

Hong Leong Islamic Bank Berhad (686191-W)
Unaudited Balance Sheet As At 30 September 2009

	Note	Financial Period Ended 30-Sep-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
<u>ASSETS</u>			
Cash and short-term funds	9	1,586,716	2,511,864
Deposits and placements with banks and other financial institutions	10	215,334	125,167
Securities Held-for-trading	11 (i)	2,101,056	2,011,644
Securities Available-for-sale	11 (ii)	451,205	467,377
Securities Held-to-maturity	11 (iii)	376,415	126,623
Financing and advances	12	3,840,148	3,824,880
Other assets		10,802	7,615
Statutory deposits with Bank Negara Malaysia		54,900	46,064
Property, plant and equipment		1,701	1,794
Deferred tax assets		18,131	18,932
Total Assets		8,656,408	9,141,960
<u>LIABILITIES AND SHAREHOLDERS' FUND</u>			
Deposits from customers	14	7,036,231	7,979,898
Deposits and placements of banks and other financial institutions	15	456,075	30,000
Bills and acceptance payable		20,209	16,133
Other liabilities	16	370,363	366,504
Provision for taxation		10,769	9,394
Total Liabilities		7,893,647	8,401,929
Share Capital		500,000	500,000
Reserves		262,761	240,031
Total Shareholders' Funds		762,761	740,031
Total Liabilities and Shareholders' Funds		8,656,408	9,141,960
<u>COMMITMENTS AND CONTINGENCIES</u>	22	1,182,857	1,092,217
<u>CAPITAL ADEQUACY</u>			
<u>Before deducting proposed dividends</u>			
Core capital ratio	21	19.90%	20.86%
Risk-weighted capital ratio	21	21.93%	22.99%
<u>After deducting proposed dividends</u>			
Core capital ratio net of proposed dividends	21	19.77%	20.72%
Risk-weighted capital ratio net of proposed dividends	21	21.80%	22.85%

Hong Leong Islamic Bank Berhad (686191-W)
Unaudited Income Statements
For The Financial Period Ended 30 September 2009

	Note	1 st Quarter		Cumulative 3 Months	
		Current Quarter Ended 30-Sep-09 RM'000	Corresponding Quarter Ended 30-Sep-08 RM'000	Current Period Ended 30-Sep-09 RM'000	Corresponding Period Ended 30-Sep-08 RM'000
Income derived from investment of depositors' funds and others	17	73,183	93,621	73,183	93,621
Income derived from investment of shareholders' funds	18	9,390	12,083	9,390	12,083
Allowance for losses on financing	19	(2,144)	(199)	(2,144)	(199)
Profit equalisation reserve		3,102	(4,177)	3,102	(4,177)
Total distributable income		83,531	101,328	83,531	101,328
Income attributable to the depositors	20	(37,595)	(58,070)	(37,595)	(58,070)
Total net income		45,936	43,258	45,936	43,258
Personnel expenses		(1,871)	(2,349)	(1,871)	(2,349)
Other operating expenses		(14,925)	(12,912)	(14,925)	(12,912)
Profit before zakat and taxation		29,140	27,997	29,140	27,997
Zakat		(13)	(16)	(13)	(16)
Taxation		(7,282)	(7,000)	(7,282)	(7,000)
Profit after zakat and taxation		21,845	20,981	21,845	20,981
Earnings per share - basic (sen)		4.37	4.20	4.37	4.20
Earnings per share - fully diluted (sen)		4.37	4.20	4.37	4.20

Hong Leong Islamic Bank Berhad (686191-W)
Unaudited Statements Of Changes In Equity
For The Financial Period Ended 30 September 2009

	←	<u>Non distributable Reserves</u>		→	<u>Distributable</u>	
	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 2009	500,000	119,209	1,615		119,207	740,031
Net profit for the financial year	-	-	-		21,845	21,845
Transfer to statutory reserves	-	10,923	-		(10,923)	-
Net fair value changes in available-for-sale securities, net of tax	-	-	885		-	885
Balance as at 30 September 2009	500,000	130,132	2,500		130,129	762,761

Hong Leong Islamic Bank Berhad (686191-W)
Audited Statements Of Changes In Equity
For The Financial Year Ended 30 June 2009

	←	<u>Non distributable Reserves</u>		→	<u>Distributable</u>	
	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 2008	500,000	82,032	669		82,031	664,732
Net profit for the financial year	-	-	-		74,353	74,353
Transfer to statutory reserves	-	37,177	-		(37,177)	-
Net fair value changes in available-for-sale securities, net of tax	-	-	946		-	946
Balance as at 30 June 2009	500,000	119,209	1,615		119,207	740,031

Hong Leong Islamic Bank Berhad (686191-W)
Unaudited Cash Flow Statements
For The Financial Period Ended 30 September 2009

	Current Period Ended 30-Sep-09 RM'000	Corresponding Period Ended 30-Sep-08 RM'000
Cash Flows From Operating Activities		
Profit before zakat and taxation for the financial year	29,140	27,997
Adjustments for :		
Depreciation of fixed assets	166	164
Gain from disposal of available-for-sale securities	(1,160)	-
Gain from disposal of securities held for trading	(514)	(2,307)
Allowance for losses on financing and advances	2,144	199
Net unrealised loss on revaluation of securities held at fair value through profit or loss and derivatives	(945)	(253)
Accretion of discount less amortisation of premium	(8,895)	(8,047)
Finance income from securities available-for-sale	(3,918)	(6,379)
Finance income from securities held-to-maturity	(1,765)	(1,394)
Operating profit before working capital changes	<u>14,254</u>	<u>9,980</u>
(Increase)/Decrease In Operating Assets		
Financing and advances	(17,412)	51,543
Statutory deposits with Bank Negara Malaysia	(8,836)	(29,800)
Other assets	(2,386)	(8,368)
Deposit and placement with banks and other financial institutions	(90,167)	(100,000)
Securities held-for-trading	(79,020)	(721,497)
(Increase)/Decrease In Operating Liabilities		
Deposits from customers	(943,667)	763,708
Deposits and placements of banks and others financial institutions	426,075	(769,000)
Bills and acceptance payable	4,076	(50,843)
Other liabilities	3,047	(51,722)
Cash generated from/(used in) operations	<u>(694,036)</u>	<u>(906,000)</u>
Zakat paid	-	-
Income taxes paid	(5,108)	(7,058)
Net cash generated from/(used in) operating activities	<u>(699,144)</u>	<u>(913,058)</u>
Cash Flows From Investing Activities		
Net (purchases)/proceeds of available for sale securities	22,124	353,820
Net (purchases)/proceeds of held to maturity securities	(248,055)	1,475
Purchase of fixed assets	(73)	(96)
Net cash generated from/(used in) investing activities	<u>(226,004)</u>	<u>355,199</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(925,148)	(557,859)
Cash and Cash Equivalents at Beginning of Financial Year	2,511,864	1,871,430
Cash and Cash Equivalents Carried Forward	<u>1,586,716</u>	<u>1,313,571</u>

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

Notes To The Unaudited Financial Statements For The Financial Period Ended 30 September 2009

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. The financial statements should be read in conjunction with the audited annual statement for the year ended 30 June 2009.

2 Performance Review

For financial period ended 30 September 2009, HLISB posted a pre-tax profit of RM 29 million improved by 4% as compared to the last corresponding quarter. Earning per share was 4.37 sen against 3.88 sen previous quarter as of 30 June 2009.

3 Outlook for financial year ending 30 June 2010

The growth prospects of the Islamic financial sector are expected to remain positive. The strengthened incentives and measures taken by the government provide more competitive environment and increase flexibilities for Islamic bank to explore new growth opportunities.

Moving ahead the Bank will continue with our business transformation in expanding other business segments, particularly in corporate banking, investment banking and wealth management, complementing its existing established Personal Financial Services business.

The Bank will continue to enhance the product innovations capabilities by diversifying the existing offerings in order to provide customers a comprehensive range of Islamic product solutions.

4 Status of matters giving rise to the auditor's qualified report in the preceding annual financial statements for the financial year ended 30 June 2009

There was no qualified report issued by the auditors in the preceding annual financial statements for the financial year ended 30 June 2009.

5 Seasonality or cyclicity of operations

The business operations of the Bank has not been affected by any material seasonal and cyclical factors.

6 Exceptional items or unusual events affecting financial statements

There were no exceptional items or unusual events that materially affected the financial statements.

7 Variation from financial estimates reported in the preceding financial period/year

There were no changes in estimates of amount reported in the prior financial year that may have a material effect in the current period.

8 Dividends paid and proposed

No dividend has been declared or paid during the 1st quarter ended 30 September 2009.

	Financial Period Ended 30-Sep-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
9 Cash and short-term funds		
Cash and balances with banks and others financial institutions	301,544	297,274
Money at call and deposit placements maturing within one month	<u>1,285,172</u>	<u>2,214,590</u>
	<u>1,586,716</u>	<u>2,511,864</u>
10 Deposits and placements with banks and other financial institutions		
Licensed Islamic banks	<u>215,334</u>	<u>125,167</u>
	<u>215,334</u>	<u>125,167</u>
11 Securities		
(i) Securities Held-for-trading		
BNM bills	-	843,087
Malaysian Government treasury bills	438,323	148,177
Malaysian Government investment certificates	270,621	136,143
Negotiable Islamic Debt Certificates	573,247	493,270
Bankers' acceptance and Islamic accepted bills	726,001	376,045
Khazanah bonds	32,799	14,922
Cagamas Bonds	20,038	-
Sukuk BNM Ijarah	40,027	-
	<u>2,101,056</u>	<u>2,011,644</u>
(ii) Securities Available-for-sale		
Cagamas bonds	35,614	35,428
Khazanah bonds	-	9,948
Malaysia Government investment certificates	415,591	422,001
	<u>451,205</u>	<u>467,377</u>
(iii) Securities Held-to-maturity		
Malaysia Government investment certificates	310,058	60,208
Unquoted securities		
Shares	575	575
Private and Islamic debt securities	65,782	65,840
	<u>376,415</u>	<u>126,623</u>

	Financial Period Ended 30-Sep-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
12 Financing and advances		
(i) By type		
Cashline	5,083	5,421
Term financing		
- House financing	3,717,435	3,562,624
- Hire purchase receivables	2,507,054	2,545,281
- Lease receivables	15,219	16,357
- Other term financing	374,915	348,544
Claims on customers under acceptance credits	43,339	46,206
Staff financing	18	18
Others	581	623
	<u>6,663,644</u>	<u>6,525,074</u>
Less: Unearned income	(2,726,225)	(2,605,681)
Gross financing and advances	3,937,419	3,919,393
Less : Allowance for bad and doubtful financing		
- General	(73,397)	(73,486)
- Specific	(23,874)	(21,027)
Total net financing and advances	<u>3,840,148</u>	<u>3,824,880</u>
(ii) By contract		
Bai' Bithaman Ajil	1,662,704	1,602,357
Ijarah	14,866	15,895
Ijarah Muntahia Bittamlik/AITAB	2,216,510	2,254,935
Murabahah	43,339	46,206
Gross financing and advances	<u>3,937,419</u>	<u>3,919,393</u>
(iii) By type of customer		
Domestic non-bank financial institutions		
- Others than stockbroking companies	15,804	21,026
Domestic business enterprises		
- Small medium enterprise	234,125	230,386
- Others	493,926	499,675
Government and statutory body	44	47
Individuals	3,138,204	3,112,613
Other domestic entities	1,406	1,244
Foreign entities	53,910	54,402
Gross financing and advances	<u>3,937,419</u>	<u>3,919,393</u>
(iv) By profit rate sensitivity		
Fixed rate		
- House financing	434,340	406,862
- Hire purchase receivables	2,210,691	2,249,514
- Others fixed rate financing	111,255	128,160
Variable rate		
- Others	1,181,133	1,134,857
Gross financing and advances	<u>3,937,419</u>	<u>3,919,393</u>

	Financial Period Ended 30-Sep-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
(v) By economic purpose		
Securities	338	345
Transport Vehicles	2,087,599	2,125,401
Purchase of landed property:		
- Residential	1,169,591	1,122,005
- Non-residential	193,647	192,233
Personal Use	66,017	58,542
Consumer Durables	-	-
Construction	30,277	30,217
Working Capital	389,945	390,636
Other Purposes	5	14
	3,937,419	3,919,393

13 Non-performing financing

(i) Movements in non-performing financing

As at beginning of the year	46,260	45,754
Classified as non-performing during the year	53,787	204,631
Reclassified as performing	(47,346)	(166,739)
Amount recovered	(6,457)	(24,237)
Amount written off	(165)	(13,149)
As at end of the year	46,079	46,260
Less: Specific allowance	(23,874)	(21,027)
Net non-performing and financing	22,205	25,233
Ratio of net non-performing financing and advances to total net financing and advances	0.6%	0.6%

	Financial Period Ended 30-Sep-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
(ii) Movements in allowance for bad and doubtful financing		
General allowance		
As at beginning of the year	73,486	65,025
Allowance made during the Year	-	8,461
Allowance written back during the Year	(89)	-
As at end of the year	<u>73,397</u>	<u>73,486</u>
As % of gross financing and advances less specific allowance	<u>1.9%</u>	<u>1.9%</u>
Specific allowance		
As at beginning of the year	21,027	24,734
Allowance made during the Year	5,183	15,949
Allowance recovered	(2,171)	(6,507)
Amount written off	(165)	(13,149)
As at end of the year	<u>23,874</u>	<u>21,027</u>
(iii) Non-performing financing and advances		
By economic purpose		
Securities	220	220
Transport Vehicles	22,667	21,379
Purchase of landed property:		
- Residential	16,742	18,889
- Non-residential	1,026	612
Personal Use	261	440
Construction	663	422
Working Capital	4,500	4,298
	<u>46,079</u>	<u>46,260</u>

	Financial Period Ended 30-Sep-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
14 Deposits from customer		
(i) By type of deposit		
Non-Mudharabah		
Demand deposits	394,454	375,930
Savings deposits	601,464	580,875
Negotiable islamic debt certificate	784,486	1,215,890
	<u>1,780,404</u>	<u>2,172,695</u>
Mudharabah		
Savings deposits	602,654	569,063
General investment deposits	1,938,067	1,864,865
Special investment deposits	2,715,106	3,373,275
	<u>5,255,827</u>	<u>5,807,203</u>
	<u>7,036,231</u>	<u>7,979,898</u>
(ii) By type of customer		
Government and statutory bodies	167,286	164,241
Business enterprise	5,048,735	6,117,757
Individuals	1,698,105	1,583,204
Others	122,105	114,696
	<u>7,036,231</u>	<u>7,979,898</u>
15 Deposits and placements of banks and other financial institutions		
Mudharabah		
Licensed islamic banks	220,000	30,000
Licensed commercial banks	235,275	-
Licensed investment banks	800	-
	<u>456,075</u>	<u>30,000</u>
16 Other Liabilities		
Amount due to holding company	237,955	263,679
Profit equalisation reserves	1,589	4,691
Provision for zakat	68	55
Profit payable	37,692	32,681
Others	93,059	65,398
	<u>370,363</u>	<u>366,504</u>

	1 st Quarter		Cumulative 3 Months	
	Current	Corresponding	Current	Corresponding
	Quarter Ended 30-Sep-09 RM'000	Quarter Ended 30-Sep-08 RM'000	Period Ended 30-Sep-09 RM'000	Period Ended 30-Sep-08 RM'000

17 Income derived from investment of depositors' funds and others

Income derived from investment of :

- General investment deposits	48,790	72,816	48,790	72,816
- Other deposits	24,393	20,805	24,393	20,805
	<u>73,183</u>	<u>93,621</u>	<u>73,183</u>	<u>93,621</u>

(i) Income derived from investment of general investment deposits

Finance income and hibah

Financing, advances and other financing	31,351	41,597	31,351	41,597
Securities Held-for-trading	1,128	262	1,128	262
Securities Available- for-sale	2,351	4,465	2,351	4,465
Securities Held-to-maturity	1,059	976	1,059	976
Money at call and deposit with financial institutions	5,993	16,376	5,993	16,376
	<u>41,882</u>	<u>63,676</u>	<u>41,882</u>	<u>63,676</u>

Amortisation of premium less accretion of discount

	5,337	5,633	5,337	5,633
--	-------	-------	-------	-------

Total finance income and hibah

Other operating income

Gain/(loss) from sale of held-for-trading securities	308	1,615	308	1,615
Gain/(loss) from sale of available-for-sale securities	696	1,715	696	1,715
Unrealised gain/(loss) on revaluation of held-for-trading securities	567	177	567	177
	<u>1,571</u>	<u>3,507</u>	<u>1,571</u>	<u>3,507</u>

48,790 72,816 48,790 72,816

(ii) Income derived from investment of other deposits

Finance income and hibah

Financing, advances and other financing	15,675	11,885	15,675	11,885
Securities Held-for-trading	564	75	564	75
Securities Available- for-sale	1,175	1,276	1,175	1,276
Securities Held-to-maturity	530	279	530	279
Money at call and deposit with financial institutions	2,996	4,679	2,996	4,679
	<u>20,940</u>	<u>18,194</u>	<u>20,940</u>	<u>18,194</u>

Amortisation of premium less accretion of discount

	2,668	1,609	2,668	1,609
--	-------	-------	-------	-------

Total finance income and hibah

Other operating income

Fee and commission				
Gain/(loss) from sale of held-for-trading securities	154	461	154	461
Gain/(loss) from sale of available-for-sale securities	348	490	348	490
Unrealised gain/(loss) on revaluation of held-for-trading securities	283	51	283	51
	<u>785</u>	<u>1,002</u>	<u>785</u>	<u>1,002</u>

24,393 20,805 24,393 20,805

	1st Quarter		Cumulative 3 Months	
	Current	Corresponding	Current	Corresponding
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
	RM'000	RM'000	RM'000	RM'000

18 Income derived from investment of shareholders' fund

Finance income and hibah

Financing, advances and other financing	5,225	5,942	5,225	5,942
Securities Held-for-trading	189	37	189	37
Securities Available- for-sale	392	638	392	638
Securities Held-to-maturity	176	139	176	139
Money at call and deposit with financial institutions	999	2,339	999	2,339
	<u>6,981</u>	<u>9,095</u>	<u>6,981</u>	<u>9,095</u>
Amortisation of premium less accretion of discount	890	805	890	805
Total finance income and hibah	<u>7,871</u>	<u>9,900</u>	<u>7,871</u>	<u>9,900</u>

Other operating income

Fee and commission				
- Commission	237	295	237	295
- Service Charges & fees	98	358	98	358
- Guarantee fees	60	374	60	374
- Other fees income	647	663	647	663
Gain/(loss) from sale of held-for-trading securities	52	231	52	231
Gain/(loss) from sale of available-for-sale securities	116	245	116	245
Unrealised gain/(loss) on revaluation of held-for-trading securities	95	25	95	25
Others	214	(8)	214	(8)
	<u>1,519</u>	<u>2,183</u>	<u>1,519</u>	<u>2,183</u>
	<u>9,390</u>	<u>12,083</u>	<u>9,390</u>	<u>12,083</u>

19 Allowance for losses on financing

Allowance for bad and doubtful financing

(a) Specific allowance				
- Made during the financial Year	5,183	3,454	5,183	3,454
- Written back	(2,171)	(1,379)	(2,171)	(1,379)
(b) General allowance				
- Written back	(89)	(1,195)	(89)	(1,195)
Bad debts on financing				
- Recovered	(843)	(774)	(843)	(774)
- Written off	64	93	64	93
	<u>2,144</u>	<u>199</u>	<u>2,144</u>	<u>199</u>

20 Income attributable to the depositors

Deposits from customers

- Mudharabah	29,710	46,124	29,710	46,124
- Non-Mudharabah	6,137	9,809	6,137	9,809
Deposits and placements of banks and other financial institutions				
- Mudharabah	1,748	2,137	1,748	2,137
	<u>37,595</u>	<u>58,070</u>	<u>37,595</u>	<u>58,070</u>

	Financial Period Ended 30-Sep-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
21 Capital adequacy		
Tier I capital		
Paid-up share capital	500,000	500,000
Retained profit	119,207	119,207
Other reserves	119,209	119,209
	<u>738,416</u>	<u>738,416</u>
Less: Deferred tax assets	(18,932)	(18,932)
Total Tier I capital	<u>719,484</u>	<u>719,484</u>
Tier II capital		
General allowance for bad and doubtful financing	73,397	73,486
Total Tier II capital	<u>73,397</u>	<u>73,486</u>
Capital base	<u>792,881</u>	<u>792,970</u>
<u>Before deducting proposed dividends</u>		
Core capital ratio	19.90%	20.86%
Risk-weighted capital ratio	21.93%	22.99%
<u>After deducting proposed dividends</u>		
Core capital ratio	19.77%	20.72%
Risk-weighted capital ratio	21.80%	22.85%

The capital adequacy ratios of the Bank is computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB), which are based on the Basel II capital accord. The Bank has adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operation Risk. The minimum regulatory capital adequacy approach requirement is 8% for the risk-weighted capital ratio.

21 Capital Adequacy (Continued)

Disclosure on Capital Adequacy under the Standardised Approach as at 30 September 2009

Exposure Class	Gross Exposures		Net Exposures		Risk Weighted Assets		Capital Requirements	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1 CREDIT RISK								
<i>On Balance Sheet Exposures</i>								
Sovereigns/Central Banks	1,974,038	44	1,974,038	44	-	9	-	1
Public Sector Entities	675,396	5,030	675,396	5,030	161,020	5,030	12,882	402
Banks, Development Financial Institutions & MDBs	559,801	2,500,702	558,937	2,498,379	530,214	1,873,784	42,417	149,903
Insurance Companies, Securities Firms & Fund Managers	860,880	968	860,842	968	334,864	1,451	26,789	116
Corporates	6,129	27,631	6,129	27,631	16,241	34,565	1,299	2,765
Regulatory Retail								
Residential Mortgages								
Higher Risk Assets								
Other Assets								
Defaulted Exposures								
TOTAL for On-Balance Sheet Exposures	6,610,619		6,607,314		2,957,178		236,574	
<i>Off Balance Sheet Exposures</i> ¹								
Off Balance sheet Exposures other than OTC # derivatives or credit derivatives	816		816		816		65	
TOTAL for Off-Balance Sheet Exposures	816		816		816		65	
TOTAL for On and Off-Balance Sheet Exposures	6,611,435		6,608,130		2,957,994		236,639	
2 MARKET RISK								
Profit Rate Risk		Short Position						
Foreign Currency Risk	2,061,035		2,061,035		217,581		17,406	
TOTAL MARKET RISK	109,157		109,157		109,157		8,733	
3 OPERATIONAL RISK								
Operational Risk	2,170,192		2,170,192		326,738		26,139	
					331,024		26,482	
TOTAL RWA AND CAPITAL REQUIREMENT					3,615,756		289,260	

21 Capital Adequacy (Continued)

Disclosure on Capital Adequacy under the Standardised Approach as at 30 June 2009

Exposure Class	Gross Exposures		Net Exposures	Risk Weighted Assets		Capital Requirements
	RM'000	RM'000		RM'000	RM'000	
1 CREDIT RISK						
<i>On Balance Sheet Exposures</i>						
Sovereigns/Central Banks	2,707,386	47	2,707,386	-	1	
Public Sector Entities	528,182	5,087	528,182	129,671	10,374	
Banks, Development Financial Institutions & MDBs	572,535	2,509,100	571,640	5,087	407	
Insurance Companies, Securities Firms & Fund Managers	815,838	912	815,800	543,121	43,450	
Corporates	4,626	41,157	4,626	1,880,176	150,414	
Regulatory Retail				319,770	25,582	
Residential Mortgages				1,369	110	
Higher Risk Assets				5,312	425	
Other Assets				54,217	4,337	
Defaulted Exposures						
TOTAL for On-Balance Sheet Exposures	7,184,870		7,181,737	2,938,732	235,099	
<i>Off Balance Sheet Exposures</i> ¹						
Off Balance sheet Exposures other than OTC # derivatives or credit derivatives	857		857	857	69	
TOTAL for Off-Balance Sheet Exposures	857		857	857	69	
TOTAL for On and Off-Balance Sheet Exposures	7,185,727		7,182,594	2,939,589	235,168	
2 MARKET RISK						
Profit Rate Risk		Short Position				
	2,011,644			117,842	9,427	
Foreign Currency Risk	68,793			68,793	5,503	
TOTAL MARKET RISK	2,080,437			186,635	14,930	
3 OPERATIONAL RISK						
Operational Risk				323,475	25,878	
TOTAL RWA AND CAPITAL REQUIREMENT				3,449,699	275,976	

¹ Credit equivalent of off-balance sheet items.

² The amount in excess of the lowest threshold shall be reported under 'Gross Exposure' and 'Net Exposure'. # OTC "Over The Counter".

The Bank do not have any issuances of Profit Sharing Investment Account ("PSIA") used as risk absorbent.

21 Capital Adequacy (Continued)

Disclosure on Credit Risk: Disclosures on Risk Weights as at 30 September 2009

Supervisory Risk Weights %	Exposures after Netting and Credit Risk Mitigation											Total Risk Weighted Assets RM'000
	Exposures after Netting and Credit Risk Mitigation											
	Sovereigns & Central Banks RM'000	PSEs RM'000	Banks, MDBs and FDIs RM'000	Insurance Companies, Securities, Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity Exposures RM'000	Total Exposures after Netting & Credit Risk Mitigation RM'000	
0%	1,974,038	-	-	-	-	-	-	-	(10,113)	-	1,963,925	-
10%	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	44	588,927	-	35,905	-	-	-	-	-	624,876	124,975
35%	-	-	-	-	-	637,043	-	-	-	-	637,043	222,964
50%	-	-	86,468	-	-	197	-	-	-	-	311,845	155,923
75%	-	-	-	-	-	2,498,379	-	-	-	-	2,498,379	1,873,784
90%	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	5,030	523,849	2,238	8,131	-	16,242	-	555,490	555,490
110%	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	1,230	-	-	1,056	-	-	16,572	24,858
Total Exposures	1,974,038	44	675,395	5,030	560,984	2,515,100	870,354	1,056	6,129	-	6,608,130	2,957,994

21 Capital Adequacy (Continued)

Disclosure on Credit Risk: Disclosures on Risk Weights as at 30 June 2009

Supervisory Risk Weights %	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000				
	Sovereigns & Central Banks		PSEs	Banks, MDBs and FDI's		Insurance Companies, Securities Firms & Fund Managers		Corporates		Regulatory Retail				Residential Mortgages	Higher Risk Assets	Other Assets	Equity Exposures
	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000						
0%	2,707,386	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	47	-	448,064	-	-	35,648	-	-	-	-	-	-	-	-	-	96,752
35%	-	-	-	-	-	-	-	-	-	-	587,525	-	-	-	-	-	205,633
50%	-	-	-	80,118	-	-	26	-	326	2,506,900	230,068	-	-	-	-	-	155,269
75%	-	-	-	-	-	-	-	-	2,506,900	-	-	-	-	-	-	-	1,880,175
90%	-	-	-	-	-	-	-	-	2,018	536,892	8,684	-	-	5,312	-	-	557,993
100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	2,364	-	25,848	-	-	-	966	-	-	-	43,767
Total Exposures	2,707,386	47	528,182	5,087	574,930	2,535,092	826,277	966	4,627	-	7,182,594	2,939,589					

PSE "Public Sector Entities"
MDB "Multilateral Development Banks"
FDI "Financial Development Institutions"

22 Commitments and contingencies

Financial Period Ended
30-Sep-09

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Certain transaction-related contingent items	886	443	443
Short-term self-liquidating trade-related contingencies	1,865	373	373
Any commitments that are unconditionally cancellable at any time by the bank without prior notice	1,180,106	-	-
	<u>1,182,857</u>	<u>816</u>	<u>816</u>

Financial Year Ended
30-Jun-09

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Certain transaction-related contingent items	826	413	413
Short-term self-liquidating trade-related contingencies	2,213	443	443
Any commitments that are unconditionally cancellable at any time by the bank without prior notice	1,089,178	-	-
	<u>1,092,217</u>	<u>856</u>	<u>856</u>

23 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	
30 September 2009						
Assets						
Cash and short term funds	1,285,172	-	-	-	-	1,586,716
Deposits & placement with bank & other financial institutions	-	190,000	-	25,334	-	215,334
Securities Held-for-trading	-	-	-	-	2,101,056	2,101,056
Securities Available-for-sale	-	-	-	428,122	25,083	451,205
Securities Held-for-maturity	-	-	-	-	375,840	376,415
Financing and advances	1,136,043	9,860	78,262	1,404,881	1,262,313	3,818,187
- performing *	-	-	-	-	(72,972)	-
- non-performing *	-	-	-	-	21,961	21,961
Other assets	-	-	-	-	85,534	85,534
Total assets	2,421,215	199,860	78,262	1,856,137	1,663,236	3,656,408
Liabilities						
Deposits from customers	5,227,297	854,417	829,310	125,207	-	7,036,231
Deposits & placement of bank & other financial institutions	336,075	120,000	-	-	-	456,075
Bills and acceptance payable	-	-	-	-	20,209	20,209
Other liabilities	-	-	-	-	381,132	381,132
Total liabilities	5,563,372	974,417	829,310	125,207	401,341	7,893,647
Shareholder's funds	-	-	-	-	-	762,761
Total liabilities and shareholder's funds	5,563,372	974,417	829,310	125,207	1,164,102	8,656,408
On-balance sheet profit sensitivity gap	(3,142,157)	(774,557)	(751,048)	1,730,930	1,663,236	
Total profit sensitivity gap	(3,142,157)	(774,557)	(751,048)	1,730,930	1,663,236	

* 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	
30 June 2009						
Assets						
Cash and short term funds	2,214,590	-	-	-	-	2,511,864
Deposits & placement with bank & other financial institutions	-	100,000	-	25,167	-	125,167
Securities Held-for-trading	-	-	-	-	2,011,644	2,011,644
Securities Available-for-sale	-	9,948	-	327,796	129,633	467,377
Securities Held-for-maturity	-	-	-	126,048	-	126,623
Financing and advances	1,090,812	13,152	91,130	1,333,282	1,344,757	3,800,126
- performing *	-	-	-	-	(73,007)	-
- non-performing *	-	-	-	-	24,754	24,754
Other assets	-	-	-	-	74,405	74,405
Total assets	3,305,402	123,100	91,130	1,812,293	1,474,390	9,141,960
Liabilities						
Deposits from customers	6,078,402	875,950	871,695	153,851	-	7,979,898
Deposits & placement of bank & other financial institutions	30,000	-	-	-	-	30,000
Bills and acceptance payable	-	-	-	-	16,133	16,133
Other liabilities	-	-	-	-	375,898	375,898
Total liabilities	6,108,402	875,950	871,695	153,851	392,031	8,401,929
Shareholder's funds	-	-	-	-	740,031	740,031
Total liabilities and shareholder's funds	6,108,402	875,950	871,695	153,851	1,132,062	9,141,960
On-balance sheet profit sensitivity gap	(2,803,000)	(752,850)	(780,565)	1,658,442	1,474,390	
Total profit sensitivity gap	(2,803,000)	(752,850)	(780,565)	1,658,442	1,474,390	

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