premium	Statutory reserve	Capital reserve	Fair value reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
Balance at 1 January 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	(53,875)	0	(53,875)
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	0	22,198	0	22,198
Realised gain on available-for-sale securities reclassified to income statement upon disposal	0	0	0	0	(35,697)	0	(35,697)
Net losses recognised directly in equity	0	0	0	0	(67,374)	0	(67,374)
Net profit attributable to shareholders	0	0	0	0	0	204,848	204,848
Total recognised income and expense for the year	0	0	0	0	(67,374)	204,848	137,474
Dividends paid on preference shares	0	0	0	0	0	(8,946)	(8,946)
Balance at 31 March 2009	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>56,619</u>	<u>88,233</u>	<u>1,637,914</u>	<u>3,254,766</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	35,768	0	35,768
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	0	(4,124)	0	(4,124)
Realised gain on available-for-sale securities reclassified to income statement upon disposal	0	0	0	0	(17,508)	0	(17,508)
Net gains recognised directly in equity	0	0	0	0	14,136	0	14,136
Net profit attributable to shareholders	0	0	0	0	0	181,331	181,331
Total recognised income and expense for the year	0	0	0	0	14,136	181,331	195,467
Dividends paid on preference shares	0	0	0	0	0	(8,996)	(8,996)
Balance at 31 March 2008	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>56,619</u>	<u>84,823</u>	<u>1,058,412</u>	<u>2,671,854</u>

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 STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2009
(continued)

	Non-distributable			Distributable		Total
	Share capital	Share premium	Statutory reserve	Fair value reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank						
Balance at 1 January 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	(46,812)	0	(46,812)
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	19,934	0	19,934
Realised gain on available-for-sale securities reclassified to income statement upon disposal	0	0	0	(32,924)	0	(32,924)
Net losses recognised directly in equity	0	0	0	(59,802)	0	(59,802)
Net profit attributable to shareholders	0	0	0	0	198,485	198,485
Total recognised income and expense for the year	0	0	0	(59,802)	198,485	138,683
Dividends paid on preference shares	0	0	0	0	(8,946)	(8,946)
Balance at 31 March 2009	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>87,418</u>	<u>1,682,495</u>	<u>3,241,913</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	35,768	0	35,768
Deferred tax on revaluation of available-for-sale securities (net)	0	0	0	(4,124)	0	(4,124)
Realised gain on available-for-sale securities reclassified to income statement upon disposal				(17,508)		(17,508)
Net gains recognised directly in equity	0	0	0	14,136	0	14,136
Net profit attributable to shareholders	0	0	0	0	181,392	181,392
Total recognised income and expense for the year	0	0	0	14,136	181,392	195,528
Dividends paid on preference shares	0	0	0	0	(8,996)	(8,996)
Balance at 31 March 2008	<u>291,500</u>	<u>858,500</u>	<u>322,000</u>	<u>84,823</u>	<u>1,102,362</u>	<u>2,659,185</u>

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 THREE MONTHS ENDED 31 MARCH 2009

	Group		Bank	
	1 st Quarter Ended		1 st Quarter Ended	
	31 Mar	31 Mar	31 Mar	31 Mar
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and zakat	275,649	249,348	267,338	249,429
Adjustments for non-operating and non-cash items	(11,037)	(53,427)	(22,140)	(53,428)
Operating profit before changes in working capital	264,612	195,921	245,198	196,001
Changes in working capital:				
Net changes in Operating Assets	(696,802)	(320,937)	(845,317)	(320,959)
Net changes in Operating Liabilities	1,609,299	3,496,797	1,834,151	3,496,738
Income tax and zakat paid	(53,158)	(50,767)	(52,882)	(50,766)
Net cash generated from operating activities	1,123,951	3,321,014	1,181,150	3,321,014
Net cash generated from investing activities	1,636,313	198,102	1,640,341	198,102
Net cash generated from financing activities	9,737	391,004	9,737	391,004
Net increase in cash and cash equivalents	2,770,001	3,910,120	2,831,228	3,910,120
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	7,144,065	9,776,634	6,548,657	9,776,634

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 – 31 MARCH 2009

1 REVIEW OF PERFORMANCE

The Bank and its subsidiaries (“the Group”) recorded a net profit of RM205 million for the first three months of 2009, registering an increase of RM24 million or 13% compared to the corresponding period for 2008. The higher net profits were due to an increase of RM53 million or 20% in operating profits to RM319 million, partially offset by higher provisions of RM26 million.

Total income rose by RM49 million or 12% to RM458 million as a result of a RM19 million or 8% increase in net interest income to RM252 million. Total Islamic banking income grew by RM5 million or 20% to RM33 million, while the Group’s non-interest income registered increase of RM25 million or 17% to RM173 million. Overheads fell by RM4 million or 2%, to RM140 million.

Specific allowances increased by RM37 million while general allowances made for loans growth declined by RM16 million to RM2 million (Mar 08: RM18 million). The net NPL ratio increased to 2.12% (Dec 09: 1.99%).

Against 31 Dec 2008, the Group’s gross loans outstanding remained at RM31.1 billion as at 31 March 2009 while total assets grew by RM1.8 billion to RM49.6 billion.

Shareholders’ funds of the Group strengthened to RM3.2 billion while the Group’s risk weighted capital ratio as at 31 March 2009 stood at 12.51%.

2 ECONOMIC PERFORMANCE AND PROSPECTS

The severe global recession clearly marks out 2009 to be a difficult year. Against this dismal economic outlook, Malaysia has forecasted its GDP - at its most sluggish pace since the 1997/98 financial crisis - to grow at 0.2% for 2009. Nonetheless, with the aim to cushion the impact of the global economic slowdown that resulted in lower external demand from advanced economies, the government has taken several positive measures, including that of a second economic stimulus package of RM60 billion, which will be implemented over the next two years.

Despite the outlook, the bank will continue to invest for growth with particular focus in Islamic banking products and services as well as developing trust and good relationship with our customers to ensure meaningful provision of credit for needy and worthy borrowers. Notwithstanding this, the bank will actively move forward in preserving the quality of its assets and further strengthen its capital position.

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 – 31 MARCH 2009 (continued)**4 SECURITIES PORTFOLIO**

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
i) Held-for-trading securities				
<u>At fair value</u>				
Malaysian Government treasury bills	1	0	1	0
Malaysian Government securities	280,703	63,059	280,703	63,059
Government Investment Certificate	0	41,902	0	41,902
Bank Negara Malaysia Bills	29,033	1,662	29,033	1,662
Private debt securities	268,344	474,804	268,344	474,804
Quoted shares in Malaysia	1,490	357	1,490	357
	<u>579,571</u>	<u>581,784</u>	<u>579,571</u>	<u>581,784</u>
ii) Available-for-sale securities				
<u>At fair value</u>				
Malaysian Government treasury bills	24,691	0	24,691	0
Malaysian Government securities	3,161,849	4,136,832	3,161,849	4,136,832
Government Investment Certificate	1,596,022	1,444,231	1,019,442	992,589
Bank Negara Malaysia negotiable notes	0	0	0	0
Bank Negara Malaysia bills	15,063	84,252	15,063	84,252
Cagamas bonds / notes	0	0	0	0
Private debt securities	1,215,126	1,397,079	990,312	1,089,876
Negotiable instruments of deposit	625,000	1,224,283	600,000	1,150,000
Other government securities	113,455	173,343	113,455	173,343
Quoted shares in Malaysia	51,246	53,861	51,246	53,861
Unquoted shares in Malaysia	56,314	56,315	56,314	56,315
Unquoted shares outside Malaysia	9,250	8,142	9,250	8,142
Debentures	190	190	190	190
	<u>6,868,206</u>	<u>8,578,528</u>	<u>6,041,812</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>6,867,447</u>	<u>8,577,769</u>	<u>6,041,053</u>	<u>7,744,641</u>

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

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**4 SECURITIES PORTFOLIO (continued)**

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

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
Maturity within one year	1,424,432	3,109,664	1,384,365	2,905,263
One year to three years	1,889,434	1,763,298	1,843,719	1,742,720
Three years to five years	1,657,358	1,449,836	1,175,916	1,160,638
Over five years	1,896,223	2,254,971	1,637,053	1,936,020
	<u>6,867,447</u>	<u>8,577,769</u>	<u>6,041,053</u>	<u>7,744,641</u>

5 LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
i) By type				
Overdrafts	3,717,462	3,791,580	3,346,639	3,406,495
Term loans/financing :				
Housing loans/financing	7,817,727	7,724,556	7,702,571	7,605,105
Syndicated term loan/financing	2,044,126	1,867,533	1,836,789	1,649,828
Hire purchase	639,261	632,743	138	140
Lease receivables	15,055	18,377	14,895	17,805
Other term loans	10,941,730	10,716,266	10,416,780	10,195,573
Credit/charge cards receivables	540,198	596,688	540,198	596,688
Bills receivable	62,684	106,383	55,466	96,141
Trust receipts	86,280	114,056	85,763	113,641
Claims on customers under acceptance credits	2,060,809	2,400,698	1,841,189	2,155,104
Block discounting	330	330	330	330
Loans to banks and other financial institutions	224,887	203,631	224,887	203,631
Revolving credit	2,015,329	1,973,320	1,703,375	1,608,721
Staff loans (of which RM Nil [2008 : RM Nil] to Directors)	116,598	116,362	116,598	116,362
Other loans	1,080,264	1,127,044	1,074,028	1,119,465
	<u>31,362,740</u>	<u>31,389,567</u>	<u>28,959,646</u>	<u>28,885,029</u>
Unearned interest and income	(297,093)	(305,848)	(987)	(1,227)
Gross loans, advances and financing	<u>31,065,647</u>	<u>31,083,719</u>	<u>28,958,659</u>	<u>28,883,802</u>
Allowance for bad and doubtful debts and financing :				
- Specific	(473,580)	(449,277)	(437,622)	(413,155)
- General	(461,820)	(460,009)	(427,632)	(426,477)
Net loans, advances and financing	<u>30,130,247</u>	<u>30,174,433</u>	<u>28,093,405</u>	<u>28,044,170</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**5 LOANS, ADVANCES AND FINANCING (continued)**

ii) By type of customer

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
Domestic banking institutions	10,053	0	0	0
Domestic non-bank financial institutions	262,026	244,475	262,026	244,475
Domestic business enterprises				
- Small medium enterprises ("SME")	5,769,898	5,797,370	5,398,002	5,402,780
- Non-SME	13,764,522	13,787,081	12,385,093	12,338,722
Government and statutory bodies	0	43,822	0	43,822
Individuals	11,150,652	11,110,959	10,806,432	10,755,395
Other domestic entities	2,219	2,319	2,219	2,319
Foreign entities	106,277	97,693	104,887	96,289
	<u>31,065,647</u>	<u>31,083,719</u>	<u>28,958,659</u>	<u>28,883,802</u>

iii) By interest/profit rate sensitivity

Fixed rate:				
Housing loans/financing	69,278	71,516	0	0
Hire purchase receivables	579,566	573,537	135	77
Other fixed rate loan/financing	2,491,979	2,378,696	1,033,700	1,133,027
Variable rate:				
BLR plus	20,012,232	19,654,259	20,012,232	19,654,259
Cost-plus	3,693,155	3,819,013	3,693,155	3,819,013
Other variable rates	4,219,437	4,586,698	4,219,437	4,277,426
	<u>31,065,647</u>	<u>31,083,719</u>	<u>28,958,659</u>	<u>28,883,802</u>

iv) By sector

Agriculture	2,179,681	1,880,061	1,751,931	1,393,752
Mining and quarrying	303,997	307,953	272,123	274,395
Manufacturing	5,208,396	5,624,525	4,570,618	4,943,751
Electricity, gas and water	338,120	352,677	338,120	352,677
Construction	937,878	945,294	814,115	830,410
Real estate	3,852,817	3,818,470	3,655,464	3,650,272
Wholesale and retail trade and restaurants and hotels	4,532,262	4,620,135	4,376,101	4,470,113
Transport, storage and communication	850,194	697,485	720,675	562,904
Finance, insurance and business services	761,350	724,812	716,532	694,873
Community, social and personal services	542,337	557,004	534,247	516,696
Household sector, of which				
i. Purchase of residential properties	7,737,300	7,651,813	7,664,419	7,576,412
ii. Purchase of non-residential properties	1,205,051	1,186,296	1,202,618	1,184,577
iii. Others	2,308,490	2,358,552	2,038,631	2,079,134
Others	307,774	358,652	303,065	353,836
	<u>31,065,647</u>	<u>31,083,719</u>	<u>28,958,659</u>	<u>28,883,802</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**6 NON-PERFORMING LOANS, ADVANCES AND FINANCING**

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

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 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)	178,775	511,865	167,916	508,443
Reclassified as performing during the period / year	(46,001)	(226,848)	(43,334)	(226,031)
Amount recovered	(46,064)	(250,319)	(44,269)	(249,690)
Amount written off	(23,256)	(84,576)	(17,461)	(83,343)
Transfer pursuant to business vesting to Islamic subsidiary	0	0	0	(43,206)
Foreign exchange difference	534	(537)	534	(537)
Balance at end of the period / year	1,121,953	1,057,965	1,076,874	1,013,488
Specific allowance	(473,580)	(449,277)	(437,622)	(413,155)
Net non-performing loans, advances and financing	<u>648,373</u>	<u>608,688</u>	<u>639,252</u>	<u>600,333</u>
Ratio of net non-performing loans, advances and financing to gross loans, advances and financing less specific allowance	<u>2.12%</u>	<u>1.99%</u>	<u>2.24%</u>	<u>2.11%</u>

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

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 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	1,811	57,897	1,155	57,281
Transfer pursuant to business vesting to Islamic subsidiary	0	0	0	(32,901)
Balance at end of the period / year	<u>461,820</u>	<u>460,009</u>	<u>427,632</u>	<u>426,477</u>
(As % of gross loans, advances and financing less specific allowance)	<u>1.51%</u>	<u>1.50%</u>	<u>1.50%</u>	<u>1.50%</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**6 NON-PERFORMING LOANS, ADVANCES AND FINANCING (continued)**

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

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 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	73,061	257,990	63,777	247,581
Amount written back in respect of recoveries	(26,083)	(142,599)	(22,430)	(141,677)
Amount written off	(23,256)	(84,576)	(17,461)	(83,343)
Transfer pursuant to business vesting to Islamic subsidiary	0	0	0	(27,340)
Foreign exchange difference	581	(371)	581	(371)
Balance at end of the period / year	<u>473,580</u>	<u>449,277</u>	<u>437,622</u>	<u>413,155</u>

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

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
Agriculture	11,844	7,638	11,598	7,386
Manufacturing	419,782	367,267	398,772	346,185
Construction	48,182	46,337	43,854	41,732
Real estate	97,196	104,754	97,097	104,645
Wholesale and retail trade and restaurant and hotels	137,774	136,018	134,497	132,443
Transport, storage and communication	5,280	3,850	4,132	3,170
Finance, insurance and business services	4,817	4,402	4,720	4,402
Community, social and personal services	2,372	2,363	2,153	2,136
Household sector, of which				
i. Purchase of residential properties	256,643	241,793	252,177	237,418
ii. Purchase of non-residential properties	17,317	14,520	17,314	14,517
iii. Others	99,670	97,112	89,484	87,543
Others	21,076	31,911	21,076	31,911
	<u>1,121,953</u>	<u>1,057,965</u>	<u>1,076,874</u>	<u>1,013,488</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**7 OTHER ASSETS**

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
Interest receivable	85,611	121,465	83,733	114,912
Derivative assets	1,035,983	1,021,420	1,033,181	1,020,543
Unquoted Islamic Subordinated Bonds of subsidiary	0	0	200,000	200,000
Other debtors, deposits and prepayments	354,828	503,536	415,882	563,266
	<u>1,476,422</u>	<u>1,646,421</u>	<u>1,732,796</u>	<u>1,898,721</u>

8 DEPOSITS FROM CUSTOMERS

i) By type of deposit

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
Demand deposits	4,699,624	4,779,724	4,077,797	4,215,300
Savings deposits	2,229,049	2,083,575	1,938,982	1,802,865
Fixed deposits	21,965,134	21,171,298	21,344,012	20,009,411
Negotiable instruments of deposits	873,763	649,999	294,178	294,178
Short-term money market deposits	7,633,152	6,798,750	7,467,360	6,583,173
Structured investments	1,170,416	1,150,375	1,031,444	1,052,009
Others	11,312	10,338	11,312	10,338
	<u>38,582,450</u>	<u>36,644,059</u>	<u>36,165,085</u>	<u>33,967,274</u>

ii) By type of customers

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
Government and statutory bodies	3,277	4,585	3,270	4,569
Business enterprises	17,671,959	16,750,153	16,503,136	15,299,199
Individuals	17,482,790	16,663,350	17,031,696	16,230,234
Foreign entities	9,227	9,682	0	0
Others	3,415,197	3,216,289	2,626,983	2,433,272
	<u>38,582,450</u>	<u>36,644,059</u>	<u>36,165,085</u>	<u>33,967,274</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**9 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
Licensed banks	3,789,258	3,293,458	3,246,700	3,153,918
Other financial institutions	463,510	566,488	463,510	392,228
	<u>4,252,768</u>	<u>3,859,946</u>	<u>3,710,210</u>	<u>3,546,146</u>

10 OTHER LIABILITIES

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
Accruals for personnel costs *	30,832	59,845	30,778	59,799
Equity compensation benefits	9,581	9,838	9,581	9,838
Obligations under finance lease	0	0	239	259
Provision for commitments and contingencies (a)	0	0	0	0
Interest payable	237,282	227,563	224,833	215,260
Other accruals and charges	422,707	320,289	391,206	98,774
Derivatives liabilities	658,713	685,043	655,862	684,166
Profit equalisation reserve [Note 22(6)]	21,648	16,161	0	0
	<u>1,380,763</u>	<u>1,318,739</u>	<u>1,312,499</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:

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 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.

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**11 INTEREST INCOME**

	Group		Bank	
	31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Loans and advances				
- Interest income other than recoveries from NPL	378,854	363,722	378,854	363,722
- Recoveries from NPL	5,334	12,018	5,334	12,018
Money at call and deposit placements with financial institutions	49,058	66,210	49,058	66,210
Held-for-trading securities	6,666	17,977	6,666	17,977
Available-for-sale securities	77,658	54,585	77,658	54,585
Others	1,974	436	5,453	436
	<u>519,544</u>	<u>514,948</u>	<u>523,023</u>	<u>514,948</u>
Amortisation of premium less accretion of discount	(9,845)	(5,556)	(9,845)	(5,556)
	<u>509,699</u>	<u>509,392</u>	<u>513,178</u>	<u>509,392</u>

12 INTEREST EXPENSE

	Group		Bank	
	31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Deposits and placements of banks and other financial institutions	11,395	41,011	11,395	41,011
Deposits from other customers	229,139	215,564	229,139	215,564
Loans sold to Cagamas	4,125	6,640	4,125	6,640
Subordinated term loan / bonds	12,217	11,350	12,217	11,350
Others	326	1,598	331	1,602
	<u>257,202</u>	<u>276,163</u>	<u>257,207</u>	<u>276,167</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**13 NON-INTEREST INCOME**

	Group		Bank	
	31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Fee income:-				
Commission	20,051	23,138	20,051	23,138
Service charges and fees	22,932	20,070	22,932	20,070
Guarantee fees	3,866	6,803	3,866	6,803
Other fee income	6,180	3,971	14,854	3,971
	<u>53,029</u>	<u>53,982</u>	<u>61,703</u>	<u>53,982</u>
Income from securities (net):-				
Net (losses)/gains from sale of held-for-trading securities	(1,432)	8,757	(1,432)	8,757
Net gains from sale of available-for-sale securities	32,924	17,508	32,924	17,508
Unrealised gains on revaluation of held-for-trading securities (net)	2,392	1,233	2,392	1,233
Gross dividends from Malaysia: - available-for-sale securities	468	724	468	724
	<u>87,381</u>	<u>82,204</u>	<u>96,055</u>	<u>82,204</u>
Other income (net):-				
Gains arising from dealing in foreign currency (net)	61,225	54,503	61,225	54,503
Gains/(Losses) arising from trading derivatives (net)	1,979	(7,025)	1,979	(7,025)
Unrealised gains on revaluation of derivatives (net)	20,506	17,070	20,506	17,070
Rental income (net)	1,603	1,360	1,607	1,360
Gain on disposal of property, plant and equipment	0	5	0	5
Others	532	517	532	517
	<u>85,845</u>	<u>66,430</u>	<u>85,849</u>	<u>66,430</u>
	<u>173,226</u>	<u>148,634</u>	<u>181,904</u>	<u>148,634</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**14 STAFF COST AND OVERHEAD EXPENSES**

	Group		Bank	
	31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Personnel costs (i)	66,937	71,586	63,876	71,510
Establishment costs (ii)	19,689	13,689	18,921	13,685
Marketing expenses (iii)	4,505	10,382	4,046	10,382
Administration and general expenses (iv)	48,493	47,473	46,124	47,468
	139,624	143,130	132,967	143,045

(i) Personnel costs

	Group		Bank	
	31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Wages, salaries and bonus	50,949	52,043	48,718	51,985
Defined contribution plan (EPF)	8,156	9,071	7,802	9,061
Equity compensation benefits	1,533	822	1,524	822
Employee benefits	(557)	(397)	(559)	(397)
Other personnel costs	6,856	10,047	6,391	10,039
	66,937	71,586	63,876	71,510

Defined contribution plan

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

(ii) Establishment costs

	Group		Bank	
	31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Rental of premises	2,660	1,277	2,384	1,274
Rental of equipment	127	0	127	0
Depreciation of property, plant and equipment	10,516	6,750	10,383	6,749
Depreciation of investment property	209	79	209	79
Amortisation of prepaid lease payments	13	13	13	13
Repair and maintenance	1,992	2,098	1,974	2,098
Others	4,172	3,472	3,831	3,472
	19,689	13,689	18,921	13,685

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**14 STAFF COST AND OVERHEAD EXPENSES (continued)****(iii) Marketing expenses**

	Group		Bank	
	31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Transport and travelling	1,012	1,706	967	1,706
Advertisement and business promotion	3,146	8,043	2,745	8,043
Others	347	633	334	633
	<u>4,505</u>	<u>10,382</u>	<u>4,046</u>	<u>10,382</u>

(iv) Administration and general expenses

	Group		Bank	
	31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Printing and stationery	1,659	2,275	1,588	2,275
Postage and courier	1,338	1,641	1,286	1,641
Telephone, telex and fax	1,851	2,060	1,743	2,060
Legal and consultancy fees	1,179	1,043	879	1,043
Transaction processing fees	31,115	31,899	29,592	31,899
Other administrative and general expenses	11,351	8,555	11,036	8,550
	<u>48,493</u>	<u>47,473</u>	<u>46,124</u>	<u>47,468</u>

15 ALLOWANCE FOR LOSSES ON LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Allowance for losses on loans, advances and financing:-				
Specific allowance				
- made in the financial period	73,061	54,797	63,777	54,797
- written back	(26,083)	(45,210)	(22,430)	(45,210)
General allowance				
- made in the financial period	1,811	17,711	1,155	17,711
Other allowance	217	597	217	597
Bad debts and financing				
- written off	31	159	31	159
- recovered	(5,987)	(7,539)	(5,180)	(7,539)
	<u>43,050</u>	<u>20,515</u>	<u>37,570</u>	<u>20,515</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**16 TAXATION**

	Group		Bank	
	31 Mar 2009 RM'000	31 Mar 2008 RM'000	31 Mar 2009 RM'000	31 Mar 2008 RM'000
Malaysian income tax – current period	70,340	52,806	68,352	52,810
Deferred taxation :				
- relating to originating and reversal of temporary differences	461	15,211	501	15,227
	<u>70,801</u>	<u>68,017</u>	<u>68,853</u>	<u>68,037</u>

17 CAPITAL COMMITMENTS

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
Capital expenditure in respect of property, plant and equipment:-				
- authorised and contracted for	18,032	24,081	15,359	19,775
- authorised but not contracted for	37,552	25,623	11,689	10,391
	<u>55,584</u>	<u>49,704</u>	<u>27,048</u>	<u>30,166</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**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. Apart from the provision for commitments and contingencies already made in the interim financial statements (Note 11), no material losses are anticipated as a result of these transactions.

Group	31 March 2009			31 Dec 2008		
	Principal	Credit	Risk	Principal	Credit	Risk
	Amount RM'000	Equivalent Amount* RM'000	Weighted Amount RM'000	Amount RM'000	Equivalent Amount* RM'000	Weighted Amount RM'000
Direct credit substitutes	742,667	742,667	739,963	861,930	861,930	858,654
Transaction-related contingent items	1,448,362	724,180	694,342	1,471,531	735,766	703,771
Short-term self-liquidating trade-related contingencies	239,493	47,899	47,766	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	8,299,392	0	0	8,553,412	0	0
- maturity exceeding one year	8,749,866	2,581,534	2,581,534	9,744,501	4,872,251	4,872,251
Foreign exchange related contracts						
- less than one year	18,041,684	522,083	169,203	17,959,119	598,281	192,371
- one year to less than five years	1,660,140	241,380	78,230	1,557,177	204,498	64,995
- five years and above	857,360	136,096	44,108	813,476	145,027	46,632
Interest rate contracts						
- less than one year	8,112,250	49,714	13,374	8,976,652	37,642	10,202
- one year to less than five years	20,202,000	1,013,060	272,543	20,840,496	994,719	269,590
- five years and above	1,354,200	108,783	29,266	1,395,113	118,046	31,993
Equity and commodity related contracts	878,683	109,710	27,088	1,042,586	125,602	31,546
Miscellaneous	602,845	0	0	76,290	0	0
Total	71,299,942	6,332,606	4,752,917	73,615,708	8,793,247	7,181,432

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

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**18 COMMITMENTS AND CONTINGENCIES (continued)**

	31 March 2009			31 Dec 2008		
	Principal Amount RM'000	Credit Equivalent Amount*	Risk Weighted Amount RM'000	Principal Amount RM'000	Credit Equivalent Amount*	Risk Weighted Amount RM'000
Bank						
Direct credit substitutes	677,477	677,477	674,773	811,860	811,860	808,584
Transaction-related contingent items	1,380,961	690,480	660,642	1,404,722	702,361	670,366
Short-term self-liquidating trade-related contingencies	194,555	38,911	38,778	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	7,890,385	0	0	8,449,200	0	0
- maturity exceeding one year	8,510,540	2,527,701	2,527,701	9,402,265	4,701,133	4,701,133
Foreign exchange related contracts						
- less than one year	18,032,970	521,992	169,158	17,959,119	598,281	192,371
- one year to less than five years	1,464,926	232,839	76,521	1,452,458	198,051	63,681
- five years and above	857,360	136,096	44,108	813,476	145,027	46,632
Interest rate contracts						
- less than one year	8,112,250	49,714	13,374	8,976,652	37,642	10,202
- one year to less than five years	20,202,000	1,013,060	272,543	20,840,496	994,719	269,590
- five years and above	1,354,200	108,783	29,266	1,395,113	118,046	31,993
Equity and commodity related contracts	796,773	102,915	25,703	964,868	122,111	29,800
Miscellaneous	602,845	0	0	76,290	0	0
Total	70,188,242	6,155,468	4,588,067	72,821,958	8,519,119	6,914,182

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

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**19 INTEREST/PROFIT RATE RISK****Group**

As at 31 March 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			
Assets									
Cash and short term funds	7,019,167	0	0	0	0	124,898	0	7,144,065	2.35
Deposits and placements with financial institutions	0	2,141,924	656,360	0	0	0	0	2,798,284	2.35
Held-for-trading securities	0	0	0	0	0	0	579,571	579,571	4.47
Available-for-sale securities	175,014	699,045	550,374	3,546,845	1,789,180	106,989 [^]	0	6,867,447	3.78
Loans, advances and financing									
- performing	25,307,084	325,538	766,437	1,370,574	468,402	1,243,838 [*]	0	29,481,873	5.20
- non-performing	0	0	0	0	0	648,374 [#]	0	648,374	-
Other assets	0	0	0	0	0	440,439	1,035,983	1,476,422	-
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	275,592	0	275,592	-
Property, plant and equipment	0	0	0	0	0	253,391	0	253,391	-
Investment property	0	0	0	0	0	12,146	0	12,146	-
Prepaid lease payments	0	0	0	0	0	2,916	0	2,916	-
Non-current assets held for sale	0	0	0	0	0	4	0	4	-
Deferred taxation asset	0	0	0	0	0	100,978	0	100,978	-
Total assets	32,501,265	3,166,507	1,973,171	4,917,419	2,257,582	3,209,565	1,615,554	49,641,063	
Liabilities									
Deposits from customers	20,275,564	5,251,760	8,712,926	905,716	0	3,436,484	0	38,582,450	2.27
Deposits and placements of banks and other financial institutions	3,864,798	87,561	4,797	96,627	172,531	26,454	0	4,252,768	1.33
Bills and acceptances payable	0	0	0	0	0	703,834	0	703,834	-
Amount due to Cagamas	2,368	4,759	21,822	358,779	0	0	0	387,728	3.96
Subordinated term loan / bonds	0	79,994	0	239,983	679,994	0	0	999,971	5.17
Other liabilities	0	0	0	40,000	0	682,050	658,713	1,380,763	-
Taxation and zakat	0	0	0	0	0	78,783	0	78,783	-
Total liabilities	24,142,730	5,424,074	8,739,545	1,641,105	852,525	4,927,605	658,713	46,386,297	
On-balance sheet interest sensitivity gap	8,358,535	(2,257,567)	(6,766,374)	3,276,314	1,405,057	(1,718,040)	956,841	3,254,766	
Off-balance sheet interest sensitivity gap	0	(692,017)	0	619,013	0	73,004	0	0	
Total interest sensitivity gap	8,358,535	(2,949,584)	(6,766,374)	3,895,327	1,405,057	(1,645,036)	956,841	3,254,766	

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**19 INTEREST/PROFIT RATE RISK (continued)****Bank**

As at 31 March 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			
Assets									
Cash and short term funds	6,448,517	0	0	0	0	100,140	0	6,548,657	2.35
Deposits and placements with financial institutions	0	2,141,924	656,360	0	0	0	0	2,798,284	2.35
Held-for-trading securities	0	0	0	0	0	0	579,571	579,571	4.47
Available-for-sale securities	150,014	689,051	545,301	3,019,688	1,530,009	106,990 [^]	0	6,041,053	3.76
Loans, advances and financing									
- performing	24,956,721	189,231	616,843	329,350	83,850	1,278,157 [*]	0	27,454,152	5.10
- non-performing	0	0	0	0	0	639,253 [#]	0	639,253	-
Other assets	0	0	0	0	0	699,615	1,033,181	1,732,796	-
Statutory deposits with Bank Negara Malaysia	0	0	0	0	0	248,092	0	248,092	-
Investment in subsidiary companies	0	0	0	0	0	196,611	0	196,611	-
Property, plant and equipment	0	0	0	0	0	250,662	0	250,662	-
Investment property	0	0	0	0	0	12,146	0	12,146	-
Prepaid lease payments	0	0	0	0	0	2,916	0	2,916	-
Non-current assets held for sale	0	0	0	0	0	4	0	4	-
Deferred taxation asset	0	0	0	0	0	86,060	0	86,060	-
Total assets	31,555,252	3,020,206	1,818,504	3,349,038	1,613,859	3,620,646	1,612,752	46,590,257	
Liabilities									
Deposits from customers	18,414,155	4,983,039	8,552,578	764,609	0	3,450,704	0	36,165,085	2.30
Deposits and placements of banks and other financial institutions	3,398,693	37,561	4,797	96,627	172,532	0	0	3,710,210	1.14
Bills and acceptances payable	0	0	0	0	0	696,056	0	696,056	-
Amount due to Cagamas	2,368	4,759	21,822	358,779	0	0	0	387,728	3.96
Subordinated term loan / bonds	0	79,994	0	239,983	679,994	0	0	999,971	5.11
Other liabilities	0	0	0	0	0	656,637	655,862	1,312,499	-
Taxation and zakat	0	0	0	0	0	76,795	0	76,795	-
Total liabilities	21,815,216	5,105,353	8,579,197	1,459,998	852,526	4,880,192	655,862	43,348,344	
On-balance sheet interest sensitivity gap	9,740,036	(2,085,147)	(6,760,693)	1,889,040	761,333	(1,259,546)	956,890	3,241,913	
Off-balance sheet interest sensitivity gap	0	(692,017)	0	619,013	0	73,004	0	0	
Total interest sensitivity gap	9,740,036	(2,777,164)	(6,760,693)	2,508,053	761,333	(1,186,542)	956,890	3,241,913	

[^] 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.

^{*} The amount includes general allowance for loans, advances and financing in accordance with the Bank's accounting policy amounting to RM 461,820,000 for Group and RM 427,632,000 for Bank.

[#] The amount includes specific allowance for loans, advances and financing in accordance with the Bank's accounting policy amounting to RM 473,580,000 for Group and RM 437,622,000 for Bank.

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**19 INTEREST/PROFIT RATE RISK (continued)****Group**

As at 31 December 2008	Non Trading Book						Trading Book RM'000	Total RM'000	Average interest rate %
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
Assets									
Cash and short-term funds	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 [^]	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 [*]	0	29,565,745	6.08
- non-performing	0	0	0	0	0	608,688 [#]	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	-
Total assets	28,785,926	4,599,691	1,711,523	4,338,043	2,457,254	4,413,834	1,566,621	47,872,892	
Liabilities									
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	-
Total liabilities	22,716,621	5,338,604	7,803,889	1,775,955	746,831	5,679,711	685,043	44,746,654	
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	
Total interest sensitivity gap	6,055,203	(1,485,251)	(6,023,098)	3,239,158	1,710,423	(1,265,877)	881,578	3,126,238	

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**19 INTEREST/PROFIT RATE RISK (continued)****Bank**

As at 31 December 2008	Non Trading Book						Trading Book RM'000	Total RM'000	Average interest rate %
	Up to 1 Month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non- interest sensitive RM'000			
Assets									
Cash and short-term funds	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 [^]	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 [*]	0	27,443,837	6.06
- non-performing	0	0	0	0	0	600,333 [#]	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	-
Total assets	27,724,552	4,178,768	1,225,656	3,253,346	1,868,347	4,787,072	1,565,744	44,603,485	
Liabilities									
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	-
Total liabilities	20,660,447	4,765,279	7,528,720	1,675,823	746,830	5,430,044	684,166	41,491,309	
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	
Total interest sensitivity gap	7,064,105	(1,332,849)	(6,233,796)	2,254,593	1,121,517	(642,972)	881,578	3,112,176	

[^] 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.

^{*} 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.

[#] 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 – 31 MARCH 2009 (continued)**20 CAPITAL ADEQUACY**

	Group		Bank	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Mar 2009 RM'000	31 Dec 2008 RM'000
<u>Tier-1 capital</u>				
Paid-up share capital	287,500	287,500	287,500	287,500
Paid-up non-cumulative perpetual preference shares	4,000	4,000	4,000	4,000
Share premium	858,500	858,500	858,500	858,500
Retained profits	1,433,066	1,442,012	1,484,012	1,492,956
Other reserves	322,000	322,000	322,000	322,000
Capital reserves	56,619	56,619	0	0
	<u>2,961,685</u>	<u>2,970,631</u>	<u>2,956,012</u>	<u>2,964,956</u>
Less: Deferred tax assets	(113,243)	(113,243)	(101,479)	(101,479)
Total Tier-1 capital	<u>2,848,442</u>	<u>2,857,388</u>	<u>2,854,533</u>	<u>2,863,477</u>
<u>Tier-2 capital</u>				
General allowance for bad and doubtful debts and financing	461,820	460,009	427,631	426,477
Subordinated term loan / bonds	962,732	944,579	762,732	744,579
Total Tier-2 capital	<u>1,424,552</u>	<u>1,404,588</u>	<u>1,190,363</u>	<u>1,171,056</u>
Total capital	4,274,994	4,261,976	4,044,896	4,034,533
Less: Investment in subsidiaries	0	0	(196,617)	(196,617)
Valuation adjustments in Excess of Financial Statements	<u>(16,381)</u>	<u>0</u>	<u>(16,381)</u>	<u>0</u>
Capital base	<u>4,256,613</u>	<u>4,261,976</u>	<u>3,831,898</u>	<u>3,837,916</u>
<u>Capital Ratios</u>				
Excluding proposed final dividend :				
Core-capital ratio	8.37%	7.76%	9.04%	8.40%
Risk-weighted capital ratio	12.51%	11.58%	12.13%	11.27%
Including proposed final dividend :				
Core-capital ratio	8.37%	7.74%	9.04%	8.38%
Risk-weighted capital ratio	12.51%	11.56%	12.13%	11.24%

21 COMPARATIVE FIGURES

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

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

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**22 THE OPERATION OF ISLAMIC BANKING (IB)****CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2009**

	Note	Group	
		31/3/2009 RM'000	31/12/2008 RM'000
ASSETS			
Cash and short-term funds		595,408	656,635
Available-for-sale securities	(1)	826,394	833,128
Financing and other advances	(2)	2,036,858	2,130,278
Other assets	(4)	274,474	15,285
Statutory deposits with Bank Negara Malaysia		27,500	84,000
Property, plant and equipment	(7)	2,725	1,934
Deferred taxation assets		14,974	12,642
TOTAL ASSETS		3,778,333	3,733,902
LIABILITIES AND ISLAMIC BANKING FUNDS			
Deposits from customers	(5)	2,431,605	2,691,021
Deposits and placements of banks and other financial institutions		542,558	313,800
Bills and acceptances payable		7,778	14,102
Subordinated bonds		200,000	200,000
Other liabilities	(6)	399,229	317,347
Taxation and zakat		1,988	15
Total Liabilities		3,583,158	3,536,285
Share capital and share premium		195,000	195,000
Reserves		175	2,617
Islamic Banking Funds	(7)	195,175	197,617
TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS		3,778,333	3,733,902
COMMITMENTS AND CONTINGENCIES		1,111,700	1,093,750

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**22 THE OPERATION OF ISLAMIC BANKING (IB) (continued)****CONDENSED INTERIM FINANCIAL STATEMENTS****UNAUDITED INCOME STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009**

	Group	Group and Bank
	31 Mar	31 Mar
	2009	2008
	RM'000	RM'000
Income derived from investment of depositors' funds	49,061	50,162
Allowance for losses on financing and other advances	(5,480)	(7,025)
Transfer from profit equalisation reserve (net)	(5,487)	1,454
Total attributable income	38,094	44,591
Income attributable to depositors	(20,667)	(28,307)
Income attributable to shareholders	17,427	16,284
Income derived from the investment of Islamic Banking funds	5,145	3,885
Total net income	22,572	20,169
Personnel expenses	(2,998)	(658)
Other overhead expenses	(12,262)	(11,347)
Profit before zakat and taxation	7,312	8,164
Zakat		
Taxation	(2,181)	(2,727)
Net profit for the financial year	5,131	5,437

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**22 THE OPERATION OF ISLAMIC BANKING (IB) (continued)****(1) AVAILABLE-FOR-SALE SECURITIES**

	Group	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000
<u>At fair value</u>		
Malaysian Government investment issues	576,580	451,642
Private debt securities	224,814	307,203
Islamic negotiable instruments of deposits	25,000	74,283
	<u>826,394</u>	<u>833,128</u>

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

Maturing within one year	40,067	204,401
One year to three years	45,715	20,578
Three years to five years	481,442	289,198
Over five years	259,170	318,951
	<u>826,394</u>	<u>833,128</u>

(2) FINANCING AND OTHER ADVANCES

	Group	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000
By type:		
Cash financing	370,823	385,085
Term financing		
- Housing financing	115,156	119,451
- Syndicated term financing	207,337	217,705
- Hire purchase receivables	639,123	632,603
- Other term financing	524,950	520,693
Bills receivables	7,218	10,242
Trust receipts	517	415
Revolving credits	311,954	364,599
Customer's liability under acceptance credits	219,620	245,594
Other financing	6,236	7,579
Unearned income	<u>(296,069)</u>	<u>(304,579)</u>
Gross financing	2,106,865	2,199,387
Allowance for bad and doubtful debts and financing		
- Specific	(35,834)	(35,592)
- General	<u>(34,173)</u>	<u>(33,517)</u>
Net financing	<u>2,036,858</u>	<u>2,130,278</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**22 THE OPERATION OF ISLAMIC BANKING (IB) (continued)****(3) NON-PERFORMING FINANCING**

i) Movements in non-performing financing and other advances are as follows:

	Group		Bank
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Dec 2008 RM'000
Balance at 1 January	43,947	27,410	27,410
Non-performing during the period / year	10,859	48,881	45,461
Reclassified as performing during the period / year	(2,667)	(9,465)	(8,648)
Amount recovered	(1,795)	(6,172)	(5,543)
Amount written off	(5,389)	(15,708)	(14,475)
Transfer pursuant to business vesting to Islamic subsidiary	0	0	(43,206)
Transfer to head office in relation to Ijarah leasing	0	(999)	(999)
Balance at end of period / year	44,955	43,947	0
Specific allowance	(35,834)	(35,592)	0
Net non-performing financing and other advances	<u>9,121</u>	<u>8,355</u>	<u>0</u>
Ratio of net non-performing financing and other advances to net financing and other advances	<u>0.44%</u>	<u>0.39%</u>	<u>N/A</u>

ii) Movements in the allowance for losses on financing and other advances are as follows :

	Group		Bank
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Dec 2008 RM'000
<u>General allowance</u>			
Balance at 1 January	33,517	27,812	27,812
Allowance made during the period / year	656	5,983	5,367
Transfer pursuant to business vesting to Islamic subsidiary	0	0	(32,901)
Transfer to head office in relation to Ijarah leasing	0	(278)	(278)
Balance at end of the period / year	<u>34,173</u>	<u>33,517</u>	<u>0</u>
(as % of total financing and other advances less specific allowance)	<u>1.65%</u>	<u>1.55%</u>	<u>N/A</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**22 THE OPERATION OF ISLAMIC BANKING (IB) (continued)****(3) NON-PERFORMING FINANCING (continued)**

ii) Movements in the allowance for losses on financing and other advances are as follows :

	Group		Bank
	31 Mar 2009 RM'000	31 Dec 2008 RM'000	31 Dec 2008 RM'000
<u>Specific allowance</u>			
Balance at 1 January	35,592	17,986	17,986
Allowance made during period / year	9,284	41,237	30,825
Amount recovered	(3,653)	(9,851)	(8,924)
Amount written off	(5,389)	(15,707)	(14,474)
Transfer from head office	0	2,492	2,492
Transfer pursuant to business vesting to Islamic subsidiary	0	0	(27,340)
Transfer to head office in relation to Ijarah leasing	0	(565)	(565)
Balance at end of the period / year	<u>35,834</u>	<u>35,592</u>	<u>0</u>

(4) OTHER ASSETS

	Group	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000
Income receivable	5,500	7,482
Derivative assets	2,802	877
Other debtors, deposits and prepayments	266,172	6,926
	<u>274,474</u>	<u>15,285</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**22 THE OPERATION OF ISLAMIC BANKING (IB) (continued)****(5) DEPOSITS FROM CUSTOMERS**

	Group	
	31 Mar 2009 RM'000	31 Dec 2008 RM'000
By type of deposits		
Non-Mudharabah Fund:		
Demand deposits	636,047	578,640
Savings deposits	290,067	280,710
Negotiable Islamic Debt Certificate	579,585	355,821
Structured investment	138,972	98,366
	<u>1,644,671</u>	<u>1,313,537</u>
Mudharabah Fund:		
General investment deposits	621,142	1,161,907
Islamic short term Mudharabah Investment	165,792	215,577
	<u>786,934</u>	<u>1,377,484</u>
Total deposits from customers	<u>2,431,605</u>	<u>2,691,021</u>

(6) OTHER LIABILITIES

Other accruals and charges	374,730	301,378
Derivative liabilities	2,851	877
Profit equalisation reserve	21,648	16,161
	<u>399,229</u>	<u>318,416</u>
<u>Profit equalisation reserve (PER)</u>		
Balance at 1 January	16,161	15,072
Amount provided during the period / year	6,334	17,777
Amount written back during the period / year	(847)	(16,688)
Balance at end of period / year	<u>21,648</u>	<u>16,161</u>

(7) ISLAMIC BANKING FUNDS

Share capital and share premium	195,000	195,000
Reserves :		
Net unrealised (losses) / gains on available-for-sale securities	814	8,387
Retained profits	(639)	(5,770)
	<u>195,175</u>	<u>197,617</u>

NOTES TO INTERIM FINANCIAL STATEMENTS – 31 MARCH 2009 (continued)**22 THE OPERATION OF ISLAMIC BANKING (IB) (continued)****(8) NET INCOME FROM ISLAMIC BANKING OPERATIONS**

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

	<u>Group</u>	<u>Group and Bank</u>
	31 Mar	31 Mar
	2009	2008
	RM'000	RM'000
Income derived from investment of depositors' funds	49,061	50,162
Transfer (to) / from profit equalisation reserve (net)	(5,487)	1,454
Total attributable income	<u>43,574</u>	<u>51,616</u>
Income attributable to the depositors	(19,598)	(28,307)
Income attributable to the Bank	<u>23,976</u>	<u>23,309</u>
Income derived from the investment of Islamic Banking funds	5,145	3,885
Net income from Islamic Banking operations	<u>29,121</u>	<u>27,194</u>
Elimination of intercompany interest charge	3,479	0
	<u>32,600</u>	<u>27,194</u>

(9) COMPARATIVE FIGURES

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

	<u>Group</u>	
	As previously reported RM'000	As restated RM'000
Balance Sheet as at 31 December 2008		
Deposits from customers	2,735,947	2,691,021
Other liabilities	<u>273,490</u>	<u>318,416</u>