

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

Unaudited Condensed Interim Financial Statements
- 31 March 2009

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 2009

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Assets				
Cash and short term funds	781,031	305,889	781,031	305,889
Securities purchased under resale agreements	5,866,141	6,070,853	5,866,141	6,070,853
Securities held-for-trading	572,448	698,204	572,448	698,204
Securities available-for-sale	2,859	2,849	2,859	2,849
Securities held-to-maturity	1,591	1,591	1,591	1,591
Loans, advances and financing	662,932	977,502	662,932	977,502
Other assets	2,819,257	2,827,928	2,819,257	2,827,928
Statutory deposit with Bank				
Negara Malaysia	225	225	225	225
Investments in subsidiary companies	-	-	20	20
Property, plant and equipment	5,387	6,083	5,387	6,083
Deferred tax assets	18,705	20,856	18,705	20,856
Total assets	<u>10,730,576</u>	<u>10,911,980</u>	<u>10,730,596</u>	<u>10,912,000</u>
Liabilities and shareholders' funds				
Deposits from customers	5,731,140	5,942,278	5,731,160	5,942,298
Deposits and placements of banks and other financial institutions	954,052	1,062,054	954,052	1,062,054
Other liabilities	2,783,527	2,808,901	2,783,527	2,808,901
Taxation	55,141	21,266	55,141	21,266
Total liabilities	<u>9,523,860</u>	<u>9,834,499</u>	<u>9,523,880</u>	<u>9,834,519</u>
Share capital	<u>173,599</u>	<u>173,599</u>	<u>173,599</u>	<u>173,599</u>
Reserves	<u>1,033,117</u>	<u>903,882</u>	<u>1,033,117</u>	<u>903,882</u>
Shareholders' funds	<u>1,206,716</u>	<u>1,077,481</u>	<u>1,206,716</u>	<u>1,077,481</u>
Total liabilities and shareholders' funds	<u>10,730,576</u>	<u>10,911,980</u>	<u>10,730,596</u>	<u>10,912,000</u>
Commitments and contingencies	<u>126,825,579</u>	<u>127,768,333</u>	<u>126,825,579</u>	<u>127,768,333</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 2008.

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

UNAUDITED CONDENSED INCOME STATEMENT
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2009

	Group and Bank			
	1 st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Interest income	57,503	111,753	57,503	111,753
Interest expense	(17,180)	(77,809)	(17,180)	(77,809)
Net interest income	<u>40,323</u>	<u>33,944</u>	<u>40,323</u>	<u>33,944</u>
Non-interest income	160,514	117,301	160,514	117,301
Operating income	<u>200,837</u>	<u>151,245</u>	<u>200,837</u>	<u>151,245</u>
Other operating expenses	(27,946)	(28,941)	(27,946)	(28,941)
Operating profit	<u>172,891</u>	<u>122,304</u>	<u>172,891</u>	<u>122,304</u>
Loan loss and allowance written back	(14)	1,448	(14)	1,448
Impairment losses from securities available-for-sale	-	(128)	-	(128)
Profit before taxation	<u>172,877</u>	<u>123,624</u>	<u>172,877</u>	<u>123,624</u>
Taxation	(43,649)	(34,281)	(43,649)	(34,281)
Profit after taxation	<u><u>129,228</u></u>	<u><u>89,343</u></u>	<u><u>129,228</u></u>	<u><u>89,343</u></u>
Earnings per share (sen)	<u><u>74.4 sen</u></u>	<u><u>51.5 sen</u></u>	<u><u>74.4 sen</u></u>	<u><u>51.5 sen</u></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 2008.

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

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2009

Group and Bank	Share capital RM'000	<--Non-distributable--> Share premium RM'000	Other reserve RM'000	Distributable Retained profits RM'000	Total reserves RM'000	Proposed dividend RM'000	Total RM'000
At 1 January 2009	173,599	357,763	175,508	370,611	903,882	-	1,077,481
Net profit for the period	-	-	-	129,228	129,228	-	129,228
Unrealised net loss on revaluation of securities available for sale	-	-	7	-	7	-	7
At 31 March 2009	173,599	357,763	175,515	499,839	1,033,117	-	1,206,716
At 1 January 2008	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)
At 31 March 2008	173,599	357,763	175,425	308,184	841,372	-	1,014,971

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 2008.

DEUTSCHE BANK (MALAYSIA) BERHAD
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UNAUDITED CONDENSED CASH FLOW STATEMENT
FOR THE FIRST FINANCIAL QUARTER ENDED 31 MARCH 2009

	Group and Bank	
	31 March 2009 RM'000	31 March 2008 RM'000
Profit before taxation	172,877	123,624
Adjustments for non-operating and non-cash items	791	696
Operating profit before working capital changes	<u>173,668</u>	<u>124,320</u>
Changes in working capital:		
Net changes in operating assets	653,709	(3,030,016)
Net changes in operating liabilities	(344,514)	2,378,169
Income tax paid	(7,625)	(17,027)
Net cash generated from / (used in) operations	<u>475,238</u>	<u>(544,554)</u>
Net cash used in investing activities	(96)	(303)
Net cash used in financing activities	-	-
	<u>(96)</u>	<u>(303)</u>
Net change in cash and cash equivalents	475,142	(544,857)
Cash and cash equivalents at beginning of the period	305,889	2,294,493
Cash and cash equivalents at end of the period	<u>781,031</u>	<u>1,749,636</u>
Analysis of cash and cash equivalents		
Cash and short-term funds	781,031	1,749,636

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 2008.

DEUTSCHE BANK (MALAYSIA) BERHAD
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AND ITS SUBSIDIARIES

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AT 31 MARCH 2009

1. Basis of preparation

The unaudited condensed interim financial statements for the first quarter ended 31 March 2009 should be read in conjunction with the audited annual financial statements of the Group and the Bank for the year ended 31 December 2008.

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 2008 was not subject to any qualification.

3. Seasonality or Cyclical 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 2009.

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 2009.

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 2009.

7. Dividend Paid

No dividend was paid during the first quarter ended 31 March 2009.

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 2009.

10. Review of Performance

The Bank recorded profit before tax of RM172.9 million for the first financial quarter ended 31 March 2009, an increase of RM49.3 million compared to RM123.6 million profit before tax recorded in the previous corresponding quarter. Overall total income increased by RM49.6 million from RM151.2 million in the first financial quarter ended 31 March 2008 to RM200.8 million in the first financial quarter ended 31 March 2009. Net interest income and non-interest income increased by RM6.4 million and RM43.2 million respectively for the first financial quarter ended 31 March 2009 compared to the previous corresponding quarter.

Other operating expenses decreased by RM1.0 million for the first financial quarter ended 31 March 2009 compared to the previous corresponding quarter mainly attributed to lower inter-company expenses, offset by higher personnel cost recorded in 2009.

The ratio of net non-performing loans to the total net loan, financing and advances has moved from 0.75% in the previous corresponding quarter to 1.26% as at 31 March 2009.

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.

12. Securities held for trading

	Group and Bank	
	31 March 2009	31 December 2008
At fair value	RM'000	RM'000
Money market instruments:		
Malaysian Government Securities	369,148	203,501
Malaysian Investment Issue	4,152	-
Bank Negara Malaysia Bills	180,469	486,319
Cagamas bonds	16,529	6,269
Khazanah bonds	1,963	1,918
Private debt securities	187	197
	<u>572,448</u>	<u>698,204</u>

13. Securities available-for-sale

	Group and Bank	
	31 March 2009 RM'000	31 December 2008 RM'000
At fair value		
Shares	359	349
Irredeemable convertible unsecured loan stocks quoted in Malaysia	2,500	2,500
	<u>2,859</u>	<u>2,849</u>
	<u>2,859</u>	<u>2,849</u>

14. Securities held-to-maturity

	Group and Bank	
	31 March 2009 RM'000	31 December 2008 RM'000
Unquoted securities:		
Shares, at cost	1,591	1,591
	<u>1,591</u>	<u>1,591</u>
	<u>1,591</u>	<u>1,591</u>

15. Loans, advances and financing

	Group and Bank	
	31 March 2009 RM'000	31 December 2008 RM'000
Overdrafts	38,627	24,178
Term loans - housing loans	36,104	36,928
- other term loans	382,645	482,636
Bills receivable	7,639	185,121
Claims on customers under acceptance credits	218,524	268,906
Staff loans	3,795	4,658
	<u>687,334</u>	<u>1,002,427</u>
Unearned interest	(348)	(884)
	<u>686,986</u>	<u>1,001,543</u>
Gross loans and advances	686,986	1,001,543
Allowance for bad and doubtful debts		
- General	(23,946)	(23,946)
- Specific	(108)	(95)
	<u>662,932</u>	<u>977,502</u>
Net loans and advances	<u>662,932</u>	<u>977,502</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 2009 RM'000	31 December 2008 RM'000
Domestic banking institutions	-	4,012
Domestic business enterprises - SME	-	-
- others	638,780	775,194
Individuals	40,567	41,600
Foreign entities	7,639	180,737
	686,986	1,001,543
	686,986	1,001,543

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

	Group and Bank	
	31 March 2009 RM'000	31 December 2008 RM'000
Fixed rate		
- Other fixed rate loan / financing	4,443	4,672
Variable rate		
- Base lending rate plus	71,533	56,911
- Cost-plus	607,825	935,539
- Other variable rates	3,185	4,421
	686,986	1,001,543
	686,986	1,001,543

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

	Group and Bank	
	31 March 2009 RM'000	31 December 2008 RM'000
Manufacturing	352,415	417,687
Construction	73,711	62,271
Real estate	1,229	1,196
Purchase of landed property:		
- Residential	39,911	41,478
- Non-Residential	-	-
Wholesale & retail trade and restaurants & hotels	173,855	175,626
Finance, insurance and business services	12,645	269,749
Purchase of transport vehicles	129	142
Others	33,091	33,394
	686,986	1,001,543
	686,986	1,001,543

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

Movements in non-performing loans are as follows:

	Group and Bank	
	31 March 2009	31 December 2008
	RM'000	RM'000
Balance at 1 January	8,511	12,393
Classified as non-performing during the period/year	2,376	4,539
Reclassified as performing during the period/year	(875)	(2,902)
Amount recovered	(1,279)	(5,462)
Amounts written off	-	(57)
	<u>8,733</u>	<u>8,511</u>
Closing balance	8,733	8,511
Specific allowance for doubtful debts	(108)	(95)
	<u>8,625</u>	<u>8,416</u>
Net non-performing loans, advances and financing	<u>8,625</u>	<u>8,416</u>
Percentage of net non-performing loans to loans and advances (net of specific allowance)	<u>1.26 %</u>	<u>0.84 %</u>

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

	Group and Bank	
	31 March 2009	31 December 2008
	RM'000	RM'000
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>3.49%</u>	<u>2.39%</u>

	Group and Bank	
	31 March 2009	31 December 2008
	RM'000	RM'000
Specific provision:		
Balance at 1 January	95	5,716
Reclassified to provision for commitment and contingencies		3,274
Allowance made during the period/year	17	38
Amount recovered	(4)	(8,876)
Amount written off	-	(57)
	<u>108</u>	<u>95</u>
Closing balance	<u>108</u>	<u>95</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 2009 RM'000	31 December 2008 RM'000
Manufacturing	2,515	2,516
Purchase of landed property - residential	6,154	5,931
Others	64	64
	<u>8,733</u>	<u>8,511</u>

17. Other assets

	Group and Bank	
	31 March 2009 RM'000	31 December 2008 RM'000
Interest / Income Receivable	30,974	21,212
Margin placed with exchange	4,274	4,195
Derivatives	2,552,929	2,566,240
Other debtors, deposits and prepayments	231,080	236,281
	<u>2,819,257</u>	<u>2,827,928</u>

18. Deposits from customers

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Demand deposits	777,409	707,508	777,429	707,528
Savings deposits	8,426	8,747	8,426	8,747
Fixed deposits	516,381	405,529	516,381	405,529
Other deposits	4,133,624	4,524,294	4,133,624	4,524,294
Negotiable instrument of deposits	295,300	296,200	295,300	296,200
	<u>5,731,140</u>	<u>5,942,278</u>	<u>5,731,160</u>	<u>5,942,298</u>

18. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

	Group		Bank	
	31 March 2009 RM'000	31 December 2008 RM'000	31 March 2009 RM'000	31 December 2008 RM'000
Business enterprises	2,020,048	2,120,508	2,020,068	2,120,528
Individuals	50,456	52,089	50,456	52,089
Foreign customers	157,448	109,881	157,448	109,881
Others	3,503,188	3,659,800	3,503,188	3,659,800
	<u>5,731,140</u>	<u>5,942,278</u>	<u>5,731,160</u>	<u>5,942,298</u>

19. Deposits and placements of banks and other financial institutions

	Group and Bank	
	31 March 2009 RM'000	31 December 2008 RM'000
Licensed banks	-	3,000
Other financial institutions	954,052	1,059,054
	<u>954,052</u>	<u>1,062,054</u>

20. Other liabilities

	Group and Bank	
	31 March 2009 RM'000	31 December 2008 RM'000
Interest Payable	24,438	21,870
Bills Payable	62,486	91,186
Derivatives	2,017,267	2,088,080
Employee benefits	13,280	16,178
Other liabilities	666,056	591,587
	<u>2,783,527</u>	<u>2,808,901</u>

20. Other liabilities (continued)

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

	Group and Bank	
	31 March 2009 RM'000	31 December 2008 RM'000
Balance at 1 January	-	3,274
Reclassification of provision from commitments and And contingencies to specific allowance	-	(3,274)
Closing balance	<u>-</u>	<u>-</u>

21. Interest income

	Group and Bank			
	1st Quarter ended 31 March 2009 RM'000	31 March 2008 RM'000	Three months ended 31 March 2009 RM'000	31 March 2008 RM'000
Loans and advances				
- Interest income other than recoveries from NPL	10,244	8,815	10,244	8,815
- Recoveries from NPL	1,179	182	1,179	182
Money at call and deposit placements with financial institutions	39,247	81,746	39,247	81,746
Securities held for trading	6,832	20,803	6,832	20,803
Others	1	207	1	207
	<u>57,503</u>	<u>111,753</u>	<u>57,503</u>	<u>111,753</u>

22. Interest expense

	Group and Bank			
	1st Quarter ended 31 March 2009 RM'000	31 March 2008 RM'000	Three months ended 31 March 2009 RM'000	31 March 2008 RM'000
Deposits and placements of banks and other financial institutions	1,023	48,465	1,023	48,465
Deposits from customers	16,133	29,298	16,133	29,298
Others	24	46	24	46
	<u>17,180</u>	<u>77,809</u>	<u>17,180</u>	<u>77,809</u>

23. Non-Interest Income

	Group and Bank			
	1 st Quarter ended 31 March 2009 RM'000	31 March 2008 RM'000	Three months ended 31 March 2009 RM'000	31 March 2008 RM'000
Fee income:				
Commission	976	455	976	455
Service charges and fees	1,691	3,318	1,691	3,318
Guarantee fees	636	531	636	531
	<u>3,303</u>	<u>4,304</u>	<u>3,303</u>	<u>4,304</u>
Gain/(Losses) arising from sale of securities:-				
Securities held -for- trading	(8,318)	1,861	(8,318)	1,861
Net gains arising from dealing in foreign exchange	53,587	134,057	53,587	134,057
Net gains/losses arising from trading in derivatives	41,925	10,373	41,925	10,373
Net unrealised gains/(losses) on revaluation of trading portfolio (including derivatives)	47,622	60,361	47,622	60,361
Unrealised gains/(losses) from foreign exchange	20,612	(104,047)	20,612	(104,047)
Gross dividends from securities held-to-maturity	11	-	11	-
Other operating income, net	1,772	10,392	1,772	10,392
	<u>157,211</u>	<u>112,997</u>	<u>157,211</u>	<u>112,997</u>
	<u>160,514</u>	<u>117,301</u>	<u>160,514</u>	<u>117,301</u>

24. Other operating expenses

	Group and Bank			
	1 st Quarter ended 31 March 2009 RM'000	31 March 2008 RM'000	Three months ended 31 March 2009 RM'000	31 March 2008 RM'000
Personnel costs				
- Salaries, allowance and bonuses	13,858	9,816	13,858	9,816
- Others	2,874	2,862	2,874	2,862
Establishment costs				
- Rental	587	575	587	575
- Depreciation	791	568	791	568
- Others	1,000	965	1,000	965
Marketing expenses	314	443	314	443
Administration and general expenses				
- Inter-company expenses	6,889	12,200	6,889	12,200
- Communication	322	318	322	318
- Others	1,311	1,194	1,311	1,194
	<u>27,946</u>	<u>28,941</u>	<u>27,946</u>	<u>28,941</u>

The number of employees of the Group and the Bank at the end of the period was 151 (March 2008 - 145).

25. Loan loss and allowance written back

	Group and Bank			
	1st Quarter ended 31 March 2009 RM'000	31 March 2008 RM'000	Three months ended 31 March 2009 RM'000	31 March 2008 RM'000
Allowance for bad and doubtful debts on loans and financing				
Specific allowance				
- Provided in the financial year	(19)	(11)	(19)	(11)
- Written back	5	1,459	5	1,459
	<u>(14)</u>	<u>1,448</u>	<u>(14)</u>	<u>1,448</u>

26. Contingencies

Litigation in process against the Bank arising from an action by two companies, seeking specific damages amounting to RM1 million and general damages for which the amount is not quantifiable at this stage.

The information usually required by FRS137, Provision, Contingent Liabilities and Contingent Assets is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation. The Bank intends to defend the action. Accordingly, no provision has been made in respect of this litigation.

27. 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:

	Group and Bank					
	31 March 2009			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	283	283	57	130	130	130
Transaction-related contingent items	883,362	441,681	250,241	908,865	454,433	247,550
Short-term self-liquidating trade-related contingencies	7,423	1,485	782	36,970	7,394	4,747
Irrecoverable commitments to extend credit:						
- Maturity not exceeding one year	-	-	-	870,712	174,142	154,585
- Maturity exceeding one year	-	-	-	208	104	39
Foreign exchange related contracts:						
- Less than one year	12,031,615	429,761	165,220	13,844,737	615,212	220,586
- One year to less than 5 years	3,589,349	517,451	201,772	3,221,349	418,812	185,194
- 5 years and above	2,701,255	433,285	285,641	2,375,887	310,156	171,941
Interest rate related contracts:						
- Less than one year	39,768,539	200,678	38,118	37,916,929	124,215	23,314
- One year to less than 5 years	54,499,936	2,107,496	454,235	55,610,022	2,009,385	417,789
- 5 years and above	9,638,669	1,101,562	314,804	10,656,981	1,345,417	395,669
Equity and commodity related contracts:						
- Less than one year	816,550	82,931	40,903	579,068	58,747	29,074
- One year to less than 5 years	1,545,472	198,773	113,771	1,559,613	190,834	96,800
- 5 years and above	102,668	17,961	7,700	104,243	29,677	8,380
Credit Derivative Contracts						
- One year to less than 5 years	86,498	-	-	82,619	-	-
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,153,960	-	-	-	-	-
	<u>126,825,579</u>	<u>5,533,347</u>	<u>1,873,244</u>	<u>127,768,333</u>	<u>5,738,658</u>	<u>1,955,798</u>

28. Capital adequacy

	Bank	
	31 March 2009 RM'000	31 December 2008 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	370,611	370,611
Less: Deferred tax assets	(20,856)	(20,856)
Total Tier 1 capital	<u>1,055,839</u>	<u>1,055,839</u>
Tier 2 capital		
General allowance for bad and doubtful debts	23,946	23,946
Total Capital	<u>1,079,785</u>	<u>1,079,785</u>
Less: Investments in subsidiaries	(20)	(20)
Capital base	<u><u>1,079,765</u></u>	<u><u>1,079,765</u></u>
Total Risk Weighted Assets (RWA)		
Total Credit RWA	2,507,940	2,757,586
Total Operational RWA	551,206	457,736
Total Market RWA	4,808,966	4,048,905
	<u><u>7,868,112</u></u>	<u><u>7,264,227</u></u>
Core capital ratio	13.42%	14.53%
Risk-weighted capital ratio	<u><u>13.72%</u></u>	<u><u>14.86%</u></u>

29. Interest rate risk

Group and Bank 31 March 2009	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					
Assets										
Cash and short term funds	587,643	-	-	-	-	193,388	-	781,031	1.01	
Securities purchased under resale agreement	-	-	-	-	-	-	5,866,141	5,866,141	2.05	
Securities held for trading	-	-	-	-	-	-	572,448	572,448	2.87	
Securities available for sale	-	-	-	-	-	2,859	-	2,859	-	
Securities held-to-maturity	-	-	-	-	-	1,591	-	1,591	-	
Loans, advances and financing										
- Performing	160,223	243,399	236,679	2,660	34,942	-	-	678,146	4.50	
- Non-performing*	-	-	-	-	-	(15,214)	-	(15,214)	-	
Other assets	-	-	-	-	-	290,645	2,552,929	2,843,574	-	
Total assets	747,866	243,339	236,679	2,660	34,942	473,269	8,991,518	10,730,576		

29. Interest rate risk (continued)

Group and Bank 31 March 2009	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			
Liabilities and shareholders' funds									
Deposits from customers	2,137,655	197,362	865,101	1,603,613	150,000	777,409	-	5,731,140	1.79
Deposits and placements of banks and other financial institutions	295,903	-	-	-	-	658,149	-	954,052	0.46
Other liabilities	-	-	-	-	-	821,401	2,017,267	2,838,668	-
Total liabilities	2,433,558	197,362	865,101	1,603,613	150,000	2,256,959	2,017,267	9,523,860	
Shareholders' funds	-	-	-	-	-	1,206,716	-	1,206,716	
Total liabilities and shareholders' funds	2,433,558	197,362	865,101	1,603,613	150,000	3,463,675	2,017,267	10,730,576	
On-balance sheet interest sensitivity gap	(1,685,692)	46,037	(628,422)	(1,600,953)	(115,058)	(2,990,406)	6,974,251	-	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-	-
Total interest sensitivity gap	(1,685,692)	46,037	(628,422)	(1,600,953)	(115,058)	(2,990,406)	6,974,251	-	-

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

29. 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 2008	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets												
Cash and short term funds	155,000	-	-	-	-	-	-	-	150,889	-	305,889	3.24%
Securities purchased under resale agreements	-	-	-	-	-	-	-	-	-	6,070,853	6,070,853	2.86%
Securities held-for-trading	-	-	-	-	-	-	-	-	-	698,204	698,204	3.59%
Securities available-for-sale	-	-	-	-	-	-	-	-	2,849	-	2,849	-
Securities held-to-maturity	-	-	-	-	-	-	-	-	1,591	-	1,591	-
Loans, advances and financing												
- performing	489,632	268,413	195,656	270	1,537	509	1,430	35,585	-	-	993,032	4.56%
- non-performing*	-	-	-	-	-	-	-	-	(15,530)	-	(15,530)	-
Other non-interest sensitive balance	-	-	-	-	-	-	-	-	288,852	2,566,240	2,855,092	-
Total assets	644,632	268,413	195,656	270	1,537	509	1,430	35,585	428,651	9,335,297	10,911,980	

29. Interest rate risk (continued)

Group and Bank 2008	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					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Liabilities and shareholders' funds													
Deposits from customers	1,987,045	20,731	852,962	511,302	77,710	550,000	1,085,000	150,000	707,528	-	5,942,278	3.04	
Deposits and placement with banks and other financial institutions	235,951	31,944	-	-	-	-	-	-	794,159	-	1,062,054	1.48	
Other non-interest sensitive balance	-	-	-	-	-	-	-	-	742,047	2,088,080	2,830,167	-	
Total liabilities	2,222,996	52,675	852,962	511,302	77,710	550,000	1,085,000	150,000	2,243,774	2,088,080	9,834,499		
Shareholders' equity	-	-	-	-	-	-	-	-	1,077,481	-	1,077,481		
Total liabilities and shareholders' equity	2,222,996	52,675	852,962	511,302	77,710	550,000	1,085,000	150,000	3,321,255	2,088,080	10,911,980		
On-balance sheet interest sensitivity gap	(1,578,364)	215,738	(657,306)	(511,032)	(76,173)	(549,491)	(1,083,570)	(114,415)	(2,892,604)	7,247,217	-		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	-	-	-	-	-	-	-	-	-	-		
Total interest sensitivity	(1,578,364)	215,738	(657,306)	(511,032)	(76,173)	(549,491)	(1,083,570)	(114,415)	(2,892,604)	7,247,217	-		

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