



**Standard Chartered Bank
Malaysia Berhad**
(Company No. 115793P)
(Incorporated in Malaysia)
and its subsidiaries

**Financial statements for the nine months
ended 30 September 2009**

Domiciled in Malaysia
Principal place of business
Level 16, Menara Standard Chartered
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2009

	Note	Group		Bank	
		30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Assets					
Cash and short term funds		9,435,155	4,124,252	8,805,248	1,918,776
Deposits and placements with banks and other financial institutions		2,233,072	985,270	2,422,104	985,000
Securities purchased under resale agreements		51,371	3,495,149	51,371	3,495,149
Securities held for trading	11	2,671,309	3,676,856	2,671,309	3,676,856
Securities available-for-sale	12	4,760,212	6,704,281	4,574,285	6,462,209
Loans, advances and financing	13	21,810,519	20,579,280	20,000,629	19,211,240
Other receivables	15	2,764,968	3,827,602	2,953,493	3,766,578
Prepaid lease payments		1,131	1,149	1,131	1,149
Statutory deposits with Bank Negara Malaysia	16	18,040	500,000	5,000	446,000
Investments in subsidiaries		-	-	300,022	200,022
Property, plant and equipment		52,594	59,375	52,594	59,375
Deferred tax assets		94,868	102,304	86,666	95,347
Total assets		43,893,239	44,055,518	41,923,852	40,317,701
Liabilities					
Deposits from customers	17	33,618,545	33,010,073	31,674,805	28,586,783
Deposits and placements of banks and other financial institutions	18	3,363,013	3,292,897	3,221,673	3,245,719
Bills and acceptances payable		16,754	135,181	16,754	106,239
Recourse obligations on loans sold to Cagamas		141,333	161,898	141,333	161,898
Other payables	19	3,551,379	4,412,329	3,694,600	5,183,859
Tax payable		5,543	52,774	1,444	51,201
Subordinated debts		893,038	900,058	893,038	900,058
Total liabilities		41,589,605	41,965,210	39,643,647	38,235,757
Equity					
Share capital		125,000	125,000	125,000	125,000
Reserves		2,178,634	1,965,308	2,155,205	1,956,944
Total equity attributable to equity holder of the Bank	20	2,303,634	2,090,308	2,280,205	2,081,944
Total liabilities and equity		43,893,239	44,055,518	41,923,852	40,317,701
Commitments and contingencies	27	157,376,478	201,688,112	157,131,875	201,382,959
CAPITAL ADEQUACY					
Core capital ratio	28	9.96%	8.30%	10.60%	8.76%
Risk-weighted capital ratio	28	15.46%	13.51%	14.88%	13.24%

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008.

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

	Note	Group			
		3rd Quarter ended 30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Interest income	21	311,964	438,079	990,982	1,288,577
Interest expense	22	(157,120)	(235,142)	(483,643)	(691,441)
Net interest income		<u>154,844</u>	<u>202,937</u>	<u>507,339</u>	<u>597,136</u>
Net income from Islamic Banking operations	23	38,489	19,134	104,727	53,613
		<u>193,333</u>	<u>222,071</u>	<u>612,066</u>	<u>650,749</u>
Other operating income	24	190,074	142,215	460,298	635,805
Total net income		<u>383,407</u>	<u>364,286</u>	<u>1,072,364</u>	<u>1,286,554</u>
Other operating expenses	25	(158,092)	(167,035)	(515,296)	(505,715)
Operating profit		<u>225,315</u>	<u>197,251</u>	<u>557,068</u>	<u>780,839</u>
Allowance for bad and doubtful debts and financing	26	(72,606)	(44,281)	(145,136)	(104,699)
Profit before taxation		<u>152,709</u>	<u>152,970</u>	<u>411,932</u>	<u>676,140</u>
Tax expense		(44,889)	(55,914)	(118,039)	(186,163)
Profit for the period		<u><u>107,820</u></u>	<u><u>97,056</u></u>	<u><u>293,893</u></u>	<u><u>489,977</u></u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2009

	Note	Bank			
		3rd Quarter ended 30 September		Nine months ended 30 September	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
Interest income	21	318,572	438,079	1,008,133	1,288,577
Interest expense	22	(157,120)	(235,142)	(483,643)	(691,441)
Net interest income		<u>161,452</u>	<u>202,937</u>	<u>524,490</u>	<u>597,136</u>
Net income from Islamic Banking operations	23	-	19,134	-	53,613
		<u>161,452</u>	<u>222,071</u>	<u>524,490</u>	<u>650,749</u>
Other operating income	24	190,074	142,215	460,298	635,805
Total net income		<u>351,526</u>	<u>364,286</u>	<u>984,788</u>	<u>1,286,554</u>
Other operating expenses	25	(145,878)	(167,035)	(479,540)	(505,715)
Operating profit		<u>205,648</u>	<u>197,251</u>	<u>505,248</u>	<u>780,839</u>
Allowance for bad and doubtful debts and financing	26	(59,614)	(44,281)	(111,525)	(104,699)
Profit before taxation		<u>146,034</u>	<u>152,970</u>	<u>393,723</u>	<u>676,140</u>
Tax expense		(43,195)	(55,914)	(113,402)	(186,163)
Profit for the period		<u><u>102,839</u></u>	<u><u>97,056</u></u>	<u><u>280,321</u></u>	<u><u>489,977</u></u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF RECOGNISED INCOME AND EXPENSE
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

	Note	Group		Bank	
		30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Unrealised gain on revaluation of securities available-for-sale		21,765	9,597	19,540	9,597
Realised gain from disposal of securities available-for-sale transferred to income statements		(24,023)	(8,850)	(23,790)	(8,850)
Unrealised loss on cash flow hedge		(3,986)	(29,805)	(3,986)	(29,805)
Realised (gain)/loss on cash flow hedge transferred to income statements		(1,178)	12,289	(1,178)	12,289
Tax effect on income and expense recognised directly in equity		1,855	4,204	2,354	4,204
Income and expense recognised directly in equity	20	(5,567)	(12,565)	(7,060)	(12,565)
Profit for the period		293,893	489,977	280,321	489,977
Total recognised income and expense for the period attributable to equity holder of the Bank		<u>288,326</u>	<u>477,412</u>	<u>273,261</u>	<u>477,412</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

	Group		Bank	
	30 September 2009 RM'000	30 September 2008 RM'000	30 September 2009 RM'000	30 September 2008 RM'000
Profit before taxation	411,932	676,140	393,723	676,140
Adjustment for non-operating items	-	2,059	-	2,059
Adjustment for non-cash items	(11,944)	2,990	(11,302)	2,990
Operating profit before working capital changes	399,988	681,189	382,421	681,189
Changes in working capital:-				
Net changes in operating assets	3,509,712	(5,695,027)	3,471,750	(5,695,027)
Net changes in operating liabilities	(328,370)	2,630,606	1,457,647	2,630,606
Income taxes paid	(154,813)	(153,130)	(152,125)	(153,130)
Net cash generated from/(used in) operating activities	3,426,517	(2,536,362)	5,159,693	(2,536,362)
Net cash generated from/(used in) investing activities	1,959,386	(386,279)	1,801,779	(386,279)
Net cash used in financing activities	(75,000)	(380,800)	(75,000)	(380,800)
Net increase/(decrease) in cash and cash equivalents	5,310,903	(3,303,441)	6,886,472	(3,303,441)
Cash and cash equivalent at beginning of the period	4,124,252	14,819,024	1,918,776	14,819,024
Cash and cash equivalent at end of the period	<u>9,435,155</u>	<u>11,515,583</u>	<u>8,805,248</u>	<u>11,515,583</u>

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2008.

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REVIEW OF PERFORMANCE

The Group's profit before taxation for the financial nine months ended 30 September 2009 was RM 411.93 million, which is RM 264.21 million or 39.08% lower than the corresponding period last year. Net interest income declined by 15.04% to RM 507.34 million while other operating income (including income from Islamic Banking operations) decreased by RM 124.39 million to RM 565.03 million. Allowance for bad and doubtful debts was higher by RM 40.44 million while overheads increased by RM 9.58 million. Total assets registered a decrease of RM 0.16 billion or 0.37% to RM 43.89 billion compared to the last financial year ended 31 December 2008. The Group's core capital ratio and risk-weighted capital ratio remained strong at 9.96% and 15.46% respectively.

PROSPECTS

The Bank will continue to grow its business in Malaysia in support of a focused strategic agenda to achieve the Standard Chartered PLC's ambition to be the best international bank, leading the way in Asia, Africa and the Middle East. Over the past few years, the Bank has built significant momentum to lead the way in product innovation, service, performance culture, corporate governance and enhancing shareholder value. The strategic agenda for 2009 is set out below:-

- Deliver superior financial performance, in line with the market
- Continuously improve the way we work, to make things simpler, faster and better
- Massively multiply our leadership capability, attracting and retaining more talent and turning managers into true leaders
- Reinforce the brand, making it even more powerful and well-known across our footprint
- Building our Saadiq brand name to grow our Islamic Banking business

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Notes to the financial statements for the financial nine months ended 30 September 2009

1. Basis of preparation of the financial statements

The unaudited condensed interim financial statements for the third quarter and the financial nine months ended 30 September 2009 have been prepared in accordance with FRS 134, Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB") and Bank Negara Malaysia guidelines.

The financial statements incorporate those activities relating to Islamic Banking which have been undertaken by the Group. Islamic Banking refers generally to the acceptance of deposits and granting of financing under the Shariah principles.

The accounting policies and methods of computation in the unaudited condensed interim financial statements are consistent with those adopted in the last audited financial statements.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2008. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2008.

2. Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2008 was not qualified.

3. Seasonal or cyclical factors

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

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the third quarter and the financial nine months ended 30 September 2009.

5. Changes in accounting estimates

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements in the third quarter and the financial nine months ended 30 September 2009.

6. Issuances, cancellations, repurchases, resale and repayments of securities portfolio

There were no issuance and repayment of debt and equity securities, share-buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the financial nine months ended 30 September 2009.

7. Dividend

During the financial nine months ended 30 September 2009, a final dividend (gross) of 80 sen per share, less income tax, amounting to RM 75,000,000 in respect of the financial year ended 31 December 2008 were paid on 30 March 2009.

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8. Carrying amount of revalued assets

The Group's and the Bank's property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The valuations of certain land and buildings of the Group and the Bank have been brought forward without amendment from the previous audited annual financial statements for the financial year ended 31 December 2008.

9. Subsequent events

There were no material events subsequent to the balance sheet date that requires disclosure or adjustments to the unaudited condensed interim financial statements.

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group in the financial nine months ended 30 September 2009.

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11. Securities held for trading

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
<u>At fair value</u>				
Malaysian Government treasury bills	222,111	9,213	222,111	9,213
Malaysian Government bonds/securities	1,038,491	2,469,909	1,038,491	2,469,909
Government Islamic bonds	4,532	120,294	4,532	120,294
Khazanah Islamic bonds	-	12,678	-	12,678
Bank Negara Malaysia bills	805,817	322,271	805,817	322,271
Cagamas bonds	-	38,800	-	38,800
Private debt securities	600,358	703,691	600,358	703,691
	<u>2,671,309</u>	<u>3,676,856</u>	<u>2,671,309</u>	<u>3,676,856</u>

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12. Securities available-for-sale

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
<u>At fair value</u>				
Malaysian Government bonds/ securities *	2,473,352	2,966,216	2,473,352	2,966,216
Bank Negara Malaysia bills	-	1,398,304	-	1,398,304
Cagamas bonds	65,248	64,478	-	-
Bankers' acceptances and Islamic acceptance bills	316,649	-	316,649	-
Negotiable instruments of deposit	1,785,097	2,095,095	1,750,107	2,050,100
Government Islamic bonds	25,175	25,138	-	-
Private debt securities	60,514	107,461	-	-
Equity shares	-	16,211	-	16,211
	<u>4,726,035</u>	<u>6,672,903</u>	<u>4,540,108</u>	<u>6,430,831</u>
Unquoted securities:-				
Equity shares	9,739	9,098	9,739	9,098
Private debt securities	24,438	22,280	24,438	22,280
	<u>4,760,212</u>	<u>6,704,281</u>	<u>4,574,285</u>	<u>6,462,209</u>

Included in unquoted equity shares are 51% shareholdings held in Popular Ambience Sdn. Bhd. ("PASB") and Resolution Alliance Sdn Bhd ("RASB"), amounting to RM 51 each. Both companies are incorporated in Malaysia. The remaining 49% shareholdings of PASB are held by Standard Chartered Bank (Hong Kong) Limited ("SCBHK"), while that of RASB are held by SCBHK (40%) and an unrelated third party (9%). The principal activities of PASB and RASB are that of special purpose vehicles established to undertake the purchase of non-performing loans.

In accordance with paragraphs 12 and 13 of FRS 127, Consolidated and Separate Financial Statements, consolidated financial statements shall include the financial statements of all subsidiaries of the parent where control exists.

The shareholders of PASB and RASB have signed separate Master Shareholders' Agreements in which the Bank had assigned to SCBHK its rights over all the profits or losses of PASB and RASB and the entitlement to appoint Directors of PASB and RASB. Pursuant to these Master Shareholders' Agreements, the Bank therefore ceased to have control over PASB and RASB as it does not have the ability to exercise its power to govern the financial and operating policies of PASB and RASB so as to obtain benefits from its activities. On this basis, PASB and RASB are excluded from the Group's consolidation and they are classified under securities available-for-sale.

* Included in Malaysian Government bonds/securities are Malaysian Government Securities of the Group and the Bank amounting to RM 130 million (2008: nil) being utilised to meet Statutory Reserve Requirement (Note 16).

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13. Loans, advances and financing**(i) By type**

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Overdrafts	688,460	754,040	688,460	754,040
Term loans/financing				
- Housing loans/financing	10,920,533	10,541,370	10,649,750	10,300,314
- Syndicated term loan/financing	21,764	94,888	82,709	94,888
- Hire purchase receivables	82,709	-	-	-
- Lease receivables	146,447	20,142	-	-
- Other term loans/financing	5,263,972	4,115,714	3,970,045	3,081,317
Bills receivable	3,133,612	2,981,597	3,051,849	2,947,728
Trust receipts	3,471	1,798	-	-
Claims on customers under acceptance credits	-	135,441	-	106,422
Staff loans/financing (of which loans to Directors - Nil for 2009 and 2008)	79,957	90,892	76,387	87,862
Loans/financing to banks and other financial institutions	12,916	87,588	12,916	87,588
Credit card receivables	1,271,594	1,331,373	1,271,594	1,331,373
Revolving credit	1,245,836	1,386,127	723,991	925,873
	<u>22,871,271</u>	<u>21,540,970</u>	<u>20,527,701</u>	<u>19,717,405</u>
Less: Unearned interest and income	<u>(514,736)</u>	<u>(442,672)</u>	<u>(9,222)</u>	<u>(8,877)</u>
Gross loans, advances and financing	22,356,535	21,098,298	20,518,479	19,708,528
Less: Allowance for bad and doubtful debts and financing:-				
- Specific	(213,085)	(203,747)	(211,960)	(202,898)
- General	<u>(332,931)</u>	<u>(315,271)</u>	<u>(305,890)</u>	<u>(294,390)</u>
Total net loans, advances and financing	<u>21,810,519</u>	<u>20,579,280</u>	<u>20,000,629</u>	<u>19,211,240</u>

(ii) By type of customer

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Domestic banking institutions	12,916	87,588	12,916	87,588
Domestic non-bank financial institutions	664,125	509,289	437,988	431,189
<i>Stockbroking companies</i>	-	-	-	-
<i>Others</i>	<u>664,125</u>	<u>509,289</u>	<u>437,988</u>	<u>431,189</u>
Domestic business enterprises	5,961,123	5,858,238	5,270,128	5,284,095
<i>Small medium enterprises</i>	<u>2,070,145</u>	<u>1,767,803</u>	<u>1,960,258</u>	<u>1,685,032</u>
<i>Others</i>	<u>3,890,978</u>	<u>4,090,435</u>	<u>3,309,870</u>	<u>3,599,063</u>
Individuals	14,397,819	14,094,423	13,488,361	13,362,560
Other domestic entities	475	488	475	488
Foreign entities	<u>1,320,077</u>	<u>548,272</u>	<u>1,308,611</u>	<u>542,608</u>
	<u>22,356,535</u>	<u>21,098,298</u>	<u>20,518,479</u>	<u>19,708,528</u>

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13. Loans, advances and financing (continued)**(iii) By interest/profit rate sensitivity**

	Group		Bank	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
Housing loans/financing	64,137	72,375	58,591	66,356
Other fixed rate loan/financing	2,512,835	2,168,588	1,567,285	1,454,366
Variable rate				
BLR plus	13,754,104	13,196,538	13,508,326	12,984,171
Cost plus	5,176,562	4,759,664	4,659,412	4,302,502
Other variable rates	848,897	901,133	724,865	901,133
	<u>22,356,535</u>	<u>21,098,298</u>	<u>20,518,479</u>	<u>19,708,528</u>

(iv) By sector

	Group		Bank	
	30 September 2009	31 December 2008	30 September 2009	31 December 2008
	RM'000	RM'000	RM'000	RM'000
Agriculture	184,488	112,933	163,876	112,912
Mining and quarrying	14,993	11,202	13,257	8,202
Manufacturing	2,101,291	2,263,379	2,056,041	2,213,432
Electricity, gas and water	2,120	87,002	2,120	87,002
Construction	328,652	239,021	251,428	232,538
Real estate	177,722	120,903	85,309	59,221
Purchase of landed property	12,634,158	12,256,962	12,462,651	12,094,021
- Residential	<u>10,901,031</u>	<u>10,566,523</u>	<u>10,774,894</u>	<u>10,452,946</u>
- Non-residential	<u>1,733,127</u>	<u>1,690,439</u>	<u>1,687,757</u>	<u>1,641,075</u>
Wholesale & retail trade and restaurants & hotels	2,028,559	2,030,047	1,798,482	1,730,836
Transport, storage and communication	253,565	159,769	75,510	73,365
Finance, insurance and business services	1,032,784	915,394	780,945	811,019
Consumption credit	2,767,775	2,784,746	2,018,348	2,210,150
Others	830,428	116,940	810,512	75,830
	<u>22,356,535</u>	<u>21,098,298</u>	<u>20,518,479</u>	<u>19,708,528</u>

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14. Non-performing loans/financing (NPL/NPF)**(i) Movements in the non-performing loans, advances and financing**

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
At 1 January	552,325	556,673	543,071	556,673
Classified as non-performing during the financial period	515,564	430,454	479,959	421,301
Reclassified as performing during the financial period	(349,868)	(247,726)	(348,858)	(247,539)
Amount recovered during the financial period	(76,903)	(33,011)	(74,537)	(32,862)
Amount written off	(159,555)	(154,065)	(132,397)	(148,837)
Amount vested over to Standard Chartered Saadiq Berhad ("Saadiq")	-	-	-	(5,665)
At end of reporting period	<u>481,563</u>	<u>552,325</u>	<u>467,238</u>	<u>543,071</u>
Specific allowance	<u>(213,085)</u>	<u>(203,747)</u>	<u>(211,960)</u>	<u>(202,898)</u>
Net non-performing loans, advances and financing	<u><u>268,478</u></u>	<u><u>348,578</u></u>	<u><u>255,278</u></u>	<u><u>340,173</u></u>
Ratio of net non-performing loans, advances and financing to net loans, advances and financing	<u>1.21%</u>	<u>1.67%</u>	<u>1.26%</u>	<u>1.74%</u>

(ii) Movements in allowance for bad and doubtful debts

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
General Allowance				
At 1 January	315,271	300,421	294,390	300,421
Allowance made during the financial period	31,810	14,850	25,500	14,000
Amount written back	(14,150)	-	(14,000)	-
Amount vested over to Saadiq	-	-	-	(20,031)
At end of reporting period	<u>332,931</u>	<u>315,271</u>	<u>305,890</u>	<u>294,390</u>
As a percentage of gross loans, advances and financing less specific allowance	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>
Specific Allowance				
At 1 January	203,747	197,418	202,898	197,418
Allowance made during the financial period	197,209	201,730	169,561	196,688
Amount written back in respect of recoveries	(80,242)	(105,047)	(80,045)	(104,975)
Amount written off	(107,629)	(90,354)	(80,454)	(85,392)
Amount vested over to Saadiq	-	-	-	(841)
At end of reporting period	<u>213,085</u>	<u>203,747</u>	<u>211,960</u>	<u>202,898</u>

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14. Non-performing loans/financing (NPL/NPF) (continued)**(iii) NPL/NPF by sector**

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Agriculture	15,617	-	15,617	-
Mining and quarrying	500	500	500	500
Manufacturing	101,855	59,342	101,855	59,342
Construction	56,043	4,259	56,043	4,259
Real estate	189	795	189	795
Purchase of landed property	251,094	377,311	247,274	374,440
- Residential	232,256	365,496	228,436	362,625
- Non-residential	18,838	11,815	18,838	11,815
Wholesale & retail trade and restaurants & hotels	14,995	16,294	14,995	16,294
Transport, storage and communication	27	40	27	40
Finance, insurance and business services	7,533	9,863	7,533	9,863
Consumption credit	33,198	47,611	22,693	41,228
Others	512	36,310	512	36,310
	<u>481,563</u>	<u>552,325</u>	<u>467,238</u>	<u>543,071</u>

15. Other receivables

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Derivatives	2,423,813	3,461,287	2,427,676	3,458,686
Interest/Income receivables	82,793	191,205	89,060	190,156
Other receivables, deposits and prepayments	258,362	175,110	436,757	117,736
	<u>2,764,968</u>	<u>3,827,602</u>	<u>2,953,493</u>	<u>3,766,578</u>

16. Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act 1958 (revised 1994) to satisfy the Statutory Reserve Requirement ("SRR"); the amounts of which are determined as set percentages of total eligible liabilities.

In accordance with BNM's circular titled "Regulatory Treatment related to the Statutory Reserve Requirement Incentive for Principal Dealers and Islamic Principal Dealers" issued on 10 July 2009, the Bank being the principal dealer appointed by Bank Negara Malaysia, is allowed to utilise Malaysian Government Securities ("MGS") to meet the SRR. At 30 September 2009, MGS of the Group and the Bank with nominal amount of RM 130 million (2008: nil) are used for SRR purposes. These securities are included in the securities available-for-sale (Note 12).

17. Deposits from customers**(i) By type of deposit**

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Demand deposits	11,574,551	10,323,248	11,048,958	10,077,017
Savings deposits	5,232,662	4,648,283	5,163,559	4,592,411
Fixed/Investment deposits	15,494,594	16,382,211	14,584,637	12,704,035
Negotiable instruments of deposits	1,316,738	1,656,331	877,651	1,213,320
	<u>33,618,545</u>	<u>33,010,073</u>	<u>31,674,805</u>	<u>28,586,783</u>

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17. Deposits from customers (continued)**(ii) By type of customers**

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Government and statutory bodies	14,233	14,395	14,233	14,395
Business enterprises	13,588,668	13,236,641	12,658,769	9,761,746
Individuals	17,350,322	16,769,513	16,815,262	16,453,793
Others	2,665,322	2,989,524	2,186,541	2,356,849
	<u>33,618,545</u>	<u>33,010,073</u>	<u>31,674,805</u>	<u>28,586,783</u>

18. Deposits and placements of banks and other financial institutions

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Licensed banks	297,518	331,276	290,315	286,625
Bank Negara Malaysia	26,336	31,103	26,336	30,779
Other financial institutions	3,039,159	2,930,518	2,905,022	2,928,315
	<u>3,363,013</u>	<u>3,292,897</u>	<u>3,221,673</u>	<u>3,245,719</u>

19. Other payables

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Derivatives	2,073,873	2,932,097	2,077,968	2,929,776
Interest/Profit payable	143,004	257,040	139,389	244,362
Amount owing to subsidiaries	-	-	22	22
Profit equalisation reserve	6,548	5,744	-	-
Other payables and accruals	1,327,954	1,217,448	1,477,221	2,009,699
	<u>3,551,379</u>	<u>4,412,329</u>	<u>3,694,600</u>	<u>5,183,859</u>

The movements in profit equalisation reserve are as follows:-

Profit equalisation reserve

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
At 1 January	5,744	1,074	-	1,074
Amount provided during the financial period	804	6,110	-	5,100
Amount written back during the financial period	-	(1,440)	-	(1,440)
Amount vested over to Saadiq	-	-	-	(4,734)
At end of reporting period	<u>6,548</u>	<u>5,744</u>	<u>-</u>	<u>-</u>

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20. Capital and reserves

Reconciliation of movement in capital and reserves

GROUP	← Non Distributable Reserves →					→ Distributable Reserves		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2008	125,000	375,000	125,000	190	(1,102)	4,571	1,123,636	1,752,295
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	7,208	-	-	7,208
Realised gain from disposal of securities available-for-sale transferred to income statements	-	-	-	-	(6,637)	-	-	(6,637)
Unrealised loss on cash flow hedge	-	-	-	-	-	(22,353)	-	(22,353)
Realised loss on cash flow hedge transferred to income statements	-	-	-	-	-	9,217	-	9,217
Net gains/(losses) recognised directly in equity	-	-	-	-	571	(13,136)	-	(12,565)
Profit for the period	-	-	-	-	-	-	489,977	489,977
Total recognised income and expense for the period	-	-	-	-	571	(13,136)	489,977	477,412
Dividends (ordinary shares):-								
- 2007 special	-	-	-	-	-	-	(70,000)	(70,000)
- 2007 final	-	-	-	-	-	-	(310,800)	(310,800)
At 30 September 2008	125,000	375,000	125,000	190	(531)	(8,565)	1,232,813	1,848,907

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20. Capital and reserves (continued)

Reconciliation of movement in capital and reserves (continued)

GROUP	← Non Distributable Reserves →					→ Distributable Reserves		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2009	125,000	375,000	126,539	190	9,465	(5,803)	1,459,917	2,090,308
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	16,324	-	-	16,324
Realised gain from disposal of securities available-for-sale transferred to income statements	-	-	-	-	(18,017)	-	-	(18,017)
Unrealised loss on cash flow hedge	-	-	-	-	-	(2,990)	-	(2,990)
Realised gain on cash flow hedge transferred to income statements	-	-	-	-	-	(884)	-	(884)
Net losses recognised directly in equity	-	-	-	-	(1,693)	(3,874)	-	(5,567)
Profit for the period	-	-	-	-	-	-	293,893	293,893
Total recognised income and expense for the period	-	-	-	-	(1,693)	(3,874)	293,893	288,326
Dividends (ordinary shares):- - 2008 final	-	-	-	-	-	-	(75,000)	(75,000)
At 30 September 2009	125,000	375,000	126,539	190	7,772	(9,677)	1,678,810	2,303,634

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20. Capital and reserves (continued)**Reconciliation of movement in capital and reserves (continued)**

BANK	← <i>Non Distributable Reserves</i> →					→ <i>Distributable Reserves</i>		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2008	125,000	375,000	125,000	190	(1,102)	4,571	1,123,636	1,752,295
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	7,208	-	-	7,208
Realised gain from disposal of securities available-for-sale transferred to income statements	-	-	-	-	(6,637)	-	-	(6,637)
Unrealised loss on cash flow hedge	-	-	-	-	-	(22,353)	-	(22,353)
Realised loss on cash flow hedge transferred to income statements	-	-	-	-	-	9,217	-	9,217
Net gains/(losses) recognised directly in equity	-	-	-	-	571	(13,136)	-	(12,565)
Profit for the period	-	-	-	-	-	-	489,977	489,977
Total recognised income and expense for the period	-	-	-	-	571	(13,136)	489,977	477,412
Dividends (ordinary shares):-								
- 2007 special	-	-	-	-	-	-	(70,000)	(70,000)
- 2007 final	-	-	-	-	-	-	(310,800)	(310,800)
At 30 September 2008	125,000	375,000	125,000	190	(531)	(8,565)	1,232,813	1,848,907

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20. Capital and reserves (continued)**Reconciliation of movement in capital and reserves (continued)**

BANK	← <i>Non Distributable Reserves</i> →					→ <i>Distributable Reserves</i>		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2009	125,000	375,000	125,000	190	10,369	(5,803)	1,452,188	2,081,944
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	-	14,654	-	-	14,654
Realised gain from disposal of securities available-for-sale transferred to income statements	-	-	-	-	(17,840)	-	-	(17,840)
Unrealised loss on cash flow hedge	-	-	-	-	-	(2,990)	-	(2,990)
Realised gain on cash flow hedge transferred to income statements	-	-	-	-	-	(884)	-	(884)
Net losses recognised directly in equity	-	-	-	-	(3,186)	(3,874)	-	(7,060)
Profit for the period	-	-	-	-	-	-	280,321	280,321
Total recognised income and expense for the period	-	-	-	-	(3,186)	(3,874)	280,321	273,261
Dividends (ordinary shares):- - 2008 final	-	-	-	-	-	-	(75,000)	(75,000)
At 30 September 2009	125,000	375,000	125,000	190	7,183	(9,677)	1,657,509	2,280,205

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21. Interest income

	Group			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPLs	205,617	279,624	650,519	827,429
- Recoveries from NPLs	11,177	12,673	40,865	38,480
Money at call and deposit placements with banks and other financial institutions	53,239	124,148	139,712	363,872
Securities held for trading	21,796	4,652	66,475	13,926
Securities available-for-sale	28,683	3,851	110,389	23,547
	<u>320,512</u>	<u>424,948</u>	<u>1,007,960</u>	<u>1,267,254</u>
Amortisation of premium less accretion of discount	(2,625)	19,964	4,533	41,376
Interest suspended	(5,923)	(6,833)	(21,511)	(20,053)
Total interest income	<u>311,964</u>	<u>438,079</u>	<u>990,982</u>	<u>1,288,577</u>

	Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPLs	205,617	279,624	650,519	827,429
- Recoveries from NPLs	11,177	12,673	40,865	38,480
Money at call and deposit placements with banks and other financial institutions	59,847	124,148	156,863	363,872
Securities held for trading	21,796	4,652	66,475	13,926
Securities available-for-sale	28,683	3,851	110,389	23,547
	<u>327,120</u>	<u>424,948</u>	<u>1,025,111</u>	<u>1,267,254</u>
Amortisation of premium less accretion of discount	(2,625)	19,964	4,533	41,376
Interest suspended	(5,923)	(6,833)	(21,511)	(20,053)
Total interest income	<u>318,572</u>	<u>438,079</u>	<u>1,008,133</u>	<u>1,288,577</u>

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22. Interest expense

	Group and Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	22,399	30,675	44,134	109,071
Deposits from customers	121,070	196,889	398,562	558,924
Loans sold to Cagamas	1,617	2,158	5,037	7,304
Subordinated debts	12,034	5,420	35,910	16,142
	<u>157,120</u>	<u>235,142</u>	<u>483,643</u>	<u>691,441</u>

23. Net income from Islamic Banking operations

	Group			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	15,230	53,481	72,621	168,715
Transfer to profit equalisation reserves	-	(2,500)	(804)	(2,160)
Total distributable income	<u>15,230</u>	<u>50,981</u>	<u>71,817</u>	<u>166,555</u>
Income attributable to depositors	<u>(6,653)</u>	<u>(25,755)</u>	<u>(52,671)</u>	<u>(95,242)</u>
Income attributable to the Bank	8,577	25,226	19,146	71,313
Income derived from investment of Islamic banking capital funds and shareholder's funds	29,912	631	85,581	2,323
Less: Income attributable to investors of subordinated debt	-	(6,723)	-	(20,023)
	<u>38,489</u>	<u>19,134</u>	<u>104,727</u>	<u>53,613</u>

	Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	-	53,481	-	168,715
Transfer to profit equalisation reserves	-	(2,500)	-	(2,160)
Total distributable income	<u>-</u>	<u>50,981</u>	<u>-</u>	<u>166,555</u>
Income attributable to depositors	<u>-</u>	<u>(25,755)</u>	<u>-</u>	<u>(95,242)</u>
Income attributable to the Bank	-	25,226	-	71,313
Income derived from investment of Islamic banking capital funds	-	631	-	2,323
Less: Income attributable to investors of subordinated debt	-	(6,723)	-	(20,023)
	<u>-</u>	<u>19,134</u>	<u>-</u>	<u>53,613</u>

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24. Other operating income

	Group and Bank			
	3rd Quarter ended		Nine months ended	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	RM'000	RM'000	RM'000	RM'000
Fee income:-				
Commission	35,847	29,985	100,562	104,200
Service charges and fees	11,221	2,080	20,902	9,375
Guarantee fees	8,298	6,315	22,283	17,790
	<u>55,366</u>	<u>38,380</u>	<u>143,747</u>	<u>131,365</u>
Gains from sale of securities and other financial instruments				
- Securities held for trading and other financial instruments	(59,453)	(56,610)	85,938	155,177
- Securities available-for-sale	-	(120)	26,275	3,817
Unrealised (loss)/gain on revaluation of securities held-for-trading and other financial instruments	119,174	112,653	24,982	145,264
Gross dividends from unquoted investments	20,378	340	20,403	2,059
	<u>80,099</u>	<u>56,263</u>	<u>157,598</u>	<u>306,317</u>
Other income:-				
Foreign exchange currency gains				
- Gain from dealing in foreign currency	156,008	57,152	294,395	138,340
- Unrealised (loss)/gain from foreign translation	(101,492)	(9,717)	(135,789)	30,401
Rental income	69	137	252	388
Gain on disposal of property, plant and equipment	24	-	71	139
Others	-	-	24	28,855
	<u>54,609</u>	<u>47,572</u>	<u>158,953</u>	<u>198,123</u>
Total other operating income	<u>190,074</u>	<u>142,215</u>	<u>460,298</u>	<u>635,805</u>

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25. Other operating expenses

	Group			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, bonus, wages and allowances	41,032	64,364	151,750	190,596
- Pension fund contributions	5,619	6,067	17,417	18,431
- Other staff related cost	4,926	6,415	32,173	18,172
	<u>51,577</u>	<u>76,846</u>	<u>201,340</u>	<u>227,199</u>
Establishment costs				
- Depreciation of property, plant and equipment	5,336	5,674	15,899	15,713
- Amortisation of prepaid lease payments	6	6	18	18
- Rental	5,504	5,458	15,560	15,786
- Information technology and project expenses	20,339	27,787	63,254	73,013
- Others	6,364	10,253	24,458	24,023
	<u>37,549</u>	<u>49,178</u>	<u>119,189</u>	<u>128,553</u>
Marketing expenses				
- Advertisement and publicity	4,743	5,468	13,168	14,278
- Others	1,922	4,209	8,835	10,586
	<u>6,665</u>	<u>9,677</u>	<u>22,003</u>	<u>24,864</u>
Administration and general expenses				
- Communication expenses	3,365	4,128	10,477	12,057
- Group administration and business support expenses	26,282	18,509	75,236	62,866
- Outsourcing expenses	13,136	7,423	31,525	22,389
- Others	19,518	1,274	55,526	27,787
	<u>62,301</u>	<u>31,334</u>	<u>172,764</u>	<u>125,099</u>
Total other operating expenses	<u>158,092</u>	<u>167,035</u>	<u>515,296</u>	<u>505,715</u>

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25. Other operating expenses (continued)

	Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, bonus, wages and allowances	40,771	64,364	151,030	190,596
- Pension fund contributions	5,619	6,067	17,417	18,431
- Other staff related cost	4,762	6,415	31,978	18,172
	<u>51,152</u>	<u>76,846</u>	<u>200,425</u>	<u>227,199</u>
Establishment costs				
- Depreciation of property, plant and equipment	5,336	5,674	15,899	15,713
- Amortisation of prepaid lease payments	6	6	18	18
- Rental	5,504	5,458	15,560	15,786
- Information technology and project expenses	20,339	27,787	63,252	73,013
- Others	6,384	10,253	24,389	24,023
	<u>37,569</u>	<u>49,178</u>	<u>119,118</u>	<u>128,553</u>
Marketing expenses				
- Advertisement and publicity	4,504	5,468	11,935	14,278
- Others	1,919	4,209	8,786	10,586
	<u>6,423</u>	<u>9,677</u>	<u>20,721</u>	<u>24,864</u>
Administration and general expenses				
- Communication expenses	3,358	4,128	10,448	12,057
- Group administration and business support expenses	25,326	18,509	72,597	62,866
- Outsourcing expenses	13,136	7,423	31,525	22,389
- Others	8,914	1,274	24,706	27,787
	<u>50,734</u>	<u>31,334</u>	<u>139,276</u>	<u>125,099</u>
Total other operating expenses	<u>145,878</u>	<u>167,035</u>	<u>479,540</u>	<u>505,715</u>

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26. Allowance for bad and doubtful debts and financing

	Group			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans, advances and financing:-				
Specific allowance (net)	46,560	27,611	116,967	71,269
- Made in the financial period	71,077	51,338	197,209	151,910
- Written back	(24,517)	(23,727)	(80,242)	(80,641)
General allowance				
- Made in the financial period	24,110	12,500	31,810	22,000
- Written back	-	-	(14,150)	-
Bad and doubtful debts on loans, advances and financing:-				
Written off	17,241	18,201	55,455	54,705
Recovered	(15,305)	(14,031)	(44,946)	(43,275)
	<u>72,606</u>	<u>44,281</u>	<u>145,136</u>	<u>104,699</u>

	Bank			
	3rd Quarter ended		Nine months ended	
	30 September	30 September	30 September	30 September
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans, advances and financing:-				
Specific allowance (net)	35,878	27,611	89,516	71,269
- Made in the financial period	60,329	51,338	169,561	151,910
- Written back	(24,451)	(23,727)	(80,045)	(80,641)
General allowance				
- Made in the financial period	21,800	12,500	25,500	22,000
- Written back	-	-	(14,000)	-
Bad and doubtful debts on loans, advances and financing:-				
Written off	17,241	18,201	55,455	54,705
Recovered	(15,305)	(14,031)	(44,946)	(43,275)
	<u>59,614</u>	<u>44,281</u>	<u>111,525</u>	<u>104,699</u>

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27. Commitments and contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies are as follows:-

Group	As at 30 September 2009			As at 31 December 2008		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount * RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount * RM'000
Direct credit substitutes	1,352,288	1,352,288	1,073,142	939,093	939,093	801,697
Transaction-related contingent items	2,695,891	1,347,946	1,265,909	2,947,907	1,473,954	1,325,170
Short-term self liquidating trade-related contingencies	265,343	53,069	51,903	111,852	22,370	21,542
Irrevocable commitments to extend credit:-						
- maturity not exceeding one year	10,940,271	-	-	9,376,773	-	-
- maturity exceeding one year	3,651,774	1,825,887	1,163,497	2,590,767	1,295,384	801,654
Foreign exchange related contracts:-						
- less than one year	28,263,239	717,133	246,109	48,090,999	1,148,429	376,314
- one year to less than five years	9,523,014	878,116	241,469	16,132,696	1,110,193	359,055
- five years and above	5,369,401	868,502	197,099	5,494,202	1,098,023	232,465
Interest rate related contracts						
- less than one year	29,558,735	184,342	39,409	45,503,529	173,784	34,983
- one year to less than five years	47,950,013	1,599,253	382,926	58,559,749	1,985,350	470,080
- five years and above	8,746,947	881,405	242,619	8,559,229	1,081,285	288,121
Miscellaneous commitments and contingencies	9,059,562	-	-	3,381,316	-	-
	<u>157,376,478</u>	<u>9,707,941</u>	<u>4,904,082</u>	<u>201,688,112</u>	<u>10,327,865</u>	<u>4,711,081</u>

* The credit equivalent amount and the risk weighted amount are arrived at using the credit conversion factor and risk weights respectively, as per Bank Negara Malaysia guidelines.

Foreign exchange and interest rate related contracts are subject to market risk and credit risk.

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27. Commitments and contingencies (continued)

	As at 30 September 2009			As at 31 December 2008		
	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount * RM'000	Principal amount RM'000	Credit equivalent amount * RM'000	Risk weighted amount * RM'000
Bank						
Direct credit substitutes	1,318,609	1,318,609	1,040,494	919,474	919,474	782,078
Transaction-related contingent items	2,685,389	1,342,695	1,261,735	2,943,400	1,471,700	1,323,544
Short-term self liquidating trade-related contingencies	259,544	51,909	50,537	105,785	21,157	20,832
Irrevocable commitments to extend credit:-						
- maturity not exceeding one year	10,533,017	-	-	9,197,474	-	-
- maturity exceeding one year	3,578,164	1,789,082	1,131,723	2,554,831	1,277,416	789,010
Foreign exchange related contracts:-						
- less than one year	28,609,802	732,737	248,775	48,090,999	1,148,488	376,327
- one year to less than five years	9,290,142	857,324	236,678	16,072,971	1,103,036	356,205
- five years and above	5,369,401	868,502	197,099	5,494,202	1,098,023	232,465
Interest rate related contracts						
- less than one year	29,558,735	184,342	39,409	45,503,529	173,784	34,983
- one year to less than five years	47,807,674	1,571,479	367,059	58,559,749	1,989,625	470,424
- five years and above	9,061,836	915,777	249,493	8,559,229	1,078,731	288,121
Miscellaneous commitments and contingencies	9,059,562	-	-	3,381,316	-	-
	<u>157,131,875</u>	<u>9,632,456</u>	<u>4,823,002</u>	<u>201,382,959</u>	<u>10,281,434</u>	<u>4,673,989</u>

* The credit equivalent amount and the risk weighted amount are arrived at using the credit conversion factor and risk weights respectively, as per Bank Negara Malaysia guidelines.

Foreign exchange and interest rate related contracts are subject to market risk and credit risk.

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28. Capital adequacy

The capital adequacy ratios of the Group and the Bank are analysed as follows:-

	Group		Bank	
	30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
Tier 1 Capital				
Paid-up ordinary share capital	125,000	125,000	125,000	125,000
Share premium	375,000	375,000	375,000	375,000
Other reserves	1,791,967	1,586,646	1,782,699	1,577,378
Less: Deferred tax assets	(92,799)	(103,834)	(86,143)	(97,178)
Total Tier 1 Capital	<u>2,199,168</u>	<u>1,982,812</u>	<u>2,196,556</u>	<u>1,980,200</u>
Tier 2 Capital				
Islamic subordinated debt	380,000	380,000	380,000	380,000
Subordinated bonds	500,000	500,000	500,000	500,000
General allowance for bad and doubtful debts and financing	332,931	315,271	305,890	294,390
Total Tier 2 Capital	<u>1,212,931</u>	<u>1,195,271</u>	<u>1,185,890</u>	<u>1,174,390</u>
Total capital	3,412,099	3,178,083	3,382,446	3,154,590
Less: Investment in subsidiaries	-	-	(300,022)	(200,022)
Total Capital Base	<u>3,412,099</u>	<u>3,178,083</u>	<u>3,082,424</u>	<u>2,954,568</u>

Breakdown of risk-weighted assets in the various categories of risk-weights are as follows:-

	Group			
	2009		2008	
	Principal amount RM'000	Risk weight amount RM'000	Principal amount RM'000	Risk weight amount RM'000
0%	14,288,932	-	13,228,567	-
10%	-	-	-	-
20%	8,887,767	1,777,553	8,957,912	1,791,582
50%	10,383,873	5,191,937	12,652,897	6,326,449
100%	13,170,411	13,170,411	12,952,557	12,952,557
	<u>46,730,983</u>	<u>20,139,901</u>	<u>47,791,933</u>	<u>21,070,588</u>
		2009		2008
		RM'000		RM'000
Total risk-weighted assets				
- credit risk (as above)		20,139,901		21,070,588
- market risk		1,932,793		1,905,438
		<u>22,072,694</u>		<u>22,976,026</u>

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28. Capital adequacy (continued)

	Bank			
	2009		2008	
	Principal amount RM'000	Risk weight amount RM'000	Principal amount RM'000	Risk weight amount RM'000
0%	12,314,404	-	10,294,384	-
10%	-	-	-	-
20%	10,009,021	2,001,804	9,217,374	1,843,475
50%	10,193,952	5,096,976	12,540,344	6,270,172
100%	11,688,276	11,688,277	11,737,069	11,737,069
	<u>44,205,653</u>	<u>18,787,057</u>	<u>43,789,171</u>	<u>19,850,716</u>
		2009		2008
		RM'000		RM'000
Total risk-weighted assets				
- credit risk (as above)		18,787,057		19,850,716
- market risk		<u>1,932,793</u>		<u>1,905,438</u>
		<u>20,719,850</u>		<u>21,756,154</u>
		Group		Bank
	2009	2008	2009	2008
Core capital ratio	9.96%	8.30%	10.60%	8.76%
Risk-weighted capital ratio	15.46%	13.51%	14.88%	13.24%

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29. Interest rate risk

Group As at 30 September 2009	← Non Trading books →								Non interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate (%)
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	Over 5 years RM'000				
Assets												
Cash and short term funds	9,266,943	-	-	-	-	-	-	-	168,212	-	9,435,155	2.01
Deposits and placements with banks and other financial institutions	-	2,146,392	86,680	-	-	-	-	-	-	-	2,233,072	1.87
Securities purchased under resale agreements	51,371	-	-	-	-	-	-	-	-	-	51,371	1.60
Securities held for trading	-	-	-	-	-	-	-	-	-	2,671,309	2,671,309	2.83
Securities available-for-sale	1,052,008	1,349,767	302,972	1,198,217	777,961	40,080	5,030	243	33,934	-	4,760,212	2.56
Loans, advances and financing												
- Performing	15,604,883	1,671,405	2,522,815	318,969	269,518	303,761	429,685	407,758	13,247	-	21,542,041	5.14
- Non performing	-	-	-	-	-	-	-	-	268,478	-	268,478	
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	2,931,601	-	2,931,601	
Total assets	25,975,205	5,167,564	2,912,467	1,517,186	1,047,479	343,841	434,715	408,001	3,415,472	2,671,309	43,893,239	
Liabilities and shareholder's equity												
Deposits from customers	19,022,479	2,770,413	4,520,652	286,261	60,365	73,793	510,035	384,326	5,990,221	-	33,618,545	1.69
Deposits and placements of banks and other financial institutions	2,608,924	58,794	688,092	-	-	-	-	7,203	-	-	3,363,013	1.11
Bills and acceptances payable	16,754	-	-	-	-	-	-	-	-	-	16,754	2.73
Recourse obligations on loans sold to Cagamas	-	-	7,663	133,670	-	-	-	-	-	-	141,333	4.48
Subordinated debts	-	-	-	-	380,000	513,038	-	-	-	-	893,038	5.43
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	3,556,922	-	3,556,922	
Total liabilities	21,648,157	2,829,207	5,216,407	419,931	440,365	586,831	510,035	391,529	9,547,143	-	41,589,605	
Shareholder's equity	-	-	-	-	-	-	-	-	2,303,634	-	2,303,634	
Total liabilities and shareholder's equity	21,648,157	2,829,207	5,216,407	419,931	440,365	586,831	510,035	391,529	11,850,777	-	43,893,239	
On-balance sheet interest sensitivity	4,327,048	2,338,357	(2,303,940)	1,097,255	607,114	(242,990)	(75,320)	16,472	(8,435,305)	2,671,309		
Off-balance sheet interest sensitivity	(494,034)	78,054	2,019,889	(2,016,457)	550,113	324,100	(215,000)	(246,665)	-	-		
Total interest sensitivity gap	3,833,014	2,416,411	(284,051)	(919,202)	1,157,227	81,110	(290,320)	(230,193)	(8,435,305)	2,671,309		

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29. Interest rate risk (continued)

Group As at 31 December 2008	← Non Trading books →								Non interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate (%)
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	Over 5 years RM'000				
Assets												
Cash and short term funds	3,958,447	-	-	-	-	-	-	-	165,805	-	4,124,252	3.00
Deposits and placements with banks and other financial institutions	-	985,270	-	-	-	-	-	-	-	-	985,270	3.31
Securities purchased under resale agreements	3,495,149	-	-	-	-	-	-	-	-	-	3,495,149	2.95
Securities held for trading	-	-	-	-	-	-	-	-	-	3,676,856	3,676,856	3.70
Securities available-for-sale	1,314,523	1,892,804	1,245,773	129,716	1,998,782	213	74,880	243	47,347	-	6,704,281	3.23
Loans, advances and financing												
- Performing	14,847,866	1,894,467	2,241,870	187,030	198,669	138,043	342,042	364,238	16,477	-	20,230,702	6.18
- Non performing	-	-	-	-	-	-	-	-	348,578	-	348,578	
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	4,490,430	-	4,490,430	
Total assets	23,615,985	4,772,541	3,487,643	316,746	2,197,451	138,256	416,922	364,481	5,068,637	3,676,856	44,055,518	
Liabilities and shareholder's equity												
Deposits from customers	17,392,077	3,683,622	4,757,904	497,382	478,671	19,862	234,877	379,015	5,566,663	-	33,010,073	2.30
Deposits and placements of banks and other financial institutions	2,981,915	20,823	271,497	11,652	-	-	7,010	-	-	-	3,292,897	2.70
Bills and acceptances payable	135,181	-	-	-	-	-	-	-	-	-	135,181	3.89
Recourse obligations on loans sold to Cagamas	-	11,002	-	64,693	86,203	-	-	-	-	-	161,898	4.47
Subordinated debts	-	-	-	-	-	380,000	520,058	-	-	-	900,058	5.43
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	4,465,103	-	4,465,103	
Total liabilities	20,509,173	3,715,447	5,029,401	573,727	564,874	399,862	761,945	379,015	10,031,766	-	41,965,210	
Shareholder's equity	-	-	-	-	-	-	-	-	2,090,308	-	2,090,308	
Total liabilities and shareholder's equity	20,509,173	3,715,447	5,029,401	573,727	564,874	399,862	761,945	379,015	12,122,074	-	44,055,518	
On-balance sheet interest sensitivity	3,106,812	1,057,094	(1,541,758)	(256,981)	1,632,577	(261,606)	(345,023)	(14,534)	(7,053,437)	3,676,856		
Off-balance sheet interest sensitivity	(3,120,705)	89,130	(1,100,934)	3,307,698	1,272,391	(370,015)	364,100	(441,665)	-	-		
Total interest sensitivity gap	(13,893)	1,146,224	(2,642,692)	3,050,717	2,904,968	(631,621)	19,077	(456,199)	(7,053,437)	3,676,856		

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29. Interest rate risk (continued)

Bank As at 30 September 2009	← Non Trading books →									Trading books RM'000	Total RM'000	Effective interest rate (%)
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000			
Assets												
Cash and short term funds	8,645,768	-	-	-	-	-	-	-	159,480	-	8,805,248	2.07
Deposits and placements with banks and other financial institutions	-	2,246,392	161,680	-	-	-	-	14,032	-	-	2,422,104	1.87
Securities purchased under resale agreements	51,371	-	-	-	-	-	-	-	-	-	51,371	1.60
Securities held for trading	-	-	-	-	-	-	-	-	-	2,671,309	2,671,309	2.83
Securities available-for-sale	1,052,008	1,314,777	272,606	1,112,679	747,958	40,080	-	243	33,934	-	4,574,285	2.55
Loans, advances and financing												
- Performing	15,097,315	1,554,778	2,490,813	111,505	158,441	107,235	68,969	156,295	-	-	19,745,351	4.78
- Non performing	-	-	-	-	-	-	-	-	255,278	-	255,278	
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	3,398,906	-	3,398,906	
Total assets	24,846,462	5,115,947	2,925,099	1,224,184	906,399	147,315	68,969	170,570	3,847,598	2,671,309	41,923,852	
Liabilities and shareholder's equity												
Deposits from customers	18,365,844	2,056,154	4,212,388	156,197	25,780	55,089	510,035	303,097	5,990,221	-	31,674,805	1.57
Deposits and placements of banks and other financial institutions	2,474,787	58,794	688,092	-	-	-	-	-	-	-	3,221,673	1.15
Bills and acceptances payable	16,754	-	-	-	-	-	-	-	-	-	16,754	2.73
Recourse obligations on loans sold to Cagamas	-	-	7,663	133,670	-	-	-	-	-	-	141,333	4.48
Subordinated debts	-	-	-	-	380,000	513,038	-	-	-	-	893,038	5.43
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	3,696,044	-	3,696,044	
Total liabilities	20,857,385	2,114,948	4,908,143	289,867	405,780	568,127	510,035	303,097	9,686,265	-	39,643,647	
Shareholder's equity	-	-	-	-	-	-	-	-	2,280,205	-	2,280,205	
Total liabilities and shareholder's equity	20,857,385	2,114,948	4,908,143	289,867	405,780	568,127	510,035	303,097	11,966,470	-	41,923,852	
On-balance sheet interest sensitivity gap	3,989,077	3,000,999	(1,983,044)	934,317	500,619	(420,812)	(441,066)	(132,527)	(8,118,872)	2,671,309		
Off-balance sheet interest sensitivity gap	(494,034)	78,054	2,019,889	(2,016,457)	550,113	324,100	(215,000)	(246,665)	-	-		
Total interest sensitivity gap	3,495,043	3,079,053	36,845	(1,082,140)	1,050,732	(96,712)	(656,066)	(379,192)	(8,118,872)	2,671,309		

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29. Interest rate risk (continued)

Bank As at 31 December 2008	← Non Trading books →									Trading books RM'000	Total RM'000	Effective interest rate (%)
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000			
Assets												
Cash and short term funds	1,759,311	-	-	-	-	-	-	-	159,465	-	1,918,776	2.70
Deposits and placements with banks and other financial institutions	-	785,000	200,000	-	-	-	-	-	-	-	985,000	3.40
Securities purchased under resale agreements	3,495,149	-	-	-	-	-	-	-	-	-	3,495,149	2.95
Securities held for trading	-	-	-	-	-	-	-	-	-	3,676,856	3,676,856	3.70
Securities available-for-sale	1,299,526	1,844,800	1,220,656	15,083	1,993,841	213	40,500	243	47,347	-	6,462,209	3.19
Loans, advances and financing												
- Performing	14,816,679	1,833,114	1,811,991	97,562	64,291	50,920	51,474	145,036	-	-	18,871,067	5.90
- Non performing	-	-	-	-	-	-	-	-	340,173	-	340,173	
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	4,568,471	-	4,568,471	
Total assets	21,370,665	4,462,914	3,232,647	112,645	2,058,132	51,133	91,974	145,279	5,115,456	3,676,856	40,317,701	
Liabilities and shareholder's equity												
Deposits from customers	15,128,301	2,283,536	4,441,539	497,331	133,278	12,932	222,890	300,313	5,566,663	-	28,586,783	2.39
Deposits and placements of banks and other financial institutions	2,953,399	20,823	271,497	-	-	-	-	-	-	-	3,245,719	2.72
Bills and acceptances payable	106,239	-	-	-	-	-	-	-	-	-	106,239	3.89
Recourse obligations on loans sold to Cagamas	-	11,002	-	64,693	86,203	-	-	-	-	-	161,898	4.47
Subordinated debts	-	-	-	-	-	380,000	520,058	-	-	-	900,058	5.43
Other non-interest sensitive balances	-	-	-	-	-	-	-	-	5,235,060	-	5,235,060	
Total liabilities	18,187,939	2,315,361	4,713,036	562,024	219,481	392,932	742,948	300,313	10,801,723	-	38,235,757	
Shareholder's equity	-	-	-	-	-	-	-	-	2,081,944	-	2,081,944	
Total liabilities and shareholder's equity	18,187,939	2,315,361	4,713,036	562,024	219,481	392,932	742,948	300,313	12,883,667	-	40,317,701	
On-balance sheet interest sensitivity gap	3,182,726	2,147,553	(1,480,389)	(449,379)	1,838,651	(341,799)	(650,974)	(155,034)	(7,768,211)	3,676,856		
Off-balance sheet interest sensitivity gap	(3,120,705)	89,130	(1,100,934)	3,307,698	1,272,391	(370,015)	364,100	(441,665)	-	-		
Total interest sensitivity gap	62,021	2,236,683	(2,581,323)	2,858,319	3,111,042	(711,814)	(286,874)	(596,699)	(7,768,211)	3,676,856		