

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2010**

	Note	Group		Bank	
		31 March	31 December	31 March	31 December
		2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short term funds	6	913,209	452,256	913,147	450,316
Deposits and placements with licensed banks and other financial institutions		30,000	190,000	30,000	190,000
Securities held-for-trading	7	597,722	938,644	597,722	938,644
Securities available-for-sale	8	2,236,487	2,559,588	2,236,487	2,559,588
Securities held-to-maturity	9	9,844	29,797	9,844	29,797
Loans, advances and financing	10	178,010	176,226	178,010	176,226
Derivative assets		26,631	26,631	26,631	26,631
Other assets	12	95,615	284,669	95,652	286,599
Statutory deposits with Bank Negara Malaysia		20,516	21,197	20,516	21,197
Investment in subsidiary companies		-	-	10	10
Property, plant and equipment		3,802	2,964	3,802	2,964
Deferred tax asset		37,745	40,313	37,745	40,313
TOTAL ASSETS		<u>4,149,581</u>	<u>4,722,285</u>	<u>4,149,566</u>	<u>4,722,285</u>
LIABILITIES					
Deposits from customers	13	1,925,337	2,066,636	1,925,337	2,066,636
Deposits and placements of banks and other financial institutions	14	1,391,312	1,626,601	1,391,312	1,626,601
Other liabilities	15	92,186	293,732	92,180	293,737
Provision for taxation and zakat		284	1,174	284	1,174
TOTAL LIABILITIES		<u>3,409,119</u>	<u>3,988,143</u>	<u>3,409,113</u>	<u>3,988,148</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		112,265	112,265	112,265	112,265
Securities available-for-sale reserve		2,311	5,487	2,311	5,487
Retained earnings		106,775	97,279	106,766	97,274
TOTAL SHAREHOLDER'S EQUITY		<u>740,462</u>	<u>734,142</u>	<u>740,453</u>	<u>734,137</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>4,149,581</u>	<u>4,722,285</u>	<u>4,149,566</u>	<u>4,722,285</u>
COMMITMENTS AND CONTINGENCIES					
	25(v)	<u>359,219</u>	<u>402,855</u>	<u>359,219</u>	<u>402,855</u>
CAPITAL ADEQUACY					
	25(i)				
Core capital ratio		41.64%	37.45%	41.64%	37.46%
Risk-weighted capital ratio		41.86%	37.64%	41.86%	37.65%
NET ASSETS PER SHARE (RM)		<u>4.73</u>	<u>4.69</u>	<u>4.73</u>	<u>4.69</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 2009.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Group					
Operating revenue		50,915	70,214	50,915	70,214
Interest income	16	34,980	44,156	34,980	44,156
Interest expense	17	(13,994)	(23,331)	(13,994)	(23,331)
Net interest income		20,986	20,825	20,986	20,825
Income from Islamic Banking operation	28	4,660	4,242	4,660	4,242
Other operating income	18	7,887	12,534	7,887	12,534
Net income		33,533	37,601	33,533	37,601
Operating expenses	19	(10,015)	(8,737)	(10,015)	(8,737)
Operating profit		23,518	28,864	23,518	28,864
Impairment loss (made)/written-back on loans, advances and financing	20	(144)	237	(144)	237
Allowance for losses on doubtful debts	21	(30)	(178)	(30)	(178)
Impairment loss (made)/written-back on securities	22	(3,092)	12,762	(3,092)	12,762
Profit before tax expense and zakat		20,252	41,685	20,252	41,685
Tax expense	23	(5,062)	(10,402)	(5,062)	(10,402)
Zakat		(110)	(94)	(110)	(94)
Net profit for the period		15,080	31,189	15,080	31,189
Earnings per RM1.00 ordinary share – basic (sen)		9.73	20.12	9.73	20.12

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 2009.

**CONDENSED INTERIM FINANCIAL STATEMENTS
 UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 31 MARCH 2010**

	CUMULATIVE QUARTER	
	31 March 2010 RM'000	31 March 2009 RM'000
<u>Group</u>		
Profit for the period	<u>15,080</u>	<u>31,189</u>
Other comprehensive loss:		
Net realised gain on disposal of securities available-for-sale	(793)	(10,850)
Net unrealised (loss)/gain on revaluation of securities available-for sale	<u>(501)</u>	<u>4,981</u>
Other comprehensive loss for the period, net of tax	<u>(1,294)</u>	<u>(5,869)</u>
Total comprehensive income for the period	<u>13,786</u>	<u>25,320</u>

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Bank					
Operating revenue		50,911	70,208	50,911	70,208
Interest income	16	34,980	44,156	34,980	44,156
Interest expense	17	(13,994)	(23,331)	(13,994)	(23,331)
Net interest income		20,986	20,825	20,986	20,825
Income from Islamic Banking operation	28	4,660	4,242	4,660	4,242
Other operating income	18	7,883	12,528	7,883	12,528
Net income		33,529	37,595	33,529	37,595
Operating expenses	19	(10,015)	(8,737)	(10,015)	(8,737)
Operating profit		23,514	28,858	23,514	28,858
Impairment loss (made)/written-back on loans, advances and financing	20	(144)	237	(144)	237
Allowance for losses on doubtful debts	21	(30)	(178)	(30)	(178)
Impairment loss (made)/written-back on securities	22	(3,092)	12,762	(3,092)	12,762
Profit before tax expense and zakat		20,248	41,679	20,248	41,679
Tax expense	23	(5,062)	(10,400)	(5,062)	(10,400)
Zakat		(110)	(94)	(110)	(94)
Net profit for the period		15,076	31,185	15,076	31,185
Earnings per RM1.00 ordinary share – basic (sen)		9.73	20.12	9.73	20.12

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 2009.

**CONDENSED INTERIM FINANCIAL STATEMENTS
 UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 31 MARCH 2010**

	CUMULATIVE QUARTER	
	31 March 2010 RM'000	31 March 2009 RM'000
Bank		
Profit for the period	<u>15,076</u>	<u>31,185</u>
Other comprehensive loss:		
Net realised gain on disposal of securities available-for-sale	(793)	(10,850)
Net unrealised (loss)/gain on revaluation of securities available-for sale	<u>(501)</u>	<u>4,981</u>
Other comprehensive loss for the period, net of tax	<u>(1,294)</u>	<u>(5,869)</u>
Total comprehensive income for the period	<u><u>13,782</u></u>	<u><u>25,316</u></u>

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2010**

Group	Non-distributable					
	Share Capital	Share Premium	Statutory Reserve *	Securities available-for-sale Reserve #	Retained Earnings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2008, as restated	156,500	362,611	112,087	2,569	96,822	730,589
Net profit for the period	-	-	-	-	31,189	31,189
Other comprehensive loss	-	-	-	(5,869)	-	(5,869)
Total comprehensive (loss)/income for the period	-	-	-	(5,869)	31,189	25,320
At 31 March 2009	156,500	362,611	112,087	(3,300)	128,011	755,909
Net loss for the period	-	-	-	-	(30,554)	(30,554)
Other comprehensive income	-	-	-	8,787	-	8,787
Transfer to statutory reserve	-	-	178	-	(178)	-
At 31 December 2009, as previously stated	156,500	362,611	112,265	5,487	97,279	734,142
Effect of adopting FRS 139	-	-	-	(1,882)	(5,584)	(7,466)
At 31 December 2009, as restated	156,500	362,611	112,265	3,605	91,695	726,676
Net profit for the period	-	-	-	-	15,080	15,080
Other comprehensive loss	-	-	-	(1,294)	-	(1,294)
Total comprehensive (loss)/income for the period	-	-	-	(1,294)	15,080	13,786
At 31 March 2010	156,500	362,611	112,265	2,311	106,775	740,462

* 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 2009.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2010**

Bank	Non-distributable					
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve * RM'000	Securities available- for-sale Reserve # RM'000	Retained Earnings RM'000	Total RM'000
At 31 December 2008, as restated	156,500	362,611	112,087	2,569	96,742	730,509
Net profit for the period	-	-	-	-	31,185	31,185
Other comprehensive loss	-	-	-	(5,869)	-	(5,869)
Total comprehensive (loss)/income for the period	-	-	-	(5,869)	31,185	25,316
At 31 March 2009	156,500	362,611	112,087	(3,300)	127,927	755,825
Net loss for the period	-	-	-	-	(30,475)	(30,475)
Other comprehensive income	-	-	-	8,787	-	8,787
Transfer to statutory reserve	-	-	178	-	(178)	-
At 31 December 2009, as previously stated	156,500	362,611	112,265	5,487	97,274	734,137
Effect of adopting FRS 139 At 31 December 2009, as restated	-	-	-	(1,882)	(5,584)	(7,466)
At 31 December 2009, as restated	156,500	362,611	112,265	3,605	91,690	726,671
Net profit for the period	-	-	-	-	15,076	15,076
Other comprehensive loss	-	-	-	(1,294)	-	(1,294)
Total comprehensive (loss)/income for the period	-	-	-	(1,294)	15,076	13,782
At 31 March 2010	156,500	362,611	112,265	2,311	106,766	740,453

* 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 2009.

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2010**

	Group		Bank	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
Profit before tax expense	20,252	41,685	20,248	41,679
Adjustments for non-cash items	<u>(10,222)</u>	<u>(43,374)</u>	<u>(10,221)</u>	<u>(43,372)</u>
Operating profit before changes in working capital	10,030	(1,689)	10,027	(1,693)
Changes in working capital:				
Net changes in operating assets	871,214	293,450	873,099	293,385
Net changes in operating liabilities	<u>(579,181)</u>	<u>(940,781)</u>	<u>(579,185)</u>	<u>(940,780)</u>
Net cash generated from/(used in) operating activities	<u>302,063</u>	<u>(649,020)</u>	<u>303,941</u>	<u>(649,088)</u>
Net cash used in investing activities	<u>(1,110)</u>	<u>(930)</u>	<u>(1,110)</u>	<u>(930)</u>
	<u>(1,110)</u>	<u>(930)</u>	<u>(1,110)</u>	<u>(930)</u>
Net cash generated from financing activities	-	-	-	10
	-	-	-	10
Net change in cash and cash equivalents	300,953	(649,950)	302,831	(650,008)
Cash and cash equivalents at beginning of the period	<u>642,256</u>	<u>1,757,053</u>	<u>640,316</u>	<u>1,756,924</u>
Cash and cash equivalents at end of the period	<u>943,209</u>	<u>1,107,103</u>	<u>943,147</u>	<u>1,106,916</u>

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	4,198	3,093	4,136	2,906
Money at call and deposit placements maturing within one month	909,011	1,104,010	909,011	1,104,010
Deposits and placements with licensed banks and other financial institutions	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
	<u>943,209</u>	<u>1,107,103</u>	<u>943,147</u>	<u>1,106,916</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 2009.

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

1. Basis of Preparation

The unaudited condensed interim financial statements has been prepared under the historical cost convention unless otherwise indicated and comply with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRSs") in Malaysia as modified by Bank Negara Malaysia ("BNM") Guidelines.

The unaudited condensed interim financial statements have been prepared in accordance with 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 financial year ended 31 December 2009. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2009.

2. Significant accounting policies

The significant accounting policies and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited annual financial statements for the year ended 31 December 2009 except for the adoption of the following new and revised FRSs, Amendments to FRSs, IC Interpretations, Amendments to IC Interpretation and Technical Release issued by the MASB that are effective for financial period beginning on or after 1 January 2010, with the exception of FRS 8, which takes effect for financial period beginning on or after 1 July 2009:

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments

FRS 101 Presentation of Financial Statements

FRS 123 Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 1 First-time Adoption of Financial Reporting

Standards and FRS 127 Consolidated and Separate Financial

Statements: Cost of an Investment in a Subsidiary, Jointly

Controlled Entity or Associate

Amendments to FRS 2 Share-based Payment: Vesting Conditions

and Cancellations

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 139 Financial Instruments: Recognition and

Measurement

Amendments to FRS 139 Financial Instruments: Recognition and

Measurement, FRS 7 Financial Instruments: Disclosures and

IC Interpretation 9 Reassessment of Embedded Derivatives

Amendments to FRSs contained in the document entitled

"Improvements to FRSs (2009)"

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 11 FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14 FRS 119 - The Limit on a Defined Benefit Asset,

Minimum Funding Requirements and their Interaction

TR-3 Presentation of Financial Statements of Islamic Financial

Institutions

2. Significant accounting policies (continued)

The adoption of abovementioned FRSs, Amendments to FRSs, IC Interpretations, Amendments to IC Interpretation and Technical Release, where applicable, does not result in significant changes to the accounting policies of the Group and the Bank, other than the adoption of FRS 139 which the impact is disclosed in Note 27 to the unaudited condensed interim financial statements.

On 8 January 2010, BNM issued the guidelines on Classification and Impairment Provisions for Loans/Financing which is effective for annual periods beginning on and after 1 January 2010. The guidelines set out the minimum requirements on classification of impaired loans/financing, provisioning for impaired loans/financing and expectations that must be met by banking institutions with the adoption of FRS 139. With the issuance of the guidelines, the existing revised BNM/ GP3 which was issued on 7 August 2008 will be withdrawn and replaced with the requirements of the guidelines.

In accordance with the transitional provisions under the Amendments to FRS 139 Financial Instruments: Recognition and Measurement, the Financial Services sector is granted a transitional period for the purpose of complying with the collective assessment of impairment required under FRS 139. During the transitional period, banking institutions will be required to comply with the requirements on collective assessment of impairment of loans and financing under the BNM's guidelines on Classification and Impairment Provisions for Loans/Financing. Banking institutions are required to maintain collective impairment provisions of at least 1.5% of total outstanding loans/financing, net of individual impairment provisions under the transitional provisions in the guidelines. Subject to the prior written approval from BNM, banking institutions are allowed to maintain a lower collective impairment provision.

3. Auditors' report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2009 was not qualified.

4. Performance Review

The Group and the Bank recorded a lower pre-tax profit of RM20.252 million for the 1st quarter ended 31st March 2010 which is a decrease by 51.4% when compared to pre-tax profit of RM41.685 million recorded in the previous corresponding quarter ended 31st March 2009. The lower earnings are mainly due to lower gain from sale of securities and higher impairment of securities.

5. Prospects for 2010

Malaysia's gross domestic product (GDP) growth is estimated to have accelerated to 6.8% year-on-year in the first quarter of 2010, from 4.5% in the last quarter of 2009. Growth was driven by the manufacturing sector, which grew 14.1% year-on-year, reflecting the extremely depressed base in 2009. GDP growth is forecast to accelerate further in second quarter of 2010 with GDP growth for the full 2010 expected to be 5.1%.

In tandem with the strong rebound of the economy in 2010, the equity market is expected to remain buoyant with the FBM KLCI Index forecasted to breach the 1,400 level. On the back of the economic growth and a more buoyant equity market, the bank sees the strongest opportunities in the equity market and corporate finance activities. Opportunities for the latter will lie in advisory activities for corporate actions, such as mergers and takeovers and initial public offerings, as well as in underwriting.

Bank Negara Malaysia raised the Overnight Policy Rate on 4th March 2010 and has indicated that it is in the process of normalising the interest rates. Such a scenario may dampen the market prospects for fund-based activities. Consequently, the bank's debt capital market and treasury-related activities is expected to remain challenging in the year.

In the mean time, while the worst of the deterioration in credit quality may have been in the past, the emphasis on remedial efforts will remain unchanged.

6. Cash and short-term funds

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Cash and balances with banks and other financial institutions	4,198	9,120	4,136	7,180
Money at call and deposit placements maturing within one month	909,011	443,136	909,011	443,136
	<u>913,209</u>	<u>452,256</u>	<u>913,147</u>	<u>450,316</u>

7. Securities held-for-trading

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
At fair value		
Money market instruments:		
Malaysian Government Securities	55,029	-
Bank Negara Malaysia Notes	-	449,783
Other Acceptances Discounted	389,544	226,532
Negotiable Instruments of Deposit	-	200,000
	<u>444,573</u>	<u>876,315</u>
Unquoted securities:		
Private Debt Securities	153,149	62,329
	<u>153,149</u>	<u>62,329</u>
Total securities held-for-trading	<u>597,722</u>	<u>938,644</u>

8. Securities available-for-sale

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
At fair value		
Money market instruments:		
Malaysian Government Securities	139,200	114,675
Malaysian Treasury Bills	9,840	26,904
Government Investment Issues	178,092	149,065
Khazanah Nasional Berhad Bonds	-	14,986
Other Acceptances Discounted	72,382	193,004
Negotiable Instruments of Deposits	289,053	229,642
Bank Negara Malaysia Notes	-	99,595
	<u>688,567</u>	<u>827,871</u>
Quoted securities in Malaysia:		
Shares and Warrants	5,428	5,428
Loan Stocks	8,010	8,010
	<u>13,438</u>	<u>13,438</u>
Unquoted securities in Malaysia:		
Private Debt Securities	1,502,092	1,685,889
Loan Stocks	32,390	32,390
	<u>1,534,482</u>	<u>1,718,279</u>
Total securities available-for-sale	<u>2,236,487</u>	<u>2,559,588</u>

9. Securities held-to-maturity

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
At amortised cost, or at cost for certain unquoted equity instruments		
Money market instruments: Khazanah Nasional Berhad Bonds	-	19,966
Unquoted securities in Malaysia: Private Debt Securities Shares	85,660 906 <u>86,566</u>	85,647 906 <u>86,553</u>
Less: Accumulated impairment provisions	<u>(76,722)</u>	<u>(76,722)</u>
Total securities held-to-maturity	<u>9,844</u>	<u>29,797</u>

10. Loans, advances and financing

i) By type

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
Term loans		
- Syndicated term loans	22,889	23,352
- Other term loans	92,222	96,840
Staff loans*	1,709	1,827
Revolving credits	14,050	18,972
Share margin financing	73,406	60,669
Gross loans, advances and financing	<u>204,276</u>	<u>201,660</u>
Less: Impairment provisions		
- Collective impairment provisions	(3,633)	(3,597)
- Individual impairment provisions	<u>(22,633)</u>	<u>(21,837)</u>
Net loans, advances and financing	<u>178,010</u>	<u>176,226</u>

* Included in staff loans is a loan to a Director amounting to RM nil (2009:RM43,000).

ii) By type of customer

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
Domestic business enterprises		
- Small medium enterprises	168,400	164,894
Individuals	35,876	36,766
Gross loans, advances and financing	<u>204,276</u>	<u>201,660</u>

iii) By interest/profit rate sensitivity

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
Fixed rate:		
- Staff loans	1,709	1,827
- Other fixed rate loans	73,406	60,669
Variable rate:		
- Cost plus	<u>129,161</u>	<u>139,164</u>
Gross loans, advances and financing	<u>204,276</u>	<u>201,660</u>

10. Loans, advances and financing (continued)
iv) By economic sector

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
Primary agriculture	1,806	2,222
Mining and quarrying	27,964	28,874
Manufacturing	30,954	36,897
Construction	21,086	21,176
Wholesale & retail trade and restaurants & hotels	21,663	21,950
Transport, storage and communication	8,594	10,786
Finance, insurance and business services	56,333	42,989
Others	35,876	36,766
Gross loans, advances and financing	204,276	201,660

11. Non-Performing Loans ("NPL")

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
i) Movements in non-performing loans, advances and financing		
At beginning of period/year	44,686	37,352
Classified as non-performing during the period/year	15	14,247
Reclassified as performing during the period/year	-	-
Amount written-back	(559)	(997)
Amount written off	-	(5,916)
At end of period/year	44,142	44,686
Individual impairment provisions	(22,633)	(21,837)
Net non-performing loan, advances and financing	21,509	22,849
Net NPL as % of gross loans, advances and financing less individual impairment provisions	11.84%	12.71%

ii) Movements in impairment provisions

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
Collective impairment provisions		
At beginning of period/year, as previously stated	3,597	2,588
Effects of adopting FRS 139	(15)	-
At beginning of period/year, as restated	3,582	2,588
Impairment made during the period/year	51	1,009
At end of period/year	3,633	3,597
As % of gross loans and advances less individual impairment provisions	2.00%	2.00%
Individual impairment provisions	RM'000	RM'000
At beginning of period/year, as previously stated	21,837	27,335
Effects of adopting FRS 139	766	-
At beginning of period/year, as restated	22,603	27,335
Impairment made during the period/year	251	1,415
Discount unwind	(62)	-
Amount written-back	(159)	(997)
Amount written off	-	(5,916)
At end of period/year	22,633	21,837

11. Non-Performing Loans ("NPL") (continued)

iii) NPL by economic sector

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
Manufacturing	9,925	10,380
Construction	21,086	21,176
Finance, insurance and business services	12,394	12,409
Others	737	721
	<u>44,142</u>	<u>44,686</u>

12. Other Assets

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Other debtors, deposits and prepayment	27,991	28,404	27,990	28,404
Less: Allowance for bad and doubtful debts (a)	<u>(25,184)</u>	<u>(25,154)</u>	<u>(25,184)</u>	<u>(25,154)</u>
	2,807	3,250	2,806	3,250
Tax recoverable	132	117	132	117
Interest/Profit receivables	33,113	20,754	33,113	20,754
Amount due from brokers and clients (b)	59,176	260,163	59,176	260,163
Amount due from related companies	387	385	425	2,315
	<u>95,615</u>	<u>284,669</u>	<u>95,652</u>	<u>286,599</u>

(a) Movements in allowance for bad and doubtful debts

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
Specific allowance:		
At beginning of year	(25,154)	(24,311)
Allowance made during the period / year	(65)	(2,703)
Amount written-back	35	397
Amount written-off	-	1,463
At end of period/year	<u>(25,184)</u>	<u>(25,154)</u>

(b) Amount due from brokers and clients:

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
Brokers	21,446	25,172
Clients	40,266	237,524
	61,712	262,696
Less: Allowance for doubtful debts	(2,535)	(2,532)
General allowance	(1)	(1)
	<u>59,176</u>	<u>260,163</u>

13. Deposits from customers

	Group and Bank	
	31 March 2009 RM'000	31 December 2009 RM'000
i) By type of deposits:		
Call deposits	181,248	277,626
Fixed deposits	1,744,089	1,789,010
	<u>1,925,337</u>	<u>2,066,636</u>
ii) By type of customers:		
Business enterprises	1,900,255	2,041,136
Government and statutory bodies	24,500	25,500
Individuals	582	-
	<u>1,925,337</u>	<u>2,066,636</u>

14. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
i) Call deposits		
- other financial institutions	190,496	1,548,911
ii) Fixed deposits		
- licensed Islamic bank	37,000	77,690
- licensed commercial bank	1,000	-
- licensed investment banks	18,000	-
- other financial institutions	1,144,816	-
	<u>1,391,312</u>	<u>1,626,601</u>
	<u>1,391,312</u>	<u>1,626,601</u>

15. Other liabilities

	Group		Bank	
	31 March 2010 RM'000	31 December 2009 RM'000	31 March 2010 RM'000	31 December 2009 RM'000
Interest/profit payable	3,234	3,423	3,234	3,423
Accrued liabilities and other payables	12,852	13,178	12,846	13,178
Amount due to brokers and clients (a)	61,486	263,353	61,486	263,353
Profit Equalisation Reserve	12,563	12,523	12,563	12,523
Employee benefits	849	817	849	817
Amount due to holding company	700	-	700	-
Amount due to related companies	502	438	502	443
	<u>92,186</u>	<u>293,732</u>	<u>92,180</u>	<u>293,737</u>

(a) Amount due to brokers and clients

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
Brokers	32,562	228,505
Clients	24,730	31,413
Margin clients	275	275
Trust monies	1,986	2,314
Collateralised clients deposits	1,933	846
	<u>61,486</u>	<u>263,353</u>

16. Interest income

	Group and Bank	
	31 March 2010 RM'000	31 March 2009 RM'000
Loans, advances and financing		
- Interest income other than recoveries from NPL	3,047	2,373
- Recoveries from NPL	601	5
- Discount unwind on NPL	62	-
Money at call and deposit placement with financial institutions	4,643	10,438
Securities held-for-trading	489	20
Securities available-for-sale ("AFS")		
- Interest income on AFS	15,137	12,093
- Discount unwind on AFS	2,447	-
Recoveries from non performing securities	-	1,716
Securities held-to-maturity	397	1,438
	<u>26,823</u>	<u>28,083</u>
Accretion of discount less amortisation of premium	8,157	16,613
Interest suspended on securities	-	(540)
Total interest income	<u>34,980</u>	<u>44,156</u>

17. Interest expense

	Group and Bank	
	31 March 2010 RM'000	31 March 2009 RM'000
Deposits and placements of banks and other financial institutions	5,315	8,925
Deposits from customers	8,679	14,406
	<u>13,994</u>	<u>23,331</u>

18. Other operating income

	Group		Bank	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
i) Fees and Commission				
Arrangement / Management fees	181	326	181	326
Agency fees	380	463	380	463
Commitment fees	-	20	-	20
Corporate advisory fees	330	681	330	681
Brokerage commission	4,727	1,776	4,727	1,776
Guarantee fees	17	19	17	19
Participation fees	-	100	-	100
Underwriting fees	908	1,004	908	1,004
Other fee income	605	14	605	14
	<u>7,148</u>	<u>4,403</u>	<u>7,148</u>	<u>4,403</u>
ii) Gain/(Loss) arising from sale of securities				
Net gain/(loss) from sale of securities held-for-trading	10	1,036	10	1,036
Net gain from sale of securities available-for-sale	605	6,936	605	6,936
Net unrealised revaluation loss on securities held-for-trading	(48)	(100)	(48)	(100)
	<u>567</u>	<u>7,872</u>	<u>567</u>	<u>7,872</u>

18. Other operating income (continued)

	Group		Bank	
	31 March 2010 RM'000	31 March 2009 RM'000	31 March 2010 RM'000	31 March 2009 RM'000
iii) Gross dividend income from:				
Securities available-for-sale	145	-	145	-
Securities held-to-maturity	-	-	-	-
Subsidiary company	-	-	-	-
	<u>145</u>	<u>-</u>	<u>145</u>	<u>-</u>
iv) Other income				
Others	27	226	23	220
Gain on disposal of property, plant and equipment	-	33	-	33
	<u>27</u>	<u>259</u>	<u>23</u>	<u>253</u>
Total other operating income	<u>7,887</u>	<u>12,534</u>	<u>7,883</u>	<u>12,528</u>

19. Operating expenses

	Group and Bank	
	31 March 2010 RM'000	31 March 2009 RM'000
i) Personnel expenses:		
- Salaries and wages	3,323	2,945
- Allowance and bonuses	1,664	1,418
- Staff training	15	138
- Others	785	806
	<u>5,787</u>	<u>5,307</u>
ii) Establishment related expenses:		
- Depreciation	403	495
- Rental	604	422
- Hire of equipment	28	49
- Others	622	289
	<u>1,657</u>	<u>1,255</u>
iii) Promotion and marketing related expenses:		
- Advertisement & publicity	12	13
- Others	181	205
	<u>193</u>	<u>218</u>
iv) General administrative expenses:		
- Communication expenses	66	94
- Audit fees	42	30
- Directors meeting allowances	77	21
- Management fees	1,338	1,317
- Corporate Dealers and Remisers' Commissions	159	50
- Securities Commission's Levy	126	70
- Others	570	375
	<u>2,378</u>	<u>1,957</u>
Total operating expenses	<u>10,015</u>	<u>8,737</u>

20. Impairment loss on loans, advances and financing

	Group and Bank	
	31 March 2010 RM'000	31 March 2009 RM'000
Impairment loss on loans, advances and financing:		
i) Individual impairment provisions		
- Made in the financial period	(251)	(15)
- Written back	159	134
ii) Bad debts on loans and financing		
- Recovered	-	40
iii) Collective impairment provisions		
- Made in the financial period	(198)	-
- Written back	146	78
	<u>(144)</u>	<u>237</u>

21. Allowance for losses on doubtful debts

	Group and Bank	
	31 March 2010 RM'000	31 March 2009 RM'000
Allowance for bad and doubtful debts on trade receivables		
i) Specific allowance		
- Made in the financial period	(65)	(218)
- Written back	35	40
ii) General allowance		
- Made in the financial period	-	-
- Written back	-	-
	<u>(30)</u>	<u>(178)</u>

22. Impairment loss on securities

	Group and Bank	
	31 March 2010 RM'000	31 March 2009 RM'000
i) Securities available-for-sale		
- Charged for the period	(3,220)	(2,902)
- Written back	128	-
ii) Securities held-to-maturity		
- Written back	-	15,664
	<u>(3,092)</u>	<u>12,762</u>

23. Tax expense

The effective rate of taxation of the Group and Bank for the three months period ended 31 March 2010 was mainly due to utilization of deferred tax assets.

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

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
i) Outstanding credit exposures with connected parties	260,000	260,000
ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	10.75%	10.75%
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.

25. 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	
	31.3.2010 RM'000	31.12.2009 RM'000	31.3.2010 RM'000	31.12.2009 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	112,265	112,265	112,265	112,265
Accumulated profit	91,695	97,279	91,690	97,274
	<u>723,071</u>	<u>728,655</u>	<u>723,066</u>	<u>728,650</u>
Less: Deferred tax assets	(37,745)	(40,313)	(37,745)	(40,313)
Total Tier-I capital	<u>685,326</u>	<u>688,342</u>	<u>685,321</u>	<u>688,337</u>
Tier-II capital				
Collective impairment provisions on loans, advances and financing	3,633	3,597	3,633	3,597
Total Tier-II capital	<u>3,633</u>	<u>3,597</u>	<u>3,633</u>	<u>3,597</u>
Total capital	688,959	691,939	688,954	691,934
Less:				
Investment in subsidiary companies	-	-	(10)	(10)
Capital Base	<u>688,959</u>	<u>691,939</u>	<u>688,944</u>	<u>691,924</u>
Before deducting proposed dividends				
Core capital ratio	41.64%	37.45%	41.64%	37.46%
Risk-weighted capital ratio	41.86%	37.64%	41.86%	37.65%
After deducting proposed dividends				
Core capital ratio	41.64%	37.45%	41.64%	37.46%
Risk-weighted capital ratio	41.86%	37.64%	41.86%	37.65%

25. Risk weighted capital adequacy (continued)

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

	Group		Group	
	31 March 2010		31 December 2009	
	Notional amount	Risk-weighted amount	Notional amount	Risk-weighted amount
	RM'000	RM'000	RM'000	RM'000
0%	798,097	-	778,515	-
20%	1,821,827	364,365	1,819,542	363,908
35%	920	322	993	348
50%	414,914	207,457	499,445	249,723
75%	183	137	183	137
100%	329,509	329,509	580,196	580,196
150%	288,796	433,194	227,238	340,857
Total Risk Weighted Assets for Credit Risk	3,654,246	1,334,984	3,906,112	1,535,169
Risk Weighted Assets Equivalent for Market Risk	-	99,587	-	93,860
Risk Weighted Assets Equivalent for Operational Risk	-	211,406	-	209,107
	<u>3,654,246</u>	<u>1,645,977</u>	<u>3,906,112</u>	<u>1,838,136</u>

	Bank		Bank	
	31 March 2010		31 December 2009	
	Notional amount	Risk-weighted amount	Notional amount	Risk-weighted amount
	RM'000	RM'000	RM'000	RM'000
0%	798,097	-	778,515	-
20%	1,821,765	364,353	1,817,602	363,520
35%	920	322	993	348
50%	414,914	207,457	499,445	249,723
75%	183	137	183	137
100%	329,546	329,546	580,201	580,201
150%	288,796	433,194	227,238	340,857
Total Risk Weighted Assets for Credit Risk	3,654,221	1,335,009	3,904,177	1,534,786
Risk Weighted Assets Equivalent for Market Risk	-	99,587	-	93,860
Risk Weighted Assets Equivalent for Operational Risk	-	211,406	-	209,107
	<u>3,654,221</u>	<u>1,646,002</u>	<u>3,904,177</u>	<u>1,837,753</u>

25. 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 March 2010

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	798,097	798,097	-	-
Banks, Development Financial Institutions & MDBs	854,532	854,532	170,906	13,673
Corporates	1,370,090	1,370,090	505,988	40,479
Regulatory Retail	43	43	32	3
Residential Mortgages	1,451	1,451	606	48
Other Assets	99,667	99,667	99,667	7,973
Equity Exposure	6,030	6,030	6,030	482
<u>Defaulted Exposures</u>				
Corporates	361,137	361,137	497,234	39,779
Regulatory Retail	69	69	34	3
Total for On-Balance Sheet Exposures	3,491,116	3,491,116	1,280,497	102,440
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	163,130	163,130	54,488	4,359
Total for Off-Balance Sheet Exposures	163,130	163,130	54,488	4,359
Total for On and Off-Balance Sheet Exposures	3,654,246	3,654,246	1,334,985	106,799
2 Large Exposure Risk Requirement				
	Long Positions	Short Positions		
3 Market Risk				
Interest rate risk	598,716	-	26,352	2,108
Equity risk	26,631	-	73,235	5,859
	625,347	-	99,587	7,967
4 Operational Risk			211,406	16,912
5 Total RWA and Capital Requirements			1,645,978	131,678

25. 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 March 2010

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	798,097	798,097	-	-
Banks, Development Financial Institutions & MDBs	854,470	854,470	170,894	13,672
Corporates	1,370,090	1,370,090	505,988	40,479
Regulatory Retail	43	43	32	3
Residential Mortgages	1,451	1,451	606	48
Other Assets	99,704	99,704	99,704	7,976
Equity Exposure	6,030	6,030	6,030	482
<u>Defaulted Exposures</u>				
Corporates	361,137	361,137	497,233	39,779
Regulatory Retail	69	69	34	3
Total for On-Balance Sheet Exposures	3,491,091	3,491,091	1,280,521	102,442
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	163,130	163,130	54,488	4,359
Total for Off-Balance Sheet Exposures	163,130	163,130	54,488	4,359
Total for On and Off-Balance Sheet Exposures	3,654,221	3,654,221	1,335,009	106,801
2 Large Exposure Risk Requirement				
	Long Positions	Short Positions		
3 Market Risk				
Interest rate risk	598,716	-	26,352	2,108
Equity risk	26,631	-	73,235	5,859
	625,347	-	99,587	7,967
4 Operational Risk			211,406	16,912
5 Total RWA and Capital Requirements			1,646,002	131,680

25. 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 2009				
Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets	Capital Requirements
	RM'000	RM'000	RM'000	RM'000
1	Credit Risk			
	<u>On-Balance Sheet Exposures</u>			
	<u>Performing Exposures</u>			
	Sovereigns/Central Banks	778,515	778,515	-
	Banks, Development Financial Institutions & MDBs	732,776	732,776	146,555
	Corporates	1,610,529	1,610,529	616,998
	Regulatory Retail	43	43	32
	Residential Mortgages	1,527	1,527	634
	Other Assets	289,848	289,848	289,848
	Equity Exposure	6,185	6,185	6,185
	<u>Defaulted Exposures</u>			
	Corporates	302,726	302,727	409,523
	Regulatory Retail	69	69	34
	Total for On-Balance Sheet Exposures	3,722,218	3,722,219	1,469,809
	<u>Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives</u>	<u>183,895</u>	<u>183,894</u>	<u>65,360</u>
	Total for off-Balance Sheet Exposures	183,895	183,894	65,360
	Total for On and Off-Balance Sheet Exposures	3,906,113	3,906,113	1,535,169
2	Large Exposure Risk Requirement	-	-	-
3	Market Risk	Long Positions	Short Positions	
	Interest rate risk	938,644	-	20,625
	Equity risk	26,631	-	73,235
		965,275	-	93,860
4	Operational Risk			209,107
5	Total RWA and Capital Requirements			1,838,136
				147,053

25. 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 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	778,515	778,515	-	-
Banks, Development Financial Institutions & MDBs	730,836	730,836	146,167	11,693
Corporates	1,610,529	1,610,529	616,998	49,360
Regulatory Retail	43	43	32	3
Residential Mortgages	1,527	1,527	634	51
Other Assets	289,853	289,853	289,853	23,188
Equity Exposure	6,185	6,185	6,185	495
<u>Defaulted Exposures</u>				
Corporates	302,726	302,727	409,523	32,762
Regulatory Retail	69	69	34	3
Total for On-Balance Sheet Exposures	3,720,283	3,720,284	1,469,426	117,555
Off-Balance Sheet Exposures other than OTC Derivatives or Credit Derivatives	183,895	183,894	65,360	5,229
Total for Off-Balance Sheet Exposures	183,895	183,894	65,360	5,229
Total for On and Off-Balance Sheet Exposures	3,904,178	3,904,178	1,534,786	122,784
2 Large Exposure Risk Requirement	-	-	-	-
3 Market Risk	Long Positions	Short Positions		
Interest rate risk	938,644	-	20,625	1,650
Equity risk	26,631	-	73,235	5,859
	965,275	-	93,860	7,509
4 Operational Risk			209,107	16,729
5 Total RWA and Capital Requirements			1,837,753	147,022

25. Risk weighted capital adequacy (continued)

iv) Group - Credit Risk Disclosure on Risk Weights as at 31 March 2010

Risk Weights	Banks, MDBs and FDIIs	Corporates	Regulatory Retail	Residential Mortgages	Other Assets	Equity Exposures	Total Risk Weighted Assets
Performing Exposures	RM'000						
0%	-	-	-	-	-	-	-
10%	-	-	-	-	-	-	-
20%	171,156	193,209	-	-	-	-	364,365
35%	-	-	-	322	-	-	322
50%	-	198,890	-	231	-	-	199,121
75%	-	-	78	59	-	-	137
90%	-	-	-	-	-	-	-
100%	-	168,076	-	-	99,667	6,030	273,773
150%	-	-	-	-	-	-	-
Total	171,156	560,175	78	612	99,667	6,030	837,718
Defaulted Exposures							
50%	-	8,302	34	-	-	-	8,336
100%	-	55,737	-	-	-	-	55,737
150%	-	433,194	-	-	-	-	433,194
Total	-	497,233	34	-	-	-	497,267
Grand Total	171,156	1,057,408	112	612	99,667	6,030	1,334,985

25. Risk weighted capital adequacy (continued)

iv) Bank - Credit Risk Disclosure on Risk Weights as at 31 March 2010

Risk Weights	Banks, MDBs and FDI's	Corporates	Regulatory Retail	Residential Mortgages	Other Assets	Equity Exposures	Total Risk Weighted Assets
Performing Exposures	RM'000						
0%	-	-	-	-	-	-	-
10%	-	-	-	-	-	-	-
20%	171,144	193,209	-	-	-	-	364,353
35%	-	-	-	322	-	-	322
50%	-	198,890	-	231	-	-	199,121
75%	-	-	78	59	-	-	137
90%	-	-	-	-	-	-	-
100%	-	168,075	-	-	99,704	6,030	273,809
150%	-	-	-	-	-	-	-
Total	171,144	560,174	78	612	99,704	6,030	837,742
Defaulted Exposures							
50%	-	8,302	34	-	-	-	8,336
100%	-	55,737	-	-	-	-	55,737
150%	-	433,194	-	-	-	-	433,194
Total	-	497,233	34	-	-	-	497,267
Grand Total	171,144	1,057,407	112	612	99,704	6,030	1,335,009

25. Risk weighted capital adequacy (continued)

iv) Group - Credit Risk Disclosure on Risk Weights as at 31 December 2009

Risk Weights	Banks, MDBs and FDI's	Corporates	Regulatory Retail	Residential Mortgages	Other Assets	Equity Exposures	Total Risk Weighted Assets
Performing Exposures	RM'000						
0%	-	-	-	-	-	-	-
10%	-	-	-	-	-	-	-
20%	147,191	216,718	-	-	-	-	363,909
35%	-	-	-	348	-	-	348
50%	-	238,576	-	233	-	-	238,809
75%	-	-	79	59	-	-	138
90%	-	-	-	-	-	-	-
100%	-	163,573	-	-	289,848	6,185	459,606
150%	-	-	-	-	-	-	-
Total	147,191	618,867	79	640	289,848	6,185	1,062,810
Defaulted Exposures							
50%	-	10,879	34	-	-	-	10,913
100%	-	120,589	-	-	-	-	120,589
150%	-	340,857	-	-	-	-	340,857
Total	-	472,325	34	-	-	-	472,359
Grand Total	147,191	1,091,192	113	640	289,848	6,185	1,535,169

25. Risk weighted capital adequacy (continued)

iv) Bank - Credit Risk Disclosure on Risk Weights as at 31 December 2009

Risk Weights	Banks, MDBs and FDI's	Corporates	Regulatory Retail	Residential Mortgages	Other Assets	Equity Exposures	Total Risk Weighted Assets
Performing Exposures	RM'000						
0%	-	-	-	-	-	-	-
10%	-	-	-	-	-	-	-
20%	146,803	216,718	-	-	-	-	363,521
35%	-	-	-	348	-	-	348
50%	-	238,576	-	233	-	-	238,809
75%	-	-	79	59	-	-	138
90%	-	-	-	-	-	-	-
100%	-	163,573	-	-	289,853	6,185	459,611
150%	-	-	-	-	-	-	-
Total	146,803	618,867	79	640	289,853	6,185	1,062,427
Defaulted Exposures							
50%	-	10,879	34	-	-	-	10,913
100%	-	120,589	-	-	-	-	120,589
150%	-	340,857	-	-	-	-	340,857
Total	-	472,325	34	-	-	-	472,359
Grand Total	146,803	1,091,192	113	640	289,853	6,185	1,534,786

25. Risk weighted capital adequacy (continued)

v) Group and Bank - Off Balance Sheet and Counterparty Credit Risk as at 31 March 2010

Nature	Principal Amount RM'000	Credit Conversion Factor %	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
Direct Credit Substitutes	-	100%	-	-
Obligations under an on-going underwriting agreement	304,267	50%	152,133	44,512
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	22	50%	11	7
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	54,930	20%	10,986	9,969
Total	359,219		163,130	54,488

Group and Bank - Off Balance Sheet and Counterparty Credit Risk as at 31 December 2009

Nature	Principal Amount RM'000	Credit Conversion Factor %	Credit Equivalent Amount RM'000	Risk Weighted Assets RM'000
Direct Credit Substitutes	-	100%	-	-
Obligations under an on-going underwriting agreement	344,390	50%	172,195	56,223
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	22	50%	11	7
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	58,443	20%	11,688	9,130
Total	402,855		183,894	65,360

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			
31 March 2010									
ASSETS									
Cash and short term funds	909,011	-	-	-	-	4,198	-	913,209	2.24
Deposits and placements with licensed banks and financial institutions	-	-	30,000	-	-	-	-	30,000	2.42
Securities held-for-trading	-	-	-	-	-	-	597,722	597,722	2.90
Securities available-for-sale	403,598	429,918	326,321	650,604	153,428	272,618	-	2,236,487	4.32
Securities held-to-maturity	-	-	-	8,541	-	1,303	-	9,844	1.97
Loans, advances and financing									
- performing	20,815	52,331	8,755	38,928	39,305	(3,633)*	-	156,501	7.79
- non-performing	-	-	-	-	-	21,509	-	21,509	-
Derivative assets	-	-	-	-	-	-	26,631	26,631	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	20,516	-	20,516	-
Other assets	-	-	-	-	-	137,162	-	137,162	-
TOTAL ASSETS	1,333,424	482,249	365,076	698,073	192,733	453,673	624,353	4,149,581	-
LIABILITIES									
Deposits from customers	1,691,204	88,213	145,920	-	-	-	-	1,925,337	2.13
Deposits and placements of banks and other financial institutions	1,256,021	23,834	111,457	-	-	-	-	1,391,312	2.10
Other liabilities	-	-	-	-	-	92,470	-	92,470	-
TOTAL LIABILITIES	2,947,225	112,047	257,377	-	-	92,470	-	3,409,119	-
SHAREHOLDER'S EQUITY	-	-	-	-	-	740,462	-	740,462	-
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	2,947,225	112,047	257,377	-	-	832,932	-	4,149,581	-
On-balance sheet interest sensitivity gap	(1,613,801)	370,202	107,699	698,073	192,733	(379,259)	624,353	-	-

* Collective impairment provisions on loans, advances and financing

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 March 2010									
ASSETS									
Cash and short term funds	909,011	-	-	-	-	4,136	-	913,147	2.24
Deposits and placements with licensed banks and financial institutions	-	-	30,000	-	-	-	-	30,000	2.42
Securities held-for-trading	-	-	-	-	-	-	597,722	597,722	2.90
Securities available-for-sale	403,598	429,918	326,321	650,604	153,428	272,618	-	2,236,487	4.32
Securities held-to-maturity	-	-	-	8,541	-	1,303	-	9,844	1.97
Loans, advances and financing									
- performing	20,815	52,331	8,755	38,928	39,305	(3,633)*	-	156,501	7.79
- non-performing	-	-	-	-	-	21,509	-	21,509	-
Derivative assets	-	-	-	-	-	-	26,631	26,631	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	20,516	-	20,516	-
Other assets	-	-	-	-	-	137,209	-	137,209	-
TOTAL ASSETS	1,333,424	482,249	365,076	698,073	192,733	453,658	624,353	4,149,566	-
LIABILITIES									
Deposits from customers	1,691,204	88,213	145,920	-	-	-	-	1,925,337	2.13
Deposits and placements of banks and other financial institutions	1,256,021	23,834	111,457	-	-	-	-	1,391,312	2.10
Other liabilities	-	-	-	-	-	92,464	-	92,464	-
TOTAL LIABILITIES	2,947,225	112,047	257,377	-	-	92,464	-	3,409,113	-
SHAREHOLDER'S EQUITY	-	-	-	-	-	740,453	-	740,453	-
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	2,947,225	112,047	257,377	-	-	832,917	-	4,149,566	-
On-balance sheet interest sensitivity gap	(1,613,801)	370,202	107,699	698,073	192,733	(379,259)	624,353	-	-

* Collective impairment provisions on loans, advances and financing

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 2009									
ASSETS									
Cash and short term funds	443,136	-	-	-	-	9,120	-	452,256	1.99
Deposits and placements with licensed banks and financial institutions	-	190,000	-	-	-	-	-	190,000	2.20
Securities held-for-trading	-	-	-	-	-	-	938,644	938,644	2.27
Securities available-for-sale	545,983	413,956	603,390	610,154	187,126	198,979	-	2,559,588	4.41
Securities held-to-maturity	19,966	-	-	8,497	-	1,334	-	29,797	1.99
Loans, advances and financing									
- performing	51,534	8,814	141	56,412	40,073	(3,597)*	-	153,377	7.79
- non-performing	-	-	-	-	-	22,849	-	22,849	-
Derivative assets	-	-	-	-	-	-	26,631	26,631	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	21,197	-	21,197	-
Other assets	-	-	-	-	-	327,946	-	327,946	-
TOTAL ASSETS	1,060,619	612,770	603,531	675,063	227,199	577,828	965,275	4,722,285	
LIABILITIES									
Deposits from customers	1,660,934	143,088	262,614	-	-	-	-	2,066,636	1.98
Deposits and placements of banks and other financial institutions	1,358,998	82,255	185,348	-	-	-	-	1,626,601	1.96
Other liabilities	-	-	-	-	-	294,906	-	294,906	-
TOTAL LIABILITIES	3,019,932	225,343	447,962	-	-	294,906	-	3,988,143	
SHAREHOLDER'S EQUITY	-	-	-	-	-	734,142	-	734,142	
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	3,019,932	225,343	447,962	-	-	1,029,048	-	4,722,285	
On-balance sheet interest sensitivity gap	(1,959,313)	387,427	155,569	675,063	227,199	(451,220)	965,275	-	

* Collective impairment provisions on loans, advances and financing

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 2009									
ASSETS									
Cash and short term funds	443,136	-	-	-	-	7,180	-	450,316	1.99
Deposits and placements with licensed banks and financial institutions	-	190,000	-	-	-	-	-	190,000	2.20
Securities held-for-trading	-	-	-	-	-	-	938,644	938,644	2.27
Securities available-for-sale	545,983	413,956	603,390	610,154	187,126	198,979	-	2,559,588	4.41
Securities held-to-maturity	19,966	-	-	8,497	-	1,334	-	29,797	1.99
Loans, advances and financing									
- performing	51,534	8,814	141	56,412	40,073	(3,597)*	-	153,377	7.79
- non-performing	-	-	-	-	-	22,849	-	22,849	-
Derivative assets	-	-	-	-	-	-	26,631	26,631	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	21,197	-	21,197	-
Other assets	-	-	-	-	-	329,886	-	329,886	-
TOTAL ASSETS	1,060,619	612,770	603,531	675,063	227,199	577,828	965,275	4,722,285	
LIABILITIES									
Deposits from customers	1,660,934	143,088	262,614	-	-	-	-	2,066,636	1.98
Deposits and placements of banks and other financial institutions	1,358,998	82,255	185,348	-	-	-	-	1,626,601	1.96
Other liabilities	-	-	-	-	-	294,911	-	294,911	-
TOTAL LIABILITIES	3,019,932	225,343	447,962	-	-	294,911	-	3,988,148	
SHAREHOLDER'S EQUITY	-	-	-	-	-	734,137	-	734,137	
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	3,019,932	225,343	447,962	-	-	1,029,048	-	4,722,285	
On-balance sheet interest sensitivity gap	(1,959,313)	387,427	155,569	675,063	227,199	(451,220)	965,275	-	

* Collective impairment provisions on loans, advances and financing

27. Summary of effects on adopting FRS 139

In accordance with the transitional provisions of FRS 139, the changes which arising from the adoption of FRS 139 are applied prospectively and the comparatives as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1 January 2010.

	Group and Bank As at 1 January 2010 RM'000
Increase / (decrease) in Securities available-for-sale	(9,208)
Increase / (decrease) in Securities available-for-sale reserve	(1,882)
Increase / (decrease) in Retained earnings	(5,584)
Increase / (decrease) in Deferred tax assets	2,494
Increase / (decrease) in Loans, advances and financing	<u>(751)</u>

The adoption of FRS 139 has resulted in several changes to accounting policies relating to recognition and measurement of financial instruments. Significant changes in accounting policies are as follows:

Securities held-for-trading

Prior to the adoption of FRS 139, the fair value of quoted securities is derived from marked-to-market price. With the adoption of FRS 139, the fair value of the quoted securities is derived from market bid prices.

Securities available-for-sale

Prior to the adoption of FRS 139, the fair value of quoted securities is derived from marked-to-market price. With the adoption of FRS 139, the fair value of the quoted securities is derived from market bid prices.

28. Operations of Islamic Banking Scheme (SPI)

**SKIM PERBANKAN ISLAM
CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 31 MARCH 2010**

	Note	Group and Bank	
		31 March 2010 RM'000	31 December 2009 RM'000
ASSETS			
Cash and short term funds	a	5,763	162
Securities available-for-sale	b	755,806	719,315
Securities held-to-maturity	c	-	19,966
Other assets		13,991	10,041
Deferred tax asset		2,862	2,862
TOTAL ASSETS		<u>778,422</u>	<u>752,346</u>
LIABILITIES			
Deposits from customers	d	293,798	326,582
Deposits and placements of banks and other financial institutions	e	342,020	286,349
Provision for Profit Equalisation Reserve		12,563	12,523
Other liabilities		3,299	1,555
Provision for zakat		284	1,174
TOTAL LIABILITIES		<u>651,964</u>	<u>628,183</u>
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		80,000	80,000
Reserves		46,458	44,163
TOTAL ISLAMIC BANKING CAPITAL FUNDS		<u>126,458</u>	<u>124,163</u>
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		<u>778,422</u>	<u>752,346</u>

**SKIM PERBANKAN ISLAM
 CONDENSED INTERIM FINANCIAL STATEMENTS
 UNAUDITED INCOME STATEMENTS
 FOR THE PERIOD ENDED 31 MARCH 2010**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009
Group and Bank	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	7,960	9,613	7,960	9,613
Transfer to profit equalisation reserve	(40)	(4,098)	(40)	(4,098)
Dividend attributable to depositors	(3,348)	(5,217)	(3,348)	(5,217)
	4,572	298	4,572	298
Other operating income	88	3,944	88	3,944
	4,660	4,242	4,660	4,242
Staff costs	(296)	(283)	(296)	(283)
Other operating expenses	(161)	(227)	(161)	(227)
	4,203	3,732	4,203	3,732
Impairment provision on securities	(755)	-	(755)	-
Profit before zakat	3,448	3,732	3,448	3,732
Zakat	(110)	(94)	(110)	(94)
Net profit for the period	3,338	3,638	3,338	3,638

a. Cash and short-term funds

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
Cash and balances with banks and other financial institutions	163	162
Money at call and deposit placements maturing within one month	5,600	-
	<u>5,763</u>	<u>162</u>

b. Securities available-for-sale

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
At fair value		
Money market instruments:		
Government Investment Issues	178,092	149,065
Khazanah Nasional Berhad Bonds	-	14,986
Islamic Negotiable Certificate of Deposits	289,053	229,643
	<u>467,145</u>	<u>393,694</u>
Unquoted Securities in Malaysia:		
Islamic Private Debt Securities	288,661	325,621
	<u>288,661</u>	<u>325,621</u>
Total securities available-for-sale	<u>755,806</u>	<u>719,315</u>

c. Securities held-to-maturity

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
At amortised cost		
Money market instruments:		
Khazanah Nasional Berhad Bonds	-	19,966
	<u>-</u>	<u>19,966</u>
Unquoted Securities in Malaysia:		
Islamic Private Debt Securities	4,998	4,998
	<u>4,998</u>	<u>4,998</u>
Less: Accumulated impairment provisions	(4,998)	(4,998)
Total securities held-to-maturity	<u>-</u>	<u>19,966</u>

d. Deposits from customers

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
i) By type of deposits:		
Mudharabah Fund		
Fixed / Investment deposits	289,157	320,895
Others	4,641	5,687
	<u>293,798</u>	<u>326,582</u>
ii) By type of customers:		
Business enterprises	<u>293,798</u>	<u>326,582</u>
	<u>293,798</u>	<u>326,582</u>

e. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2010 RM'000	31 December 2009 RM'000
i) By type of deposits:		
Mudharabah Fund		
Fixed / Investment deposits	339,089	284,103
Others	2,931	2,246
	<u>342,020</u>	<u>286,349</u>
ii) By type of customers:		
Licensed Islamic Banks	37,000	77,690
Licensed Investment Banks	18,000	-
Other financial institutions	287,020	208,659
	<u>342,020</u>	<u>286,349</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 three months ended 31 March 2010, as set out on pages 1 to 38 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 31 March 2010. 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 Financial Reporting Standards 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: 15 April 2010