

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

**Unaudited Condensed Interim Financial Statements**  
**- 30 September 2007**

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 30 SEPTEMBER 2007**

	<b>Group</b>		<b>Bank</b>	
	30 September 2007 RM'000	31 December 2006 RM'000	30 September 2007 RM'000	31 December 2006 RM'000
<b>Assets</b>				
Cash and short term funds	1,646,503	4,211,540	1,646,503	4,211,540
Securities purchased under resale agreements	2,717,519	1,795,778	2,717,519	1,795,778
Deposits and placements with banks and other financial institutions	221,585	353,000	221,585	353,000
Securities held-for-trading	2,549,921	1,031,738	2,549,921	1,031,738
Securities available-for-sale	3,687	2,784	3,687	2,784
Securities held-to-maturity	1,591	1,591	1,591	1,591
Loans, advances and financing	701,399	515,813	701,399	515,813
Other assets	1,798,314	899,351	1,798,314	899,351
Statutory deposit with Bank Negara Malaysia	9,059	39,059	9,059	39,059
Investments in subsidiary companies	-	-	20	20
Property, plant and equipment	6,334	7,530	6,334	7,530
Deferred tax assets	19,264	17,776	19,264	17,776
<b>Total assets</b>	<u>9,675,176</u>	<u>8,875,960</u>	<u>9,675,196</u>	<u>8,875,980</u>
<b>Liabilities and shareholders' funds</b>				
Deposits from customers	3,822,640	3,416,089	3,822,660	3,416,109
Deposits and placements of banks and other financial institutions	2,198,551	1,969,832	2,198,551	1,969,832
Obligations on securities sold under repurchase agreements	1,398,685	1,565,325	1,398,685	1,565,325
Bills and acceptances payable	-	-	-	-
Other liabilities	1,330,048	1,048,067	1,330,048	1,048,067
Taxation	36,489	32,874	36,489	32,874
<b>Total liabilities</b>	<u>8,786,413</u>	<u>8,032,187</u>	<u>8,786,433</u>	<u>8,032,207</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>715,164</u>	<u>610,974</u>	<u>715,164</u>	<u>610,974</u>
<b>Proposed dividend</b>	<u>-</u>	<u>59,200</u>	<u>-</u>	<u>59,200</u>
<b>Shareholders' funds</b>	<u>888,763</u>	<u>843,773</u>	<u>888,763</u>	<u>843,773</u>
<b>Total liabilities and shareholders' funds</b>	<u>9,675,176</u>	<u>8,875,960</u>	<u>9,675,196</u>	<u>8,875,980</u>
<b>Commitments and contingencies</b>	<u>148,966,603</u>	<u>121,623,001</u>	<u>148,966,603</u>	<u>121,623,001</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 2006.*

**DEUTSCHE BANK (MALAYSIA) BERHAD**  
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**AND ITS SUBSIDIARIES**

**UNAUDITED CONDENSED INCOME STATEMENT**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2007**

	<b>Group and Bank</b>			
	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	306,030	226,573	92,679	99,507
Interest expense	(220,824)	(155,323)	(78,188)	(68,836)
Net interest income	<u>85,206</u>	<u>71,250</u>	<u>14,491</u>	<u>30,671</u>
Non-interest income	118,168	108,073	44,173	85,294
Operating income	<u>203,374</u>	<u>179,323</u>	<u>58,664</u>	<u>115,965</u>
Other operating expenses	(66,258)	(65,938)	(15,991)	(16,215)
Operating profit	<u>137,116</u>	<u>113,385</u>	<u>42,673</u>	<u>99,750</u>
Loan loss and allowance written back/ (allowance made)	6,280	(548)	5,372	(2,116)
Reclassification (from)/to specific allowances (to)/from allowance for commitments and contingencies	(2,256)	2,223	(2,256)	2,223
Impairment losses from securities available-for-sale	(62)	(4,079)	(4)	-
<b>Profit before taxation</b>	<u>141,078</u>	<u>110,981</u>	<u>45,785</u>	<u>99,857</u>
Taxation	(37,597)	(33,120)	(9,488)	(29,404)
<b>Profit after taxation</b>	<u>103,481</u>	<u>77,861</u>	<u>36,297</u>	<u>70,453</u>
Earnings per share (sen)	<u>59.6 sen</u>	<u>54.1 sen</u>	<u>20.9 sen</u>	<u>49.0 sen</u>

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2007**

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 2007</b>	173,599	357,763	175,075	78,136	610,974	59,200	843,773
Net profit for the period	-	-	-	103,481	103,481	-	103,481
Unrealised net profit on revaluation of securities available-for-sale	-	-	709	-	709	-	709
Dividend Payable	-	-	-	-	-	(59,200)	(59,200)
<b>At 30 September 2007</b>	<b>173,599</b>	<b>357,763</b>	<b>175,784</b>	<b>181,617</b>	<b>715,164</b>	<b>0</b>	<b>888,763</b>
<b>At 1 January 2006</b>	143,043	113,319	146,623	60,549	320,491	70,700	534,234
Net profit for the period	-	-	-	77,861	77,861	-	77,861
Unrealised net loss on revaluation of securities available-for-sale	-	-	2,687	-	2,687	-	2,687
Dividend Payable	-	-	-	-	-	(70,700)	(70,700)
Issuance of shares	30,556	244,444	-	-	244,444	-	275,000
<b>At 30 September 2006</b>	<b>173,599</b>	<b>357,763</b>	<b>149,310</b>	<b>138,410</b>	<b>645,483</b>	<b>-</b>	<b>819,082</b>

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 2006.

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**UNAUDITED CONDENSED CASH FLOW STATEMENT**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2007**

	<b>Group and Bank</b>	
	<b>30 September 2007 RM'000</b>	<b>30 September 2006 RM'000</b>
Profit before taxation	141,078	110,981
Adjustments for non-operating and non-cash items	1,960	5,772
Operating profit before working capital changes	<u>143,038</u>	<u>116,753</u>
Changes in working capital:		
Net changes in operating assets	(3,363,058)	(2,408,588)
Net changes in operating liabilities	750,611	3,037,657
Income tax paid	(35,726)	(10,848)
Net cash generated (used in)/ from operations	<u>(2,505,135)</u>	<u>734,974</u>
Net cash generated (used in)/from investing activities	(702)	(1,974)
Net cash generated (used in)/from financing activities	(59,200)	204,300
	<u>(59,902)</u>	<u>202,326</u>
Net change in cash and cash equivalents	(2,565,037)	937,300
Cash and cash equivalents at beginning of the period	4,211,540	2,196,515
Cash and cash equivalents at end of the period	<u>1,646,503</u>	<u>3,133,815</u>
Analysis of cash and cash equivalents		
Cash and short-term funds	<u>1,646,503</u>	<u>3,133,815</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 2006.*

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**AT 30 SEPTEMBER 2007**

**1. Basis of preparation**

The unaudited condensed interim financial statements for the third quarter and the nine months ended 30 September 2007 should be read in conjunction with the audited annual financial statements of the Group and the Bank for the year ended 31 December 2006.

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 2006 was not subject to any qualification.

**3. Seasonality or Cyclicalities 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 third quarter and the nine months ended 30 September 2007.

**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 third quarter and the nine months ended 30 September 2007.

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

There were no issuance and repayment of debt and equity securities during the third quarter and the nine months ended 30 September 2007.

**7. Dividend Paid**

No dividend was paid during the third quarter ended 30 September 2007.

**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 third quarter and the nine months ended 30 September 2007.

## 10. Review of Performance

Pre-tax profit increased by RM30.1 million to RM141.1 million for the 9-months ended 30 September 2007 compared to RM111.0 million in the previous corresponding period in 2006.

The higher pre-tax profit is mainly attributable to improved returns from trading revenue of RM14.1 million to RM90.9 million (2006: RM76.8 million) and interest income of RM14.0 to RM85.2 million (2006: RM71.2 million).

As at 30 September 2007, the Bank's net non-performing loans ratio ("NPL") was 0.9% compared to 1.1% in the previous nine months ended 30 September 2006.

## 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. 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>30 September 2007</b>	<b>31 December 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Money market instruments:		
Malaysian Government Treasury Bills	68,958	107,440
Malaysian Government Securities	563,160	394,980
Malaysian Investment Issue	5,490	15,899
Bank Negara Malaysia Bills	1,829,705	222,403
Cagamas bonds	56,457	18,849
Khazanah bonds	1,839	5,884
Negotiable instruments of deposits	-	150,000
Private debt securities	24,312	116,283
	<u>2,549,921</u>	<u>1,031,738</u>

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

	<b>Group and Bank</b>	
	<b>30 September 2007</b>	<b>31 December 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Shares	892	715
Irredeemable convertible unsecured loan stocks quoted in Malaysia	2,795	2,069
	<u>3,687</u>	<u>2,784</u>

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

	<b>Group and Bank</b>	
	<b>30 September 2007</b>	<b>31 December 2006</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>

**15. Loans, advances and financing**

	<b>Group and Bank</b>	
	<b>30 September 2007</b>	<b>31 December 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	15,416	46,760
Term loans -housing loans	39,301	38,409
-other term loans	521,387	332,502
Bills receivable	27,068	21,845
Claims on customers under acceptance credits	125,872	113,883
Staff loans	4,724	4,727
	<u>733,768</u>	<u>558,126</u>
Unearned interest	(439)	(511)
	<u>733,329</u>	<u>557,615</u>
Gross loans and advances		
Allowance for bad and doubtful debts		
-General	(23,946)	(23,946)
-Specific	(7,984)	(17,856)
	<u>701,399</u>	<u>515,813</u>



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

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

	Group and Bank	
	30 September 2007 RM'000	31 December 2006 RM'000
Domestic business enterprises - SME	-	1,171
- others	660,652	478,529
Individuals	50,977	56,240
Foreign entities	21,700	21,675
	<u>733,329</u>	<u>557,615</u>

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

	Group and Bank	
	30 September 2007 RM'000	31 December 2006 RM'000
Fixed rate		
- Other fixed rate loan / financing	4,724	4,727
Variable rate		
- Base lending rate plus	44,471	78,196
- Cost-plus	672,074	461,092
- Other variable rates	12,060	13,600
	<u>733,329</u>	<u>557,615</u>

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

	Group and Bank	
	30 September 2007 RM'000	31 December 2006 RM'000
Agriculture, hunting, forestry and fishing	-	-
Manufacturing	400,302	325,003
Construction	21,595	6,758
Real estate	4,737	6,183
Purchase of landed property:		
- Residential	42,855	42,546
- Non-Residential	478	1,108
Wholesale & retail trade and restaurants & hotels	125,097	104,054
Finance, insurance and business services	83,495	21,675
Purchase of transport vehicles	227	235
Others	54,543	50,053
	<u>733,329</u>	<u>557,615</u>

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

Movements in non-performing loans are as follows:

	<b>Group and Bank</b>	
	<b>30 September 2007</b>	<b>31 December 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance at 1 January	23,937	23,079
Classified as non-performing during the year	2,659	5,080
Reclassified as performing during the year	(4,747)	(1,657)
Amount recovered	(3,520)	(2,565)
Amounts written off	(4,147)	-
Closing balance	<u>14,182</u>	<u>23,937</u>
Specific allowance for doubtful debts	(7,984)	(17,856)
Net non-performing loans, advances and financing	<u><u>6,198</u></u>	<u><u>6,081</u></u>
Percentage of net non-performing loans to loans and advances (net of specific allowance)	<u>0.85%</u>	<u>1.13%</u>

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

	<b>Group and Bank</b>	
	<b>30 September 2007</b>	<b>31 December 2006</b>
	<b>RM'000</b>	<b>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>3.30%</u>	<u>4.44%</u>

	<b>Group and Bank</b>	
	<b>30 September 2007</b>	<b>31 December 2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Specific provision:		
Balance at 1 January	17,856	18,198
Reclassification (to)/from allowance for commitments and contingencies	(2,256)	2,223
Allowance made during the year	51	-
Amount recovered	(3,520)	(2,565)
Amount written off	(4,147)	-
Closing balance	<u><u>7,984</u></u>	<u><u>17,856</u></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	
	30 September 2007 RM'000	31 December 2006 RM'000
Manufacturing	6,252	12,656
Purchase of landed property - residential	6,265	6,100
Wholesale & retail trade and restaurants & hotels	-	3,515
Others	1,665	1,666
	<u>14,182</u>	<u>23,937</u>

### 17. Other assets

	Group and Bank	
	30 September 2007 RM'000	31 December 2006 RM'000
Interest/Income Receivable	39,675	41,455
Margin placed with exchange	14,990	20,433
Derivatives	1,044,525	795,442
Other debtors, deposits and prepayments	699,124	42,021
	<u>1,798,314</u>	<u>899,351</u>

### 18. Deposits from customers

	Group		Bank	
	30 September 2007 RM'000	31 December 2006 RM'000	30 September 2007 RM'000	31 December 2006 RM'000
Demand deposits	409,477	629,282	409,497	629,302
Savings deposits	11,477	14,384	11,477	14,384
Fixed deposits	328,296	1,473,991	328,296	1,473,991
Other deposits	2,754,190	1,038,232	2,754,190	1,038,232
Negotiable instrument of deposits	319,200	260,200	319,200	260,200
	<u>3,822,640</u>	<u>3,416,089</u>	<u>3,822,660</u>	<u>3,416,109</u>

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

The deposits are sourced from the following types of customers:

	Group		Bank	
	30 September 2007 RM'000	31 December 2006 RM'000	30 September 2007 RM'000	31 December 2006 RM'000
Business enterprises	1,170,277	1,728,025	1,170,297	1,728,045
Individuals	65,692	65,281	65,692	65,281
Foreign customers	97,167	126,293	97,167	126,293
Others	2,489,504	1,496,490	2,489,504	1,496,490
	<u>3,822,640</u>	<u>3,416,089</u>	<u>3,822,660</u>	<u>3,416,109</u>

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

	Group and Bank	
	30 September 2007 RM'000	31 December 2006 RM'000
Licensed banks	121,300	200,000
Other financial institutions	2,077,251	1,769,832
	<u>2,198,551</u>	<u>1,969,832</u>

**20. Other liabilities**

	Group and Bank	
	30 September 2007 RM'000	31 December 2006 RM'000
Allowance for commitments and contingencies	3,274	1,018
Interest Payable	12,386	12,934
Bills Payable	74,947	109,727
Derivatives	904,496	685,105
Employee benefits	20,057	26,928
Other liabilities	314,888	212,355
	<u>1,330,048</u>	<u>1,048,067</u>

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

	Group and Bank	
	30 September 2007 RM'000	31 December 2006 RM'000
Balance at 1 January	1,018	3,241
Reclassification (to)/from specific allowance	2,256	(2,223)
Closing balance	<u>3,274</u>	<u>1,018</u>

## 21. Interest income

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
-Interest income other than recoveries from NPL	23,543	21,938	8,142	7,718
-Recoveries from NPL	322	201	69	65
Money at call and deposit placements with financial institutions	216,300	151,164	60,582	67,666
Securities held for trading	65,855	53,266	23,880	24,056
Others	10	4	6	2
	<u>306,030</u>	<u>226,573</u>	<u>92,679</u>	<u>99,507</u>

## 22. Interest expense

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	103,960	109,249	40,331	45,978
Deposits from customers	115,271	43,879	37,365	21,967
Others	1,593	2,195	492	891
	<u>220,824</u>	<u>155,323</u>	<u>78,188</u>	<u>68,836</u>

## 23. Non-Interest Income

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commission	4,187	2,744	1,519	943
Service charges and fees	6,114	4,715	1,989	1,427
Guarantee fees	1,178	757	556	255
Underwriting fees	900	-	-	-
Other fee income	260	2,393	152	2,393
	<u>12,639</u>	<u>10,609</u>	<u>4,216</u>	<u>5,018</u>

## 23. Non-Interest Income (continued)

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Gains/(losses) arising from sale of securities:-				
Securities held -for- trading	754	(4,970)	(1,489)	15,850
Net gains arising from dealing in foreign exchange	56,737	37,937	18,056	20,698
Net gains/(losses) arising from trading in derivatives	52,439	(26,049)	4,786	(1,385)
Net unrealised gains on revaluation of trading portfolio (including derivatives)	46,376	77,852	52,270	51,267
Unrealised losses from foreign exchange	(65,458)	(8,009)	(38,400)	(8,517)
Gross dividends from securities held-to-maturity	36	51	-	-
Gain on disposal of property, plant and equipment	-	1	-	-
Other operating income, net	14,645	20,651	4,734	2,363
	<u>105,529</u>	<u>97,464</u>	<u>39,957</u>	<u>80,276</u>
	<u>118,168</u>	<u>108,073</u>	<u>44,173</u>	<u>85,294</u>

## 24. Other operating expenses

	Group and Bank			
	Nine months ended		Three months ended	
	30 September	30 September	30 September	30 September
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
-Salaries, allowance and bonuses	27,906	27,785	4,479	6,803
-Others	5,650	9,281	1,255	5,227
Establishment costs				
-Rental	1,721	1,669	575	571
-Depreciation	1,899	1,693	634	615
-Others	2,659	1,912	928	706
Marketing expenses	2,024	1,709	1,005	695
Administration and general expenses				
-Inter-company expenses	19,214	16,986	5,043	(311)
-Communication	836	738	303	272
-Others	4,349	4,165	1,769	1,637
	<u>66,258</u>	<u>65,938</u>	<u>15,991</u>	<u>16,215</u>

The number of employees of the Group and the Bank at the end of the period was 138 (Sept 2006 - 123).

**25. Loan loss and allowance written back/(Allowance made)**

	<b>Group and Bank</b>			
	<b>Nine months ended</b>		<b>Three months ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Allowance for bad and doubtful debts on loans and financing				
Specific allowance				
-Reclassification to/(from) allowance for commitments and contingencies	2,256	(2,223)	2,256	(2,223)
-Provided for the financial year	(51)	-	(26)	-
-Written back	3,520	1,573	3,142	107
Bad debts on loans and financing				
-Recovered	555	102	-	-
	<u>6,280</u>	<u>(548)</u>	<u>5,372</u>	<u>(2,116)</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>30 September 2007</b>			<b>31 December 2006</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	3,008	3,008	3,008	4,008	4,008	4,008
Transaction-related contingent items	660,457	330,228	160,966	618,539	309,270	169,337
Short-term self-liquidating trade-related contingencies	45,924	9,185	5,738	15,339	3,068	1,509
Irrecoverable commitments to extend credit:						
-Maturity not exceeding one year	521,657	-	-	356,282	-	-
-Maturity exceeding one year	959	480	240	992	496	496
Foreign exchange related contracts:						
-Less than one year	24,436,133	413,901	111,001	13,016,126	339,390	100,028
-One year to less than 5 years	3,110,556	293,467	96,878	1,131,524	100,941	27,029
-5 years and above	3,505,894	564,659	191,933	2,575,023	418,808	159,152
Interest rate related contracts:						
-Less than one year	39,991,700	99,485	16,059	38,260,000	69,127	13,826
-One year to less than 5 years	67,343,198	1,514,020	300,223	59,835,714	1,193,965	228,461
-5 years and above	9,347,117	872,008	227,906	5,809,454	582,733	125,560
	<u>148,966,603</u>	<u>4,100,441</u>	<u>1,113,952</u>	<u>121,623,001</u>	<u>3,021,806</u>	<u>829,406</u>



## 27. Capital adequacy

	Bank	
	30 September 2007	31 December 2006
	RM'000	RM'000
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	78,136	78,136
Less: Deferred tax assets	(17,776)	(17,776)
Total Tier 1 capital	<u>766,444</u>	<u>766,444</u>
Tier 2 capital		
General allowance for bad and doubtful debts	23,946	23,946
Total Capital	<u>790,390</u>	<u>790,390</u>
Less: Investments in subsidiaries	(20)	(20)
Capital base	<u><u>790,370</u></u>	<u><u>790,370</u></u>
Core capital ratio	13.56%	14.56%
Risk-weighted capital ratio	<u><u>13.98%</u></u>	<u><u>15.01%</u></u>

## 28. Interest rate risk

Group and Bank 30 September 2007	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	1,545,759	-	-	-	-	100,744	-	1,646,503	4.75%	
Deposits and placement with banks and other financial institutions	-	221,585	-	-	-	-	-	221,585	5.43%	
Securities purchased under resale agreement	-	-	-	-	-	-	2,717,519	2,717,519	3.41%	
Securities held for trading	-	-	-	-	-	-	2,549,921	2,549,921	3.67%	
Securities available-for-sale	-	-	-	-	-	3,687	-	3,687	-	
Securities held-to-maturity	-	-	-	-	-	1,591	-	1,591	-	
Loans, advances and financing										
-Performing	410,073	175,311	69,598	21,863	42,302	-	-	719,147	4.77%	
-Non-performing*	-	-	-	-	-	(17,748)	-	(17,748)	-	
Other assets	-	-	-	-	-	788,446	1,044,525	1,832,971	-	
<b>Total assets</b>	<b>1,955,832</b>	<b>396,896</b>	<b>69,598</b>	<b>21,863</b>	<b>42,302</b>	<b>876,720</b>	<b>6,311,965</b>	<b>9,675,176</b>		

## 28. Interest rate risk (continued)

Group and Bank 30 September 2007	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>Liabilities and shareholders' funds</b>										
Deposits from customers	1,161,575	38,877	36,371	1,989,796	186,524	409,497	-	3,822,640	3.80%	
Deposits and placements of banks and other financial institutions	1,274,022	-	-	6,000	-	918,529	-	2,198,551	4.53%	
Obligations on securities sold under repurchase agreements	1,398,685	-	-	-	-	-	-	1,398,685	3.40%	
Bills and acceptances payable	-	-	-	-	-	-	-	-	-	
Other liabilities	-	-	-	-	-	462,041	904,496	1,366,537	-	
<b>Total liabilities</b>	<b>3,834,282</b>	<b>38,877</b>	<b>36,371</b>	<b>1,995,796</b>	<b>186,524</b>	<b>1,790,067</b>	<b>904,496</b>	<b>8,786,413</b>		
Shareholders' equity	-	-	-	-	-	888,763	-	888,763		
<b>Total liabilities and shareholders' equity</b>	<b>3,834,282</b>	<b>38,877</b>	<b>36,371</b>	<b>1,995,796</b>	<b>186,524</b>	<b>2,678,830</b>	<b>904,496</b>	<b>9,675,176</b>		
On-balance sheet interest sensitivity gap	(1,878,450)	358,019	33,227	(1,973,933)	(144,222)	(1,802,110)	5,407,469	-		
<b>Total interest sensitivity gap</b>	<b>(1,878,450)</b>	<b>358,019</b>	<b>33,227</b>	<b>(1,973,933)</b>	<b>(144,222)</b>	<b>(1,802,110)</b>	<b>5,407,469</b>	<b>-</b>		

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

## 28. Interest rate risk (continued)

Group and Bank 31 December 2006	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	4,121,722	-	-	-	-	89,818	-	4,211,540	4.67%	
Deposits and placement with banks and other financial institutions	-	-	353,000	-	-	-	-	353,000	5.33%	
Securities purchased under resale agreement	-	-	-	-	-	-	1,795,778	1,795,778	3.57%	
Securities held for trading	-	-	-	-	-	-	1,031,738	1,031,738	4.99%	
Securities available-for-sale	-	-	-	-	-	2,784	-	2,784	-	
Securities held-to-maturity	-	-	-	-	-	1,591	-	1,591	-	
Loans, advances and financing										
-Performing	242,297	140,439	83,782	27,867	39,293	-	-	533,678	5.24%	
-Non-performing*	-	-	-	-	-	(17,865)	-	(17,865)	-	
Other assets	-	-	-	-	-	168,274	795,442	963,716	-	
<b>Total assets</b>	<b>4,364,019</b>	<b>140,439</b>	<b>436,782</b>	<b>27,867</b>	<b>39,293</b>	<b>244,602</b>	<b>3,622,958</b>	<b>8,875,960</b>		

## 28. Interest rate risk (continued)

Group and Bank 31 December 2006	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	752,110	729,581	22,215	1,170,750	112,150	629,283	-	3,416,089	3.86%
Deposits and placements of banks and other financial institutions	1,636,065	200,000	-	-	-	133,767	-	1,969,832	4.51%
Obligations on securities sold under repurchase agreements	1,456,848	108,477	-	-	-	-	-	1,565,325	3.35%
Bills and acceptances payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	395,836	685,105	1,080,941	-
<b>Total liabilities</b>	<b>3,845,023</b>	<b>1,038,058</b>	<b>22,215</b>	<b>1,170,750</b>	<b>112,150</b>	<b>1,158,886</b>	<b>685,105</b>	<b>8,032,187</b>	
Shareholders' equity	-	-	-	-	-	843,773	-	843,773	
<b>Total liabilities and shareholders' equity</b>	<b>3,845,023</b>	<b>1,038,058</b>	<b>22,215</b>	<b>1,170,750</b>	<b>112,150</b>	<b>2,002,659</b>	<b>685,105</b>	<b>8,875,960</b>	
On-balance sheet interest sensitivity gap	518,996	(897,619)	414,567	(1,142,883)	(72,857)	(1,758,057)	2,937,853	-	
<b>Total interest sensitivity gap</b>	<b>518,996</b>	<b>(897,619)</b>	<b>414,567</b>	<b>(1,142,883)</b>	<b>(72,857)</b>	<b>(1,758,057)</b>	<b>2,937,853</b>	<b>-</b>	

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