

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

Unaudited Condensed Interim Financial Statements
- 30 June 2006

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 JUNE 2006

	Group		Bank	
	30 June 2006 RM'000	31 December 2005 RM'000	30 June 2006 RM'000	31 December 2005 RM'000
Assets				
Cash and short term funds	2,188,877	2,196,515	2,188,877	2,196,515
Securities purchased under resale agreements	4,275,510	1,222,701	4,275,510	1,222,701
Deposits and placements with banks and other financial institutions	-	-	-	-
Securities held-for-trading	1,278,416	754,290	1,278,416	754,290
Securities available-for-sale	2,366	2,895	2,366	2,895
Securities held-to-maturity	1,591	1,591	1,591	1,591
Loans, advances and financing	565,341	595,380	565,341	595,380
Other assets	816,327	554,057	816,327	554,057
Statutory deposit with Bank Negara Malaysia	5,559	35,000	5,559	35,000
Investments in subsidiary companies	-	-	20	20
Property, plant and equipment	3,992	4,769	3,992	4,769
Deferred tax assets	16,577	14,440	16,577	14,440
Total assets	<u>9,154,556</u>	<u>5,381,638</u>	<u>9,154,576</u>	<u>5,381,658</u>
Liabilities and shareholders' funds				
Deposits from customers	1,221,625	1,333,983	1,221,645	1,334,003
Deposits and placements of banks and other financial institutions	3,141,427	1,920,897	3,141,427	1,920,897
Obligations on securities sold under repurchase agreements	3,229,627	928,061	3,229,627	928,061
Bills and acceptances payable	-	1,290	-	1,290
Other liabilities	1,064,406	635,200	1,064,406	635,200
Taxation	23,973	27,973	23,973	27,973
Total liabilities	<u>8,681,058</u>	<u>4,847,404</u>	<u>8,681,078</u>	<u>4,847,424</u>
Share capital	143,043	143,043	143,043	143,043
Reserves	330,455	320,491	330,455	320,491
Proposed dividend	-	70,700	-	70,700
Shareholders' funds	<u>473,498</u>	<u>534,234</u>	<u>473,498</u>	<u>534,234</u>
Total liabilities and shareholders' funds	<u>9,154,556</u>	<u>5,381,638</u>	<u>9,154,576</u>	<u>5,381,658</u>
Commitments and contingencies	<u>99,285,179</u>	<u>70,477,292</u>	<u>99,285,179</u>	<u>70,477,292</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 2005.

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

UNAUDITED CONDENSED INCOME STATEMENT
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2006

	Group and Bank			
	Six months ended	30 June	Three months ended	30 June
	30 June	2005	30 June	2005
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Interest income	127,066	111,901	76,480	65,330
Interest expense	(86,487)	(68,272)	(53,051)	(43,059)
Net interest income	<u>40,579</u>	<u>43,629</u>	<u>23,429</u>	<u>22,271</u>
Non-interest income	18,700	26,290	(12,300)	(3,737)
Operating income	<u>59,279</u>	<u>69,919</u>	<u>11,129</u>	<u>18,534</u>
Overhead expenses	(49,723)	(35,077)	(27,657)	(15,661)
Profit before allowance	<u>9,556</u>	<u>34,842</u>	<u>(16,528)</u>	<u>2,873</u>
Loan loss and allowance written back/ (Allowance made)	1,568	(1,792)	454	(1,818)
Allowance for commitments and contingencies [†]	-	2,241	-	2,241
Profit before taxation	<u>11,124</u>	<u>35,291</u>	<u>(16,074)</u>	<u>3,296</u>
Taxation	(3,716)	(10,355)	4,629	(1,151)
Profit after taxation	<u>7,408</u>	<u>24,936</u>	<u>(11,445)</u>	<u>2,145</u>
Earnings per share (sen)	<u>5.2 sen</u>	<u>17.4 sen</u>	<u>(8.0) sen</u>	<u>1.5 sen</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 2005.

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

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2006

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				
At 1 January 2006	143,043	113,319	146,623	60,549	320,491	70,700	534,234
Net profit for the period	-	-	-	7,408	7,408	-	7,408
Unrealised net profit on revaluation of securities available for sale	-	-	2,556	-	2,556	-	2,556
Dividend Payable	-	-	-	-	-	(70,700)	(70,700)
At 30 June 2006	143,043	113,319	149,179	67,957	330,455	-	473,498
At 1 January 2005	143,043	113,319	127,189	68,689	309,197	-	452,240
Net profit for the period	-	-	-	24,936	24,936	-	24,936
Unrealised net loss on revaluation of securities available for sale	-	-	(1,311)	-	(1,311)	-	(1,311)
At 30 June 2005	143,043	113,319	125,878	93,625	332,822	-	475,865

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 2005.

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

UNAUDITED CONDENSED CASH FLOW STATEMENT
FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2006

	Group and Bank	
	30 June 2006 RM'000	30 June 2005 RM'000
Profit before taxation	11,124	35,291
Adjustments for non-operating and non-cash items	5,156	992
	<hr/>	<hr/>
Operating profit before working capital changes	16,280	36,283
Changes in working capital:		
Net changes in operating assets	(3,779,725)	(2,111,904)
Net changes in operating liabilities	3,766,954	3,163,555
Income tax (paid) / refunded	(10,847)	1,823
	<hr/>	<hr/>
Net cash generated from / (used in) operations	(7,338)	1,089,757
	<hr/>	<hr/>
Net cash generated from / (used in) investing activities	(300)	(372)
Net cash generated from / (used in) financing activities	-	-
	<hr/>	<hr/>
	(300)	(372)
	<hr/>	<hr/>
Net change in cash and cash equivalents	(7,638)	1,089,385
Cash and cash equivalents at beginning of the period	2,196,515	1,891,261
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	2,188,877	2,980,646
	<hr/>	<hr/>
Analysis of cash and cash equivalents		
Cash and short-term funds	2,188,877	2,980,646
	<hr/>	<hr/>

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 2005.

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
AT 30 JUNE 2006

1. Basis of preparation

The unaudited condensed interim financial statements for the second quarter ended 30 June 2006 should be read in conjunction with the audited annual financial statements of the Group and the Bank for the year ended 31 December 2005.

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 2005 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 second financial quarter ended 30 June 2006.

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 second financial quarter ended 30 June 2006.

6. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities during the second financial quarter ended 30 June 2006.

7. Dividend Paid

No dividend was paid during the second quarter ended 30 June 2006.

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 second financial quarter ended 30 June 2006.

10. Review of Performance

Pre-tax profit for the financial half year ended 2006 was recorded at RM11.1 million, lower than the RM35.3 million recorded in the previous corresponding period. Pre-tax return on average equity is 4.69% compared to 14.84 % in the previous financial half year.

The lower pre-tax profit is mainly attributable to lower non-interest income of RM7.6 million (- 28.9%) to RM18.7 million (2005 – RM26.3 million) and higher operating expenses of RM14.6 million (41.7%) to RM49.7 million (2005 – 35.1 million).

As at 30 June 2006, the Bank's net non-performing loans ratio ("NPL") was 1.11% compared to 0.85% in the previous corresponding financial half year.

11. Prospects

We will continue to focus on Global Markets and Global Banking businesses, with emphasis on trading and sales in foreign exchange, fixed income, interest rate derivatives, structured transactions, money markets, repo, capital market instruments, cash management, securities services and trade finance.

Looking forward, we expect to benefit from the integration of business coverage and product units, including realignment of the sales and trading platforms and streamlining of infrastructures to broaden and strengthen our positions, and at the same time leverage on our global expertise to enhance value-added service to our clients.

12. Securities held for trading

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
At fair value		
Money market instruments:		
Malaysian Government Treasury Bills	30,674	48,052
Malaysian Government Securities	756,780	307,348
Bank Negara Malaysia Bills	148,539	168,870
Cagamas bonds	40,599	73,377
Khazanah bonds	5,880	6,006
Asian Development Bank bonds	31,398	-
Private debt securities	264,546	150,637
	<hr/>	<hr/>
	1,278,416	754,290
	<hr/> <hr/>	<hr/> <hr/>

13. Securities available-for-sale

	Group and Bank	
	30 June	31 December
At fair value	2006	2005
	RM'000	RM'000
Irredeemable convertible unsecured loan stocks quoted in Malaysia	2,366	2,895
	<u>2,366</u>	<u>2,895</u>

14. Securities held-to-maturity

	Group and Bank	
	30 June	31 December
	2006	2005
	RM'000	RM'000
Unquoted securities:		
Shares, at cost	1,591	1,591
	<u>1,591</u>	<u>1,591</u>

15. Loans, advances and financing

	Group and Bank	
	30 June	31 December
	2006	2005
	RM'000	RM'000
Overdrafts	52,149	41,539
Term loans - housing loans	33,750	29,855
- other term loans	290,315	286,365
Bills receivable	81,285	152,841
Trust receipts	-	-
Claims on customers under acceptance credits	144,693	123,467
Staff loans	4,823	5,320
	<u>607,015</u>	<u>639,387</u>
Unearned interest	(996)	(1,863)
	<u>606,019</u>	<u>637,524</u>
Gross loans and advances	606,019	637,524
Allowance for bad and doubtful debts		
- General	(23,946)	(23,946)
- Specific	(16,732)	(18,198)
	<u>565,341</u>	<u>595,380</u>
Net loans and advances	<u>565,341</u>	<u>595,380</u>

15. Loans, advances and financing (continued)

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

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
Domestic business enterprises - others	469,253	432,499
Individuals	56,179	53,557
Foreign entities	80,587	151,468
	<u>606,019</u>	<u>637,524</u>

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

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
Fixed rate		
- Other fixed rate loan / financing	4,823	5,320
Variable rate		
- Base lending rate plus	76,782	67,249
- Cost-plus	508,355	534,088
- Other variable rates	16,059	30,867
	<u>606,019</u>	<u>637,524</u>

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

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
Agriculture, hunting, forestry and fishing	546	928
Manufacturing	305,124	262,685
Electricity, gas and water	-	-
Construction	20,631	11,726
Real estate	10,572	9,805
Purchase of landed property:		
- Residential	37,872	34,507
- Non-Residential	1,360	1,599
Wholesale & retail trade and restaurants & hotels	92,224	145,493
Transport. Storage and communication	2,097	-
Finance, insurance and business services	117,126	151,468
Purchase of transport vehicles	324	315
Others	18,143	18,998
	<u>606,019</u>	<u>637,524</u>

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

Movements in non-performing loans are as follows:

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
Balance at 1 January	23,079	29,070
Classified as non-performing during the year	2,376	1,599
Reclassified as performing during the year	(741)	(1,587)
Amount recovered	(1,466)	(3,545)
Amounts written off	-	(2,458)
	<hr/>	<hr/>
Closing balance	23,248	23,079
Specific allowance for doubtful debts	(16,732)	(18,198)
	<hr/>	<hr/>
Net non-performing loans, advances and financing	<u>6,516</u>	<u>4,881</u>
	<hr/>	<hr/>
Percentage of net non-performing loans to loans and advances (net of specific allowance)	<u>1.11%</u>	<u>0.79 %</u>

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

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
General allowance		
Balance at 1 January / Closing balance	23,946	23,946
	<hr/>	<hr/>
As a % of adjusted gross loans and advances less specific allowance	<u>4.06%</u>	<u>3.87 %</u>

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
Specific provision:		
Balance at 1 January	18,198	24,152
Allowance made during the year	-	49
Amount recovered	(1,466)	(3,545)
Amount written off	-	(2,458)
	<hr/>	<hr/>
Closing balance	<u>16,732</u>	<u>18,198</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 June 2006 RM'000	31 December 2005 RM'000
Manufacturing	11,512	12,409
Purchase of landed property - residential	6,551	4,899
Wholesale & retail trade and restaurants & hotels	3,514	4,088
Others	1,671	1,683
	<u>23,248</u>	<u>23,079</u>

17. Other assets

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
Interest / Income Receivable	57,991	23,694
Margin placed with exchange	9,225	5,021
Derivatives	560,380	404,521
Other debtors, deposits and prepayments	188,731	120,821
	<u>816,327</u>	<u>554,057</u>

18. Deposits from customers

	Group		Bank	
	30 June 2006 RM'000	31 December 2005 RM'000	30 June 2006 RM'000	31 December 2005 RM'000
Demand deposits	304,266	412,637	304,286	412,657
Savings deposits	14,094	19,717	14,094	19,717
Fixed / Investment deposits	683,765	755,829	683,765	755,829
Negotiable instrument of deposits	219,500	145,800	219,500	145,800
	<u>1,221,625</u>	<u>1,333,983</u>	<u>1,221,645</u>	<u>1,334,003</u>

18. Deposits from customers (continued)

The deposits are sourced from the following types of customers:

	Group		Bank	
	30 June 2006 RM'000	31 December 2005 RM'000	30 June 2006 RM'000	31 December 2005 RM'000
Business enterprises	645,941	835,004	645,961	835,024
Individuals	69,585	93,717	69,585	93,717
Foreign customers	56,576	56,552	56,576	56,552
Others	449,523	348,710	449,523	348,710
	<u>1,221,625</u>	<u>1,333,983</u>	<u>1,221,645</u>	<u>1,334,003</u>

19. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
Licensed banks	480,774	95,000
Other financial institutions	2,660,653	1,825,897
	<u>3,141,427</u>	<u>1,920,897</u>

20. Other liabilities

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
Allowance for commitments and contingencies	3,241	3,241
Interest Payable	16,660	5,864
Bills Payable	69,384	76,552
Derivatives	543,837	419,701
Employee benefits	20,122	21,277
Other liabilities	411,162	108,565
	<u>1,064,406</u>	<u>635,200</u>

20. Other liabilities (continued)

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

	Group and Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
Balance at 1 January	3,241	3,241
Allowance made during the period	-	-
Closing balance	<u>3,241</u>	<u>3,241</u>

21. Interest income

	Group and Bank			
	Six months ended 30 June 2006 RM'000		Three months ended 30 June 2006 RM'000	
Loans and advances				
- Interest income other than recoveries from NPL	14,220	9,213	7,251	4,993
- Recoveries from NPL	136	117	77	35
Money at call and deposit placements with financial institutions	83,498	69,029	54,114	43,183
Securities held for trading	29,210	33,542	15,036	17,119
Others	2	-	2	-
	<u>127,066</u>	<u>111,901</u>	<u>76,480</u>	<u>65,330</u>

22. Interest expense

	Group and Bank			
	Six months ended 30 June 2006 RM'000		Three months ended 30 June 2006 RM'000	
Deposits and placements of banks and other financial institutions	63,271	45,019	40,495	29,846
Deposits from customers	21,912	22,826	11,280	12,993
Others	1,304	427	1,276	220
	<u>86,487</u>	<u>68,272</u>	<u>53,051</u>	<u>43,059</u>

23. Non-Interest Income

	Group and Bank			
	Six months ended		Three months ended	
	30 June	30 June	30 June	30 June
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Commission	1,801	1,410	945	714
Service charges and fees	3,288	3,087	1,714	1,441
Guarantee fees	502	526	232	267
Other fee income	-	400	-	-
	<u>5,591</u>	<u>5,423</u>	<u>2,891</u>	<u>2,422</u>
(Losses) / gains arising from sale of securities:-				
Securities held -for- trading	(20,820)	6,664	(17,857)	1,976
Net gains/(losses) arising from dealing in foreign exchange	17,239	16,745	(15,949)	(13,691)
Net (losses)/gains arising from trading in derivatives	(24,664)	(3,355)	(2,398)	7,907
Net unrealised gains/(losses) on revaluation of trading portfolio (including derivatives)	26,585	6,170	(21,410)	(20,689)
Unrealised gains/(losses) from foreign exchange	508	(10,560)	25,483	16,416
Impairment cost from securities available-for-sale	(4,079)	-	(318)	-
Gross dividends from securities held-to-maturity	51	36	36	36
Gain on disposal of property, plant and equipment	1	164	1	0
Other operating income, net	18,288	5,003	17,221	1,886
	<u>13,109</u>	<u>20,867</u>	<u>(15,191)</u>	<u>(6,159)</u>
	<u>18,700</u>	<u>26,290</u>	<u>(12,300)</u>	<u>(3,737)</u>

24. Other operating expenses

	Group and Bank			
	Six months ended		Three months ended	
	30 June	30 June	30 June	30 June
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, allowance and bonuses	20,982	13,441	11,493	5,040
- Others	4,054	3,637	2,309	2,093
Establishment costs				
- Rental	1,098	1,002	571	501
- Depreciation	1,078	1,156	523	568
- Others	1,206	1,167	604	695
Marketing expenses	1,014	1,206	624	757
Administration and general expenses				
- Inter-company expenses	17,297	11,479	9,903	4,922
- Communication	466	394	256	187
- Others	2,528	1,595	1,374	898
	<u>49,723</u>	<u>35,077</u>	<u>27,657</u>	<u>15,661</u>

The number of employees of the Group and the Bank at the end of the period was 123 (June 2005 - 118).

25. Loan loss and allowance written back

	Group and Bank			
	Six months ended 30 June 2006 RM'000	30 June 2005 RM'000	Three months ended 30 June 2006 RM'000	30 June 2005 RM'000
Allowance for bad and doubtful debts on loans and financing				
Specific allowance				
- Provided in the financial year	-	(2,291)	-	(2,241)
- Written back	1,466	499	397	423
Bad debts on loans and financing				
- Recovered	102	-	57	-
	<u>1,568</u>	<u>(1,792)</u>	<u>454</u>	<u>(1,818)</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:

	Group and Bank					
	30 June 2006			31 December 2005		
	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	4,008	4,008	4,008	17,332	17,332	6,569
Transaction-related contingent items	358,013	179,006	99,333	295,840	147,920	62,057
Short-term self-liquidating trade-related contingencies	22,513	4,503	1,928	22,412	4,482	3,474
Irrecoverable commitments to extend credit:						
- Maturity not exceeding one year	199,791	-	-	240,036	-	-
- Maturity exceeding one year	1,624	812	812	1,941	971	971
Foreign exchange related contracts:						
- Less than one year	18,111,896	350,567	100,120	15,596,795	336,893	110,674
- One year to less than 5 years	1,348,382	127,615	44,328	257,642	20,471	4,894
- 5 years and above	2,524,299	347,930	127,007	2,380,975	353,846	136,102
Interest rate related contracts:						
- Less than one year	32,041,600	86,032	17,807	21,038,087	31,016	6,341
- One year to less than 5 years	40,900,632	959,526	204,210	28,691,956	648,356	140,925
- 5 years and above	3,772,421	357,495	83,850	1,934,276	183,578	49,585
	<u>99,285,179</u>	<u>2,417,494</u>	<u>683,403</u>	<u>70,477,292</u>	<u>1,744,865</u>	<u>521,592</u>

27. Capital adequacy

	Bank	
	30 June 2006 RM'000	31 December 2005 RM'000
Tier 1 capital		
Paid-up share capital	143,043	143,043
Share premium	113,319	113,319
Statutory reserve	149,127	149,127
Retained profits	60,549	60,549
Less: Deferred tax assets	(14,440)	(14,440)
	<hr/>	<hr/>
Total Tier 1 capital	451,598	451,598
Tier 2 capital		
General allowance for bad and doubtful debts	23,946	23,946
	<hr/>	<hr/>
Total Capital	475,544	475,544
Less: Investments in subsidiaries	(20)	(20)
	<hr/>	<hr/>
Capital base	475,524	475,524
	<hr/> <hr/>	<hr/> <hr/>
Core capital ratio	14.12%	20.27%
Risk-weighted capital ratio	13.41%	21.34%
	<hr/> <hr/>	<hr/> <hr/>

28. Interest rate risk

Group and Bank 30 June 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					
Assets										
Cash and short term funds	2,133,697	-	-	-	-	55,180	-	2,188,877	4.49%	
Securities purchased under resale agreement	-	-	-	-	-	-	4,275,510	4,275,510	3.68%	
Deposits and placement with banks and other financial institutions	-	-	-	-	-	-	-	-	-	
Securities held for trading	-	-	-	-	-	-	1,278,416	1,278,416	5.30%	
Securities available for sale	-	-	-	-	-	2,366	-	2,366	-	
Securities held-to-maturity	-	-	-	-	-	1,591	-	1,591	-	
Loans, advances and financing										
- Performing	201,008	116,397	186,053	23,303	32,064	-	-	558,825	5.47%	
- Non-performing*	-	-	-	-	-	6,516	-	6,516	-	
Other assets	-	-	-	-	-	282,075	560,380	842,455	-	
Total assets	2,334,705	116,397	186,053	23,303	32,064	347,728	6,114,306	9,154,556		

28. Interest rate risk (continued)

Group and Bank 30 June 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			
Liabilities and shareholders' funds									
Deposits from customers	460,731	152,423	36,515	196,090	71,600	304,266	-	1,221,625	3.71%
Deposits and placements of banks and other financial institutions	2,434,973	89,000	-	-	-	617,454	-	3,141,427	4.10%
Obligations on securities sold under repurchase agreements	447,064	2,421,929	360,634	-	-	-	-	3,229,627	3.09%
Bills and acceptances payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	462,963	625,416	1,088,379	-
Total liabilities	3,342,768	2,663,352	397,149	196,090	71,600	1,384,683	625,416	8,681,058	
Shareholders' funds	-	-	-	-	-	473,498	-	473,498	
Total liabilities and shareholders' funds	3,342,768	2,663,352	397,149	196,090	71,600	1,858,181	625,416	9,154,556	
On-balance sheet interest sensitivity gap	(1,008,063)	(2,546,955)	(211,096)	(172,787)	(39,536)	(1,510,453)	5,488,890		
Total interest sensitivity gap	(1,008,063)	(2,546,955)	(211,096)	(172,787)	(39,536)	(1,510,453)	5,488,890		

* 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 2005	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			
Assets									
Cash and short term funds	2,107,270	-	-	-	-	89,245	-	2,196,515	3.83%
Securities purchased under resale agreement	-	-	-	-	-	-	1,222,701	1,222,701	3.02%
Deposits and placement with banks and other financial institutions	-	-	-	-	-	-	-	-	-
Securities held for trading	-	-	-	-	-	-	754,290	754,290	4.73%
Securities available for sale	-	-	-	-	-	2,895	-	2,895	-
Securities held-to-maturing	-	-	-	-	-	1,591	-	1,591	-
Loans, advances and financing									
- Performing	224,581	137,359	204,552	14,856	33,097	-	-	614,445	5.07%
- Non-performing*	-	-	-	-	-	(19,065)	-	(19,065)	-
Other assets	-	-	-	-	-	203,745	404,521	608,266	-
Total assets	2,331,851	137,359	204,552	14,856	33,097	278,411	2,381,512	5,381,638	

28. Interest rate risk (continued)

Group and Bank 31 December 2005	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	564,735	166,673	38,446	77,900	74,000	412,229	-	1,333,983	2.81%
Deposits and placements of banks and other financial institutions	1,762,097	-	-	-	-	158,800	-	1,920,897	3.66%
Obligations on securities sold under repurchase agreements	928,061	-	-	-	-	-	-	928,061	2.82%
Bills and acceptances payable	1,290	-	-	-	-	-	-	1,290	2.50%
Other liabilities	-	-	-	-	-	243,472	419,701	663,173	-
Total liabilities	3,256,183	166,673	38,446	77,900	74,000	814,501	419,701	4,847,404	
Shareholders' funds	-	-	-	-	-	534,234	-	534,234	
Total liabilities and shareholders' funds	3,256,183	166,673	38,446	77,900	74,000	1,348,735	419,701	5,381,638	
On-balance sheet interest sensitivity gap	(924,332)	(29,314)	166,106	(63,044)	(40,903)	(1,070,324)	1,961,811		
Total interest sensitivity gap	(924,332)	(29,314)	166,106	(63,044)	(40,903)	(1,070,324)	1,961,811		

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