

**Hong Leong Islamic Bank Berhad**  
**Unaudited Balance Sheet As At 31 December 2007**

	Note	Financial Period Ended 31/12/2007 RM'000	Financial Year Ended 30/06/2007 RM'000
<b><u>ASSETS</u></b>			
Cash and short-term funds	4	1,606,951	1,355,818
Deposits and placements with banks and other financial institutions	5	-	100,000
Securities Held-for-trading	6 (i)	493,599	318,848
Securities Available-for-sale	6 (ii)	134,943	136,210
Securities Held-to-maturity	6 (iii)	184,852	432,812
Financing and advances	7	4,007,216	3,672,900
Other assets		90,805	19,875
Statutory deposits with Bank Negara Malaysia		144,814	170,314
Property, plant and equipment		2,295	1,630
Deferred tax assets		16,527	15,883
<b>Total Assets</b>		<b>6,682,002</b>	<b>6,224,290</b>
<b><u>LIABILITIES AND SHAREHOLDERS' FUND</u></b>			
Deposits from customers	9	5,393,202	5,250,725
Deposits and placements of banks and other financial institutions	10	405,000	75,000
Bills and acceptance payable		11,415	3,756
Other liabilities	11	239,051	292,119
Provision for taxation		3,094	2,555
<b>Total Liabilities</b>		<b>6,051,762</b>	<b>5,624,155</b>
Share Capital		500,000	500,000
Reserves		130,240	100,135
<b>Total Shareholders' Funds</b>		<b>630,240</b>	<b>600,135</b>
<b>Total Liabilities and Shareholders' Funds</b>		<b>6,682,002</b>	<b>6,224,290</b>
<b><u>COMMITMENTS AND CONTINGENCIES</u></b>	17	<b>794,072</b>	<b>398,025</b>
<b><u>CAPITAL ADEQUACY</u></b>			
Core capital ratio	16	14.12%	16.01%
Risk-weighted capital ratio	16	15.60%	17.54%

**Hong Leong Islamic Bank Berhad**  
**Unaudited Income Statements**  
**For The Financial Period Ended 31 December 2007**

	Current Quarter Ended 31/12/2007 RM'000	Corresponding Quarter Ended 31/12/2006 RM'000	Current Period Ended 31/12/2007 RM'000	Corresponding Period Ended 31/12/2006 RM'000	
Income derived from investment of depositors' funds and others	12	71,557	75,454	143,217	152,255
Income derived from investment of shareholders' funds	13	7,951	7,233	15,914	14,820
Allowance for losses on financing	14	(6,229)	(1,027)	(11,736)	539
Profit equalisation reserve		(249)	(5,611)	794	(4,611)
<b>Total distributable income</b>		<b>73,030</b>	<b>76,049</b>	<b>148,189</b>	<b>163,003</b>
Income attributable to the depositors	15	(38,850)	(46,457)	(80,286)	(95,674)
<b>Total net income</b>		<b>34,180</b>	<b>29,592</b>	<b>67,903</b>	<b>67,329</b>
Other operating expenses		(12,967)	(12,551)	(26,059)	(31,400)
<b>Profit before zakat and taxation</b>		<b>21,213</b>	<b>17,041</b>	<b>41,844</b>	<b>35,929</b>
Zakat		-	(9)	-	(18)
Taxation		(5,482)	(4,601)	(10,887)	(9,701)
<b>Profit after zakat and taxation</b>		<b>15,731</b>	<b>12,431</b>	<b>30,957</b>	<b>26,210</b>
Earnings per share - basic (sen)		<b>3.15</b>	<b>2.49</b>	<b>6.19</b>	<b>5.24</b>
Earnings per share - fully diluted (sen)		<b>3.15</b>	<b>2.49</b>	<b>6.19</b>	<b>5.24</b>

**Hong Leong Islamic Bank Berhad**  
**Unaudited Statements Of Changes In Equity**  
**For The Financial Period Ended 31 December 2007**

	←	Non distributable Reserves	→	Distributable	
	Share Capital	Statutory Reserves	Fair Value Reserves	Retained Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 July 2007	500,000	49,954	228	49,953	600,135
Net profit for the financial period	-	-	-	30,957	30,957
Transfer to statutory reserves	-	15,479	-	(15,479)	-
Net fair value changes in available-for-sale securities, net of tax	-	-	(852)	-	(852)
<b>Balance as at 31 December 2007</b>	<b>500,000</b>	<b>65,433</b>	<b>(624)</b>	<b>65,431</b>	<b>630,240</b>

**Hong Leong Islamic Bank Berhad**  
**Audited Statements Of Changes In Equity**  
**For The Financial Year Ended 30 June 2007**

	←	Non distributable Reserves	→	Distributable	
	Share Capital	Statutory Reserves	Fair Value Reserves	Retained Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Issued and Paid-Up Capital	500,000	21,548	(1,813)	21,548	541,283
Net profit for the financial year	-	-	-	56,811	56,811
Transfer to statutory reserves	-	28,406	-	(28,406)	-
Net fair value changes in available-for-sale securities, net of tax	-	-	2,041	-	2,041
<b>Balance as at 30 June 2007</b>	<b>500,000</b>	<b>49,954</b>	<b>228</b>	<b>49,953</b>	<b>600,135</b>

**Hong Leong Islamic Bank Berhad**  
**Unaudited Cash Flow Statements**  
**For The Financial Period Ended 31 December 2007**

	Current Period Ended 31/12/2007 RM'000	Corresponding Period Ended 31/12/2006 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before zakat and taxation for the financial Year	41,844	35,929
Adjustments for :		
Depreciation	309	261
Gain from redemption of securities held-to-maturity	-	-
Gain/loss from securities available-for-sale	-	(782)
Gain/loss from securities held-for-trading	(2,495)	(127)
Allowance for losses on financing and advances	12,763	(539)
Net unrealised gain on revaluation of securities held-for-trading and derivative financial instruments	2,266	(282)
Amortisation of premium less accretion of discounts	(11,755)	(1,449)
Finance income from securities available-for-sale	(2,946)	(3,941)
Finance income from securities held-to-maturity	(2,688)	(6,198)
Operating profit before working capital changes	<u>37,298</u>	<u>22,872</u>
<b>(Increase)/Decrease In Operating Assets</b>		
Financing and advances	(347,079)	167,528
Statutory deposits with Bank Negara Malaysia	25,500	19,300
Other assets	(71,574)	10,170
Deposit and placement with banks and other financial institutions	100,000	(370,000)
Securities held-for-trading	(164,319)	(29,466)
<b>(Increase)/Decrease In Operating Liabilities</b>		
Deposits from customers	142,477	(36,107)
Deposits and placements of banks and others financial institutions	330,000	50,291
Bills and acceptance payable	7,659	(526)
Other liabilities	(53,068)	26,046
Cash generated from/(used in) operations	<u>6,894</u>	<u>(139,892)</u>
Income taxes paid	(10,348)	(16,036)
Net cash generated from/(used in) operating activities	<u>(3,454)</u>	<u>(155,928)</u>
<b>Cash Flows From Investing Activities</b>		
Net purchase of securities available-for-sale	4,913	29,602
Net purchase of securities held-to-maturity	250,648	160,897
Purchase of property, plant and equipment	(974)	(30)
Net cash generated from/(used in) investing activities	<u>254,587</u>	<u>190,469</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	251,133	34,541
<b>Cash and Cash Equivalents at Beginning of Financial Period</b>	<u>1,355,818</u>	<u>1,370,943</u>
<b>Cash and Cash Equivalents Carried Forward</b>	<u><b>1,606,951</b></u>	<u><b>1,405,484</b></u>

# **HONG LEONG ISLAMIC BANK BERHAD ("HLIB" or "Bank")**

## **Notes To The Unaudited Financial Statements For The Financial Period Ended 31 December 2007**

### **1 Basis of preparation**

The financial statements of the Bank are prepared in accordance with the provision of the Companies Act 1965, Bank Negara Malaysia Guidelines (GP8-i), applicable approved accounting standards in Malaysia (MASB-i) and Shariah requirements.

### **2 Performance review**

HLIB is a full-fledged Islamic bank and a wholly owned subsidiary of Hong Leong Bank Berhad (HLB) offering commercial products and services to retail and corporate customers.

With an authorized capital of RM 1 billion and paid up capital of RM500 million, HLIB is poised towards reaching out to the needs of customers seeking an alternative to conventional banking.

For financial period ended 31 December 2007, HLIB posted a gross financing base of RM4.1 billion and deposits from customer of RM5.4 billion. Financing to deposit ratio stood at 76%.

The core capital ratio and risk-weighted capital ratio stood at 14.12% and 15.60% respectively as at 31 December 2007, supported by an initial share capital base of RM 500 million. The ratio was maintained above the regulatory minimum of 4% and 8% respectively.

### **3 Current year prospects - outlook for this financial year ending 30 June 2008**

The Bank will continue to broaden its customer focus, from consumer and commercial to Islamic Investment Banking, Islamic Corporate and Islamic Wealth Management, while maintaining the growth in Personal Financial Services. The Bank will be planning and implementing a range of strategies that include developing talents, fostering strategic relationships and to deliver its reputation as a responsible and trusted Islamic financial partner who builds relations and adds value that meet customers needs and expectations.

	Financial Period Ended 31/12/2007 RM'000	Financial Year Ended 30/06/2007 RM'000
<b>4 Cash and short-term funds</b>		
Cash and balances with banks and others financial institutions	1,947	4,358
Money at call and deposit placements maturing within one month	1,605,004	1,351,460
	<b>1,606,951</b>	<b>1,355,818</b>
<b>5 Deposits and placements with banks and other financial institutions</b>		
Bank Negara Malaysia	-	100,000
	<b>-</b>	<b>100,000</b>
<b>6 Securities</b>		
<b>(i) Securities Held-for-trading</b>		
BNM Bills	326,071	257,128
Malaysian Govt Investment Certificates	-	5,044
Negotiable Islamic Debt Certificates	49,037	-
Bankers' acceptance and Islamic accepted bills	118,491	31,668
Sukuk BNM Ijarah	-	25,008
	<b>493,599</b>	<b>318,848</b>
<b>(ii) Securities Available-for-sale</b>		
Cagamas bonds	99,502	100,385
<b>Unquoted securities</b>		
Private and Islamic debt securities	35,441	35,825
	<b>134,943</b>	<b>136,210</b>
<b>(iii) Securities Held-to-maturity</b>		
Malaysia Government investment certificates	139,024	137,068
Cagamas bonds	-	275,034
<b>Unquoted securities</b>		
Shares	575	575
Private and Islamic debt securities	45,253	20,135
	<b>184,852</b>	<b>432,812</b>

	Financial Period Ended 31/12/2007 RM'000	Financial Year Ended 30/06/2007 RM'000
<b>7 Financing and advances</b>		
<b>(i) By type</b>		
Cashline	7,224	7,457
Term financing		
- House financing	2,197,962	1,659,400
- Hire purchase receivables	2,913,257	2,708,237
- Lease receivables	24,391	25,976
- Other term financing	456,314	510,740
Claims on customers under acceptance credits	217,578	148,583
Staff financing	56	86
Revolving Financing	672	696
Others	856	1,176
	<u>5,818,310</u>	<u>5,062,351</u>
Less: Unearned income	<u>(1,712,673)</u>	<u>(1,303,602)</u>
Gross financing and advances	4,105,637	3,758,749
Less : Allowance for bad and doubtful financing		
- General	(61,058)	(55,932)
- Specific	<u>(37,363)</u>	<u>(29,917)</u>
Total net financing and advances	<u><b>4,007,216</b></u>	<u><b>3,672,900</b></u>
<b>(ii) By contract</b>		
Bai' Bithaman Ajil	1,286,510	1,020,885
Ijarah	22,616	24,086
Ijarah Muntahia Bittamlik/AITAB	2,578,933	2,407,069
Murabahah	217,578	306,709
Gross financing and advances	<u><b>4,105,637</b></u>	<u><b>3,758,749</b></u>
<b>(iii) By type of customer</b>		
Domestic non-bank financial institutions		
- Others	43,075	45,441
Domestic business enterprises		
- Small medium enterprise	306,895	290,564
- Others	683,148	620,686
Individuals	3,043,382	2,768,069
Other domestic entities	6	1,375
Foreign entities	29,131	32,614
Gross financing and advances	<u><b>4,105,637</b></u>	<u><b>3,758,749</b></u>
<b>(iv) By profit rate sensitivity</b>		
Fixed rate		
- House financing	460,494	489,457
- Hire purchase receivables	2,578,933	2,407,069
- Others fixed rate financing	491,553	312,217
Variable rate		
- Others	574,657	550,006
Gross financing and advances	<u><b>4,105,637</b></u>	<u><b>3,758,749</b></u>

	<b>Financial Period Ended 31/12/2007 RM'000</b>	<b>Financial Year Ended 30/06/2007 RM'000</b>
<b>(v) By purpose</b>		
Securities	1,104	1,123
Transport Vehicles	2,349,756	2,144,169
Purchase of landed property:		
- Residential	768,284	654,425
- Non-residential	161,420	139,320
Personal Use	58,691	51,233
Consumer Durables	4	5
Construction	40,700	56,066
Working Capital	725,617	712,334
Other Purposes	61	74
	<b>4,105,637</b>	<b>3,758,749</b>

## 8 Non-performing financing

### (i) Movements in non-performing financing

As at beginning of the year	<b>61,070</b>	<b>75,637</b>
Classified as non-performing during the year	97,064	252,574
Reclassified as performing	(80,116)	(211,495)
Amount recovered	(14,442)	(46,766)
Amount written off	(191)	(8,880)
As at end of the year	<b>63,385</b>	<b>61,070</b>
Less: Specific allowance	(37,363)	(29,917)
Net non-performing and financing,	<b>26,022</b>	<b>31,153</b>
Ratio of net non-performing financing and advances to total net financing and advances	<b>0.6%</b>	<b>0.8%</b>

	Financial Period Ended 31/12/2007 RM'000	Financial Year Ended 30/06/2007 RM'000
<b>(ii) Movements in allowance for bad and doubtful financing</b>		
<b>General allowance</b>		
As at beginning of the year	55,932	60,158
Allowance made during the period	5,126	-
Allowance written back during the period	-	(4,226)
As at end of the Year	<u>61,058</u>	<u>55,932</u>
As % of gross financing and advances less specific allowance	<u>1.5%</u>	<u>1.5%</u>
<b>Specific allowance</b>		
As at beginning of the year	29,917	26,908
Allowance made during the period	11,614	21,795
Allowance recovered	(3,977)	(9,848)
Amount written off	(191)	(8,938)
As at end of the year	<u>37,363</u>	<u>29,917</u>
<b>(iii) Non-performing financing and advances</b>		
<b>By purpose</b>		
Securities	639	613
Transport Vehicles	33,381	32,688
Purchase of landed property:		
- Residential	20,163	21,250
- Non-residential	1,099	1,342
Personal Use	337	145
Construction	684	745
Working Capital	7,082	4,287
	<u>63,385</u>	<u>61,070</u>

	Financial Period Ended 31/12/2007 RM'000	Financial Year Ended 30/06/2007 RM'000
<b>9 Deposits from customer</b>		
<b>(i) By type of deposit</b>		
<b>Non-Mudharabah</b>		
Demand deposits	310,090	299,018
Savings deposits	535,870	522,418
Negotiable islamic debt certificate	296,344	198,077
	<u>1,142,304</u>	<u>1,019,513</u>
<b>Mudharabah</b>		
Savings deposits	451,406	423,792
General investment deposits	1,503,386	2,002,058
Special investment deposits	2,296,106	1,805,362
	<u>4,250,898</u>	<u>4,231,212</u>
	<u><b>5,393,202</b></u>	<u><b>5,250,725</b></u>
<b>(ii) By type of customer</b>		
Government and statutory bodies	23,140	207,330
Business enterprise	4,097,378	3,060,132
Individuals	1,245,799	1,239,059
Others	26,885	744,204
	<u>5,393,202</u>	<u>5,250,725</u>
<b>10 Deposits and placements of banks and other financial institutions</b>		
<b>Mudharabah</b>		
Licensed islamic banks	295,000	75,000
Other financial institutions	110,000	-
	<u>405,000</u>	<u>75,000</u>
<b>11 Other Liabilities</b>		
Amount due to holding company	192,434	148,740
Profit equalisation reserves	1,770	2,564
Provision for zakat	42	42
Profit payable	31,474	37,323
Others	13,331	103,450
	<u>239,051</u>	<u>292,119</u>

	Current Quarter Ended 31/12/2007 RM'000	Corresponding Quarter Ended 31/12/2006 RM'000	Current Period Ended 31/12/2007 RM'000	Corresponding Period Ended 31/12/2006 RM'000
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## 12 Income derived from investment of depositors' funds and others

Income derived from investment of :

- General investment deposits	45,318	60,291	93,887	115,029
- Other deposits	26,239	15,163	49,330	37,226
	<u>71,557</u>	<u>75,454</u>	<u>143,217</u>	<u>152,255</u>

### (i) Income derived from investment of general investment deposits

#### Finance income and hibah

Financing, advances and other financing	32,078	42,933	65,064	81,855
Securities Held-for-trading	(1,273)	1,909	34	3,422
Securities Available- for-sale	840	1,389	1,738	2,714
Securities Held-to-maturity	412	2,033	1,586	4,267
Money at call and deposit with financial institutions	6,844	9,746	16,256	18,601
	<u>38,901</u>	<u>58,010</u>	<u>84,678</u>	<u>110,859</u>

Amortisation of premium less accretion of discount

	6,471	547	6,935	998
Total finance income and hibah	<u>45,372</u>	<u>58,557</u>	<u>91,613</u>	<u>111,857</u>

#### Other operating income

Fee and commission

- Commission	288	181	503	344
- Service Charges & fees	378	586	700	1,013
- Guarantee fees	3	-	3	-
- Other fees income	530	489	904	964

Gain/(loss) from sale of held-for-trading securities

	284	87	1,472	87
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Gain/(loss) from sale of available-for-sale securities

	-	323	-	538
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Unrealised gain/(loss) on revaluation of held-for-trading securities

	(1,554)	39	(1,337)	194
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Others	17	29	29	32
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	<u>(54)</u>	<u>1,734</u>	<u>2,274</u>	<u>3,172</u>
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	<u>45,318</u>	<u>60,291</u>	<u>93,887</u>	<u>115,029</u>
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	Current Quarter Ended 31/12/2007 RM'000	Corresponding Quarter Ended 31/12/2006 RM'000	Current Period Ended 31/12/2007 RM'000	Corresponding Period Ended 31/12/2006 RM'000
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(ii) Income derived from investment of other deposits

**Finance income and hibah**

Financing, advances and other financing	18,504	10,801	34,186	26,490
Securities Held-for-trading	(603)	497	18	1,107
Securities Available- for-sale	486	344	913	878
Securities Held-to-maturity	275	481	833	1,381
Money at call and deposit with financial institutions	4,067	2,451	8,542	6,020
	<u>22,729</u>	<u>14,574</u>	<u>44,492</u>	<u>35,876</u>

Amortisation of premium less accretion of discount

	3,423	141	3,644	323
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Total finance income and hibah

**Other operating income**

Fee and commission

- Commission	162	45	264	111
- Service Charges & fees	215	156	368	328
- Guarantee fees	2	-	2	-
- Other fees income	297	121	475	312

Gain/(loss) from sale of held-for-trading securities

	208	28	773	28
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Gain/(loss) from sale of available-for-sale securities

	-	87	-	174
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Unrealised gain/(loss) on revaluation of

held-for-trading securities	(806)	1	(703)	63
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Others	9	10	15	11
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	<u>87</u>	<u>448</u>	<u>1,194</u>	<u>1,027</u>
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	<u>26,239</u>	<u>15,163</u>	<u>49,330</u>	<u>37,226</u>
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**13 Income derived from investment of shareholders' fund**

**Finance income and hibah**

Financing, advances and other financing	5,622	5,154	11,029	10,546
Securities Held-for-trading	(209)	232	5	441
Securities Available- for-sale	148	165	295	349
Securities Held-to-maturity	76	240	269	550
Money at call and deposit with financial institutions	1,212	1,169	2,755	2,396
	<u>6,850</u>	<u>6,960</u>	<u>14,354</u>	<u>14,282</u>

Amortisation of premium less accretion of discount

	1,100	65	1,176	128
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Total finance income and hibah

**Other operating income**

Fee and commission

- Commission	50	22	86	45
- Service Charges & fees	65	70	118	130
- Other fees income	91	58	152	124

Gain/(loss) from sale of held-for-trading securities

	55	12	250	12
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Gain/(loss) from sale of available-for-sale securities

	-	40	-	70
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Unrealised gain/(loss) on revaluation of

held-for-trading securities	(262)	3	(226)	25
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Others	3	3	5	4
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	<u>1</u>	<u>208</u>	<u>384</u>	<u>410</u>
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	<u>7,951</u>	<u>7,233</u>	<u>15,914</u>	<u>14,820</u>
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	Current Quarter Ended 31/12/2007 RM'000	Corresponding Quarter Ended 31/12/2006 RM'000	Current Period Ended 31/12/2007 RM'000	Corresponding Period Ended 31/12/2006 RM'000
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#### 14 Allowance for losses on financing

Allowance for bad and doubtful financing

(a) Specific allowance

- Made during the financial period

5,818

5,601

11,614

12,900

- Written back

(1,880)

(1,917)

(3,977)

(9,333)

(b) General allowance

- Made during the financial period

2,780

-

5,126

-

- Written back

-

(1,645)

-

(2,628)

Bad debts on financing

- Recovered

(532)

(1,060)

(1,159)

(1,587)

- Written off

43

48

132

109

6,229

1,027

11,736

(539)

#### 15 Income attributable to the depositors

Deposits from customers

- Mudharabah

33,782

39,216

71,051

74,594

- Non-Mudharabah

3,519

3,930

6,652

16,036

Deposits and placements of banks and

- Mudharabah

1,549

3,311

2,583

5,044

38,850

46,457

80,286

95,674

	<b>Financial Period Ended 31/12/2007 RM'000</b>	<b>Financial Year Ended 30/06/2007 RM'000</b>
<b>16 Capital adequacy</b>		
<b>Tier I capital</b>		
Paid-up share capital	500,000	500,000
Other reserves *	99,907	99,907
	<u>599,907</u>	<u>599,907</u>
Less: Deferred tax assets/(liabilities)	(15,883)	(15,883)
Total Tier I capital	<u>584,024</u>	<u>584,024</u>
<b>Tier II capital</b>		
General allowance for bad and doubtful financing	61,058	55,932
Total Tier II capital	<u>61,058</u>	<u>55,932</u>
<b>Capital base</b>	<u>645,082</u>	<u>639,956</u>
Core capital ratio	<b>14.12%</b>	<b>16.01%</b>
Risk-weighted capital ratio	<b>15.60%</b>	<b>17.54%</b>

\* Fair value reserve has been excluded from the Bank's capital base in accordance with BNM/GP8-i.

17 Commitments and contingencies

	Financial Period Ended 31/12/2007		
	Principal amount RM'000	Financing equivalent amount RM'000	Risk weighted amount RM'000
Certain transaction-related contingent items	549	275	275
Short-term self-liquidating trade-related contingencies	2,355	471	471
Other assets sold with recourse and commitment with certain drawdown	-	-	-
Irrecoverable commitments to extend credit			
- Maturity less than one year	16,033	-	-
- Maturity more than one year	774,303	387,152	387,152
Foreign exchange related contracts			
- Less than one year	832	6	3
	<b>794,072</b>	<b>387,903</b>	<b>387,900</b>

	Financial Year Ended 30/06/2007		
	Principal amount RM'000	Financing equivalent amount RM'000	Risk weighted amount RM'000
Certain transaction-related contingent items	368	184	184
Short-term self-liquidating trade-related contingencies	7,197	1,439	1,439
Other assets sold with recourse and commitment with certain drawdown	45,452	45,452	45,452
Commitment on securities sold under sell and buy back agreements	-	-	-
Irrecoverable commitments to extend credit			
- Maturity less than one year	18,218	-	-
- Maturity more than one year	325,930	162,965	162,965
Foreign exchange related contracts			
- Less than one year	860	14	14
	<b>398,025</b>	<b>210,054</b>	<b>210,054</b>

18 Profit rate risk

	Non-trading book					Effective profit 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	
<b>31 December 2007</b>						
<b>Assets</b>						
Cash and short term funds	1,606,752	-	-	-	-	3.5%
Securities Held-for-trading	-	-	-	-	-	3.6%
Securities Available-for-sale	-	70,254	64,689	-	-	4.3%
Securities Held-for-maturity	-	-	124,230	60,047	-	5.0%
Financing and advances	12,275	229,289	300,090	1,846,248	1,654,350	5.8%
- performing *	-	-	-	-	-	
- non-performing *	-	-	-	-	-	
Other assets	-	-	-	-	-	
<b>Total assets</b>	<b>1,619,027</b>	<b>229,289</b>	<b>494,574</b>	<b>1,970,984</b>	<b>1,654,350</b>	<b>6,682,002</b>
<b>Liabilities</b>						
Deposits from customers	3,323,248	987,504	787,276	295,174	-	2.9%
Deposits & placement of bank & other financial institutions	405,000	-	-	-	-	3.5%
Bills and acceptance payable	-	-	-	-	-	
Other liabilities	-	-	-	-	-	
<b>Total liabilities</b>	<b>3,728,248</b>	<b>987,504</b>	<b>787,276</b>	<b>295,174</b>	<b>-</b>	<b>6,051,762</b>
Shareholder's funds	-	-	-	-	-	630,240
<b>Total liabilities and shareholder's funds</b>	<b>3,728,248</b>	<b>987,504</b>	<b>787,276</b>	<b>295,174</b>	<b>-</b>	<b>6,682,002</b>
On-balance sheet profit sensitivity gap	(2,109,221)	(758,215)	(292,702)	1,675,810	1,654,350	
<b>Total profit sensitivity gap</b>	<b>(2,109,221)</b>	<b>(758,215)</b>	<b>(292,702)</b>	<b>1,675,810</b>	<b>1,654,350</b>	

\* This represents outstanding non-performing financing after deducting specific allowance.

	Non-trading book					Effective profit 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	
<b>30 June 2007</b>						
<b>Assets</b>						
Cash and short term funds	1,351,460	-	-	-	-	3.5%
Deposits & placement with bank & other financial institutions	-	100,000	-	-	-	3.6%
Securities Held-for-trading	-	-	-	-	-	3.6%
Securities Available-for-sale	-	-	15,248	85,496	35,466	4.3%
Securities Held-for-maturity	-	275,033	122,213	34,991	-	3.8%
Financing and advances	677,769	35,898	154,343	1,523,357	1,306,312	6.0%
- performing *	-	-	-	-	-	(55,465)
- non-performing *	-	-	-	-	-	30,686
Other assets	-	-	-	-	-	207,702
<b>Total assets</b>	<b>2,029,229</b>	<b>410,931</b>	<b>291,804</b>	<b>1,643,844</b>	<b>1,341,778</b>	<b>6,224,290</b>
<b>Liabilities</b>						
Deposits from customers	3,180,828	978,292	860,940	230,665	-	3.0%
Deposits & placement of bank & other financial institutions	-	75,000	-	-	-	3.4%
Bills and acceptance payable	2,319	746	-	112	-	3,756
Other liabilities	-	-	-	-	-	294,674
<b>Total liabilities</b>	<b>3,183,147</b>	<b>1,054,038</b>	<b>860,940</b>	<b>230,777</b>	<b>-</b>	<b>5,624,155</b>
Shareholder's funds	-	-	-	-	-	600,135
<b>Total liabilities and shareholder's funds</b>	<b>3,183,147</b>	<b>1,054,038</b>	<b>860,940</b>	<b>230,777</b>	<b>-</b>	<b>6,224,290</b>
On-balance sheet profit sensitivity gap	(1,153,918)	(643,107)	(569,136)	1,413,067	1,341,778	
<b>Total profit sensitivity gap</b>	<b>(1,153,918)</b>	<b>(643,107)</b>	<b>(569,136)</b>	<b>1,413,067</b>	<b>1,341,778</b>	

\* This represents outstanding non-performing financing after deducting specific allowance.

## **19 Related party transactions**

All related party transactions within the Bank had been entered into in the normal course of business and were carried out on normal commercial terms.