

**Hong Leong Islamic Bank Berhad**  
**Audited Balance Sheet As At 30 June 2008**

	Note	Financial Year Ended 30/06/2008 RM'000	Financial Year Ended 30/06/2007 RM'000
<b><u>ASSETS</u></b>			
Cash and short-term funds	4	1,871,430	1,355,818
Deposits and placements with banks and other financial institutions	5	-	100,000
Securities Held-for-trading	6 (i)	927,570	318,848
Securities Available-for-sale	6 (ii)	780,812	136,210
Securities Held-to-maturity	6 (iii)	126,957	432,812
Financing and advances	7	4,242,329	3,672,900
Other assets		7,054	19,875
Statutory deposits with Bank Negara Malaysia		144,964	170,314
Property, plant and equipment		1,854	1,630
Deferred tax assets		17,850	15,883
<b>Total Assets</b>		<b>8,120,820</b>	<b>6,224,290</b>
<b><u>LIABILITIES AND SHAREHOLDERS' FUND</u></b>			
Deposits from customers	9	6,208,081	5,250,725
Deposits and placements of banks and other financial institutions	10	779,000	75,000
Bills and acceptance payable		110,480	3,756
Other liabilities	11	351,119	292,119
Provision for taxation		7,408	2,555
<b>Total Liabilities</b>		<b>7,456,088</b>	<b>5,624,155</b>
Share Capital		500,000	500,000
Reserves		164,732	100,135
<b>Total Shareholders' Funds</b>		<b>664,732</b>	<b>600,135</b>
<b>Total Liabilities and Shareholders' Funds</b>		<b>8,120,820</b>	<b>6,224,290</b>
<b><u>COMMITMENTS AND CONTINGENCIES</u></b>	17	<b>966,378</b>	<b>352,573</b>
<b><u>CAPITAL ADEQUACY</u></b>			
Core capital ratio	16	16.33%	16.01%
Risk-weighted capital ratio	16	17.97%	17.54%

**Hong Leong Islamic Bank Berhad**  
**Audited Income Statements**  
**For The Financial Year Ended 30 June 2008**

	Current Quarter Ended 30/06/2008 RM'000	Corresponding Quarter Ended 30/06/2007 RM'000	Current Year Ended 30/06/2008 RM'000	Corresponding Year Ended 30/06/2007 RM'000	
Income derived from investment of depositors' funds and others	12	79,717	69,680	289,720	295,106
Income derived from investment of shareholders' funds	13	9,605	10,211	39,411	33,251
Allowance for losses on financing	14	(3,812)	(2,573)	(19,704)	(5,196)
Profit equalisation reserve		(575)	4,885	(1,720)	(126)
<b>Total distributable income</b>		<b>84,935</b>	<b>82,203</b>	<b>307,707</b>	<b>323,035</b>
Income attributable to the depositors	15	(48,538)	(44,105)	(167,369)	(184,403)
<b>Total net income</b>		<b>36,397</b>	<b>38,098</b>	<b>140,338</b>	<b>138,632</b>
Other operating expenses		(13,342)	(13,763)	(52,788)	(57,327)
<b>Profit before zakat and taxation</b>		<b>23,055</b>	<b>24,335</b>	<b>87,550</b>	<b>81,305</b>
Zakat		-	(5)	-	(35)
Taxation		(6,647)	(9,077)	(23,394)	(24,459)
<b>Profit after zakat and taxation</b>		<b>16,408</b>	<b>15,253</b>	<b>64,156</b>	<b>56,811</b>
Earnings per share - basic (sen)		<b>3.28</b>	<b>3.05</b>	<b>12.83</b>	<b>11.36</b>
Earnings per share - fully diluted (sen)		<b>3.28</b>	<b>3.05</b>	<b>12.83</b>	<b>11.36</b>

**Hong Leong Islamic Bank Berhad**  
**Audited Statements Of Changes In Equity**  
**For The Financial Year Ended 30 June 2008**

	←	Non distributable Reserves	→	Distributable	
	Share Capital RM'000	Statutory Reserves RM'000	Fair Value Reserves RM'000	Retained Profit RM'000	Total RM'000
Balance as at 1 July 2007	500,000	49,954	228	49,953	600,135
Net profit for the financial period	-	-	-	64,156	64,156
Transfer to statutory reserves	-	32,078	-	(32,078)	-
Net fair value changes in available-for-sale securities, net of tax	-	-	441	-	441
<b>Balance as at 30 June 2008</b>	<b>500,000</b>	<b>82,032</b>	<b>669</b>	<b>82,031</b>	<b>664,732</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 RM'000	Statutory Reserves RM'000	Fair Value Reserves RM'000	Retained Profit RM'000	Total RM'000
Balance as at 1 July 2007	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**  
**Audited Cash Flow Statements**  
**For The Financial Year Ended 30 June 2008**

	<b>Current Period Ended 30/06/2008 RM'000</b>	<b>Corresponding Period Ended 30/06/2007 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before zakat and taxation for the financial Year	87,550	81,305
Adjustments for :		
Depreciation	651	520
Gain/loss from securities available-for-sale	-	(1,290)
Gain/loss from securities held-for-trading	(2,934)	(1,915)
Allowance for losses on financing and advances	19,704	7,950
Net unrealised gain on revaluation of securities held-for-trading and derivative financial instruments	2,247	(2,118)
Amortisation of premium less accretion of discounts	(24,714)	(2,887)
Finance income from securities available-for-sale	(5,866)	(7,052)
Finance income from securities held-to-maturity	(4,463)	(11,796)
Operating profit before working capital changes	72,175	62,717
<b>(Increase)/Decrease In Operating Assets</b>		
Financing and advances	(589,133)	263,908
Statutory deposits with Bank Negara Malaysia	25,350	(6,890)
Other assets	12,822	19,830
Deposit and placement with banks and other financial institutions	100,000	(100,000)
Securities held-for-trading	(583,321)	(185,788)
<b>(Increase)/Decrease In Operating Liabilities</b>		
Deposits from customers	957,356	(450,819)
Deposits and placements of banks and others financial institutions	704,000	(60,000)
Bills and acceptance payable	106,724	2,332
Other liabilities	58,999	240,084
Cash generated from/(used in) operations	864,972	(214,626)
Zakat paid	-	(37)
Income taxes paid	(20,648)	(24,277)
Net cash generated from/(used in) operating activities	844,324	(238,940)
<b>Cash Flows From Investing Activities</b>		
Net purchase of securities available-for-sale	(638,155)	52,697
Net purchase of securities held-to-maturity	310,318	171,208
Purchase of property, plant and equipment	(875)	(90)
Net cash generated from/(used in) investing activities	(328,712)	223,815
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	515,612	(15,125)
<b>Cash and Cash Equivalents at Beginning of Financial Period</b>	1,355,818	1,370,943
<b>Cash and Cash Equivalents Carried Forward</b>	1,871,430	1,355,818

# HONG LEONG ISLAMIC BANK BERHAD ("HLISB" or "Bank")

## Notes To The Audited Financial Statements For The Financial Year Ended 30 June 2008

### 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

HLISB 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, HLISB is poised towards reaching out to the needs of customers seeking an alternative to conventional banking.

For financial year ended 30 June 2008, HLISB posted a gross financing base of RM4.3billion and deposits from customer of RM6.2 billion. Financing to deposit ratio stood at 70%.

The core capital ratio and risk-weighted capital ratio stood at 16.33% and 17.97% respectively as at 30 June 2008, 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 next financial year ending 30 June 2009

The Bank will continue to broaden its customer focus, as a full service Islamic bank, by offering Islamic Investment Banking, Corporate Banking and Wealth Management complementing its existing established personal Financial Services business.

	Financial Year Ended 30/06/2008 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	(13,910)	4,358
Money at call and deposit placements maturing within one month	1,885,340	1,351,460
	<u>1,871,430</u>	<u>1,355,818</u>
<b>5 Deposits and placements with banks and other financial institutions</b>		
Bank Negara Malaysia	-	100,000
	<u>-</u>	<u>100,000</u>
<b>6 Securities</b>		
<b>(i) Securities Held-for-trading</b>		
BNM Bills	377,169	257,128
Malaysian Govt Investment Certificates	55,188	5,044
Negotiable Islamic Debt Certificates	89,348	-
Bankers' acceptance and Islamic accepted bills	358,531	31,668
Khazanah Bonds	47,334	-
Sukuk BNM Ijarah	-	25,008
	<u>927,570</u>	<u>318,848</u>
<b>(ii) Securities Available-for-sale</b>		
Cagamas bonds	99,021	100,385
Khazanah Bonds	9,531	-
Malaysia Government investment certificates	652,225	-
<b>Unquoted securities</b>		
Private and Islamic debt securities	20,035	35,825
	<u>780,812</u>	<u>136,210</u>
<b>(iii) Securities Held-to-maturity</b>		
Malaysia Government investment certificates	60,305	137,068
Cagamas bonds	-	275,034
<b>Unquoted securities</b>		
Shares	575	575
Private and Islamic debt securities	66,077	20,135
	<u>126,957</u>	<u>432,812</u>

	Financial Year Ended 30/06/2008 RM'000	Financial Year Ended 30/06/2007 RM'000
<b>7 Financing and advances</b>		
<b>(i) By type</b>		
Cashline	11,230	7,457
Term financing		
- House financing	3,192,524	1,659,400
- Hire purchase receivables	2,971,414	2,708,237
- Lease receivables	21,080	25,976
- Other term financing	356,760	510,740
Claims on customers under acceptance credits	197,898	148,583
Staff financing	41	86
Revolving Financing	26	696
Others	778	1,176
	<u>6,751,751</u>	<u>5,062,351</u>
Less: Unearned income	(2,419,663)	(1,303,602)
Gross financing and advances	4,332,088	3,758,749
Less : Allowance for bad and doubtful financing		
- General	(65,025)	(55,932)
- Specific	(24,734)	(29,917)
Total net financing and advances	<u>4,242,329</u>	<u>3,672,900</u>
<b>(ii) By contract</b>		
Bai' Bithaman Ajil	1,484,449	1,020,885
Ijarah	20,028	24,086
Ijarah Muntahia Bittamlik/AITAB	2,629,727	2,407,069
Murabahah	197,884	306,709
Gross financing and advances	<u>4,332,088</u>	<u>3,758,749</u>
<b>(iii) By type of customer</b>		
Domestic non-bank financial institutions		
- Others than stockbroking companies	21,693	45,441
Domestic business enterprises		
- Small medium enterprise	343,070	290,564
- Others	610,114	620,686
Government and statutory body	59	-
Individuals	3,313,848	2,768,069
Other domestic entities	1,981	1,375
Foreign entities	41,323	32,614
Gross financing and advances	<u>4,332,088</u>	<u>3,758,749</u>
<b>(iv) By profit rate sensitivity</b>		
Fixed rate		
- House financing	508,468	489,457
- Hire purchase receivables	2,624,008	2,407,069
- Others fixed rate financing	201,141	312,217
Variable rate		
- Others	998,471	550,006
Gross financing and advances	<u>4,332,088</u>	<u>3,758,749</u>

	Financial Year Ended 30/06/2008 RM'000	Financial Year Ended 30/06/2007 RM'000
<b>(v) By purpose</b>		
Securities	432	1,123
Transport Vehicles	2,432,909	2,144,169
Purchase of landed property:		
- Residential	996,979	654,425
- Non-residential	194,542	139,320
Personal Use	60,396	51,233
Consumer Durables	2	5
Construction	34,688	56,066
Working Capital	612,091	712,334
Other Purposes	49	74
	<b>4,332,088</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	185,715	252,574
Reclassified as performing	(153,442)	(211,495)
Amount recovered	(29,708)	(46,766)
Amount written off	(17,881)	(8,880)
As at end of the year	<b>45,754</b>	<b>61,070</b>
Less: Specific allowance	(24,734)	(29,917)
Net non-performing and financing,	<b>21,020</b>	<b>31,153</b>
Ratio of net non-performing financing and advances to total net financing and advances	<b>0.5%</b>	<b>0.8%</b>

**Financial  
Year Ended  
30/06/2008  
RM'000**

**Financial  
Year Ended  
30/06/2007  
RM'000**

**(ii) Movements in allowance for bad and doubtful financing**

**General allowance**

As at beginning of the year	55,932	60,158
Allowance made during the period	9,093	-
Allowance written back during the period	-	(4,226)
As at end of the Year	<u>65,025</u>	<u>55,932</u>
As % of gross financing and advances less specific allowance	<u>1.5%</u>	<u>1.5%</u>

**Specific allowance**

As at beginning of the year	29,917	26,908
Allowance made during the period	21,780	21,795
Allowance recovered	(9,082)	(9,848)
Amount written off	(17,881)	(8,938)
As at end of the year	<u>24,734</u>	<u>29,917</u>

**(iii) Non-performing financing and advances**

**By purpose**

Securities	242	613
Transport Vehicles	23,776	32,688
Purchase of landed property:		
- Residential	16,485	21,250
- Non-residential	940	1,342
Personal Use	126	145
Construction	162	745
Working Capital	4,023	4,287
	<u>45,754</u>	<u>61,070</u>

	Financial Period Ended 30/06/2008 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	362,557	299,018
Savings deposits	555,853	522,418
Negotiable islamic debt certificate	529,911	198,077
	<u>1,448,321</u>	<u>1,019,513</u>
<b>Mudharabah</b>		
Savings deposits	478,049	423,792
General investment deposits	1,635,080	2,002,058
Special investment deposits	2,646,631	1,805,362
	<u>4,759,760</u>	<u>4,231,212</u>
	<u><b>6,208,081</b></u>	<u><b>5,250,725</b></u>
<b>(ii) By type of customer</b>		
Government and statutory bodies	605,026	207,330
Business enterprise	4,216,689	3,060,132
Individuals	1,284,113	1,239,059
Others	102,253	744,204
	<u>6,208,081</u>	<u>5,250,725</u>
<b>10 Deposits and placements of banks and other financial institutions</b>		
<b>Mudharabah</b>		
Licensed islamic banks	589,000	75,000
Licensed banks	190,000	-
	<u>779,000</u>	<u>75,000</u>
<b>11 Other Liabilities</b>		
Amount due to holding company	240,423	148,740
Profit equalisation reserves	4,284	2,564
Provision for zakat	79	42
Profit payable	31,591	37,323
Others	74,742	103,450
	<u>351,119</u>	<u>292,119</u>

	Current Quarter Ended 30/06/2008 RM'000	Corresponding Quarter Ended 30/06/2007 RM'000	Current Year Ended 30/06/2008 RM'000	Corresponding Year Ended 30/06/2007 RM'000
<b>12 Income derived from investment of depositors' funds and others</b>				
Income derived from investment of :				
- General investment deposits	63,948	40,868	231,776	210,973
- Other deposits	15,769	28,812	57,944	84,133
	<u>79,717</u>	<u>69,680</u>	<u>289,720</u>	<u>295,106</u>
<b>(i) Income derived from investment of general investment deposits</b>				
<b>Finance income and hibah</b>				
Financing, advances and other financing	43,467	27,186	164,299	146,440
Securities Held-for-trading	94	369	145	6,011
Securities Available-for-sale	1,067	701	4,224	4,531
Securities Held-to-maturity	639	1,483	3,213	7,579
Money at call and deposit with financial institutions	13,585	8,213	41,606	37,013
	<u>58,852</u>	<u>37,952</u>	<u>213,487</u>	<u>201,574</u>
Amortisation of premium less accretion of discount	4,659	358	17,794	1,855
Total finance income and hibah	<u>63,511</u>	<u>38,310</u>	<u>231,281</u>	<u>203,429</u>
<b>Other operating income</b>				
Fee and commission				
- Commission	-	115	-	592
- Service Charges & fees	-	376	-	1,762
- Guarantee fees	-	4	-	5
- Other fees income	-	319	-	1,707
Gain/(loss) from sale of held-for-trading securities	300	1,098	2,113	1,230
Gain/(loss) from sale of available-for-sale securities	-	40	-	829
Unrealised gain/(loss) on revaluation of held-for-trading securities	137	595	(1,618)	1,361
Others	-	11	-	58
	<u>437</u>	<u>2,558</u>	<u>495</u>	<u>7,544</u>
	<u>63,948</u>	<u>40,868</u>	<u>231,776</u>	<u>210,973</u>

	Current Quarter Ended 30/06/2008 RM'000	Corresponding Quarter Ended 30/06/2007 RM'000	Current Year Ended 30/06/2008 RM'000	Corresponding Year Ended 30/06/2007 RM'000
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(ii) Income derived from investment of other deposits

**Finance income and hibah**

Financing, advances and other financing	10,718	19,614	41,075	58,397
Securities Held-for-trading	23	562	36	2,397
Securities Available- for-sale	263	561	1,056	1,807
Securities Held-to-maturity	158	1,039	803	3,022
Money at call and deposit with financial institutions	3,350	5,394	10,402	14,760
	<u>14,512</u>	<u>27,170</u>	<u>53,372</u>	<u>80,383</u>
Amortisation of premium less accretion of discount	1,149	253	4,448	740
Total finance income and hibah	<u>15,661</u>	<u>27,423</u>	<u>57,820</u>	<u>81,123</u>

**Other operating income**

Fee and commission				
- Commission	-	81	-	236
- Service Charges & fees	-	252	-	703
- Guarantee fees	-	2	-	2
- Other fees income	-	230	-	681
Gain/(loss) from sale of held-for-trading securities	74	448	528	491
Gain/(loss) from sale of available-for-sale securities	-	74	-	331
Unrealised gain/(loss) on revaluation of held-for-trading securities	34	294	(404)	543
Others	-	8	-	23
	<u>108</u>	<u>1,389</u>	<u>124</u>	<u>3,010</u>
	<u>15,769</u>	<u>28,812</u>	<u>57,944</u>	<u>84,133</u>

13 Income derived from investment of shareholders' fund

**Finance income and hibah**

Financing, advances and other financing	5,359	6,929	22,820	23,082
Securities Held-for-trading	12	183	21	947
Securities Available- for-sale	132	195	586	714
Securities Held-to-maturity	79	370	447	1,195
Money at call and deposit with financial institutions	1,674	1,933	5,779	5,834
	<u>7,256</u>	<u>9,610</u>	<u>29,653</u>	<u>31,772</u>
Amortisation of premium less accretion of discount	574	90	2,472	292
Total finance income and hibah	<u>7,830</u>	<u>9,700</u>	<u>32,125</u>	<u>32,064</u>

**Other operating income**

Fee and commission				
- Commission	553	28	2,052	93
- Service Charges & fees	484	91	2,131	278
- Guarantee fees	28	-	34	1
- Other fees income	567	80	2,828	268
Gain/(loss) from sale of held-for-trading securities	36	176	293	194
Gain/(loss) from sale of available-for-sale securities	-	23	-	130
Unrealised gain/(loss) on revaluation of held-for-trading securities	17	110	(225)	214
Others	90	3	173	9
	<u>1,775</u>	<u>511</u>	<u>7,286</u>	<u>1,187</u>
	<u>9,605</u>	<u>10,211</u>	<u>39,411</u>	<u>33,251</u>

	Current Quarter Ended 30/06/2008 RM'000	Corresponding Quarter Ended 30/06/2007 RM'000	Current Year Ended 30/06/2008 RM'000	Corresponding Year Ended 30/06/2007 RM'000
<b>14 Allowance for losses on financing</b>				
Allowance for bad and doubtful financing				
(a) Specific allowance				
- Made during the financial period	6,391	5,278	21,780	21,795
- Written back	(2,644)	(1,673)	(9,082)	(9,848)
(b) General allowance				
- Made during the financial period	638	-	9,093	-
- Written back	-	(630)	-	(4,226)
Bad debts on financing				
- Recovered	(702)	(497)	(2,395)	(2,754)
- Written off	129	95	308	229
	<u>3,812</u>	<u>2,573</u>	<u>19,704</u>	<u>5,196</u>
<b>15 Income attributable to the depositors</b>				
Deposits from customers				
- Mudharabah	38,347	40,847	141,251	156,442
- Non-Mudharabah	5,349	2,221	16,431	20,375
Deposits and placements of banks and other financial institutions				
- Mudharabah	4,842	1,037	9,687	7,586
	<u>48,538</u>	<u>44,105</u>	<u>167,369</u>	<u>184,403</u>

	Financial Year Ended 30/06/2008 RM'000	Financial Year Ended 30/06/2007 RM'000
<b>16 Capital adequacy</b>		
<b>Tier I capital</b>		
Paid-up share capital	500,000	500,000
Other reserves *	164,063	99,907
	<u>664,063</u>	<u>599,907</u>
Less: Deferred tax assets/(liabilities)	(17,850)	(15,883)
Total Tier I capital	<u>646,213</u>	<u>584,024</u>
<b>Tier II capital</b>		
General allowance for bad and doubtful financing	65,025	55,932
Total Tier II capital	<u>65,025</u>	<u>55,932</u>
<b>Capital base</b>	<u>711,238</u>	<u>639,956</u>
Core capital ratio	16.33%	16.01%
Risk-weighted capital ratio	17.97%	17.54%

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

17 Commitments and contingencies

	Financial Year Ended 30/06/2008		
	Principal amount RM'000	Financing equivalent amount RM'000	Risk weighted amount RM'000
Certain transaction-related contingent items	34,348	17,174	17,131
Short-term self-liquidating trade-related contingencies	4,215	843	792
Irrecoverable commitments to extend credit			
- Maturity less than one year	202,441	40,488	39,816
- Maturity more than one year	725,374	362,687	302,526
	<u>966,378</u>	<u>421,192</u>	<u>360,265</u>

	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
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
	<u>352,573</u>	<u>164,602</u>	<u>164,602</u>

18 Profit rate risk

	Non-trading book				Non-profit sensitive RM'000	Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	> 1-3 months RM'000	1-5 years RM'000	Over 5 years RM'000				
<b>30 June 2008</b>								
<b>Assets</b>								
Cash and short term funds	1,885,340	-	-	-	(13,910)	-	1,871,430	3.5%
Securities Held-for-trading	-	-	-	-	-	927,570	927,570	3.6%
Securities Available-for-sale	-	39,972	725,759	-	-	-	780,812	4.0%
Securities Held-for-maturity	-	-	95,557	30,825	575	-	126,957	4.6%
Financing and advances	1,161,319	11,662	1,503,603	1,497,137	(84,710)	-	4,221,624	5.8%
- performing *	-	-	-	-	20,705	-	20,705	-
- non-performing *	-	-	-	-	171,722	-	171,722	-
Other assets	3,046,659	51,554	2,324,919	1,527,962	114,382	927,570	8,120,820	-
<b>Total assets</b>								
<b>Liabilities</b>								
Deposits from customers	4,288,816	462,006	1,197,477	259,782	-	-	6,208,081	2.9%
Deposits & placement of bank & other financial institutions	300,000	479,000	-	-	-	-	779,000	3.6%
Bills and acceptance payable	13,386	51,931	34,280	-	10,883	-	110,480	3.6%
Other liabilities	-	-	-	-	358,527	-	358,527	-
<b>Total liabilities</b>	4,602,202	992,937	1,231,757	259,782	369,410	-	7,456,088	-
Shareholder's funds	-	-	-	-	664,732	-	664,732	-
<b>Total liabilities and shareholder's funds</b>	4,602,202	992,937	1,231,757	259,782	1,034,142	-	8,120,820	-
On-balance sheet profit sensitivity gap	(1,555,543)	(941,383)	(1,103,983)	2,065,137	1,527,962			
<b>Total profit sensitivity gap</b>	<b>(1,555,543)</b>	<b>(941,383)</b>	<b>(1,103,983)</b>	<b>2,065,137</b>	<b>1,527,962</b>			

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

	Non-trading book				Non-profit sensitive RM'000	Trading book RM'000	Total RM'000	Effective profit rate %
	Up to 1 month RM'000	> 1-3 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	-	-	-	4,358	-	1,355,818	3.5%
Deposits & placement with bank & other financial institutions	-	100,000	-	-	-	-	100,000	3.6%
Securities Held-for-trading	-	-	-	-	-	318,848	318,848	3.6%
Securities Available-for-sale	-	15,248	85,496	35,466	-	-	136,210	4.3%
Securities Held-for-maturity	-	275,033	122,213	34,991	575	-	432,812	3.8%
Financing and advances	677,769	35,898	1,523,357	1,306,312	(55,465)	-	3,642,214	6.0%
- performing *	-	-	-	-	30,686	-	30,686	-
- non-performing *	-	-	-	-	207,702	-	207,702	-
Other assets	2,029,229	410,931	291,804	1,643,844	187,856	318,848	6,224,290	-
<b>Total assets</b>								
<b>Liabilities</b>								
Deposits from customers	3,180,828	978,292	860,940	230,665	-	-	5,250,725	3.0%
Deposits & placement of bank & other financial institutions	-	75,000	-	-	-	-	75,000	3.4%
Bills and acceptance payable	2,319	746	112	-	579	-	3,756	3.5%
Other liabilities	-	-	-	-	294,674	-	294,674	-
<b>Total liabilities</b>	3,183,147	1,054,038	860,940	230,777	295,253	-	5,624,155	-
Shareholder's funds	-	-	-	-	600,135	-	600,135	-
<b>Total liabilities and shareholder's funds</b>	3,183,147	1,054,038	860,940	230,777	895,388	-	6,224,290	-
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.