

**Deutsche Bank (Malaysia) Berhad**  
(Company No. 312552-W)  
(Incorporated in Malaysia)  
**and its subsidiaries**

**Unaudited Condensed Interim Financial Statements**  
**- 31 March 2008**

Domiciled in Malaysia  
Registered office  
Level 18, Menara IMC  
No. 8 Jalan Sultan Ismail  
50250 Kuala Lumpur

**DEUTSCHE BANK (MALAYSIA) BERHAD**  
**(Company No. 312552-W)**  
**(Incorporated in Malaysia)**  
**AND ITS SUBSIDIARIES**

**UNAUDITED CONDENSED BALANCE SHEET**  
**AT 31 MARCH 2008**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2008 RM'000</b>	<b>31 December 2007 RM'000</b>	<b>31 March 2008 RM'000</b>	<b>31 December 2007 RM'000</b>
<b>Assets</b>				
Cash and short term funds	1,749,636	2,294,493	1,749,636	2,294,493
Securities purchased under resale agreements	7,039,445	5,589,379	7,039,445	5,589,379
Securities held-for-trading	2,437,177	2,523,351	2,437,177	2,523,351
Securities available-for-sale	3,010	3,621	3,010	3,621
Securities held-to-maturity	1,591	1,591	1,591	1,591
Loans, advances and financing	793,895	709,359	793,895	709,359
Other assets	2,595,755	1,015,541	2,595,755	1,015,541
Statutory deposit with Bank Negara Malaysia	4,559	3,059	4,559	3,059
Investments in subsidiary companies	-	-	20	20
Property, plant and equipment	5,917	6,182	5,917	6,182
Deferred tax assets	18,239	16,394	18,239	16,394
<b>Total assets</b>	<u>14,649,224</u>	<u>12,162,970</u>	<u>14,649,244</u>	<u>12,162,990</u>
<b>Liabilities and shareholders' funds</b>				
Deposits from customers	4,560,053	4,375,926	4,560,073	4,375,946
Deposits and placements of banks and other financial institutions	2,111,319	2,726,280	2,111,319	2,726,280
Obligations on securities sold under repurchase agreements	4,527,063	3,109,136	4,527,063	3,109,136
Other liabilities	2,394,697	1,003,621	2,394,697	1,003,621
Taxation	41,121	22,021	41,121	22,021
<b>Total liabilities</b>	<u>13,634,253</u>	<u>11,236,984</u>	<u>13,634,273</u>	<u>11,237,004</u>
<b>Share capital</b>	<u>173,599</u>	<u>173,599</u>	<u>173,599</u>	<u>173,599</u>
<b>Reserves</b>	<u>841,372</u>	<u>752,387</u>	<u>841,372</u>	<u>752,387</u>
<b>Shareholders' funds</b>	<u>1,014,971</u>	<u>925,986</u>	<u>1,014,971</u>	<u>925,986</u>
<b>Total liabilities and shareholders' funds</b>	<u>14,649,224</u>	<u>12,162,970</u>	<u>14,649,244</u>	<u>12,162,990</u>
<b>Commitments and contingencies</b>	<u>145,469,216</u>	<u>137,187,491</u>	<u>145,469,216</u>	<u>137,187,491</u>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2007.*

**DEUTSCHE BANK (MALAYSIA) BERHAD**  
**(Company No. 312552-W)**  
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**AND ITS SUBSIDIARIES**

**UNAUDITED CONDENSED INCOME STATEMENT**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008**

	<b>Group and Bank</b>			
	<b>1<sup>st</sup> Quarter ended</b>		<b>Three months ended</b>	
	<b>31 March 2008</b>	<b>31 March 2007</b>	<b>31 March 2008</b>	<b>31 March 2007</b>
Interest income	111,753	99,082	111,753	99,082
Interest expense	(77,809)	(64,984)	(77,809)	(64,984)
Net interest income	<u>33,944</u>	<u>34,098</u>	<u>33,944</u>	<u>34,098</u>
Non-interest income	117,301	36,025	117,301	36,025
Operating income	<u>151,245</u>	<u>70,123</u>	<u>151,245</u>	<u>70,123</u>
Other operating expenses	(28,941)	(24,401)	(28,941)	(24,401)
Operating profit	<u>122,304</u>	<u>45,722</u>	<u>122,304</u>	<u>45,722</u>
Loan loss and allowance written back	1,448	83	1,448	83
Impairment losses from securities available-for-sale	(128)	(59)	(128)	(59)
<b>Profit before taxation</b>	<u>123,624</u>	<u>45,746</u>	<u>123,624</u>	<u>45,746</u>
Taxation	(34,281)	(13,158)	(34,281)	(13,158)
<b>Profit after taxation</b>	<u>89,343</u>	<u>32,588</u>	<u>89,343</u>	<u>32,588</u>
Earnings per share (sen)	<u>51.5 sen</u>	<u>18.8 sen</u>	<u>51.5 sen</u>	<u>18.8 sen</u>

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008**

Group and Bank	Share capital RM'000	<--Non-distributable-->		Distributable Retained profits RM'000	Total reserves RM'000	Proposed dividend RM'000	Total RM'000
		Share premium RM'000	Other reserve RM'000				
<b>At 1 January 2008</b>	173,599	357,763	175,783	218,841	752,387	-	925,986
Net profit for the period	-	-	-	89,343	89,343	-	89,343
Unrealised net loss on revaluation of securities available for sale	-	-	(358)	-	(358)	-	(358)
<b>At 31 March 2008</b>	<b>173,599</b>	<b>357,763</b>	<b>175,425</b>	<b>308,184</b>	<b>841,372</b>	<b>-</b>	<b>1,014,971</b>
<b>At 1 January 2007</b>	173,599	357,763	175,075	78,136	610,974	59,200	843,773
Net profit for the period	-	-	-	32,588	32,588	-	32,588
Unrealised net loss on revaluation of securities available for sale	-	-	695	-	695	-	695
<b>At 31 March 2007</b>	<b>173,599</b>	<b>357,763</b>	<b>175,770</b>	<b>110,724</b>	<b>644,257</b>	<b>59,200</b>	<b>877,056</b>

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**UNAUDITED CONDENSED CASH FLOW STATEMENT**  
**FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2008**

	<b>Group and Bank</b>	
	<b>31 March 2008 RM'000</b>	<b>31 March 2007 RM'000</b>
Profit before taxation	123,625	45,746
Adjustments for non-operating and non-cash items	696	687
Operating profit before working capital changes	<u>124,321</u>	<u>46,433</u>
Changes in working capital:		
Net changes in operating assets	(3,030,017)	(2,949,491)
Net changes in operating liabilities	2,378,169	1,678,948
Income tax (paid) / refunded	(17,027)	(9,625)
Net cash generated from / (used in) operations	<u>(544,554)</u>	<u>(1,233,735)</u>
Net cash generated from / (used in) investing activities	(303)	(486)
Net cash generated from / (used in) financing activities	-	-
	<u>(303)</u>	<u>(486)</u>
Net change in cash and cash equivalents	(544,857)	(1,234,221)
Cash and cash equivalents at beginning of the period	2,294,493	4,211,540
Cash and cash equivalents at end of the period	<u>1,749,636</u>	<u>2,977,319</u>
Analysis of cash and cash equivalents		
Cash and short-term funds	<u>1,749,636</u>	<u>2,977,319</u>

*The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the Group and the Bank for the year ended 31 December 2007.*

**DEUTSCHE BANK (MALAYSIA) BERHAD**  
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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**AT 31 MARCH 2008**

**1. Basis of preparation**

The unaudited condensed interim financial statements for the first quarter ended 31 March 2008 should be read in conjunction with the audited annual financial statements of the Group and the Bank for the year ended 31 December 2007.

The unaudited condensed interim financial statements have been prepared in accordance with generally accepted accounting principles in Malaysia and are consistent with those adopted in the previous audited annual financial statements.

**2. Audit report**

The audit report on the audited annual financial statements for the financial year ended 31 December 2007 was not subject to any qualification.

**3. Seasonality or Cyclicity of Operations**

The business operations of the Group and the Bank are not subject to material seasonal or cyclical fluctuations.

**4. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and the Bank for the first financial quarter ended 31 March 2008.

**5. Changes in Estimates**

There were no significant changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and the Bank for the first financial quarter ended 31 March 2008.

**6. Issuance and Repayment of Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities during the first financial quarter ended 31 March 2008.

**7. Dividend Paid**

No dividend was paid during the first quarter ended 31 March 2008.

**8. Material Events Subsequent to the Balance Sheet Date**

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

## 9. Changes in the composition of the Group

There were no changes in the composition of the Group for the first financial quarter ended 31 March 2008.

## 10. Review of Performance

The Bank recorded profit before tax of RM123.6 million for the first financial quarter ended 31 March 2008, an increase of RM77.9 million compared to RM45.7 million profit before tax recorded in the previous corresponding quarter. The increase is mainly attributed to increase in non-interest income of RM81.3 million. Increased net gains arising from dealing in foreign exchange and net unrealized gains on revaluation of trading portfolio (including derivatives) mainly contributed to the higher net non-interest income.

Other operating expenses increased by RM4.5 million mainly attributed to increases in inter-company expenses. Overall specific allowance for bad and doubtful debts showed net recoveries of RM1.4 million compared to RM0.1 million in the previous corresponding quarter.

The ratio of net non-performing loans to the total net loan, financing and advances has moved from 1.07% in the previous corresponding quarter to 0.77% as at 31 March 2008.

## 11. Prospects

The Bank's strategy during the year continued to focus on two main areas, Global Markets and Global Banking, with emphasis on trading and sales in foreign exchange, fixed income, interest rate derivatives, credit derivatives, structured transactions, money markets, repo, capital market instruments, cash management, securities services and trade finance.

We have seen greater competition from both the local and foreign houses in the banking industry in terms of price and service levels in 2007. Lending was guided by continued prudential practices, whilst fee-based and trading activities were expanded to cushion the impact of narrowing interest margins.

Our ongoing business process reengineering and business segments reorganization have further improved our operational efficiency.

## 12. Securities held for trading

	<b>Group and Bank</b>	
	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>At fair value</b>	<b>RM'000</b>	<b>RM'000</b>
Money market instruments:		
Malaysian Government Treasury Bills	-	4,961
Malaysian Government Securities	455,482	226,585
Malaysian Investment Issue	502	17,490
Bank Negara Malaysia Bills	1,087,647	654,386
Cagamas bonds	6,388	6,388
Khazanah bonds	1,860	1,849
Negotiable instruments of deposit	870,007	1,598,400
Private debt securities	15,291	13,292
	<u>2,437,177</u>	<u>2,523,351</u>

**13. Securities available-for-sale**

	<b>Group and Bank</b>	
	<b>31 March 2008</b>	<b>31 December 2007</b>
<b>At fair value</b>	<b>RM'000</b>	<b>RM'000</b>
Shares	648	1,121
Irredeemable convertible unsecured loan stocks quoted in Malaysia	2,362	2,500
	<u>3,010</u>	<u>3,621</u>
	<u><u>3,010</u></u>	<u><u>3,621</u></u>

**14. Securities held-to-maturity**

	<b>Group and Bank</b>	
	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted securities:		
Shares, at cost	1,591	1,591
	<u>1,591</u>	<u>1,591</u>
	<u><u>1,591</u></u>	<u><u>1,591</u></u>

**15. Loans, advances and financing**

	<b>Group and Bank</b>	
	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	16,209	15,141
Term loans - housing loans	39,225	39,957
- other term loans	553,160	508,764
Bills receivable	109,536	58,290
Claims on customers under acceptance credits	99,121	111,896
Staff loans	5,299	5,424
	<u>822,550</u>	<u>739,472</u>
Unearned interest	(441)	(451)
	<u>822,109</u>	<u>739,021</u>
Gross loans and advances	822,109	739,021
Allowance for bad and doubtful debts		
- General	(23,946)	(23,946)
- Specific	(4,268)	(5,716)
	<u>793,895</u>	<u>709,359</u>
Net loans and advances	<u><u>793,895</u></u>	<u><u>709,359</u></u>



## 15. Loans, advances and financing (continued)

Gross loans, advances and financing analysed by type of customer are as follows:

	Group and Bank	
	31 March 2008 RM'000	31 December 2007 RM'000
Domestic banking institutions	13,191	6,844
Domestic business enterprises - SME	-	-
- others	666,927	630,757
Individuals	45,812	50,088
Foreign entities	96,179	51,332
	<u>822,109</u>	<u>739,021</u>

Gross loans, advances and financing analysed by interest / profit rate sensitivity are as follows:

	Group and Bank	
	31 March 2008 RM'000	31 December 2007 RM'000
Fixed rate		
- Other fixed rate loan / financing	5,299	5,424
Variable rate		
- Base lending rate plus	46,463	46,117
- Cost-plus	761,349	678,079
- Other variable rates	8,998	9,401
	<u>822,109</u>	<u>739,021</u>

Gross loans, advances and financing analysed by their economic purposes are as follows:

	Group and Bank	
	31 March 2008 RM'000	31 December 2007 RM'000
Manufacturing	365,755	298,678
Construction	49,341	48,011
Real estate	2,899	2,262
Purchase of landed property:		
- Residential	43,424	44,720
- Non-Residential	250	360
Wholesale & retail trade and restaurants & hotels	92,562	131,562
Finance, insurance and business services	205,956	154,691
Purchase of transport vehicles	193	210
Others	61,729	58,527
	<u>822,109</u>	<u>739,021</u>

**16. Non-performing Loans / Financing (NPL/NPF)**

Movements in non-performing loans are as follows:

	<b>Group and Bank</b>	
	<b>31 March 2008 RM'000</b>	<b>31 December 2007 RM'000</b>
Balance at 1 January	12,393	23,937
Classified as non-performing during the year	676	3,628
Reclassified as performing during the year	(1,162)	(2,980)
Amount recovered	(1,524)	(6,512)
Amounts written off	-	(5,680)
Closing balance	<u>10,383</u>	<u>12,393</u>
Specific allowance for doubtful debts	(4,268)	(5,716)
Net non-performing loans, advances and financing	<u><u>6,115</u></u>	<u><u>6,677</u></u>
Percentage of net non-performing loans to loans and advances (net of specific allowance)	<u>0.75%</u>	<u>0.91%</u>

Movements in the allowance for bad and doubtful debts and financing accounts are as follows:

	<b>Group and Bank</b>	
	<b>31 March 2008 RM'000</b>	<b>31 December 2007 RM'000</b>
General allowance		
Balance at 1 January / Closing balance	<u>23,946</u>	<u>23,946</u>
As a % of adjusted gross loans and advances less specific allowance	<u>2.93%</u>	<u>3.27%</u>

	<b>Group and Bank</b>	
	<b>31 March 2008 RM'000</b>	<b>31 December 2007 RM'000</b>
Specific provision:		
Balance at 1 January	5,716	17,856
Reclassified to provision for commitment and contingencies		(2,256)
Allowance made during the year	6	52
Amount recovered	(1,454)	(4,256)
Amount written off	-	(5,680)
Closing balance	<u>4,268</u>	<u>5,716</u>

**16. Non-performing Loans / Financing (NPL/NPF)**  
(continued)

Non-performing loans, advances and financing analysed by economic purposes are as follows:

	Group and Bank	
	31 March 2008 RM'000	31 December 2007 RM'000
Manufacturing	4,120	5,519
Purchase of landed property - residential	6,176	6,742
Others	87	132
	<u>10,383</u>	<u>12,393</u>

**17. Other assets**

	Group and Bank	
	31 March 2008 RM'000	31 December 2007 RM'000
Interest / Income Receivable	65,207	36,489
Margin placed with exchange	18,047	12,111
Derivatives	2,224,809	927,984
Other debtors, deposits and prepayments	287,692	38,957
	<u>2,595,755</u>	<u>1,015,541</u>

**18. Deposits from customers**

	Group		Bank	
	31 March 2008 RM'000	31 December 2007 RM'000	31 March 2008 RM'000	31 December 2007 RM'000
Demand deposits	546,667	506,267	546,687	506,287
Savings deposits	11,407	12,633	11,407	12,633
Fixed deposits	623,296	327,065	623,296	327,065
Other deposits	3,051,483	3,112,761	3,051,483	3,112,761
Negotiable instrument of deposits	327,200	417,200	327,200	417,200
	<u>4,560,053</u>	<u>4,375,926</u>	<u>4,560,073</u>	<u>4,375,946</u>

**18. Deposits from customers (continued)**

The deposits are sourced from the following types of customers:

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2008 RM'000</b>	<b>31 December 2007 RM'000</b>	<b>31 March 2008 RM'000</b>	<b>31 December 2007 RM'000</b>
Business enterprises	1,579,098	1,612,562	1,579,118	1,612,582
Individuals	60,888	65,913	60,888	65,913
Foreign customers	202,600	77,502	202,600	77,502
Others	2,717,467	2,619,949	2,717,467	2,619,949
	<u>4,560,053</u>	<u>4,375,926</u>	<u>4,560,073</u>	<u>4,375,946</u>

**19. Deposits and placements of banks and other financial institutions**

	<b>Group and Bank</b>	
	<b>31 March 2008 RM'000</b>	<b>31 December 2007 RM'000</b>
Licensed banks	100,000	6,000
Other financial institutions	2,011,319	2,720,280
	<u>2,111,319</u>	<u>2,726,280</u>

**20. Other liabilities**

	<b>Group and Bank</b>	
	<b>31 March 2008 RM'000</b>	<b>31 December 2007 RM'000</b>
Allowance for commitments and contingencies	3,274	3,274
Interest Payable	47,752	35,046
Bills Payable	81,149	90,764
Derivatives	1,895,886	686,230
Employee benefits	11,993	33,198
Other liabilities	354,643	155,109
	<u>2,394,697</u>	<u>1,003,621</u>

**20. Other liabilities (continued)**

Movements in allowance for commitments and contingencies are as follows:-

	<b>Group and Bank</b>	
	<b>31 March 2008 RM'000</b>	<b>31 December 2007 RM'000</b>
Balance at 1 January	3,274	1,018
Reclassification of provision from commitments and And contingencies to specific allowance	-	2,256
Closing balance	<u>3,274</u>	<u>3,274</u>

**21. Interest income**

	<b>Group and Bank</b>			
	<b>1<sup>st</sup> Quarter ended 31 March 2008 RM'000</b>		<b>Three months ended 31 March 2008 RM'000</b>	
	<b>31 March 2007 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>31 March 2007 RM'000</b>
Loans and advances				
- Interest income other than recoveries from NPL	8,815	7,481	8,815	7,481
- Recoveries from NPL	182	124	182	124
Money at call and deposit placements with financial institutions	81,746	71,130	81,746	71,130
Securities held for trading	20,803	20,346	20,803	20,346
Others	207	1	207	1
	<u>111,753</u>	<u>99,082</u>	<u>111,753</u>	<u>99,082</u>

**22. Interest expense**

	<b>Group and Bank</b>			
	<b>1<sup>st</sup> Quarter ended 31 March 2008 RM'000</b>		<b>Three months ended 31 March 2008 RM'000</b>	
	<b>31 March 2007 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>31 March 2007 RM'000</b>
Deposits and placements of banks and other financial institutions	48,465	26,125	48,465	26,125
Deposits from customers	29,298	37,960	29,298	37,960
Others	46	899	46	899
	<u>77,809</u>	<u>64,984</u>	<u>77,809</u>	<u>64,984</u>

**23. Non-Interest Income**

	<b>Group and Bank</b>			
	<b>1<sup>st</sup> Quarter ended</b>		<b>Three months ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Fee income:				
Commission	455	1,111	455	1,111
Service charges and fees	3,318	2,200	3,318	2,200
Guarantee fees	531	322	531	322
	<u>4,304</u>	<u>3,633</u>	<u>4,304</u>	<u>3,633</u>
Gain/(Losses) arising from sale of securities:-				
Securities held -for- trading	1,861	(2,290)	1,861	(2,290)
Net gains arising from dealing in foreign exchange	134,057	3,664	134,057	3,664
Net gains/losses arising from trading in derivatives	10,373	43,459	10,373	43,459
Net unrealised gains/(losses) on revaluation of trading portfolio (including derivatives)	60,361	(23,863)	60,361	(23,863)
Unrealised gains/losses from foreign exchange	(104,047)	7,644	(104,047)	7,644
Gross dividends from securities held-to-maturity	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	-	-
Other operating income, net	10,392	3,778	10,392	3,778
	<u>112,997</u>	<u>32,392</u>	<u>112,997</u>	<u>32,392</u>
	<u>117,301</u>	<u>36,025</u>	<u>117,301</u>	<u>36,025</u>

**24. Other operating expenses**

	<b>Group and Bank</b>			
	<b>1<sup>st</sup> Quarter ended</b>		<b>Three months ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel costs				
- Salaries, allowance and bonuses	9,816	11,876	9,816	11,876
- Others	2,862	2,184	2,862	2,184
Establishment costs				
- Rental	575	573	575	573
- Depreciation	568	628	568	628
- Others	965	946	965	946
Marketing expenses	443	461	443	461
Administration and general expenses				
- Inter-company expenses	12,200	6,223	12,200	6,223
- Communication	318	251	318	251
- Others	1,194	1,259	1,194	1,259
	<u>28,941</u>	<u>24,401</u>	<u>28,941</u>	<u>24,401</u>

The number of employees of the Group and the Bank at the end of the period was 145 (March 2007 - 130).

## 25. Loan loss and allowance written back

	<b>Group and Bank</b>			
	<b>1<sup>st</sup> Quarter ended 31 March 2008 RM'000</b>	<b>31 March 2007 RM'000</b>	<b>Three months ended 31 March 2008 RM'000</b>	<b>31 March 2007 RM'000</b>
Allowance for bad and doubtful debts on loans and financing				
Specific allowance				
- Provided in the financial year	(11)	-	(11)	-
- Written back	1,459	51	1,459	51
Bad debts on loans and financing				
- Recovered		32	-	32
	<u>1,448</u>	<u>83</u>	<u>1,448</u>	<u>83</u>

## 26. Commitments and contingencies

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

The risk-weighted exposures of the Group and the Bank as at the following dates are as follows:

	<b>Group and Bank</b>					
	<b>31 March 2008</b>			<b>31 December 2007</b>		
	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
Direct credit substitutes	217	217	217	217	217	217
Transaction-related contingent items	805,543	402,772	193,528	668,366	334,183	146,405
Short-term self-liquidating trade-related contingencies	81,486	16,297	10,911	55,022	11,004	4,927
Irrecoverable commitments to extend credit:						
- Maturity not exceeding one year	972,543	194,509	166,345	744,008	148,802	147,293
- Maturity exceeding one year	225	113	84	549	275	206
Foreign exchange related contracts:						
- Less than one year	21,360,603	531,706	210,389	15,972,437	388,970	154,621
- One year to less than 5 years	2,917,170	435,147	283,697	2,496,245	282,267	167,720
- 5 years and above	3,777,946	586,284	247,316	3,508,079	516,784	230,401
Interest rate related contracts:						
- Less than one year	39,804,488	62,003	15,073	39,999,488	80,526	32,480
- One year to less than 5 years	64,473,102	1,430,545	388,214	63,008,502	1,333,335	463,756
- 5 years and above	9,871,416	968,614	443,983	9,008,899	874,460	435,330
Equity and commodity related contracts:						
- Less than one year	500,461	30,462	6,092	549,209	-	-
- One year to less than 5 years	778,149	118,175	33,180	1,051,773	-	-
- 5 years and above	125,868	18,880	16,273	124,697	-	-
	<u>145,469,216</u>	<u>4,795,724</u>	<u>2,015,302</u>	<u>137,187,491</u>	<u>3,970,823</u>	<u>1,783,356</u>



27. Capital adequacy

	<b>Bank</b>	
	<b>31 March 2008</b>	<b>31 December 2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Tier 1 capital		
Paid-up share capital	173,599	173,599
Share premium	357,763	357,763
Statutory reserve	174,722	174,722
Retained profits	218,841	218,841
Less: Deferred tax assets	(16,394)	(16,394)
Total Tier 1 capital	<u>908,531</u>	<u>908,531</u>
Tier 2 capital		
General allowance for bad and doubtful debts	23,946	23,946
Total Capital	<u>932,477</u>	<u>932,477</u>
Less: Investments in subsidiaries	(20)	(20)
Capital base	<u><u>932,457</u></u>	<u><u>932,457</u></u>
Total Risk Weighted Assets (RWA)		
Total Credit RWA	2,843,750	2,073,225
Total Operational RWA	423,067	-
Total Market RWA	3,521,089	3,420,378
	<u><u>6,787,906</u></u>	<u><u>5,493,604</u></u>
Core capital ratio	13.38%	16.54%
Risk-weighted capital ratio	<u>13.73%</u>	<u>16.97%</u>

Note:

	<b>Bank</b>	
	<b>31 March 2008</b>	<b>31 December 2007</b>
The calculation of RWA is based on the following requirements:	<u>Basel II</u>	<u>Basel I</u>

## 28. Interest rate risk

Group and Bank 31 March 2008	Non trading book						Non interest sensitive RM'000	Trading book 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 - 5 years RM'000	Over 5 years RM'000					
<b>Assets</b>										
Cash and short term funds	1,659,781	-	-	-	-	89,855	-	1,749,636	3.72	
Securities purchased under resale agreement	-	-	-	-	-	-	7,039,445	7,039,445	3.50	
Deposits and placement with banks and other financial institutions	-	-	-	-	-	-	-	-	-	
Securities held for trading	-	-	-	-	-	-	2,437,177	2,437,177	3.59	
Securities available for sale	-	-	-	-	-	3,010	-	3,010	-	
Securities held-to-maturity	-	-	-	-	-	1,591	-	1,591	-	
Loans, advances and financing										
- Performing	433,110	241,530	67,679	27,381	42,026	-	-	811,726	5.39	
- Non-performing*	-	-	-	-	-	(17,831)	-	(17,831)	-	
Other assets	-	-	-	-	-	399,661	2,224,809	2,624,470	-	
<b>Total assets</b>	<b>2,092,891</b>	<b>241,530</b>	<b>67,679</b>	<b>27,381</b>	<b>42,026</b>	<b>476,286</b>	<b>11,701,431</b>	<b>14,649,224</b>		

## 28. Interest rate risk (continued)

Group and Bank 31 March 2008	Non trading book						Trading book 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 - 5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000			
<b>Liabilities and shareholders' funds</b>									
Deposits from customers	1,638,560	71,137	110,433	2,018,256	175,000	546,667	-	4,560,053	3.03
Deposits and placements of banks and other financial institutions	1,091,101	-	-	-	-	1,020,218	-	2,111,319	3.53
Obligations on securities sold under repurchase agreements	1,846,712	1,739,367	940,984	-	-	-	-	4,527,063	3.35
Bills and acceptances payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	539,932	1,895,886	2,435,818	-
<b>Total liabilities</b>	<b>4,576,373</b>	<b>1,810,504</b>	<b>1,051,417</b>	<b>2,018,256</b>	<b>175,000</b>	<b>2,106,817</b>	<b>1,895,886</b>	<b>13,634,253</b>	
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,014,971</b>	<b>-</b>	<b>1,014,971</b>	
<b>Total liabilities and shareholders' funds</b>	<b>4,576,373</b>	<b>1,810,504</b>	<b>1,051,417</b>	<b>2,018,256</b>	<b>175,000</b>	<b>3,121,788</b>	<b>1,895,886</b>	<b>14,649,224</b>	
On-balance sheet interest sensitivity gap	(2,483,482)	(1,568,974)	(983,738)	(1,990,875)	(132,974)	(2,645,502)	9,805,545	-	-
Off-balance sheet interest sensitivity gap	3,209,900	12,041,000	17,069,588	40,303,102	9,871,416	-	-	82,495,006	-
<b>Total interest sensitivity gap</b>								<b>82,495,006</b>	

\* This is arrived at after deducting the specific allowance from outstanding gross non – performing loans.

## 28. Interest rate risk (continued)

Group and Bank	← Non-trading book →								Non-interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	> 1 - 2 years	> 2 - 3 years	> 3 - 4 years	> 4 - 5 years	Over 5 years				
31 December 2007	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>Assets</b>												
Cash and short term funds	2,200,753	-	-	-	-	-	-	-	93,740	-	2,294,493	4.63%
Securities purchased under resale agreements	-	-	-	-	-	-	-	-	-	5,589,379	5,589,379	3.48%
Securities held-for-trading	-	-	-	-	-	-	-	-	-	2,523,351	2,523,351	3.58%
Securities available-for-sale	-	-	-	-	-	-	-	-	3,621	-	3,621	-
Securities held-to-maturity	-	-	-	-	-	-	-	-	1,591	-	1,591	-
<b>Loans, advances and financing</b>												
- performing	409,988	197,519	55,121	1,798	17,233	1,080	884	43,005	-	-	726,628	4.81%
- non-performing*	-	-	-	-	-	-	-	-	(17,269)	-	(17,269)	-
Other non-interest sensitive balance	-	-	-	-	-	-	-	-	126,042	915,134	1,041,176	-
<b>Total assets</b>	<b>2,610,741</b>	<b>197,519</b>	<b>55,121</b>	<b>1,798</b>	<b>17,233</b>	<b>1,080</b>	<b>884</b>	<b>43,005</b>	<b>207,725</b>	<b>9,027,864</b>	<b>12,162,970</b>	

## 28. Interest rate risk (continued)

Group and Bank 2007	Non-trading book									Non-interest sensitive book	Trading book	Total	Effective interest rate %
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	> 1 - 2 years	> 2 - 3 years	> 3 - 4 years	> 4 - 5 years	Over 5 years	RM'000				
<b>Liabilities and shareholders' funds</b>													
Deposits from customers	1,386,365	196,532	83,774	969,206	395,182	53,600	600,000	185,000	506,267	-	4,375,926	3.68	
Deposits and placement with banks and other financial institutions	1,407,776	-	-	-	6,000	-	-	-	1,312,504	-	2,726,280	4.29	
Obligations on securities sold under repurchase agreements	927,260	1,683,889	497,987	-	-	-	-	-	-	-	3,109,136	3.37	
Other non-interest sensitive balance	-	-	-	-	-	-	-	-	443,657	581,985	1,025,642	-	
<b>Total liabilities</b>	<b>3,721,401</b>	<b>1,880,421</b>	<b>581,761</b>	<b>969,206</b>	<b>401,182</b>	<b>53,600</b>	<b>600,000</b>	<b>185,000</b>	<b>2,262,428</b>	<b>581,985</b>	<b>11,236,984</b>		
<b>Shareholders' equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>925,986</b>	<b>-</b>	<b>925,986</b>		
<b>Total liabilities and shareholders' equity</b>	<b>3,721,401</b>	<b>1,880,421</b>	<b>581,761</b>	<b>969,206</b>	<b>401,182</b>	<b>53,600</b>	<b>600,000</b>	<b>185,000</b>	<b>3,188,414</b>	<b>581,985</b>	<b>12,162,970</b>		
On-balance sheet interest sensitivity gap	(1,110,660)	(1,682,902)	(526,640)	(967,408)	(383,949)	(52,520)	(599,116)	(141,995)	(2,980,689)	8,445,879	-		
Off-balance sheet interest sensitivity gap (interest rate swaps)	1,240,000	4,363,800	34,395,688	21,570,948	17,497,556	11,410,166	13,428,340	9,031,516	-	-	112,938,014		
<b>Total interest sensitivity</b>	<b>129,340</b>	<b>2,680,898</b>	<b>33,869,048</b>	<b>20,603,540</b>	<b>17,113,607</b>	<b>11,357,646</b>	<b>12,829,224</b>	<b>8,889,521</b>	<b>(2,980,689)</b>	<b>8,455,879</b>	<b>112,938,014</b>		

\*This is arrived at after deducting the general allowance and specific allowance from the outstanding gross non-performing loans.