

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2008**

	Note	Group		Bank	
		30 September 2008 RM'000	31 December 2007 RM'000	30 September 2008 RM'000	31 December 2007 RM'000
ASSETS					
Cash and short term funds	6	2,016,242	2,501,063	2,015,828	2,500,841
Deposits and placements with licensed banks and other financial institutions		150,000	100,000	150,000	100,000
Securities held-for-trading	7	380,575	54,850	380,575	54,850
Securities available-for-sale	8	2,673,486	3,639,847	2,673,486	3,639,847
Securities held-to-maturity	9	58,676	140,216	58,676	140,216
Loans, advances and financing	10	143,841	208,344	143,841	208,344
Other assets	12	54,575	60,223	54,877	60,382
Statutory deposits with Bank Negara Malaysia		96,690	140,878	96,690	140,878
Investment in subsidiary companies		-	-	20	20
Property, plant and equipment		4,836	4,860	4,836	4,860
Deferred tax asset		43,036	43,036	43,036	43,036
TOTAL ASSETS		<u>5,621,957</u>	<u>6,893,317</u>	<u>5,621,865</u>	<u>6,893,274</u>
LIABILITIES					
Deposits from customers	13	2,717,293	3,155,542	2,717,293	3,155,542
Deposits and placements of banks and other financial institutions	14	2,123,611	2,994,359	2,123,611	2,994,359
Other liabilities	15	66,142	67,130	66,122	67,124
Subordinated term loan		-	28,000	-	28,000
Provision for taxation and zakat		683	485	683	485
TOTAL LIABILITIES		<u>4,907,729</u>	<u>6,245,516</u>	<u>4,907,709</u>	<u>6,245,510</u>
SHAREHOLDERS' EQUITY					
Share Capital		156,500	156,500	156,500	156,500
Reserves:					
Share premium		362,611	362,611	362,611	362,611
Statutory reserve		107,257	90,950	107,257	90,950
Securities available-for-sale reserve		(12,250)	329	(12,250)	329
Retained earnings		100,110	37,411	100,038	37,374
TOTAL SHAREHOLDERS' EQUITY		<u>714,228</u>	<u>647,801</u>	<u>714,156</u>	<u>647,764</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>5,621,957</u>	<u>6,893,317</u>	<u>5,621,865</u>	<u>6,893,274</u>
COMMITMENTS AND CONTINGENCIES					
	24	<u>694,746</u>	<u>1,017,952</u>	<u>694,746</u>	<u>1,017,952</u>
CAPITAL ADEQUACY					
	25				
Core capital ratio		48.21%	32.91%	48.21%	32.91%
Risk-weighted capital ratio		48.61%	33.71%	48.61%	33.71%
NET ASSETS PER SHARE (RM)		<u>4.56</u>	<u>4.14</u>	<u>4.56</u>	<u>4.14</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30 September 2008 RM'000	30 September 2007 RM'000	30 September 2008 RM'000	30 September 2007 RM'000
Group					
Operating revenue		72,067	99,352	239,083	288,507
Interest income	16	55,275	74,075	173,635	214,241
Interest expense	17	(37,145)	(56,492)	(120,635)	(163,107)
Net interest income		18,130	17,583	53,000	51,134
Income from Islamic Banking operation	27	3,378	3,364	14,834	10,839
Other operating income	18	5,477	9,265	27,059	29,744
Net income		26,985	30,212	94,893	91,717
Operating expenses	19	(8,652)	(10,393)	(26,662)	(30,410)
Operating profit		18,333	19,819	68,231	61,307
(Allowance) / write-back for losses on loans and advances	20	332	1,282	7,407	3,721
Write-back/(Allowance) for losses on doubtful debts	21	(216)	(29)	(197)	(18)
Impairment write-back / (loss)	22	403	1,008	8,765	(19,960)
Profit before tax expense and zakat		18,852	22,080	84,206	45,050
Tax expense		(2)	(1)	(7)	(4)
Zakat		(74)	(52)	(198)	(204)
Net profit for the period		18,776	22,027	84,001	44,842
Earnings per RM1.00 share – basic (sen)		12.00	14.07	53.67	28.65

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30 September 2008 RM'000	30 September 2007 RM'000	30 September 2008 RM'000	30 September 2007 RM'000
Bank					
Operating revenue		72,058	99,340	239,035	288,475
Interest income	16	55,275	74,075	173,635	214,241
Interest expense	17	(37,145)	(56,492)	(120,635)	(163,107)
Net interest income		18,130	17,583	53,000	51,134
Income from Islamic Banking operation	27	3,378	3,364	14,834	10,839
Other operating income	18	5,468	9,253	27,011	29,712
Net income		26,976	30,200	94,845	91,685
Operating expenses	19	(8,646)	(10,393)	(26,656)	(30,408)
Operating profit		18,330	19,807	68,189	61,277
(Allowance) / write-back for losses on loans and advances	20	332	1,282	7,407	3,721
Write-back/(Allowance) for losses on doubtful debts	21	(216)	(29)	(197)	(18)
Impairment write-back / (loss)	22	403	1,008	8,765	(19,960)
Profit before tax expense and zakat		18,849	22,068	84,164	45,020
Tax expense		-	-	-	-
Zakat		(74)	(52)	(198)	(204)
Net profit for the period		18,775	22,016	83,966	44,816
Earnings per RM1.00 share – basic (sen)		12.00	14.07	53.65	28.64

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

Group	Non-distributable					(Accumulated Losses) / Retained Profit	Total
	Share Capital	Share Premium	Statutory Reserve *	Securities available- for-sale Reserve #			
	RM'000	RM'000	RM'000	RM'000	RM'000		
At 31 December 2006	156,500	362,611	37,546	1,757	(15,907)	542,507	
Net profit for the period	-	-	-	-	44,842	44,842	
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	8,803	-	8,803	
Realised gain on sale of securities available-for- sale	-	-	-	(5,095)	-	(5,095)	
At 30 September 2007	156,500	362,611	37,546	5,465	28,935	591,057	
Net profit for the period	-	-	-	-	61,880	61,880	
Deferred taxation on revaluation of securities available-for-sale	-	-	-	476	-	476	
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(4,513)	-	(4,513)	
Realised gain on sale of securities available-for- sale	-	-	-	(1,099)	-	(1,099)	
Transfer to statutory reserve	-	-	53,404	-	(53,404)	-	
At 31 December 2007	156,500	362,611	90,950	329	37,411	647,801	
Net profit for the period	-	-	-	-	84,001	84,001	
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(8,372)	-	(8,372)	
Realised gain on sale of securities available-for- sale	-	-	-	(4,207)	-	(4,207)	
Transfer to statutory reserve	-	-	16,307	-	(16,307)	-	
Dividends	-	-	-	-	(4,995)	(4,995)	
At 30 September 2008	<u>156,500</u>	<u>362,611</u>	<u>107,257</u>	<u>(12,250)</u>	<u>100,110</u>	<u>714,228</u>	

* The statutory reserve is maintained in compliance with Section 36 of the Banking and Financial Institution Act, 1989 and is not distributable as cash dividends

The securities available-for-sale reserve arose from the change in the fair value of the securities available-for-sale in compliance with the revised BNMGP8 requirement.

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

Bank	Non-distributable				(Accumulated Losses) / Retained Profit	Total
	Share Capital	Share Premium	Statutory Reserve *	Securities available-for-sale Reserve #		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2006	156,500	362,611	37,546	1,757	(16,030)	542,384
Net profit for the period	-	-	-	-	44,965	44,965
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	8,803	-	8,803
Realised gain on sale of securities available-for-sale	-	-	-	(5,095)	-	(5,095)
At 30 September 2007	156,500	362,611	37,546	5,465	28,935	591,057
Net profit for the period	-	-	-	-	61,843	61,843
Deferred taxation on revaluation of securities available-for-sale	-	-	-	476	-	476
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(4,513)	-	(4,513)
Realised gain on sale of securities available-for-sale	-	-	-	(1,099)	-	(1,099)
Transfer to statutory reserve	-	-	53,404	-	(53,404)	-
At 31 December 2007	156,500	362,611	90,950	329	37,374	647,764
Net profit for the period	-	-	-	-	83,966	83,966
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(8,372)	-	(8,372)
Realised gain on sale of securities available-for-sale	-	-	-	(4,207)	-	(4,207)
Transfer to statutory reserve	-	-	16,307	-	(16,307)	-
Dividends	-	-	-	-	(4,995)	(4,995)
At 30 September 2008	156,500	362,611	107,257	(12,250)	100,038	714,156

* The statutory reserve is maintained in compliance with Section 36 of the Banking and Financial Institution Act, 1989 and is not distributable as cash dividends

The securities available-for-sale reserve arose from the change in the fair value of the securities available-for-sale in compliance with the revised BNMGP8 requirement.

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

	Group		Bank	
	30 September 2008 RM'000	30 September 2007 RM'000	30 September 2008 RM'000	30 September 2007 RM'000
Profit before tax expense	84,206	45,050	84,164	45,020
Adjustments for non-cash items	<u>(80,159)</u>	<u>(44,528)</u>	<u>(80,153)</u>	<u>(45,526)</u>
Operating profit before changes in working capital	4,047	522	4,012	494
Changes in working capital:				
Net changes in operating assets	899,915	(474,248)	899,772	(475,489)
Net changes in operating liabilities	<u>(1,305,020)</u>	<u>(1,110,528)</u>	<u>(1,305,034)</u>	<u>(1,110,514)</u>
Net cash generated from / (used in) operating activities	<u>(401,058)</u>	<u>(1,584,254)</u>	<u>(401,250)</u>	<u>(1,585,509)</u>
Net cash used in investing activities	<u>(768)</u>	<u>(1,609)</u>	<u>(768)</u>	<u>(1,609)</u>
	<u>(768)</u>	<u>(1,609)</u>	<u>(768)</u>	<u>(1,609)</u>
Net cash used in financing activities	<u>(32,995)</u>	-	<u>(32,995)</u>	-
	<u>(32,995)</u>	-	<u>(32,995)</u>	-
Net change in cash and cash equivalents	(434,821)	(1,585,863)	(435,013)	(1,587,118)
Cash and cash equivalents at beginning of the period	<u>2,601,063</u>	<u>5,550,065</u>	<u>2,600,841</u>	<u>5,549,906</u>
Cash and cash equivalents at end of the period	<u><u>2,166,242</u></u>	<u><u>3,964,202</u></u>	<u><u>2,165,828</u></u>	<u><u>3,962,788</u></u>

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	2,794	50,428	2,380	49,014
Money at call and deposit placements maturing within one month	2,013,448	3,863,774	2,013,448	3,863,774
Deposit and placements with banks and other financial institutions	<u>150,000</u>	<u>50,000</u>	<u>150,000</u>	<u>50,000</u>
	<u><u>2,166,242</u></u>	<u><u>3,964,202</u></u>	<u><u>2,165,828</u></u>	<u><u>3,962,788</u></u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

Explanatory Notes Pursuant to Bank Negara Malaysia Guidelines on Financial Reporting for Licensed Institutions ("BNM/GP8") – September 2004.

1. Basis of Preparation

The unaudited condensed interim financial statements for the 3rd quarter ended 30 September 2008 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: held-for-trading financial assets and available-for-sale financial assets. The unaudited condensed interim financial statements have been prepared in accordance with Financial Reporting Standard 134 ("FRS 134"): Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Bank for the year ended 31 December 2007. The explanatory notes attached to the interim financial statements provide an explanation of events and performance of the Group and the Bank since the year ended 31 December 2007.

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2007.

The specific and general allowance for bad and doubtful debts and financing of the Group and the Bank are computed in conformity with Bank Negara Malaysia's Garispanduan 3 ("BNM/GP3") which is consistent with the adoption made in the previous audited annual financial statements.

2. Auditors' report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2007 was not qualified.

3. Performance Review

The Group and the Bank recorded a lower pre-tax profit of RM18.852 million for the 3rd quarter ended 30th September 2008 and is 15% lower as compared to the corresponding 3rd quarter last year pre-tax profit of RM22.080 million. The decrease in earnings was due to a higher loan recovery and operating income for the 3rd quarter last year when compared to the 3rd quarter ended 30th September 2008.

The pre-tax profit for the nine months period ended 30th September 2008 amounted to RM84.206 million, an increase of 87% when compared with the pre-tax profit of RM45.050 million for the previous corresponding nine months period. The increase in earnings was due to a higher loan recovery, write-back of PER and a write-back of impairment in securities.

4. Proposed Dividends

An interim dividend of 450 sen per share less 26% income tax on 1,500,000 Perpetual Preference Shares of RM1.00 each, amounting to RM4.995 million was paid on 5th September 2008.

No interim dividend was declared for the corresponding period last year.

5. Prospects for 2008

The remainder of the year will be very challenging as the risk appetite and tolerance of investors have changed, with the preference for low risk activities.

Given the global slowdown and uncertainties, investors are expected to remain cautious in their investment decisions. Weaker market conditions are expected to dampen somewhat our trading and fee income activities.

Nevertheless, we shall endeavour to achieve our financial targets.

Financial Reporting for Licensed Institutions ("BNM/GP8")

6. Cash and short-term funds

	Group		Bank	
	30 September 2008 RM'000	31 December 2007 RM'000	30 September 2008 RM'000	31 December 2007 RM'000
Cash and balances with banks and other financial institutions	2,794	16,658	2,380	16,436
Money at call and deposit placements maturing within one month	2,013,448	2,484,405	2,013,448	2,484,405
	<u>2,016,242</u>	<u>2,501,063</u>	<u>2,015,828</u>	<u>2,500,841</u>

7. Securities held-for-trading

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
At fair value		
Quoted securities:		
Malaysian Government Securities	-	30,116
Bank Negara Malaysia Notes	49,971	-
Government Investment Issues	-	24,734
Unquoted securities:		
Other Acceptances Discounted	175,859	-
Private Debt Securities	104,745	-
Negotiable Instruments of Deposits	50,000	-
Total securities held-for-trading	<u>380,575</u>	<u>54,850</u>

8. Securities available-for-sale

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
At fair value		
Quoted securities:		
Malaysian Government Securities	153,601	241,342
Government Investment Issues	180,549	175,139
Bank Negara Malaysia Notes	103,557	82,953
Shares in Malaysia	6,466	6,894
	<u>444,173</u>	<u>506,328</u>
Unquoted Securities:		
Cagamas Berhad bonds	20,007	20,004
Khazanah Nasional Berhad bonds	207,519	274,373
Private Debt Securities	1,819,324	2,269,057
Other Acceptances Discounted	182,463	450,086
Negotiable Instruments of Deposits	-	119,999
	<u>2,229,313</u>	<u>3,133,519</u>
Total securities available-for-sale	<u>2,673,486</u>	<u>3,639,847</u>

9. Securities held-to-maturity

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
At amortised cost		
Quoted securities:		
Malaysian Government Securities	2,079	2,123
Malaysian Islamic Treasury Bills	-	9,893
Bank Negara Malaysia Notes	-	74,822
	<u>2,079</u>	<u>86,838</u>
Unquoted Securities:		
Cagamas Berhad bonds	-	4,987
Khazanah Nasional Berhad bonds	19,085	-
Private Debt Securities	155,990	194,376
Shares in Malaysia	906	3,365
	<u>175,981</u>	<u>202,728</u>
	<u>178,060</u>	<u>289,566</u>
Less: Accumulated impairment loss	(119,384)	(149,350)
Total securities held-to-maturity	<u>58,676</u>	<u>140,216</u>

10. Loans, advances and financing

i) By type

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
Term loans		
- Syndicated term loans	10,045	60,181
- Other term loans	56,392	42,229
Staff loans	3,009	3,402
Revolving credits	40,629	57,790
Share margin financing	67,129	75,789
Gross loans, advances and financing	<u>177,204</u>	<u>239,391</u>
Less: Allowance for bad and doubtful debts		
- General	(5,588)	(3,471)
- Specific	(27,775)	(27,576)
Net loans, advances and financing	<u>143,841</u>	<u>208,344</u>

ii) By type of customer

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
Domestic business enterprises		
- Small medium enterprises	121,171	-
- Others	3,559	166,509
Individuals	52,474	69,283
Other domestic entities	-	3,599
Gross loans, advances and financing	<u>177,204</u>	<u>239,391</u>

iii) By interest/profit rate sensitivity

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
Fixed rate:		
- Staff loans	3,009	3,402
- Other fixed rate loans	67,129	75,789
Variable rate:		
- Cost plus	107,066	160,200
Gross loans, advances and financing	<u>177,204</u>	<u>239,391</u>

iv) By economic sector

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
Primary agriculture	4,306	5,000
Mining and quarrying	500	1,000
Manufacturing	17,956	19,186
Construction	32,013	37,169
Wholesale & retail trade and restaurants & hotels	6,324	7,629
Transport, storage and communication	26,035	70,271
Finance, insurance and business services	35,156	27,439
Education, health and others	2,440	2,414
Others	52,474	69,283
Gross loans, advances and financing	<u>177,204</u>	<u>239,391</u>

11. Non-Performing Loans ("NPL")

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
i) Movements in non-performing loans, advances and financing		
At beginning of year	37,986	123,836
Classified as non-performing during the year	382	13,726
Amount converted to securities	-	(15,548)
Sale of NPLs to a related company	-	(60,456)
Amount written-back	(387)	-
Amount written off	-	(18,839)
Amount recovered	-	(4,733)
At end of period/year	<u>37,981</u>	<u>37,986</u>
Specific allowance ("SA")	<u>(27,775)</u>	<u>(27,576)</u>
Net non-performing loan, advances and financing	<u>10,206</u>	<u>10,410</u>
Net NPL as % of gross loans, advances and financing less specific allowance	<u>6.83%</u>	<u>4.91%</u>

ii) Movements in allowance for bad and doubtful debts

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
General allowance		
At beginning of year	3,471	3,471
Allowance made during the year	2,117	-
At end of period/year	<u>5,588</u>	<u>3,471</u>
As % of gross loans and advances less specific allowance	3.74%	1.64%
Specific allowance	RM'000	RM'000
At beginning of year	27,576	102,036
Allowance made during the year	596	4,535
Amount written-back	(397)	(3,078)
Sale of NPLs to a related company	-	(57,078)
Amount written off	-	(18,839)
At end of period/year	<u>27,775</u>	<u>27,576</u>

iii) NPL by economic sector

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
Primary agriculture	-	-
Manufacturing	11,113	11,150
Construction	13,492	13,802
Wholesale & retail trade and restaurants & hotels	197	197
Finance, insurance and business services	12,517	12,558
Others	662	279
	<u>37,981</u>	<u>37,986</u>

12. Other Assets

	Group		Bank	
	30 September 2008 RM'000	31 December 2007 RM'000	30 September 2008 RM'000	31 December 2007 RM'000
Other debtors, deposits and prepayment	24,953	25,762	25,125	25,762
Less: Allowance for bad and doubtful debts (a)	<u>(24,079)</u>	<u>(24,090)</u>	<u>(24,079)</u>	<u>(24,090)</u>
	874	1,672	1,046	1,672
Tax recoverable	66	291	65	290
Interest receivables	23,437	24,909	23,437	24,909
Amount due from brokers and clients (b)	30,185	33,135	30,185	33,135
Amount due from subsidiaries	-	-	131	160
Amount due from related companies	13	216	13	216
	<u>54,575</u>	<u>60,223</u>	<u>54,877</u>	<u>60,382</u>

(a) Movements in allowance for bad and doubtful debts

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
Specific allowance:		
At beginning of year	(24,090)	(42,207)
Allowance made during the year	(27)	(238)
Amount written-back	38	18,355
At end of period/year	<u>(24,079)</u>	<u>(24,090)</u>

(b) Amount due from brokers and clients:

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
Brokers	11,611	10,200
Clients	21,087	25,240
	<u>32,698</u>	<u>35,440</u>
Less: Allowance for doubtful debts	(2,511)	(2,302)
General allowance	(2)	(3)
	<u>30,185</u>	<u>33,135</u>

13. Deposits from customers

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
i) By type of deposits:		
Call deposits	357,232	281,555
Fixed deposits	2,360,061	2,873,987
	<u>2,717,293</u>	<u>3,155,542</u>
ii) By type of customers:		
Business enterprises	2,661,035	3,115,760
Government and statutory bodies	44,191	37,660
Individuals	12,067	2,122
	<u>2,717,293</u>	<u>3,155,542</u>

14. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
i) Call deposits		
- other financial institutions	159,001	309,920
ii) Fixed deposits		
- licensed Islamic banks	-	20,000
- other financial institutions	1,964,610	2,664,439
	<u>1,964,610</u>	<u>2,684,439</u>
	<u>2,123,611</u>	<u>2,994,359</u>

15. Other liabilities

	Group		Bank	
	30 September 2008 RM'000	31 December 2007 RM'000	30 September 2008 RM'000	31 December 2007 RM'000
Interest payable	10,650	15,345	10,650	15,345
Accrued liabilities and other payables	19,087	7,603	19,067	7,597
Amount due to brokers and clients (a)	33,155	34,729	33,155	34,729
Profit Equalisation Reserve	1,991	6,956	1,991	6,956
Employee benefits	817	907	817	907
Amount due to holding companies	442	693	442	693
Amount due to related companies	-	897	-	897
	<u>66,142</u>	<u>67,130</u>	<u>66,122</u>	<u>67,124</u>

(a) Amount due to brokers and clients

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
Brokers	13,803	13,734
Clients	16,078	15,767
Margin clients	226	258
Trust monies	1,739	1,928
Collateralised clients deposits	1,309	3,042
	<u>33,155</u>	<u>34,729</u>

16. Interest income

	Group and Bank	
	30 September 2008 RM'000	30 September 2007 RM,000
Loans and advances		
- Interest income other than recoveries from NPL	13,083	4,913
- Recoveries from NPL	28	1,849
Money at call and deposit placement with financial institutions	73,328	110,809
Securities held-for-trading	83	162
Securities available-for-sale	48,729	51,063
Securities held-to-maturity	918	8,400
	<u>136,169</u>	<u>177,196</u>
Accretion of discount less amortisation of premium	38,401	37,045
Interest suspended	(935)	-
Total interest income	<u>173,635</u>	<u>214,241</u>

17. Interest expense

	Group and Bank	
	30 September 2008 RM'000	30 September 2007 RM'000
Deposits and placements of banks and other financial institutions	54	92
Deposits from customers	119,939	162,049
Subordinated term loan from holding company	642	966
	<u>120,635</u>	<u>163,107</u>

18. Other operating income

	Group		Bank	
	30 September 2008 RM'000	30 September 2007 RM'000	30 September 2008 RM'000	30 September 2007 RM'000
i) Fees and Commission				
Arrangement / Management fees	666	2,472	666	2,472
Agency fees	1,187	1,425	1,187	1,425
Commitment fees	127	54	127	54
Corporate advisory fees	980	1,318	980	1,318
Acceptances commission	-	14	-	14
Brokerage commission	10,083	11,394	10,083	11,394
Guarantee fees	80	128	80	128
Participation fees	200	375	200	375
Underwriting fees	5,693	7,335	5,693	7,335
Other fee income	54	88	54	88
	<u>19,070</u>	<u>24,603</u>	<u>19,070</u>	<u>24,603</u>

ii)	Gain/(Loss) arising from sale of securities				
	Net gain/(loss) from sale of securities held-for-trading	2,953	(137)	2,953	(137)
	Net gain from sale of securities available-for-sale	3,413	4,423	3,413	4,423
	Net unrealised revaluation gain on securities held-for-trading	(57)	-	(57)	-
		<u>6,309</u>	<u>4,286</u>	<u>6,309</u>	<u>4,286</u>
iii)	Gross dividend income from:				
	Securities available-for-sale	225	199	225	199
	Securities held-to-maturity	245	147	245	147
		<u>470</u>	<u>346</u>	<u>470</u>	<u>346</u>
iv)	Other income				
	Others	1,055	443	1,007	411
	Gains on disposal of property, plant and equipment	155	66	155	66
		<u>1,210</u>	<u>509</u>	<u>1,162</u>	<u>477</u>
	Total other operating income	<u>27,059</u>	<u>29,744</u>	<u>27,011</u>	<u>29,712</u>

19. Operating expenses

	Group		Bank		
	30 September 2008 RM'000	30 September 2007 RM'000	30 September 2008 RM'000	30 September 2007 RM'000	
i)	Personnel expenses:				
	- Salaries and wages	8,072	7,407	8,072	7,407
	- Allowance and bonuses	4,151	4,382	4,151	4,382
	- Staff training	147	198	147	198
	- Others	2,729	2,633	2,729	2,633
		<u>15,099</u>	<u>14,620</u>	<u>15,099</u>	<u>14,620</u>
ii)	Establishment related expenses:				
	- Depreciation	1,352	1,221	1,352	1,221
	- Rental	1,297	1,975	1,297	1,975
	- Hire of equipment	146	167	146	167
	- Others	1,328	2,008	1,328	2,008
		<u>4,123</u>	<u>5,371</u>	<u>4,123</u>	<u>5,371</u>
iii)	Promotion and marketing related expenses:				
	- Advertisement & publicity	138	170	138	170
	- Others	464	768	464	768
		<u>602</u>	<u>938</u>	<u>602</u>	<u>938</u>
iv)	General administrative expenses:				
	- Communication expenses	266	702	266	702
	- Audit fees	142	58	142	58
	- Directors meeting allowances	216	84	216	84
	- Management fees	3,862	2,836	3,862	2,836
	- Corporate Dealers and Remisers' Commissions	1,198	3,929	1,198	3,929
	- Securities Commission's Levy	370	343	370	343
	- Others	784	1,529	778	1,527
		<u>6,838</u>	<u>9,481</u>	<u>6,832</u>	<u>9,479</u>
	Total operating expenses	<u>26,662</u>	<u>30,410</u>	<u>26,656</u>	<u>30,408</u>

20. Allowance for losses on loans and financing

	Group and Bank	
	30 September 2008 RM'000	30 September 2007 RM'000
Allowance for bad and doubtful debts on loans and financing:		
i) Specific allowance		
- Made in the financial period	(595)	(55)
- Written back	396	2,944
ii) Bad debts on loans and financing		
- Recovered	9,723	832
iii) General allowance		
- Made in the financial period	(2,117)	-
	<u>7,407</u>	<u>3,721</u>

21. Allowance for losses on doubtful debts

	Group and Bank	
	30 September 2008 RM'000	30 September 2007 RM'000
Allowance for bad and doubtful debts on trade receivables		
i) Specific allowance		
- Made in the financial period	(302)	(36)
- Written back	104	16
ii) General allowance		
- Made in the financial period	(7)	(17)
- Written back	8	19
	<u>(197)</u>	<u>(18)</u>

22. Allowance for impairment loss

	Group and Bank	
	30 September 2008 RM'000	30 September 2007 RM'000
i) Securities available-for-sale		
- Charged for the period	(16,657)	(22,564)
- Written back	4,373	501
ii) Securities held-to-maturity		
- Written back	21,049	2,103
	<u>8,765</u>	<u>(19,960)</u>

23. Credit exposures arising from credit transactions with connected parties.

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
i) Outstanding credit exposures with connected parties	<u>146,000</u>	<u>16,000</u>
ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>5.33%</u>	<u>0.47%</u>
iii) Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>Nil</u>	<u>nil</u>

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

24. Commitments and contingencies

	Group and Bank 30 September 2008			Group and Bank 31 December 2007		
	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	133	133	133	133	133	133
Transaction-related contingent items	4,150	2,075	2,075	4,150	2,075	2,075
Obligations under underwriting agreement	398,090	199,045	55,725	921,342	460,671	137,489
Commitments to extend credit:						
- Maturity not exceeding one year	91,723	18,344	18,289	79,947	15,989	15,933
- Maturity exceeding one year	46	23	9	176	88	32
- Miscellaneous commitments and contingencies	200,604	40,121	8,024	12,204	2,441	488
Total	694,746	259,741	84,255	1,017,952	481,397	156,150

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

25. Capital adequacy

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

	Group		Bank	
	30 September 2008 RM'000	31 December 2007 RM'000	30 September 2008 RM'000	31 December 2007 RM'000
Tier-I capital				
Paid-up share capital	155,000	155,000	155,000	155,000
Paid-up non-cumulative perpetual preference share	1,500	1,500	1,500	1,500
Share premium	362,611	362,611	362,611	362,611
Statutory reserve	107,257	90,950	107,257	90,950
Accumulated profit	81,296	37,411	81,263	37,374
	707,664	647,472	707,631	647,435
Less: Deferred tax assets	(43,036)	(43,036)	(43,036)	(43,036)
Total Tier-I capital	664,628	604,436	664,595	604,399
Tier-II capital				
General allowance for bad and doubtful debts	5,588	3,471	5,588	3,471
Subordinated term loan	-	11,200	-	11,200
Total Tier-II capital	5,588	14,671	5,588	14,671
Total capital	670,216	619,107	670,183	619,070
Less:				
Investment in subsidiary companies	-	-	(20)	(20)
Capital Base	670,216	619,107	670,163	619,050
Core capital ratio	48.21%#	32.91%#	48.21%#	32.91%#
Risk-weighted capital ratio	48.61%#	33.71%#	48.61%#	33.71%#

ii) Breakdown of gross risk-weighted assets in the various categories of risk-weights:

	Group		Group	
	30 September 2008		31 December 2007	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount# RM'000	Risk-weighted amount# RM'000
0%	2,318,119	-	2,969,159	-
20%	1,900,083	380,017	2,563,279	512,656
35%	1,252	438	1,584	554
50%	971,524	485,762	1,368,613	684,306
75%	709	532	1,018	764
100%	267,914	267,914	371,966	371,966
150%	4,677	7,015	4,677	7,015
Total Risk Weighted Assets for Credit Risk	5,464,278	1,141,678	7,280,296	1,577,261
Risk Weighted Assets Equivalent for Market Risk	-	15,674	-	20,232
Risk Weighted Assets Equivalent for Operational Risk	-	221,576	-	239,019
	<u>5,464,278</u>	<u>1,378,928</u>	<u>7,280,296</u>	<u>1,836,512</u>

	Bank		Bank	
	30 September 2008		31 December 2007	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount# RM'000	Risk-weighted amount# RM'000
0%	2,318,119	-	2,969,159	-
20%	1,899,669	379,934	2,563,057	512,611
35%	1,252	438	1,584	554
50%	971,524	485,762	1,368,613	684,306
75%	709	532	1,018	764
100%	267,612	267,612	372,125	372,125
150%	4,677	7,015	4,677	7,015
Total Risk Weighted Assets for Credit Risk	5,463,562	1,141,293	7,280,233	1,577,375
Risk Weighted Assets Equivalent for Market Risk	-	15,674	-	20,232
Risk Weighted Assets Equivalent for Operational Risk	-	221,576	-	239,019
	<u>5,463,562</u>	<u>1,378,543</u>	<u>7,280,233</u>	<u>1,836,626</u>

With effect from 1 January 2008, the capital adequacy of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II): Standardised Approach for Credit Risk, Market Risk and Basic Indicator Approach for Operational Risk. The comparatives as at 31 December 2007 have been adjusted accordingly.

26. Interest rate risk

Group	Non-Trading Book						Trading Book RM'000	Total RM'000	Effective 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			
30 September 2008									
ASSETS									
Cash and short term funds	2,013,448	-	-	-	-	2,794	-	2,016,242	3.56
Deposits and placements with licensed banks and financial institutions	-	150,000	-	-	-	-	-	150,000	3.62
Securities held-for-trading	-	-	-	-	-	-	380,575	380,575	4.37
Securities available-for-sale	229,614	432,922	723,064	1,009,988	271,432	6,466	-	2,673,486	5.69
Securities held-to-maturity	-	2,080	3,915	27,363	-	25,318	-	58,676	3.54
Loans, advances and financing									
- performing	47,234	78,610	108	11,494	1,775	(5,588)*	-	133,633	8.24
- non-performing	-	-	-	-	-	10,208	-	10,208	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	96,690	-	96,690	-
Other assets	-	-	-	-	-	102,447	-	102,447	-
TOTAL ASSETS	2,290,296	663,612	727,087	1,048,845	273,207	238,335	380,575	5,621,957	-
LIABILITIES									
Deposits from customers	2,185,217	489,669	42,407	-	-	-	-	2,717,293	3.43
Deposits and placements of banks and other financial institutions	1,903,084	197,396	23,131	-	-	-	-	2,123,611	3.41
Subordinated term loan	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	66,825	-	66,825	-
TOTAL LIABILITIES	4,088,301	687,065	65,538	-	-	66,825	-	4,907,729	-
SHAREHOLDERS' EQUITY									
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,088,301	687,065	65,538	-	-	781,053	-	714,228	-
On-balance sheet interest sensitivity gap	(1,798,005)	(23,453)	661,549	1,048,845	273,207	(542,718)	380,575	-	-

* General allowance for bad and doubtful debts

26. Interest rate risk (continued)

Bank	Non-Trading Book						Trading Book RM'000	Total RM'000	Effective 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			
30 September 2008									
ASSETS									
Cash and short term funds	2,013,448	-	-	-	-	2,380	-	2,015,828	3.56
Deposits and placements with licensed banks and financial institutions	-	150,000	-	-	-	-	-	150,000	3.62
Securities held-for-trading	-	-	-	-	-	-	380,575	380,575	4.37
Securities available-for-sale	229,614	432,922	723,064	1,009,988	271,432	6,466	-	2,673,486	5.69
Securities held-to-maturity	-	2,080	3,915	27,363	-	25,318	-	58,676	3.54
Loans, advances and financing									
- performing	47,234	78,610	108	11,494	1,775	(5,588)*	-	133,633	8.24
- non-performing	-	-	-	-	-	10,208	-	10,208	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	96,690	-	96,690	-
Other assets	-	-	-	-	-	102,769	-	102,769	-
TOTAL ASSETS	2,290,296	663,612	727,087	1,048,845	273,207	238,243	380,575	5,621,865	-
LIABILITIES									
Deposits from customers	2,185,217	489,669	42,407	-	-	-	-	2,717,293	3.43
Deposits and placements of banks and other financial institutions	1,903,084	197,396	23,131	-	-	-	-	2,123,611	3.41
Subordinated term loan	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	66,805	-	66,805	-
TOTAL LIABILITIES	4,088,301	687,065	65,538	-	-	66,805	-	4,907,709	-
SHAREHOLDERS' EQUITY									
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,088,301	687,065	65,538	-	-	780,961	-	5,621,865	-
On-balance sheet interest sensitivity gap	(1,798,005)	(23,453)	661,549	1,048,845	273,207	(542,718)	380,575	-	-

* General allowance for bad and doubtful debts

26. Interest rate risk (continued)

Group	Non-Trading Book							Trading Book RM'000	Total RM'000	Effective 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				
31 December 2007										
ASSETS										
Cash and short term funds	2,484,405	-	-	-	-	16,658	-	2,501,063	3.42	
Deposits and placements with licensed banks and financial institutions	-	100,000	-	-	-	-	-	100,000	3.62	
Securities held-for-trading	-	-	-	-	-	-	54,850	54,850	3.72	
Securities available-for-sale	531,072	754,303	655,652	1,387,507	304,419	6,894	-	3,639,847	4.84	
Securities held-to-maturity	-	24,813	67,012	12,020	-	36,371	-	140,216	3.46	
Loans, advances and financing										
- performing	62,635	131,337	-	4,994	2,439	(3,471)*	-	197,934	7.54	
- non-performing	-	-	-	-	-	10,410	-	10,410	-	
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	140,878	-	140,878	-	
Other assets	-	-	-	-	-	108,119	-	108,119	-	
TOTAL ASSETS	3,078,112	1,010,453	722,664	1,404,521	306,858	315,859	54,850	6,893,317	-	
LIABILITIES										
Deposits from customers	2,589,467	553,735	12,340	-	-	-	-	3,155,542	3.39	
Deposits and placements of banks and other financial institutions	2,495,333	431,850	67,176	-	-	-	-	2,994,359	3.36	
Subordinated term loan	-	-	-	28,000	-	-	-	28,000	4.60	
Other liabilities	-	-	-	-	-	67,615	-	67,615	-	
TOTAL LIABILITIES	5,084,800	985,585	79,516	28,000	-	67,615	-	6,245,516	-	
SHAREHOLDERS' EQUITY										
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,084,800	985,585	79,516	28,000	-	715,416	-	6,893,317	-	
On-balance sheet interest sensitivity gap	(2,006,688)	24,868	643,148	1,376,521	306,858	(399,557)	54,850	-	-	

* General allowance for bad and doubtful debts

26. Interest rate risk (continued)

Bank	Non-Trading Book							Trading Book RM'000	Total RM'000	Effective 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				
31 December 2007										
ASSETS										
Cash and short term funds	2,484,405	-	-	-	-	16,436	-	2,500,841	3.42	
Deposits and placements with licensed banks and financial institutions	-	100,000	-	-	-	-	-	100,000	3.62	
Securities held-for-trading	-	-	-	-	-	-	54,850	54,850	3.72	
Securities available-for-sale	531,072	754,303	655,652	1,387,507	304,419	6,894	-	3,639,847	4.84	
Securities held-to-maturity	-	24,813	67,012	12,020	-	36,371	-	140,216	3.46	
Loans, advances and financing										
- performing	62,635	131,337	-	4,994	2,439	(3,471)*	-	197,934	7.54	
- non-performing	-	-	-	-	-	10,410	-	10,410	-	
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	140,878	-	140,878	-	
Other assets	-	-	-	-	-	108,298	-	108,298	-	
TOTAL ASSETS	3,078,112	1,010,453	722,664	1,404,521	306,858	315,816	54,850	6,893,274	-	
LIABILITIES										
Deposits from customers	2,589,467	553,735	12,340	-	-	-	-	3,155,542	3.39	
Deposits and placements of banks and other financial institutions	2,495,333	431,850	67,176	-	-	-	-	2,994,359	3.36	
Subordinated term loan	-	-	-	28,000	-	-	-	28,000	4.60	
Other liabilities	-	-	-	-	-	67,609	-	67,609	-	
TOTAL LIABILITIES	5,084,800	985,585	79,516	28,000	-	67,609	-	6,245,510	-	
SHAREHOLDERS' EQUITY										
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,084,800	985,585	79,516	28,000	-	715,373	-	6,893,274	-	
On-balance sheet interest sensitivity gap	(2,006,688)	24,868	643,148	1,376,521	306,858	(399,557)	54,850	-	-	

* General allowance for bad and doubtful debts

27. Operations of Islamic Banking Scheme (SPI)

**SKIM PERBANKAN ISLAM
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2008**

	Note	Group and Bank	
		30 September 2008 RM'000	31 December 2007 RM'000
ASSETS			
Cash and short term funds	a	43,633	150,817
Securities held-for-trading	b	-	24,734
Securities available-for-sale	c	897,138	1,069,706
Securities held-to-maturity	d	19,085	84,715
Other assets		4,212	6,218
Deferred tax asset		535	535
TOTAL ASSETS		964,603	1,336,725
LIABILITIES			
Deposits from customers	e	490,627	615,112
Deposits and placements of banks and other financial institutions	f	369,996	617,004
Provision for Profit Equalisation Reserve		1,991	6,956
Other liabilities		1,828	4,296
Provision for zakat		683	485
TOTAL LIABILITIES		865,125	1,243,853
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		80,000	80,000
Reserves		19,478	12,872
TOTAL ISLAMIC BANKING CAPITAL FUNDS		99,478	92,872
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		964,603	1,336,725

**SKIM PERBANKAN ISLAM
 CONDENSED INTERIM FINANCIAL STATEMENTS
 UNAUDITED INCOME STATEMENTS
 FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30 September 2008	30 September 2007	30 September 2008	30 September 2007
Group and Bank	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	10,937	15,752	38,114	43,806
Transfer (to) / from profit equalisation reserve	145	(62)	4,965	784
Dividend attributable to depositors	<u>(8,134)</u>	<u>(12,586)</u>	<u>(28,675)</u>	<u>(34,533)</u>
	2,948	3,104	14,404	10,057
Other operating income	<u>430</u>	<u>260</u>	<u>430</u>	<u>782</u>
	3,378	3,364	14,834	10,839
Staff costs	(395)	(322)	(1,026)	(869)
Other operating expenses	<u>66</u>	<u>(197)</u>	<u>(730)</u>	<u>(593)</u>
	3,049	2,845	13,078	9,377
Allowance for impairment losses on securities available-for-sale	<u>(650)</u>	<u>-</u>	<u>(5,605)</u>	<u>1,500</u>
Profit before zakat	2,399	2,845	7,473	10,877
Zakat	<u>(74)</u>	<u>(52)</u>	<u>(198)</u>	<u>(204)</u>
Net profit for the period	<u>2,325</u>	<u>2,793</u>	<u>7,275</u>	<u>10,673</u>

a. Cash and short-term funds

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
Cash and balances with banks and other financial institutions	113	107
Money at call and deposit placements maturing within one month	43,520	150,710
	<u>43,633</u>	<u>150,817</u>

b. Securities held-for-trading

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
At fair value		
Quoted securities:		
Government Investment Issues	-	24,734
Total securities held-for-trading	<u>-</u>	<u>24,734</u>

c. Securities available-for-sale

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
At fair value		
Quoted securities:		
Government Investment Issues	156,000	169,998
Islamic BNM Notes	59,917	10,000
	<u>215,917</u>	<u>179,998</u>
Unquoted Securities:		
Islamic Private Debt Securities	365,421	470,547
Islamic Acceptance Bills	88,274	149,187
Cagamas Mudharabah bonds	20,007	20,004
Khazanah Nasional Berhad bonds	207,519	249,970
	<u>681,221</u>	<u>889,708</u>
Total securities available-for-sale	<u>897,138</u>	<u>1,069,706</u>

d. Securities held-to-maturity

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
At amortised cost		
Quoted securities:		
Islamic BNM Notes	-	74,822
Islamic MTB	-	9,893
	<u>-</u>	<u>84,715</u>
Unquoted Securities:		
Islamic Private Debt Securities	4,998	4,998
Khazanah Nasional Berhad bonds	19,085	-
	<u>24,083</u>	<u>4,998</u>
	<u>24,083</u>	<u>89,713</u>
Less: Accumulated impairment losses	(4,998)	(4,998)
Total securities held-to-maturity	<u>19,085</u>	<u>84,715</u>

e. Deposits from customers

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
i) By type of deposits:		
Mudharabah Fund		
Fixed / Investment deposits	484,915	597,513
Others	5,712	17,599
	<u>490,627</u>	<u>615,112</u>
ii) By type of customers:		
Business enterprises	<u>490,627</u>	<u>615,112</u>
	<u>490,627</u>	<u>615,112</u>

f. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 September 2008 RM'000	31 December 2007 RM'000
i) By type of deposits:		
Mudharabah Fund		
Fixed / Investment deposits	369,080	538,422
Others	916	78,582
	<u>369,996</u>	<u>617,004</u>
ii) By type of customers:		
Licensed Islamic Banks	-	20,000
Other financial institutions	<u>369,996</u>	<u>597,004</u>
	<u>369,996</u>	<u>617,004</u>

I, Dato' Megat Hisham bin Megat Mahmud, the Chief Executive Officer/Director primarily responsible for the financial management of MIDF Amanah Investment Bank Berhad, do hereby state that, the unaudited interim financial statements for the nine months ended 30th September 2008, as set out on pages 1 to 25, have been prepared from the Group and the Bank's accounting and other records and that to the best of my knowledge and belief, are drawn up so as to give a true and fair view of the state of affairs of the Group and the Bank as at 30th September 2008. The results and cash flows of the Group and the Bank for the period ended on that date are in accordance with the applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board as modified by Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965.

DATO' MEGAT HISHAM BIN MEGAT MAHMUD
CHIEF EXECUTIVE OFFICER/DIRECTOR

Date: 28th October 2008