

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

	Note	Group		Bank	
		30 June 2009	31 December 2008	30 June 2009	31 December 2008
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short term funds	5	1,029,318	1,257,053	1,028,840	1,256,924
Deposits and placements with licensed banks and other financial institutions		90,000	500,000	90,000	500,000
Securities held-for-trading	6	398,050	260,972	398,050	260,972
Securities available-for-sale	7	2,569,774	3,076,650	2,569,774	3,076,650
Securities held-to-maturity	8	33,314	43,404	33,314	43,404
Loans, advances and financing	9	150,271	126,392	150,271	126,392
Other assets	11	101,984	41,624	102,436	41,637
Statutory deposits with Bank Negara Malaysia		19,177	96,871	19,177	96,871
Investment in subsidiary companies		-	-	10	20
Property, plant and equipment		4,386	4,486	4,386	4,486
Deferred tax asset		35,710	42,314	35,710	42,314
TOTAL ASSETS		4,431,984	5,449,766	4,431,968	5,449,670
LIABILITIES					
Deposits from customers	12	1,928,927	2,646,454	1,928,927	2,646,454
Deposits and placements of banks and other financial institutions	13	1,639,524	2,021,784	1,639,524	2,021,784
Other liabilities	14	116,448	51,166	116,434	51,150
Provision for taxation and zakat		919	724	919	724
TOTAL LIABILITIES		3,685,818	4,720,128	3,685,804	4,720,112
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		112,087	112,087	112,087	112,087
Securities available-for-sale reserve		(300)	2,569	(300)	2,569
Retained earnings		115,268	95,871	115,266	95,791
TOTAL SHAREHOLDERS' EQUITY		746,166	729,638	746,164	729,558
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,431,984	5,449,766	4,431,968	5,449,670
COMMITMENTS AND CONTINGENCIES					
	24(v)	492,894	631,536	492,894	631,536
CAPITAL ADEQUACY					
	24(i)				
Core capital ratio		46.20%	47.84%	46.18%	47.84%
Risk-weighted capital ratio		46.40%	48.02%	46.39%	48.02%
NET ASSETS PER SHARE (RM)		4.76	4.66	4.76	4.66

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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Group					
Operating revenue		50,990	85,658	121,204	167,016
Interest income	15	33,961	60,999	78,117	118,360
Interest expense	16	(14,710)	(42,396)	(38,041)	(83,490)
Net interest income		19,251	18,603	40,076	34,870
Income from Islamic Banking operation	26	4,625	5,414	8,867	11,456
Other operating income	17	8,912	11,008	21,446	21,582
Net income		32,788	35,025	70,389	67,908
Operating expenses	18	(9,928)	(9,118)	(18,665)	(18,010)
Operating profit		22,860	25,907	51,724	49,898
(Allowance)/write-back for losses on loans and advances	19	(260)	(1,294)	(23)	7,075
(Allowance) / write-back for losses on doubtful debts	20	(201)	12	(379)	19
Impairment (loss)/write-back	21	(37,890)	490	(25,128)	8,362
(Loss)/profit before tax expense and zakat		(15,491)	25,115	26,194	65,354
Tax expense	22	3,800	(5)	(6,602)	(5)
Zakat		(101)	(46)	(195)	(124)
Net (loss)/profit for the period		(11,792)	25,064	19,397	65,225
Earnings per RM1.00 share – basic (sen)		(7.61)	16.17	12.51	42.08

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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Bank					
Operating revenue		51,071	85,651	121,279	166,977
Interest income	15	33,961	60,999	78,117	118,360
Interest expense	16	(14,710)	(42,396)	(38,041)	(83,490)
Net interest income		19,251	18,603	40,076	34,870
Income from Islamic Banking operation	26	4,625	5,414	8,867	11,456
Other operating income	17	8,993	11,001	21,521	21,543
Net income		32,869	35,018	70,464	67,869
Operating expenses	18	(9,923)	(9,118)	(18,660)	(18,010)
Operating profit		22,946	25,900	51,804	49,859
(Allowance)/write-back for losses on loans and advances	19	(260)	(1,294)	(23)	7,075
(Allowance) / write-back for losses on doubtful debts	20	(201)	12	(379)	19
Impairment (loss)/write-back	21	(37,890)	490	(25,128)	8,362
(Loss)/profit before tax expense and zakat		(15,405)	25,108	26,274	65,315
Tax expense	22	3,796	-	(6,604)	-
Zakat		(101)	(46)	(195)	(124)
Net (loss)/profit for the period		(11,710)	25,062	19,475	65,191
Earnings per RM1.00 share – basic (sen)		(7.55)	16.17	12.56	42.06

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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2009**

Group	Non-distributable					
	Share Capital	Share Premium	Statutory Reserve *	Securities available- for-sale Reserve #	Retained Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2007	156,500	362,611	90,950	329	37,411	647,801
Net profit for the period	-	-	-	-	65,225	65,225
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(22,797)	-	(22,797)
Realised gain on sale of securities available-for-sale	-	-	-	(3,833)	-	(3,833)
Transfer to statutory reserve	-	-	16,307	-	(16,307)	-
At 30 June 2008	156,500	362,611	107,257	(26,301)	86,329	686,396
Net profit for the period	-	-	-	-	19,367	19,367
Deferred taxation on revaluation of securities available-for-sale	-	-	-	(1,382)	-	(1,382)
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	31,326	-	31,326
Realised gain on sale of securities available-for-sale	-	-	-	(1,074)	-	(1,074)
Transfer to statutory reserve	-	-	4,830	-	(4,830)	-
Dividends	-	-	-	-	(4,995)	(4,995)
At 31 December 2008	156,500	362,611	112,087	2,569	95,871	729,638
Net profit for the period	-	-	-	-	19,397	19,397
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	8,712	-	8,712
Realised gain on sale of securities available-for-sale	-	-	-	(11,581)	-	(11,581)
At 30 June 2009	156,500	362,611	112,087	(300)	115,268	746,166

* 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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2009**

Bank	Non-distributable					
	Share Capital	Share Premium	Statutory Reserve *	Securities available- for-sale Reserve #	Retained Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2007	156,500	362,611	90,950	329	37,374	647,764
Net profit for the period	-	-	-	-	65,191	65,191
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(22,797)	-	(22,797)
Realised gain on sale of securities available-for-sale	-	-	-	(3,833)	-	(3,833)
Transfer to statutory reserve	-	-	16,307	-	(16,307)	-
At 30 June 2008	156,500	362,611	107,257	(26,301)	86,258	686,325
Net profit for the period	-	-	-	-	19,358	19,358
Deferred taxation on revaluation of securities available-for-sale	-	-	-	(1,382)	-	(1,382)
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	31,326	-	31,326
Realised gain on sale of securities available-for-sale	-	-	-	(1,074)	-	(1,074)
Transfer to statutory reserve	-	-	4,830	-	(4,830)	-
Dividends	-	-	-	-	(4,995)	(4,995)
At 31 December 2008	156,500	362,611	112,087	2,569	95,791	729,558
Net profit for the period	-	-	-	-	19,475	19,475
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	8,712	-	8,712
Realised gain on sale of securities available-for-sale	-	-	-	(11,581)	-	(11,581)
At 30 June 2009	156,500	362,611	112,087	(300)	115,266	746,164

* 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 2008.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Profit before tax expense	26,194	65,354	26,274	65,315
Adjustments for non-cash items	(23,153)	(60,518)	(23,240)	(60,514)
Operating profit before changes in working capital	3,041	4,836	3,034	4,801
Changes in working capital:				
Net changes in operating assets	398,362	547,756	397,928	547,585
Net changes in operating liabilities	(1,038,377)	(195,204)	(1,038,375)	(195,204)
Net cash (used in) / generated from operating activities	(636,974)	357,388	(637,413)	357,182
Net cash (used in) / generated from investing activities	-	(1,072)	-	(1,072)
Net cash generated from financing activities	(761)	(28,000)	(671)	(28,000)
	(761)	(28,000)	(671)	(28,000)
Net change in cash and cash equivalents	(637,735)	328,316	(638,084)	328,110
Cash and cash equivalents at beginning of the period	1,757,053	2,601,063	1,756,924	2,600,841
Cash and cash equivalents at end of the period	1,119,318	2,929,379	1,118,840	2,928,951

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

	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	4,392	17,034	3,914	16,606
Money at call and deposit placements maturing within one month	1,024,926	2,412,345	1,024,926	2,412,345
Deposit and placements with banks and other financial institutions	90,000	500,000	90,000	500,000
	1,119,318	2,929,379	1,118,840	2,928,951

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 2008.

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 2nd quarter ended 30 June 2009 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 2008. 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 2008.

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 2008.

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 2008 was not qualified.

3. Performance Review

The Group and the Bank recorded a pre-tax loss of RM15.491 million for the 2nd quarter ended 30th June 2009 which is a decrease by 137% when compared to pre-tax profit of RM41.685 million recorded in the previous quarter ended 31st March 2009. The decrease in earnings was due to higher impairment loss on securities.

The pre-tax profit for the six months period ended 30th June 2009 amounted to RM26.194 million, a decrease of 60% when compared with the pre-tax profit of RM65.354 million for the previous year corresponding six months period ended 30th June 2008. The decrease in earnings was due to higher impairment loss on securities.

4. Prospects for 2009

The ongoing measures to pump-prime the economy undertaken by the Government to boost domestic-oriented activities is expected to partially mitigate the weaknesses in the global economy. Nonetheless, the risks of slower earnings growth and deterioration in asset quality, which is in line with the trend elsewhere in the world, could undermine recovery efforts.

The Malaysian debt and capital market is undergoing its most challenging and trying period since the Asian Financial Crisis, as fund-raising exercises in both debt and equities by corporations had either been kept in abeyance or shelved, pending clearer business prospects and better valuation. Secondary trading in these capital market instruments had also taken a setback.

It is, therefore, to the credit of the authorities and our country's leadership that steps have been taken to preserve liquidity in the market through good governance of the banking system, to ensure that credit continues to flow from banks to businesses, as well as to engineer various economic initiatives and measures to make Malaysia more internationally attractive and to woo investments. The establishment of Danajamin Nasional Bhd is a masterstroke to ensure that viable business propositions which can assist pump-priming activities are given the required support. The expansion of sovereign fund 1Malaysia Development Bhd from a state entity to a federal entity on the other hand, with the aim of investing in energy, real estate and hospitality sectors in the country, will surely instil confidence and positivism to the future economic outlook.

4. Prospects for 2009 (continued)

Opportunities lie in advisory activities for corporate actions, such as mergers and takeovers and delisting exercises. Treasury business is also expected to be buoyed by the general downtrend in interest rates. It is expected that there will be limited clients' involvement in the debt and equity capital markets, especially in private debt securities origination, as the hazy outlook overwhelms the low interest rate environment. Consequently, peripheral activities such as underwriting and advisory will inevitably be adversely affected.

5. Cash and short-term funds

	Group		Bank	
	30 June 2009 RM'000	31 December 2008 RM'000	30 June 2009 RM'000	31 December 2008 RM'000
Cash and balances with banks and other financial institutions	4,392	1,668	3,914	1,539
oney at call and deposit placements maturing within one month	1,024,926	1,255,385	1,024,926	1,255,385
	<u>1,029,318</u>	<u>1,257,053</u>	<u>1,028,840</u>	<u>1,256,924</u>

6. Securities held-for-trading

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
At fair value		
Quoted securities:		
Malaysian Government Securities	-	10,645
Unquoted securities:		
Other Acceptances Discounted	208,019	106,261
Private Debt Securities	190,031	144,066
Total securities held-for-trading	<u>398,050</u>	<u>260,972</u>

7. Securities available-for-sale

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
At fair value		
Quoted securities:		
Malaysian Government Securities	10,261	229,074
Government Investment Issues	151,661	183,871
Bank Negara Malaysia Notes	359,247	-
Malaysian Treasury Bills	14,993	-
Private Debt Securities	8,010	-
Shares in Malaysia	4,694	5,163
	<u>548,866</u>	<u>418,108</u>
Unquoted Securities:		
Cagamas Berhad Bonds	-	25,018
Khazanah Nasional Berhad Bonds	71,152	126,915
Private Debt Securities	1,659,205	1,936,933
Other Acceptances Discounted	140,837	510,086
Negotiable Instruments of Deposits	149,714	59,590
	<u>2,020,908</u>	<u>2,658,542</u>
Total securities available-for-sale	<u>2,569,774</u>	<u>3,076,650</u>

8. Securities held-to-maturity

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
At amortised cost		
Unquoted Securities:		
Khazanah Nasional Berhad Bonds	19,608	19,258
Private Debt Securities	90,124	140,564
Shares in Malaysia	906	906
	<u>110,638</u>	<u>160,728</u>
Less: Accumulated impairment loss	(77,324)	(117,324)
Total securities held-to-maturity	<u>33,314</u>	<u>43,404</u>

9. Loans, advances and financing

i) By type

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Term loans		
- Syndicated term loans	27,730	10,045
- Other term loans	50,713	54,296
Staff loans*	2,117	2,888
Revolving credits	19,313	21,472
Share margin financing	80,384	67,614
Gross loans, advances and financing	<u>180,257</u>	<u>156,315</u>
Less: Allowance for bad and doubtful debts		
- General	(3,067)	(2,588)
- Specific	(26,919)	(27,335)
Net loans, advances and financing	<u>150,271</u>	<u>126,392</u>

ii) By type of customer

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Domestic business enterprises		
- Small medium enterprises	132,814	110,535
- Others	3,518	-
Individuals	43,925	45,780
Gross loans, advances and financing	<u>180,257</u>	<u>156,315</u>

* Included in staff loans is a loan to a Director amounting to RM52,000 (2008:RM60,000).

iii) By interest/profit rate sensitivity

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Fixed rate:		
- Staff loans	2,117	2,888
- Other fixed rate loans	80,385	67,614
Variable rate:		
- Cost plus	97,755	85,813
Gross loans, advances and financing	<u>180,257</u>	<u>156,315</u>

iv) By economic sector

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Primary agriculture	3,056	3,889
Mining and quarrying	-	252
Manufacturing	10,680	10,680
Construction	27,405	27,706
Wholesale & retail trade and restaurants & hotels	22,933	5,871
Transport, storage and communication	16,205	19,906
Finance, insurance and business services	56,053	42,230
Education, health and others	-	1
Others	43,925	45,780
Gross loans, advances and financing	<u>180,257</u>	<u>156,315</u>

10. Non-Performing Loans ("NPL")

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
i) Movements in non-performing loans, advances and financing		
At beginning of year	37,352	37,986
Classified as non-performing during the period / year	30	590
Reclassified as performing during the period / year	-	(143)
Amount written-back	(446)	(668)
Amount written off	-	(413)
At end of period/year	<u>36,936</u>	<u>37,352</u>
Specific allowance ("SA")	<u>(26,919)</u>	<u>(27,335)</u>
Net non-performing loan, advances and financing	<u>10,017</u>	<u>10,017</u>
Net NPL as % of gross loans, advances and financing less specific allowance	<u>6.53%</u>	<u>7.77%</u>

ii) Movements in allowance for bad and doubtful debts

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
General allowance		
At beginning of year	2,588	3,471
Allowance made/(written back) during the period / year	479	(883)
At end of period / year	<u>3,067</u>	<u>2,588</u>
As % of gross loans and advances less specific allowance	2.00%	2.00%
Specific allowance	RM'000	RM'000
At beginning of year	27,335	27,576
Allowance made during the period / year	30	802
Amount written-back	(446)	(630)
Amount written off	-	(413)
At end of period/year	<u>26,919</u>	<u>27,335</u>

iii) NPL by economic sector

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Manufacturing	10,680	10,680
Construction	13,092	13,492
Finance, insurance and business services	12,476	12,504
Others	688	676
	<u>36,936</u>	<u>37,352</u>

11. Other Assets

	Group		Bank	
	30 June 2009 RM'000	31 December 2008 RM'000	30 June 2009 RM'000	31 December 2008 RM'000
Other debtors, deposits and prepayment	27,765	27,156	27,765	27,156
Less: Allowance for bad and doubtful debts (a)	(24,547)	(24,311)	(24,547)	(24,311)
	<u>3,218</u>	<u>2,845</u>	<u>3,218</u>	<u>2,845</u>
Tax recoverable	103	78	105	78
Interest/Profit receivables	10,474	16,875	10,474	16,875
Amount due from brokers and clients (b)	88,189	21,826	88,189	21,826
Amount due from subsidiaries	-	-	450	13
	<u>101,984</u>	<u>41,624</u>	<u>102,436</u>	<u>41,637</u>

(a) Movements in allowance for bad and doubtful debts

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Specific allowance:		
At beginning of year	(24,311)	(24,090)
Allowance made during the period / year	(534)	(405)
Amount written-back	158	184
Amount written-off	140	-
At end of period/year	<u>(24,547)</u>	<u>(24,311)</u>

(b) Amount due from brokers and clients:

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Brokers	412	17,187
Clients	90,287	7,146
	90,699	24,333
Less: Allowance for doubtful debts	(2,505)	(2,505)
General allowance	(5)	(2)
	<u>88,189</u>	<u>21,826</u>

12. Deposits from customers

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
i) By type of deposits:		
Call deposits	191,005	457,682
Fixed deposits	1,737,922	2,188,772
	<u>1,928,927</u>	<u>2,646,454</u>
ii) By type of customers:		
Business enterprises	1,902,927	2,624,202
Government and statutory bodies	25,500	22,252
Individuals	500	-
	<u>1,928,927</u>	<u>2,646,454</u>

13. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
i) Call deposits		
- other financial institutions	131,884	255,674
ii) Fixed deposits		
- licensed Islamic bank	46,600	-
- licensed investment banks	76,900	50,000
- other financial institutions	1,384,140	1,716,110
	<u>1,507,640</u>	<u>1,766,110</u>
	<u>1,639,524</u>	<u>2,021,784</u>

14. Other liabilities

	Group		Bank	
	30 June 2009 RM'000	31 December 2008 RM'000	30 June 2009 RM'000	31 December 2008 RM'000
Interest/profit payable				
- holding companies	7	285	7	285
- related companies	131	46	131	46
- others	2,922	7,183	2,922	7,183
Accrued liabilities and other payables	14,294	13,458	14,280	13,442
Amount due to brokers and clients (a)	90,624	25,098	90,624	25,098
Profit Equalisation Reserve	6,758	2,886	6,758	2,886
Employee benefits	914	849	914	849
Amount due to holding companies	798	1,361	798	1,361
	<u>116,448</u>	<u>51,166</u>	<u>116,434</u>	<u>51,150</u>

(a) Amount due to brokers and clients

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Brokers	82,649	4,520
Clients	3,203	17,011
Margin clients	409	188
Trust monies	2,803	2,489
Collateralised clients deposits	1,560	890
	<u>90,624</u>	<u>25,098</u>

15. Interest income

	Group and Bank	
	30 June 2009 RM'000	30 June 2008 RM'000
Loans and advances		
- Interest income other than recoveries from NPL	5,009	9,000
- Recoveries from NPL	10	23
Money at call and deposit placement with financial institutions	17,034	51,737
Securities held-for-trading	36	47
Securities available-for-sale	23,115	31,909
Recoveries from non performing securities	3,725	-
Securities held-to-maturity	1,499	819
	<u>50,428</u>	<u>93,535</u>
Accretion of discount less amortisation of premium	28,229	25,760
Interest suspended on securities	(540)	(935)
Total interest income	<u>78,117</u>	<u>118,360</u>

16. Interest expense

	Group and Bank	
	30 June 2009 RM'000	30 June 2008 RM'000
Deposits and placements of banks and other financial institutions	15,057	37,310
Deposits from customers	22,984	45,538
Subordinated term loan from holding company	-	642
	<u>38,041</u>	<u>83,490</u>

17. Other operating income

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
i) Fees and Commission				
Arrangement / Management fees	326	666	326	666
Agency fees	931	885	931	885
Commitment fees	35	60	35	60
Corporate advisory fees	781	685	781	685
Brokerage commission	4,759	7,872	4,759	7,872
Guarantee fees	32	55	32	55
Participation fees	100	100	100	100
Underwriting fees	5,258	4,348	5,258	4,348
Other fee income	268	33	268	33
	<u>12,490</u>	<u>14,704</u>	<u>12,490</u>	<u>14,704</u>

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
ii) Gain/(Loss) arising from sale of securities				
Net gain/(loss) from sale of securities held-for-trading	1,172	2,892	1,172	2,892
Net gain from sale of securities available-for-sale	7,332	3,039	7,332	3,039
Net unrealised revaluation loss on securities held-for-trading	(126)	(22)	(126)	(22)
	<u>8,378</u>	<u>5,909</u>	<u>8,378</u>	<u>5,909</u>
iii) Gross dividend income from:				
Securities available-for-sale	-	100	-	100
Securities held-to-maturity	88	99	88	99
Subsidiary company	-	-	85	-
	<u>88</u>	<u>199</u>	<u>173</u>	<u>199</u>
iv) Other income				
Others	457	667	447	628
Gains on disposal of property, plant and equipment	33	103	33	103
	<u>490</u>	<u>770</u>	<u>480</u>	<u>731</u>
Total other operating income	<u>21,446</u>	<u>21,582</u>	<u>21,521</u>	<u>21,543</u>

18. Operating expenses

	Group		Bank	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
i) Personnel expenses:				
- Salaries and wages	7,279	5,199	7,279	5,199
- Allowance and bonuses	2,856	2,166	2,856	2,166
- Staff training	168	84	168	84
- Others	636	1,610	636	1,610
	<u>10,939</u>	<u>9,059</u>	<u>10,939</u>	<u>9,059</u>
ii) Establishment related expenses:				
- Depreciation	961	882	961	882
- Rental	864	882	864	882
- Hire of equipment	92	88	92	88
- Others	967	870	967	870
	<u>2,884</u>	<u>2,722</u>	<u>2,884</u>	<u>2,722</u>
iii) Promotion and marketing related expenses:				
- Advertisement & publicity	54	122	54	122
- Others	465	298	465	298
	<u>519</u>	<u>420</u>	<u>519</u>	<u>420</u>
iv) General administrative expenses:				
- Communication expenses	171	154	171	154
- Audit fees	88	56	88	56
- Directors meeting allowances	46	135	46	135
- Management fees	2,799	3,554	2,799	3,554
- Corporate Dealers and Remisers' Commissions	244	1,122	244	1,122
- Securities Commission's Levy	182	286	182	286
- Others	793	502	788	502
	<u>4,323</u>	<u>5,809</u>	<u>4,318</u>	<u>5,809</u>
Total operating expenses	<u>18,665</u>	<u>18,010</u>	<u>18,660</u>	<u>18,010</u>

19. Allowance for losses on loans and financing

	Group and Bank	
	30 June 2009 RM'000	30 June 2008 RM'000
Allowance for bad and doubtful debts on loans and financing:		
i) Specific allowance		
- Made in the financial period	(30)	(184)
- Written back	446	266
ii) Bad debts on loans and financing		
- Recovered	40	9,110
iii) General allowance		
- Made in the financial period	(557)	(2,117)
- Written back	78	-
	<u>(23)</u>	<u>7,075</u>

20. Allowance for losses on doubtful debts

	Group and Bank	
	30 June 2009 RM'000	30 June 2008 RM'000
Allowance for bad and doubtful debts on trade receivables		
i) Specific allowance		
- Made in the financial period	(534)	(76)
- Written back	158	94
ii) General allowance		
- Made in the financial period	(3)	(4)
- Written back	-	5
	<u>(379)</u>	<u>19</u>

21. Allowance for impairment loss

	Group and Bank	
	30 June 2009 RM'000	30 June 2008 RM'000
i) Securities available-for-sale		
- Charged for the period	(42,116)	(14,707)
- Written back	441	4,288
ii) Securities held-to-maturity		
- Written back	16,547	18,781
	<u>(25,128)</u>	<u>8,362</u>

22. Tax expense

The effective rate of taxation of the Group and Bank for the six months period ended 30 June 2009 was mainly due to utilization of deferred tax assets.

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

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
i) Outstanding credit exposures with connected parties	130,000	130,000
ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	5.41%	4.67%
iii) Percentage of outstanding credit exposures to connected parties which is non-performing or in default	Nil	Nil

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. Risk weighted capital adequacy

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.

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

	Group		Bank	
	30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 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	112,087	112,087	112,087	112,087
Accumulated profit	95,871	95,871	95,791	95,791
	<u>727,069</u>	<u>727,069</u>	<u>726,989</u>	<u>726,989</u>
Less: Deferred tax assets	(35,710)	(42,314)	(35,710)	(42,314)
Total Tier-I capital	<u>691,359</u>	<u>684,755</u>	<u>691,279</u>	<u>684,675</u>
Tier-II capital				
General allowance for bad and doubtful debts	3,067	2,588	3,067	2,588
Total Tier-II capital	<u>3,067</u>	<u>2,588</u>	<u>3,067</u>	<u>2,588</u>
Total capital	694,426	687,343	694,346	687,263
Less:				
Investment in subsidiary companies	-	-	(10)	(20)
Capital Base	<u>694,426</u>	<u>687,343</u>	<u>694,336</u>	<u>687,243</u>
Before deducting proposed dividends				
Core capital ratio	46.20%	47.84%	46.18%	47.84%
Risk-weighted capital ratio	46.40%	48.02%	46.39%	48.02%
After deducting proposed dividends				
Core capital ratio	46.20%	47.84%	46.18%	47.84%
Risk-weighted capital ratio	46.40%	48.02%	46.39%	48.02%

24. Risk weighted capital adequacy (continued)

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

	Group		Group	
	30 June 2009		31 December 2008	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount RM'000	Risk-weighted amount RM'000
0%	1,246,250	-	1,876,438	-
20%	1,805,027	361,005	2,363,128	472,626
35%	1,023	358	1,239	434
50%	660,426	330,213	915,141	457,569
75%	325	243	373	280
100%	332,448	332,448	217,853	217,853
150%	156,061	234,092	29,099	43,649
Total Risk Weighted Assets for Credit Risk	4,201,560	1,258,359	5,403,271	1,192,411
Risk Weighted Assets Equivalent for Market Risk	-	16,192	-	15,865
Risk Weighted Assets Equivalent for Operational Risk	-	221,979	-	223,034
	<u>4,201,560</u>	<u>1,496,530</u>	<u>5,403,271</u>	<u>1,431,310</u>
	Bank		Bank	
	30 June 2009		31 December 2008	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount RM'000	Risk-weighted amount RM'000
0%	1,246,250	-	1,876,438	-
20%	1,804,549	360,910	2,363,000	472,600
35%	1,023	358	1,239	434
50%	660,426	330,213	915,141	457,569
75%	325	243	373	280
100%	332,901	332,901	217,866	217,866
150%	156,061	234,092	29,099	43,649
Total Risk Weighted Assets for Credit Risk	4,201,535	1,258,717	5,403,156	1,192,398
Risk Weighted Assets Equivalent for Market Risk	-	16,192	-	15,865
Risk Weighted Assets Equivalent for Operational Risk	-	221,979	-	223,034
	<u>4,201,535</u>	<u>1,496,888</u>	<u>5,403,156</u>	<u>1,431,297</u>

24. Risk weighted capital adequacy (continued)

iii) Group - Risk Weighted Assets ('RWA') and Capital Requirement for Credit Risk, Market Risk and Operational Risk as at 30 June 2009

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets	Capital Requirements
	RM'000	RM'000	RM'000	RM'000
1 Credit Risk				
On-Balance Sheet Exposures				
<u>Performing Exposures</u>				
Sovereigns/Central Banks	1,246,250	1,246,250	-	-
Banks, Development Financial Institutions & MDBs	809,717	809,717	161,943	12,955
Corporates	1,600,534	1,600,534	615,218	49,217
Regulatory Retail	143	143	107	9
Residential Mortgages	1,757	1,757	725	58
Other Assets	106,722	106,722	106,722	8,538
Equity Exposure	5,451	5,451	5,451	436
<u>Defaulted Exposures</u>				
Corporates	230,647	230,647	299,565	23,965
Regulatory Retail	69	69	34	3
Total for On-Balance Sheet Exposures	4,001,290	4,001,290	1,189,765	95,181
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	200,270	200,270	68,594	5,488
Total for Off-Balance Sheet Exposures	200,270	200,270	68,594	5,488
Total for On and Off-Balance Sheet Exposures	4,201,560	4,201,560	1,258,359	100,669
2 Large Exposure Risk Requirement	-	-	-	-
3 Market Risk	Long Positions	Short Positions		
Interest rate risks	398,050	-	16,192	1,295
4 Operational Risk			221,979	17,758
5 Total RWA and Capital Requirements			1,496,530	119,722

24. Risk weighted capital adequacy (continued)

iii) Bank - Risk Weighted Assets ('RWA') and Capital Requirement for Credit Risk, Market Risk and Operational Risk as at 30 June 2009

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets	Capital Requirements
	RM'000	RM'000	RM'000	RM'000
1 Credit Risk				
On-Balance Sheet Exposures				
<u>Performing Exposures</u>				
Sovereigns/Central Banks	1,246,250	1,246,250	-	-
Banks, Development Financial Institutions & MDBs	809,239	809,239	161,848	12,948
Corporates	1,600,534	1,600,534	615,218	49,217
Regulatory Retail	143	143	107	9
Residential Mortgages	1,757	1,757	725	58
Other Assets	107,175	107,175	107,175	8,574
Equity Exposure	5,451	5,451	5,451	436
<u>Defaulted Exposures</u>				
Corporates	230,647	230,647	299,565	23,965
Regulatory Retail	69	69	34	3
Total for On-Balance Sheet Exposures	4,001,265	4,001,265	1,190,123	95,210
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	200,270	200,270	68,594	5,488
Total for Off-Balance Sheet Exposures	200,270	200,270	68,594	5,488
Total for On and Off-Balance Sheet Exposures	4,201,535	4,201,535	1,258,717	100,698
2 Large Exposure Risk Requirement				
3 Market Risk				
	Long Positions	Short Positions		
Interest rate risks	398,050	-	16,192	1,295
4 Operational Risk			221,979	17,758
5 Total RWA and Capital Requirements			1,496,888	119,751

24. Risk weighted capital adequacy (continued)

iii) Group - Risk Weighted Assets ("RWA") and Capital Requirement for Credit Risk, Market Risk and Operational Risk as at 31 December 2008

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets	Capital Requirements
	RM'000	RM'000	RM'000	RM'000
1 Credit Risk				
On-Balance Sheet Exposures				
<u>Performing Exposures</u>				
Sovereigns/Central Banks	1,876,438	1,876,438	-	-
Banks, Development Financial Institutions & MDBs	1,106,280	1,106,280	221,257	17,701
Corporates	2,031,101	2,031,101	756,675	60,534
Regulatory Retail	109	109	82	7
Residential Mortgages	2,384	2,384	1,016	81
Other Assets	46,586	46,586	46,586	3,727
Equity Exposure	5,920	5,920	5,920	474
<u>Defaulted Exposures</u>				
Corporates	80,182	80,182	73,195	5,855
Regulatory Retail	68	68	34	3
Total for On-Balance Sheet Exposures	5,149,068	5,149,068	1,104,765	88,382
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	254,203	254,203	87,646	7,012
Total for off-Balance Sheet Exposures	254,203	254,203	87,646	7,012
Total for On and Off-Balance Sheet Exposures	5,403,271	5,403,271	1,192,411	95,394
2 Large Exposure Risk Requirement	-	-	-	-
3 Market Risk	Long Positions	Short Positions		
Interest rate risks	261,065	-	15,865	1,269
4 Operational Risk			223,034	17,843
5 Total RWA and Capital Requirements			1,431,310	114,506

24. Risk weighted capital adequacy (continued)

iii) Bank - Risk Weighted Assets ("RWA") and Capital Requirement for Credit Risk, Market Risk and Operational Risk as at 31 December 2008

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets	Capital Requirements
	RM'000	RM'000	RM'000	RM'000
1 Credit Risk				
On-Balance Sheet Exposures				
<u>Performing Exposures</u>				
Sovereigns/Central Banks	1,876,438	1,876,438	-	-
Banks, Development Financial Institutions & MDBs	1,106,152	1,106,152	221,231	17,698
Corporates	2,031,101	2,031,101	756,675	60,534
Regulatory Retail	109	109	82	7
Residential Mortgages	2,384	2,384	1,016	81
Other Assets	46,599	46,599	46,599	3,728
Equity Exposure	5,920	5,920	5,920	474
<u>Defaulted Exposures</u>				
Corporates	80,182	80,182	73,195	5,855
Regulatory Retail	68	68	34	3
Total for On-Balance Sheet Exposures	5,148,953	5,148,953	1,104,752	88,380
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	254,203	254,203	87,646	7,012
Total for Off-Balance Sheet Exposures	254,203	254,203	87,646	7,012
Total for On and Off-Balance Sheet Exposures	5,403,156	5,403,156	1,192,398	95,392
2 Large Exposure Risk Requirement	-	-	-	-
3 Market Risk	Long Positions	Short Positions		
Interest rate risks	261,065	-	15,865	1,269
4 Operational Risk			223,034	17,843
5 Total RWA and Capital Requirements			1,431,297	114,504

24. Risk weighted capital adequacy (continued)

iv) Group - Credit Risk Disclosure on Risk Weights as at 30 June 2009

Risk Weights	Banks, MDBs and FDI's	Corporates	Regulatory Retail	Residential Mortgages	Other Assets	Equity Exposures	Total Risk Weighted Assets
Performing Exposures							
0%	-	-	-	-	-	-	-
10%	-	-	-	-	-	-	-
20%	164,525	196,480	-	-	-	-	361,005
35%	-	-	-	358	-	-	358
50%	-	320,692	-	374	-	-	321,066
75%	-	-	243	-	-	-	243
90%	-	-	-	-	-	-	-
100%	-	163,915	-	-	106,722	5,451	276,088
150%	-	-	-	-	-	-	-
Total	164,525	681,087	243	732	106,722	5,451	958,760
Defaulted Exposures							
50%	-	9,113	34	-	-	-	9,147
100%	-	56,360	-	-	-	-	56,360
150%	-	234,092	-	-	-	-	234,092
Total	-	299,565	34	-	-	-	299,599
Grand Total	164,525	980,652	277	732	106,722	5,451	1,258,359

24. Risk weighted capital adequacy (continued)

iv) Bank - Credit Risk Disclosure on Risk Weights as at 30 June 2009

Risk Weights	Banks, MDBs and FDI's	Corporates	Regulatory Retail	Residential Mortgages	Other Assets	Equity Exposures	Total Risk Weighted Assets
Performing Exposures							
0%	-	-	-	-	-	-	-
10%	-	-	-	-	-	-	-
20%	164,430	196,480	-	-	-	-	360,910
35%	-	-	-	358	-	-	358
50%	-	320,692	-	374	-	-	321,066
75%	-	-	243	-	-	-	243
90%	-	-	-	-	-	-	-
100%	-	163,915	-	-	107,175	5,451	276,541
150%	-	-	-	-	-	-	-
Total	164,430	681,087	243	732	107,175	5,451	959,118
Defaulted Exposures							
50%	-	9,113	34	-	-	-	9,147
100%	-	56,360	-	-	-	-	56,360
150%	-	234,092	-	-	-	-	234,092
Total	-	299,565	34	-	-	-	299,599
Grand Total	164,430	980,652	277	732	107,175	5,451	1,258,717

24. Risk weighted capital adequacy (continued)

iv) Group - Credit Risk Disclosure on Risk Weights as at 31 December 2008

Risk Weights	Banks, MDBs and FDI's	Corporates	Regulatory Retail	Residential Mortgages	Other Assets	Equity Exposures	Total Risk Weighted Assets
Performing Exposures							
0%	-	-	-	-	-	-	-
10%	-	-	-	-	-	-	-
20%	225,465	247,161	-	-	-	-	472,626
35%	-	-	-	434	-	-	434
50%	-	435,437	-	562	-	-	435,999
75%	-	-	253	27	-	-	280
90%	-	-	-	-	-	-	-
100%	-	157,337	-	-	46,586	5,920	209,843
150%	-	-	-	-	-	-	-
Total	225,465	839,935	253	1,023	46,586	5,920	1,119,182
Defaulted Exposures							
50%	-	21,536	34	-	-	-	21,570
100%	-	8,010	-	-	-	-	8,010
150%	-	43,649	-	-	-	-	43,649
Total	-	73,195	34	-	-	-	73,229
Grand Total	225,465	913,130	287	1,023	46,586	5,920	1,192,411

24. Risk weighted capital adequacy (continued)

iv) Bank - Credit Risk Disclosure on Risk Weights as at 31 December 2008							
Risk Weights	Banks, MDBs and FDI's	Corporates	Regulatory Retail	Residential Mortgages	Other Assets	Equity Exposures	Total Risk Weighted Assets
Performing Exposures							
0%	-	-	-	-	-	-	-
10%	-	-	-	-	-	-	-
20%	225,439	247,161	-	-	-	-	472,600
35%	-	-	-	434	-	-	434
50%	-	435,437	-	562	-	-	435,999
75%	-	-	253	27	-	-	280
90%	-	-	-	-	-	-	-
100%	-	157,337	-	-	46,599	5,920	209,856
150%	-	-	-	-	-	-	-
Total	225,439	839,935	253	1,023	46,599	5,920	1,119,169
Defaulted Exposures							
50%	-	21,536	34	-	-	-	21,570
100%	-	8,010	-	-	-	-	8,010
150%	-	43,649	-	-	-	-	43,649
Total	-	73,195	34	-	-	-	73,229
Grand Total	225,439	913,130	287	1,023	46,599	5,920	1,192,398

24. Risk weighted capital adequacy (continued)

v) Group and Bank - Off Balance Sheet and Counterparty Credit Risk as at 30 June 2009

Nature	Principal Amount	Credit Conversion Factor	Credit Equivalent Amount	Risk Weighted Assets
	(1)	(2)	(3)	(4)
Direct Credit Substitutes	133	100%	133	133
Obligations under an on-going underwriting agreement	338,585	50%	169,293	47,999
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	30	50%	15	8
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	154,146	20%	30,829	20,454
Total	492,894		200,270	68,594

Group and Bank - Off Balance Sheet and Counterparty Credit Risk as at 31 December 2008

Nature	Principal Amount	Credit Conversion Factor	Credit Equivalent Amount	Risk Weighted Assets
	(1)	(2)	(3)	(4)
Direct Credit Substitutes	133	100%	133	133
Obligations under an on-going underwriting agreement	425,929	50%	212,965	63,308
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	34	50%	17	7
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	205,440	20%	41,088	24,198
Total	631,536		254,203	87,646

25. 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 June 2009									
ASSETS									
Cash and short term funds	1,024,926	-	-	-	-	4,392	-	1,029,318	2.02
Deposits and placements with licensed banks and financial institutions	-	90,000	-	-	-	-	-	90,000	2.19
Securities held-for-trading	-	-	-	-	-	-	398,050	398,050	3.62
Securities available-for-sale	381,753	788,552	318,127	797,405	210,437	73,500	-	2,569,774	4.34
Securities held-to-maturity	3,964	-	19,608	8,408	-	1,334	-	33,314	2.46
Loans, advances and financing									
- performing	63,899	51,378	126	8,740	19,178	(3,067)	-	140,254	8.00
- non-performing	-	-	-	-	-	10,017	-	10,017	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	19,177	-	19,177	-
Other assets	-	-	-	-	-	142,080	-	142,080	-
TOTAL ASSETS	1,474,542	929,930	337,861	814,553	229,615	247,433	398,050	4,431,984	
LIABILITIES									
Deposits from customers	1,415,405	319,971	193,551	-	-	-	-	1,928,927	1.98
Deposits and placements of banks and other financial institutions	1,485,311	33,690	120,523	-	-	-	-	1,639,524	1.92
Other liabilities	-	-	-	-	-	117,367	-	117,367	-
TOTAL LIABILITIES	2,900,716	353,661	314,074	-	-	117,367	-	3,685,818	
SHAREHOLDERS' EQUITY	-	-	-	-	-	746,166	-	746,166	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,900,716	353,661	314,074	-	-	863,533	-	4,431,984	
On-balance sheet interest sensitivity gap	(1,426,174)	576,269	23,787	814,553	229,615	(616,100)	398,050	-	

* General allowance for bad and doubtful debts

25. 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 June 2009									
ASSETS									
Cash and short term funds	1,024,926	-	-	-	-	3,914	-	1,028,840	2.02
Deposits and placements with licensed banks and financial institutions	-	90,000	-	-	-	-	-	90,000	2.19
Securities held-for-trading	-	-	-	-	-	-	398,050	398,050	3.62
Securities available-for-sale	381,753	788,552	318,127	797,405	210,437	73,500	-	2,569,774	4.34
Securities held-to-maturity	3,964	-	19,608	8,408	-	1,334	-	33,314	2.46
Loans, advances and financing									
- performing	63,899	51,378	126	8,740	19,178	(3,067)	-	140,254	8.00
- non-performing	-	-	-	-	-	10,017	-	10,017	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	19,177	-	19,177	-
Other assets	-	-	-	-	-	142,542	-	142,542	-
TOTAL ASSETS	1,474,542	929,930	337,861	814,553	229,615	247,417	398,050	4,431,968	
LIABILITIES									
Deposits from customers	1,415,405	319,971	193,551	-	-	-	-	1,928,927	1.98
Deposits and placements of banks and other financial institutions	1,485,311	33,690	120,523	-	-	-	-	1,639,524	1.92
Other liabilities	-	-	-	-	-	117,353	-	117,353	-
TOTAL LIABILITIES	2,900,716	353,661	314,074	-	-	117,353	-	3,685,804	
SHAREHOLDERS' EQUITY	-	-	-	-	-	746,164	-	746,164	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,900,716	353,661	314,074	-	-	863,517	-	4,431,968	
On-balance sheet interest sensitivity gap	(1,426,174)	576,269	23,787	814,553	229,615	(616,100)	398,050	-	

* General allowance for bad and doubtful debts

25. Interest rate risk (continued)

Group	Non-Trading Book					Non-interest sensitive RM'000	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				
31 December 2008									
ASSETS									
Cash and short term funds	1,255,385	-	-	-	-	1,668	-	1,257,053	3.13
Deposits and placements with licensed banks and financial institutions	-	500,000	-	-	-	-	-	500,000	3.31
Securities held-for-trading	-	-	-	-	-	-	260,972	260,972	5.05
Securities available-for-sale	292,749	651,773	753,358	1,149,005	224,602	5,163	-	3,076,650	5.41
Securities held-to-maturity	-	-	3,931	27,580	-	11,893	-	43,404	3.08
Loans, advances and financing									
- performing	71,888	34,525	-	10,764	1,786	(2,588)*	-	116,375	8.28
- non-performing	-	-	-	-	-	10,017	-	10,017	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	96,871	-	96,871	-
Other assets	-	-	-	-	-	88,424	-	88,424	-
TOTAL ASSETS	1,620,022	1,186,298	757,289	1,187,349	226,388	211,448	260,972	5,449,766	
LIABILITIES									
Deposits from customers	2,220,616	401,664	24,174	-	-	-	-	2,646,454	3.24
Deposits and placements of banks and other financial institutions	1,889,051	107,396	25,337	-	-	-	-	2,021,784	3.20
Other liabilities	-	-	-	-	-	51,890	-	51,890	-
TOTAL LIABILITIES	4,109,667	509,060	49,511	-	-	51,890	-	4,720,128	
SHAREHOLDERS' EQUITY	-	-	-	-	-	729,638	-	729,638	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,109,667	509,060	49,511	-	-	781,528	-	5,449,766	
On-balance sheet interest sensitivity gap	(2,489,645)	677,238	707,778	1,187,349	226,388	(570,080)	260,972	-	

* General allowance for bad and doubtful debts

25. 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 2008									
ASSETS									
Cash and short term funds	1,255,385	-	-	-	-	1,539	-	1,256,924	3.13
Deposits and placements with licensed banks and financial institutions	-	500,000	-	-	-	-	-	500,000	3.31
Securities held-for-trading	-	-	-	-	-	-	260,972	260,972	5.05
Securities available-for-sale	292,749	651,773	753,358	1,149,005	224,602	5,163	-	3,076,650	5.41
Securities held-to-maturity	-	-	3,931	27,580	-	11,893	-	43,404	3.08
Loans, advances and financing									
- performing	71,888	34,525	-	10,764	1,786	(2,588)*	-	116,375	8.28
- non-performing	-	-	-	-	-	10,017	-	10,017	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	96,871	-	96,871	-
Other assets	-	-	-	-	-	88,457	-	88,457	-
TOTAL ASSETS	1,620,022	1,186,298	757,289	1,187,349	226,388	211,352	260,972	5,449,670	
LIABILITIES									
Deposits from customers	2,220,616	401,664	24,174	-	-	-	-	2,646,454	3.24
Deposits and placements of banks and other financial institutions	1,889,051	107,396	25,337	-	-	-	-	2,021,784	3.20
Other liabilities	-	-	-	-	-	51,874	-	51,874	-
TOTAL LIABILITIES	4,109,667	509,060	49,511	-	-	51,874	-	4,720,112	
SHAREHOLDERS' EQUITY	-	-	-	-	-	729,558	-	729,558	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,109,667	509,060	49,511	-	-	781,432	-	5,449,670	
On-balance sheet interest sensitivity gap	(2,489,645)	677,238	707,778	1,187,349	226,388	(570,080)	260,972	-	

* General allowance for bad and doubtful debts

26. Operations of Islamic Banking Scheme (SPI)

**SKIM PERBANKAN ISLAM
 CONDENSED INTERIM FINANCIAL STATEMENTS
 UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2009**

	Note	Group and Bank	
		30 June 2009 RM'000	31 December 2008 RM'000
ASSETS			
Cash and short term funds	a	155	85,654
Securities available-for-sale	b	783,918	869,715
Securities held-to-maturity	c	19,608	19,258
Other assets		1,873	2,616
TOTAL ASSETS		<u>805,554</u>	<u>977,243</u>
LIABILITIES			
Deposits from customers	d	382,377	403,495
Deposits and placements of banks and other financial institutions	e	302,947	462,646
Provision for Profit Equalisation Reserve		6,758	2,886
Other liabilities		868	1,851
Provision for zakat		919	724
Deferred tax liability		274	274
TOTAL LIABILITIES		<u>694,143</u>	<u>871,876</u>
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		80,000	80,000
Reserves		31,411	25,367
TOTAL ISLAMIC BANKING CAPITAL FUNDS		<u>111,411</u>	<u>105,367</u>
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		<u>805,554</u>	<u>977,243</u>

**SKIM PERBANKAN ISLAM
 CONDENSED INTERIM FINANCIAL STATEMENTS
 UNAUDITED INCOME STATEMENTS
 FOR THE PERIOD ENDED 30 JUNE 2009**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30 June 2009 RM'000	30 June 2008 RM'000	30 June 2009 RM'000	30 June 2008 RM'000
Group and Bank				
Income derived from investment of depositors' funds	7,789	13,424	17,402	26,737
Transfer from/(to) profit equalisation reserve	226	2,135	(3,872)	4,820
Dividend attributable to depositors	(3,718)	(10,377)	(8,935)	(20,541)
	4,297	5,182	4,595	11,016
Other operating income	328	232	4,272	440
	4,625	5,414	8,867	11,456
Staff costs	(328)	(349)	(611)	(631)
Other operating expenses	(246)	(714)	(473)	(796)
	4,051	4,351	7,783	10,029
Allowance for impairment losses on securities available-for-sale	-	(2,441)	-	(4,955)
Profit before zakat	4,051	1,910	7,783	5,074
Zakat	(101)	(46)	(195)	(124)
Net profit for the period	3,950	1,864	7,588	4,950

a. Cash and short-term funds

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Cash and balances with banks and other financial institutions	155	194
Money at call and deposit placements maturing within one month	-	85,460
	<u>155</u>	<u>85,654</u>

b. Securities available-for-sale

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
At fair value		
Quoted securities:		
Government Investment Issues	151,661	158,490
	<u>151,661</u>	<u>158,490</u>
Unquoted Securities:		
Islamic Private Debt Securities	357,156	397,197
Cagamas Mudharabah Bonds	-	20,014
Islamic Acceptance Bills	109,210	107,509
Islamic Negotiable Certificate of Deposits	99,718	59,590
Khazanah Nasional Berhad Bonds	66,173	126,915
	<u>632,257</u>	<u>711,225</u>
Total securities available-for-sale	<u>783,918</u>	<u>869,715</u>

c. Securities held-to-maturity

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
At amortised cost		
Unquoted Securities:		
Islamic Private Debt Securities	4,998	4,998
Khazanah Nasional Berhad Bonds	19,608	19,258
	<u>24,606</u>	<u>24,256</u>
Less: Accumulated impairment losses	(4,998)	(4,998)
Total securities held-to-maturity	<u>19,608</u>	<u>19,258</u>

d. Deposits from customers

	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
i) By type of deposits:		
Mudharabah Fund		
Fixed / Investment deposits	380,152	389,249
Others	2,225	14,246
	<u>382,377</u>	<u>403,495</u>
ii) By type of customers:		
Business enterprises	<u>382,377</u>	<u>403,495</u>

e. Deposits and placements of banks and other financial institutions	Group and Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
i) By type of deposits:		
Mudharabah Fund		
Fixed / Investment deposits	302,101	461,730
Others	846	916
	302,947	462,646
ii) By type of customers:		
Islamic Banks	46,600	-
Investment Banks	76,900	-
Other financial institutions	179,447	462,646
	302,947	462,646

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 six months ended 30 June 2009, as set out on pages 1 to 35, 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 30 June 2009. 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: 27 July 2009