

Hong Leong Islamic Bank Berhad (686191-W)
Unaudited Balance Sheet As At 31 December 2009

	Note	Financial Period Ended 31-Dec-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
<u>ASSETS</u>			
Cash and short-term funds	9	2,039,435	2,511,864
Deposits and placements with banks and other financial institutions	10	227,440	125,167
Securities Held-for-trading	11 (i)	1,827,991	2,011,644
Securities Available-for-sale	11 (ii)	473,261	467,377
Securities Held-to-maturity	11 (iii)	461,995	126,623
Financing and advances	12	3,912,058	3,824,880
Other assets		16,088	7,615
Statutory deposits with Bank Negara Malaysia		45,700	46,064
Property, plant and equipment		1,640	1,794
Deferred tax assets		16,670	18,932
Total Assets		9,022,278	9,141,960
<u>LIABILITIES AND SHAREHOLDERS' FUND</u>			
Deposits from customers	14	7,171,366	7,979,898
Deposits and placements of banks and other financial institutions	15	693,412	30,000
Bills and acceptance payable		15,772	16,133
Other liabilities	16	347,154	366,504
Provision for taxation		12,964	9,394
Total Liabilities		8,240,668	8,401,929
Share Capital		500,000	500,000
Reserves		281,610	240,031
Total Shareholders' Funds		781,610	740,031
Total Liabilities and Shareholders' Funds		9,022,278	9,141,960
<u>COMMITMENTS AND CONTINGENCIES</u>	22	1,273,697	1,092,217
<u>CAPITAL ADEQUACY</u>			
Core capital ratio	21	19.85%	20.86%
Risk-weighted capital ratio	21	21.74%	22.99%

Hong Leong Islamic Bank Berhad (686191-W)
Unaudited Income Statements
For The Financial Period Ended 31 December 2009

	Note	2 nd Quarter		Cumulative 6 Months	
		Current Quarter Ended 31-Dec-09 RM'000	Corresponding Quarter Ended 31-Dec-08 RM'000	Current Period Ended 31-Dec-09 RM'000	Corresponding Period Ended 31-Dec-08 RM'000
Income derived from investment of depositors' funds and others	17	73,494	90,397	146,677	184,018
Income derived from investment of shareholders' funds	18	10,793	7,467	20,183	19,550
Allowance for losses on financing	19	2,635	54	491	(145)
Profit equalisation reserve		1,540	(7,050)	4,642	(11,227)
Total distributable income		88,462	90,868	171,993	192,196
Income attributable to the depositors	20	(37,939)	(52,473)	(75,534)	(110,543)
Total net income		50,523	38,395	96,459	81,653
Personnel expenses		(2,102)	(2,830)	(3,973)	(5,179)
Other operating expenses		(15,105)	(12,997)	(30,030)	(25,909)
Profit before zakat and taxation		33,316	22,568	62,456	50,565
Zakat		(12)	(13)	(25)	(29)
Taxation		(8,342)	(5,660)	(15,624)	(12,660)
Profit after zakat and taxation		24,962	16,895	46,807	37,876
Earnings per share - basic (sen)		4.99	3.38	9.36	7.58
Earnings per share - fully diluted (sen)		4.99	3.38	9.36	7.58

Hong Leong Islamic Bank Berhad (686191-W)
Unaudited Statements Of Changes In Equity
For The Financial Period Ended 31 December 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	-	-	-	46,807	46,807		
Transfer to statutory reserves	-	23,404	-	(23,404)	-		
Net fair value changes in available-for-sale securities, net of tax	-	-	(652)	-	(652)		
Dividends paid :							
- Final dividend for the financial year ended 30 June 2009.	-	-	-	(4,576)	(4,576)		
Balance as at 31 December 2009	500,000	142,613	962	138,034	781,610		

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		
Currency translation differences	-	-	-	-	-		
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		
Deferred taxation	-	-	-	-	-		
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 31 December 2009

	Current Period Ended 31-Dec-09 RM'000	Corresponding Period Ended 31-Dec-08 RM'000
Cash Flows From Operating Activities		
Profit before zakat and taxation for the financial year	62,456	50,565
Adjustments for :		
Depreciation of fixed assets	329	336
Gain from disposal of available-for-sale securities	(2,034)	-
Gain from disposal of securities held for trading	(1,183)	(2,842)
Allowance for losses on financing and advances	(491)	145
Net unrealised loss on revaluation of securities held at fair value through profit or loss and derivatives	(216)	(358)
Accretion of discount less amortisation of premium	(18,676)	(21,596)
Finance income from securities available-for-sale	(8,048)	(9,231)
Finance income from securities held-to-maturity	(6,283)	(2,785)
Operating profit before working capital changes	<u>25,854</u>	<u>14,233</u>
(Increase)/Decrease In Operating Assets		
Financing and advances	(86,687)	156,530
Statutory deposits with Bank Negara Malaysia	364	7,300
Other assets	(6,210)	1,674
Deposit and placement with banks and other financial institutions	(102,273)	(34,907)
Securities held-for-trading	203,795	(880,121)
(Increase)/Decrease In Operating Liabilities		
Deposits from customers	(808,532)	152,263
Deposits and placements of banks and others financial institutions	663,412	52,307
Bills and acceptance payable	(361)	(10,063)
Other liabilities	(19,375)	(58,695)
Cash generated from/(used in) operations	<u>(130,012)</u>	<u>(599,480)</u>
Zakat paid	-	(78)
Income taxes paid	(12,054)	(11,733)
Net cash generated from/(used in) operating activities	<u>(142,066)</u>	<u>(611,290)</u>
Cash Flows From Investing Activities		
Net (purchases)/proceeds of available for sale securities	3,599	579,727
Net (purchases)/proceeds of held to maturity securities	(329,210)	(46,568)
Purchase of fixed assets	(175)	(510)
Net cash generated from/(used in) investing activities	<u>(325,787)</u>	<u>532,649</u>
Cash Flows From Financing Activities		
Dividend paid	(4,576)	-
Net cash from/(used in) financing activities	<u>(4,576)</u>	<u>-</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(472,429)	(78,641)
Cash and Cash Equivalents at Beginning of Financial Year	2,511,864	1,871,430
Cash and Cash Equivalents Carried Forward	<u>2,039,435</u>	<u>1,792,789</u>

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

Notes To The Unaudited Financial Statements For The Financial Period Ended 31 December 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 31 December 2009, HLISB posted a pre-tax profit of RM 62 million improved by 24% year-on-year. Earning per share was 9.36 sen compared with 7.58 sen for the corresponding period last year.

The balance sheet net financing continued to grow to RM 3.9 billion versus RM 3.8 million as of June 2009. Deposit from customers stood at RM 7.2 billion, with the mix of individual depositors at 23%, improving from 20%.

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 2nd quarter ended 31 December 2009.

	Financial Period Ended 31-Dec-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	299,401	297,274
Money at call and deposit placements maturing within one month	1,740,034	2,214,590
	<u>2,039,435</u>	<u>2,511,864</u>
10 Deposits and placements with banks and other financial institutions		
Licensed Islamic banks	127,440	125,167
Other financial institutions	100,000	-
	<u>227,440</u>	<u>125,167</u>
11 Securities		
(i) Securities Held-for-trading		
BNM bills	434,425	843,087
Malaysian Government treasury bills	429,619	148,177
Malaysian Government investment certificates	200,033	136,143
Negotiable Islamic Debt Certificates	259,388	493,270
Bankers' acceptance and Islamic accepted bills	411,527	376,045
Khazanah bonds	32,975	14,922
Cagamas Bonds	20,017	-
Sukuk BNM Ijarah	40,007	-
	<u>1,827,991</u>	<u>2,011,644</u>
(ii) Securities Available-for-sale		
Cagamas bonds	25,406	35,428
Khazanah bonds	-	9,948
Malaysia Government investment certificates	447,855	422,001
	<u>473,261</u>	<u>467,377</u>
(iii) Securities Held-to-maturity		
Malaysia Government investment certificates	395,695	60,208
Unquoted securities		
Shares	575	575
Private and Islamic debt securities	65,725	65,840
	<u>461,995</u>	<u>126,623</u>

	Financial Period Ended 31-Dec-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
12 Financing and advances		
(i) By type		
Cashline	6,261	5,421
Term financing		
- House financing	3,902,933	3,562,624
- Hire purchase receivables	2,490,149	2,545,281
- Lease receivables	14,082	16,357
- Other term financing	431,821	348,544
Claims on customers under acceptance credits	42,102	46,206
Staff financing	11	18
Others	544	623
	<u>6,887,903</u>	<u>6,525,074</u>
Less: Unearned income	(2,880,173)	(2,605,681)
Gross financing and advances	4,007,730	3,919,393
Less : Allowance for bad and doubtful financing		
- General	(68,197)	(73,486)
- Specific	(27,475)	(21,027)
Total net financing and advances	<u>3,912,058</u>	<u>3,824,880</u>
(ii) By contract		
Bai' Bithaman Ajil	1,754,496	1,602,357
Ijarah	13,822	15,895
Ijarah Muntahia Bittamlik/AITAB	2,197,310	2,254,935
Murabahah	42,102	46,206
Gross financing and advances	<u>4,007,730</u>	<u>3,919,393</u>
(iii) By type of customer		
Domestic non-bank financial institutions		
- Others than stockbroking companies	4,663	21,026
Domestic business enterprises		
- Small medium enterprise	232,233	230,386
- Others	526,171	499,675
Government and statutory body	41	47
Individuals	3,187,480	3,112,613
Other domestic entities	1,309	1,244
Foreign entities	55,833	54,402
Gross financing and advances	<u>4,007,730</u>	<u>3,919,393</u>
(iv) By profit rate sensitivity		
Fixed rate		
- House financing	321,693	406,862
- Hire purchase receivables	2,190,829	2,249,514
- Others fixed rate financing	98,176	128,160
Variable rate		
- Others	1,397,032	1,134,857
Gross financing and advances	<u>4,007,730</u>	<u>3,919,393</u>

	Financial Period Ended 31-Dec-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
(v) By economic purpose		
Securities	328	345
Transport Vehicles	2,077,856	2,125,401
Purchase of landed property:		
- Residential	1,228,908	1,122,005
- Non-residential	185,952	192,233
Personal Use	63,723	58,542
Consumer Durables	-	-
Construction	31,894	30,217
Working Capital	414,307	390,636
Other Purposes	4,762	14
	4,007,730	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	109,879	204,631
Reclassified as performing	(96,476)	(166,739)
Amount recovered	(13,722)	(24,237)
Amount written off	(165)	(13,149)
As at end of the year	45,776	46,260
Less: Specific allowance	(27,475)	(21,027)
Net non-performing and financing	18,301	25,233
Ratio of net non-performing financing and advances to total net financing and advances	0.5%	0.6%

	Financial Period Ended 31-Dec-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	(5,289)	-
As at end of the year	<u>68,197</u>	<u>73,486</u>
As % of gross financing and advances less specific allowance	<u>1.7%</u>	<u>1.9%</u>
Specific allowance		
As at beginning of the year	21,027	24,734
Allowance made during the Year	10,365	15,949
Allowance recovered	(3,752)	(6,507)
Amount written off	(165)	(13,149)
As at end of the year	<u>27,475</u>	<u>21,027</u>
(iii) Non-performing financing and advances		
By economic purpose		
Securities	220	220
Transport Vehicles	24,453	21,379
Purchase of landed property:		
- Residential	16,079	18,889
- Non-residential	1,029	612
Personal Use	256	440
Construction	221	422
Working Capital	3,518	4,298
	<u>45,776</u>	<u>46,260</u>

	Financial Period Ended 31-Dec-09 RM'000	Financial Year Ended 30-Jun-09 RM'000
14 Deposits from customer		
(i) By type of deposit		
Non-Mudharabah		
Demand deposits	420,318	375,930
Savings deposits	627,466	580,875
Negotiable islamic debt certificate	182,045	1,215,890
	<u>1,229,829</u>	<u>2,172,695</u>
Mudharabah		
Savings deposits	617,976	569,063
General investment deposits	2,150,742	1,864,865
Special investment deposits	3,172,819	3,373,275
	<u>5,941,537</u>	<u>5,807,203</u>
	<u>7,171,366</u>	<u>7,979,898</u>
(ii) By type of customer		
Government and statutory bodies	208,524	164,241
Business enterprise	5,168,502	6,117,757
Individuals	1,673,282	1,583,204
Others	121,058	114,696
	<u>7,171,366</u>	<u>7,979,898</u>
15 Deposits and placements of banks and other financial institutions		
Mudharabah		
Licensed islamic banks	142,989	30,000
Licensed commercial banks	358,263	-
Licensed investment banks	21,000	-
Other financial institutions	171,160	-
	<u>693,412</u>	<u>30,000</u>
16 Other Liabilities		
Amount due to holding company	245,917	263,679
Profit equalisation reserves	49	4,691
Provision for zakat	80	55
Profit payable	38,931	32,681
Others	62,177	65,398
	<u>347,154</u>	<u>366,504</u>

	2 nd Quarter		Cumulative 6 Months	
	Current Quarter Ended 31-Dec-09 RM'000	Corresponding Quarter Ended 31-Dec-08 RM'000	Current Period Ended 31-Dec-09 RM'000	Corresponding Period Ended 31-Dec-08 RM'000

17 Income derived from investment of depositors' funds and others

Income derived from investment of :

- General investment deposits	48,994	47,196	97,784	120,012
- Other deposits	24,500	43,201	48,893	64,006
	73,494	90,397	146,677	184,018

(i) Income derived from investment of general investment deposits

Finance income and hibah

Financing, advances and other financing	31,488	28,575	62,839	70,172
Securities Held-for-trading	1,548	284	2,676	546
Securities Available- for-sale	2,478	1,074	4,829	5,539
Securities Held-to-maturity	2,711	695	3,770	1,671
Money at call and deposit with financial institutions	4,412	7,147	10,405	23,523
	42,637	37,775	84,519	101,451

Amortisation of premium less accretion of discount	5,868	7,325	11,205	12,958
Total finance income and hibah	48,505	45,100	95,724	114,409

Other operating income

Gain/(loss) from sale of held-for-trading securities	402	90	710	1,705
Gain/(loss) from sale of available-for-sale securities	524	1,968	1,220	3,683
Unrealised gain/(loss) on revaluation of held-for-trading securities	(437)	38	130	215
	489	2,096	2,060	5,603
	48,994	47,196	97,784	120,012

(ii) Income derived from investment of other deposits

Finance income and hibah

Financing, advances and other financing	15,745	25,540	31,420	37,425
Securities Held-for-trading	774	216	1,338	291
Securities Available- for-sale	1,239	1,678	2,414	2,954
Securities Held-to-maturity	1,355	612	1,885	891
Money at call and deposit with financial institutions	2,207	7,867	5,203	12,546
	21,320	35,913	42,260	54,107

Amortisation of premium less accretion of discount	2,935	5,302	5,603	6,911
Total finance income and hibah	24,255	41,215	47,863	61,018

Other operating income

Gain/(loss) from sale of held-for-trading securities	201	448	355	909
Gain/(loss) from sale of available-for-sale securities	262	1,474	610	1,964
Unrealised gain/(loss) on revaluation of held-for-trading securities	(218)	64	65	115
	245	1,986	1,030	2,988
	24,500	43,201	48,893	64,006

	2nd Quarter		Cumulative 6 Months	
	Current Quarter Ended 31-Dec-09 RM'000	Corresponding Quarter Ended 31-Dec-08 RM'000	Current Period Ended 31-Dec-09 RM'000	Corresponding Period Ended 31-Dec-08 RM'000
18 Income derived from investment of shareholders' fund				
Finance income and hibah				
Financing, advances and other financing	5,248	3,414	10,473	9,356
Securities Held-for-trading	258	37	447	74
Securities Available- for-sale	413	100	805	738
Securities Held-to-maturity	452	84	628	223
Money at call and deposit with financial institutions	735	797	1,734	3,136
	<u>7,106</u>	<u>4,432</u>	<u>14,087</u>	<u>13,527</u>
Amortisation of premium less accretion of discount	978	922	1,868	1,727
Total finance income and hibah	<u>8,084</u>	<u>5,354</u>	<u>15,955</u>	<u>15,254</u>
Other operating income				
Fee and commission				
- Commission	225	264	462	559
- Service Charges & fees	47	311	145	669
- Guarantee fees	5	1	65	375
- Other fees income	2,079	1,283	2,726	1,946
Gain/(loss) from sale of held-for-trading securities	66	(3)	118	228
Gain/(loss) from sale of available-for-sale securities	88	246	204	491
Unrealised gain/(loss) on revaluation of held-for-trading securities	(74)	3	21	28
Others	273	8	487	-
	<u>2,709</u>	<u>2,113</u>	<u>4,228</u>	<u>4,296</u>
	<u>10,793</u>	<u>7,467</u>	<u>20,183</u>	<u>19,550</u>
19 Allowance for losses on financing				
Allowance for bad and doubtful financing				
(a) Specific allowance				
- Made during the financial Year	5,182	3,988	10,365	7,442
- Written back	(1,581)	(1,743)	(3,752)	(3,122)
(b) General allowance				
- Written back	(5,200)	(1,599)	(5,289)	(2,794)
Bad debts on financing				
- Recovered	(1,196)	(813)	(2,039)	(1,587)
- Written off	160	113	224	206
	<u>(2,635)</u>	<u>(54)</u>	<u>(491)</u>	<u>145</u>
20 Income attributable to the depositors				
Deposits from customers				
- Mudharabah	31,120	43,564	60,830	89,688
- Non-Mudharabah	3,579	7,238	9,716	17,047
Deposits and placements of banks and other financial institutions				
- Mudharabah	3,240	1,671	4,988	3,808
	<u>37,939</u>	<u>52,473</u>	<u>75,534</u>	<u>110,543</u>

	Financial Period Ended 31-Dec-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	114,632	119,207
Other reserves	119,209	119,209
	<u>733,841</u>	<u>738,416</u>
Less: Deferred tax assets	(18,932)	(18,932)
Total Tier I capital	<u>714,909</u>	<u>719,484</u>
Tier II capital		
General allowance for bad and doubtful financing	68,197	73,486
Total Tier II capital	<u>68,197</u>	<u>73,486</u>
Capital base	<u>783,106</u>	<u>792,970</u>
Core capital ratio	19.85%	20.86%
Risk-weighted capital ratio	21.74%	22.99%

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.

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			
1 CREDIT RISK				
<i>On Balance Sheet Exposures</i>				
Sovereigns/Central Banks	2,707,386	2,707,386	-	1
Public Sector Entities	47	47	9	
Banks, Development Financial Institutions & MDBs	528,182	528,182	129,671	10,374
Insurance Companies, Securities Firms & Fund Managers	5,087	5,087	5,087	407
Corporates	572,535	571,640	543,121	43,450
Regulatory Retail	2,509,100	2,506,900	1,880,176	150,414
Residential Mortgages	815,838	815,800	319,770	25,582
Higher Risk Assets	912	912	1,369	110
Other Assets	4,626	4,626	5,312	425
Defaulted Exposures	41,157	41,157	54,217	4,337
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				
Foreign Currency Risk	2,011,644		117,842	9,427
TOTAL MARKET RISK	68,793		68,793	5,503
OPERATIONAL RISK				
Operational Risk	2,080,437		186,635	14,930
TOTAL RWA AND CAPITAL REQUIREMENT			323,475	25,878
			3,449,699	275,976

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 31 December 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 FDIs		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	RM'000			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
0%	2,442,171	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	-	41	-	-	599,389	-	-	-	25,773	-	-	-	-	-	-	-	-	-	-	-	-	-	-	625,203
35%	-	-	-	-	-	-	-	-	-	41	-	-	693,685	-	-	-	-	-	-	-	-	-	-	693,685
50%	-	-	-	-	188,763	-	-	-	-	-	259	226,093	-	-	-	-	-	-	-	-	-	-	-	415,157
75%	-	-	-	-	-	-	-	-	-	-	2,472,693	-	-	-	-	-	-	-	-	-	-	-	-	2,472,693
90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	5,082	534,971	-	1,766	7,411	-	-	-	-	2,402	-	-	-	-	-	-	551,631
110%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	2,759	-	37,389	-	-	-	-	1,055	-	-	-	-	-	-	-	41,203
Total Exposures	2,442,171	41	788,152	5,082	563,544	2,512,107	927,189	1,055	2,346	-	7,241,687	3,043,364												

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

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 Risk Weighted Assets RM'000												
	Sovereigns & Central Banks		PSEs		Banks, MDBs and FDIs		Insurance Companies, Securities Firms & Fund Managers		Corporates		Regulatory Retail		Residential Mortgages		Higher Risk Assets		Other Assets		Equity Exposures		Total Exposures after Netting & Credit Risk Mitigation			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000	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	230,068	-	-	-	-	-	-	-	-	-	-	-	155,269
75%	-	-	-	-	-	-	-	-	-	-	2,506,900	-	-	-	-	-	-	-	-	-	-	-	-	1,880,175
90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	-	-	-	-	5,087	536,892	-	2,018	8,684	-	-	-	-	5,312	-	-	-	-	-	-	557,993
110%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	2,364	-	25,848	-	-	-	-	-	-	-	-	-	-	-	-	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
31-Dec-09

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Certain transaction-related contingent items	917	459	459
Short-term self-liquidating trade-related contingencies	772	154	154
Any commitments that are unconditionally cancellable at any time by the bank without prior notice	1,272,008	-	-
	<u>1,273,697</u>	<u>613</u>	<u>613</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>

31 December 2009	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	
Assets						
Cash and short term funds	1,740,034	-	-	-	-	2,039,435
Deposits & placement with bank & other financial institutions	-	100,000	-	127,440	-	227,440
Securities Held-for-trading	-	-	-	-	1,827,991	1,827,991
Securities Available-for-sale	-	-	40,551	432,710	-	473,261
Securities Held-for-maturity	-	-	-	461,420	-	461,995
Financing and advances	1,346,422	9,005	84,111	1,316,124	1,206,292	3,894,068
- performing *	-	-	-	-	-	17,990
- non-performing *	-	-	-	-	-	80,098
Total assets	3,086,456	109,005	124,662	2,337,894	1,206,292	9,022,278
Liabilities						
Deposits from customers	5,190,688	641,242	1,202,130	137,306	-	7,171,366
Deposits & placement of bank & other financial institutions	491,509	100,000	-	101,903	-	693,412
Bills and acceptance payable	-	-	-	-	-	15,772
Other liabilities	-	-	-	-	-	360,118
Total liabilities	5,682,197	741,242	1,202,130	239,209	-	8,240,668
Shareholder's funds	-	-	-	-	-	781,610
Total liabilities and shareholder's funds	5,682,197	741,242	1,202,130	239,209	-	9,022,278
On-balance sheet profit sensitivity gap	(2,595,741)	(632,237)	(1,077,468)	2,098,485	1,206,292	-
Total profit sensitivity gap	(2,595,741)	(632,237)	(1,077,468)	2,098,485	1,206,292	-

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

30 June 2009	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	
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 *	-	-	-	-	-	24,754
- non-performing *	-	-	-	-	-	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
Other liabilities	-	-	-	-	-	375,898
Total liabilities	6,108,402	875,950	871,695	153,851	-	8,401,929
Shareholder's funds	-	-	-	-	-	740,031
Total liabilities and shareholder's funds	6,108,402	875,950	871,695	153,851	-	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.

24 a) 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.

b) Connected Parties (CP) Exposures as at 31 December 2009

	RM'000
Outstanding credit exposures with connected parties	1,581
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	0.04%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	0.00%

The connected parties exposure are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transaction and Exposures with Connected Parties.