

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

**Unaudited Condensed Interim Financial Statements**  
**- 30 September 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 SEPTEMBER 2006**

	<b>Group</b>		<b>Bank</b>	
	30 September 2006 RM'000	31 December 2005 RM'000	30 September 2006 RM'000	31 December 2005 RM'000
<b>Assets</b>				
Cash and short term funds	3,133,815	2,196,515	3,133,815	2,196,515
Securities purchased under resale agreements	2,848,934	1,222,701	2,848,934	1,222,701
Deposits and placements with banks and other financial institutions	20,000	-	20,000	-
Securities held-for-trading	1,394,582	754,290	1,394,582	754,290
Securities available-for-sale	2,548	2,895	2,548	2,895
Securities held-to-maturity	1,591	1,591	1,591	1,591
Loans, advances and financing	529,843	595,380	529,843	595,380
Other assets	772,098	554,057	772,098	554,057
Statutory deposit with Bank Negara Malaysia	4,559	35,000	4,559	35,000
Investments in subsidiary companies	-	-	20	20
Property, plant and equipment	5,050	4,769	5,050	4,769
Deferred tax assets	17,123	14,440	17,123	14,440
<b>Total assets</b>	<u>8,730,143</u>	<u>5,381,638</u>	<u>8,730,163</u>	<u>5,381,658</u>
<b>Liabilities and shareholders' funds</b>				
Deposits from customers	2,408,077	1,333,983	2,408,097	1,334,003
Deposits and placements of banks and other financial institutions	2,957,512	1,920,897	2,957,512	1,920,897
Obligations on securities sold under repurchase agreements	1,608,166	928,061	1,608,166	928,061
Bills and acceptances payable	-	1,290	-	1,290
Other liabilities	883,333	635,200	883,333	635,200
Taxation	53,973	27,973	53,973	27,973
<b>Total liabilities</b>	<u>7,911,061</u>	<u>4,847,404</u>	<u>7,911,081</u>	<u>4,847,424</u>
<b>Share capital</b>	173,599	143,043	173,599	143,043
<b>Reserves</b>	645,483	320,491	645,483	320,491
<b>Proposed dividend</b>	-	70,700	-	70,700
<b>Shareholders' funds</b>	<u>819,082</u>	<u>534,234</u>	<u>819,082</u>	<u>534,234</u>
<b>Total liabilities and shareholders' funds</b>	<u>8,730,143</u>	<u>5,381,638</u>	<u>8,730,163</u>	<u>5,381,658</u>
<b>Commitments and contingencies</b>	<u>124,837,414</u>	<u>70,477,292</u>	<u>124,837,414</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.*

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**UNAUDITED CONDENSED INCOME STATEMENT**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006**

	<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>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	226,573	177,635	99,507	65,734
Interest expense	(155,323)	(109,405)	(68,836)	(41,133)
Net interest income	71,250	68,230	30,671	24,601
Non-interest income	103,994	76,148	85,294	49,858
Operating income	175,244	144,378	115,965	74,459
Overhead expenses	(65,938)	(55,134)	(16,215)	(20,057)
Profit before allowance	109,306	89,244	99,750	54,402
Loan loss and allowance written back/ (Allowance made)	(548)	3,084	(2,116)	4,876
Allowance for commitments and contingencies	2,223	-	2,223	(2,241)
<b>Profit before taxation</b>	110,981	92,328	99,857	57,037
Taxation	(33,120)	(31,580)	(29,404)	(21,225)
<b>Profit after taxation</b>	77,861	60,748	70,453	35,812
Earnings per share (sen)	54.1 sen	42.5 sen	49.0sen	25.0 sen

*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.*

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**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006**

Group and Bank	<--Non-distributable-->			Distributable Retained profits RM'000	Total reserves RM'000	Proposed dividend RM'000	Total RM'000
	Share capital RM'000	Share premium RM'000	Other reserve RM'000				
<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 profit 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>	173,599	357,763	149,310	138,410	645,483	-	819,082
<b>At 1 January 2005</b>	143,043	113,319	127,189	68,689	309,197	-	452,240
Net profit for the period	-	-	-	60,748	60,748	-	60,748
Unrealised net loss on revaluation of securities available for sale	-	-	(1,877)	-	(1,877)	-	(1,877)
<b>At 30 September 2005</b>	143,043	113,319	125,312	129,437	368,068	-	511,111

*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.*

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**UNAUDITED CONDENSED CASH FLOW STATEMENT**  
**FOR THE THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006**

	Group and Bank	
	30 September 2006 RM'000	30 September 2005 RM'000
Profit before taxation	110,981	92,328
Adjustments for non-operating and non-cash items	5,772	1,560
Operating profit before working capital changes	<u>116,753</u>	<u>93,888</u>
Changes in working capital:		
Net changes in operating assets	(2,408,588)	(1,811,176)
Net changes in operating liabilities	3,037,657	2,097,223
Income tax (paid) / refunded	(10,848)	(7,739)
Net cash generated from / (used in) operations	<u>734,974</u>	<u>372,196</u>
Net cash generated from / (used in) investing activities	(1,974)	(750)
Net cash generated from / (used in) financing activities	204,300	-
	<u>202,326</u>	<u>(750)</u>
Net change in cash and cash equivalents	937,300	371,446
Cash and cash equivalents at beginning of the period	2,196,515	1,891,261
Cash and cash equivalents at end of the period	<u>3,133,815</u>	<u>2,262,707</u>
Analysis of cash and cash equivalents		
Cash and short-term funds	<u>3,133,815</u>	<u>2,262,707</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**  
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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**AT 30 SEPTEMBER 2006**

**1. Basis of preparation**

The unaudited condensed interim financial statements for the third quarter and the nine months ended 30 September 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 third quarter and the nine months ended 30 September 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 third quarter and the nine months ended 30 September 2006.

**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 2006.

During the financial period, the Bank issued 30,555,555 ordinary shares of RM1 each at a premium of RM8 per share for cash. The purpose of issue was for maintaining the Bank's capital funds.

**7. Dividend Paid**

Since the end of the previous financial year, the Bank paid a final dividend of approximately 68.6% on 143,043,482 ordinary shares of RM1 each, less 28% tax amounting to approximately RM70,700,000 in respect of the financial year ended 31 December 2005 on 31 July 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 third quarter and the nine months ended 30 September 2006.

## 10. Review of Performance

Pre-tax profit for the nine months ended 2006 was recorded at RM111.0 million, higher than the RM92.3 million recorded in the previous corresponding period. Pre-tax return on average equity has reduced to 18.07% compared to 24.08 % in the previous period due to increase in shareholders' funds in the current period..

The higher pre-tax profit is mainly attributable to improve return from trading revenue of RM27.8 million (36.6%) to RM104.0 million (2005 – RM76.1 million), offset by higher overhead expenses of RM10.8 million (-19.6%) to RM65.9 million (2005 – RM55.1 million).

As at 30 September 2006, the Bank's net non-performing loans ratio ("NPL") was 1.10% compared to 0.79% in the previous nine months ended 30 September 2006.

## 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

	<b>Group and Bank</b>	
	<b>30 September 2006 RM'000</b>	<b>31 December 2005 RM'000</b>
<b>At fair value</b>		
Money market instruments:		
Malaysian Government Treasury Bills	43,570	48,052
Malaysian Government Securities	1,232,113	307,348
Bank Negara Malaysia Bills	42,077	168,870
Cagamas bonds	18,800	73,377
Khazanah bonds	5,880	6,006
Asian Development Bank bonds	7,019	-
Private debt securities	45,123	150,637
	<b>1,394,582</b>	<b>754,290</b>
	<b>1,394,582</b>	<b>754,290</b>

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

	<b>Group and Bank</b>	
	<b>30 September 2006</b>	<b>31 December 2005</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Irredeemable convertible unsecured loan stocks quoted in Malaysia	2,548	2,895
	<u>2,548</u>	<u>2,895</u>

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

	<b>Group and Bank</b>	
	<b>30 September 2006</b>	<b>31 December 2005</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 2006</b>	<b>31 December 2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	31,139	41,539
Term loans - housing loans	35,696	29,855
- other term loans	324,933	286,365
Bills receivable	38,895	152,841
Trust receipts	-	-
Claims on customers under acceptance credits	137,631	123,467
Staff loans	4,945	5,320
	<u>573,239</u>	<u>639,387</u>
Unearned interest	(602)	(1,863)
	<u>572,637</u>	<u>637,524</u>
Gross loans and advances	572,637	637,524
Allowance for bad and doubtful debts		
- General	(23,946)	(23,946)
- Specific	(18,848)	(18,198)
	<u>529,843</u>	<u>595,380</u>
Net loans and advances	<u>529,843</u>	<u>595,380</u>



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

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

	<b>Group and Bank</b>	
	<b>30 September 2006</b>	<b>31 December 2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic business enterprises - others	478,391	432,499
Individuals	55,578	53,557
Foreign entities	38,668	151,468
	<u>572,637</u>	<u>637,524</u>

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

	<b>Group and Bank</b>	
	<b>30 September 2006</b>	<b>31 December 2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
- Other fixed rate loan / financing	4,963	5,320
Variable rate		
- Base lending rate plus	66,741	67,249
- Cost-plus	488,031	534,088
- Other variable rates	12,902	30,867
	<u>572,637</u>	<u>637,524</u>

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

	<b>Group and Bank</b>	
	<b>30 September 2006</b>	<b>31 December 2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Agriculture, hunting, forestry and fishing	-	928
Manufacturing	307,335	262,685
Electricity, gas and water	-	-
Construction	16,689	11,726
Real estate	9,996	9,805
Purchase of landed property:		
- Residential	39,984	34,507
- Non-Residential	1,235	1,599
Wholesale & retail trade and restaurants & hotels	106,495	145,493
Transport, Storage and communication	-	-
Finance, insurance and business services	38,755	151,468
Purchase of transport vehicles	253	315
Others	51,895	18,998
	<u>572,637</u>	<u>637,524</u>

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

Movements in non-performing loans are as follows:

	<b>Group and Bank</b>	
	<b>30 September 2006 RM'000</b>	<b>31 December 2005 RM'000</b>
Balance at 1 January	23,079	29,070
Classified as non-performing during the year	4,741	1,599
Reclassified as performing during the year	(1,306)	(1,587)
Amount recovered	(1,573)	(3,545)
Amounts written off	-	(2,458)
	<hr/>	<hr/>
Closing balance	24,941	23,079
Specific allowance for doubtful debts	(18,848)	(18,198)
	<hr/>	<hr/>
Net non-performing loans, advances and financing	<u>6,093</u>	<u>4,881</u>
	<hr/>	<hr/>
Percentage of net non-performing loans to loans and advances (net of specific allowance)	<u>1.10%</u>	<u>0.79 %</u>

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

	<b>Group and Bank</b>	
	<b>30 September 2006 RM'000</b>	<b>31 December 2005 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>4.32%</u>	<u>3.87 %</u>

	<b>Group and Bank</b>	
	<b>30 September 2006 RM'000</b>	<b>31 December 2005 RM'000</b>
Specific provision:		
Balance at 1 January	18,198	24,152
Allowance made during the year	-	49
Amount recovered	(1,573)	(3,545)
Amount written off	-	(2,458)
Reclassification from allowance for Commitments and contingencies	2,223	
	<hr/>	<hr/>
Closing balance	<u>18,848</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:

	<b>Group and Bank</b>	
	<b>30 September 2006 RM'000</b>	<b>31 December 2005 RM'000</b>
Manufacturing	13,647	12,409
Purchase of landed property - residential	6,111	4,899
Wholesale & retail trade and restaurants & hotels	3,514	4,088
Others	1,669	1,683
	24,941	23,079
	24,941	23,079

**17. Other assets**

	<b>Group and Bank</b>	
	<b>30 September 2006 RM'000</b>	<b>31 December 2005 RM'000</b>
Interest / Income Receivable	51,782	23,694
Margin placed with exchange	27,980	5,021
Derivatives	600,700	404,521
Other debtors, deposits and prepayments	91,636	120,821
	772,098	554,057
	772,098	554,057

**18. Deposits from customers**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2006 RM'000</b>	<b>31 December 2005 RM'000</b>	<b>30 September 2006 RM'000</b>	<b>31 December 2005 RM'000</b>
Demand deposits	378,664	412,637	378,684	412,657
Savings deposits	11,177	19,717	11,177	19,717
Fixed / Investment deposits	1,731,736	755,829	1,731,736	755,829
Negotiable instrument of deposits	286,500	145,800	286,500	145,800
	2,408,077	1,333,983	2,408,097	1,334,003
	2,408,077	1,333,983	2,408,097	1,334,003

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

The deposits are sourced from the following types of customers:

	Group		Bank	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
	RM'000	RM'000	RM'000	RM'000
Business enterprises	1,377,719	835,004	1,377,739	835,024
Individuals	66,745	93,717	66,745	93,717
Foreign customers	62,394	56,552	62,394	56,552
Others	901,219	348,710	901,219	348,710
	<u>2,408,077</u>	<u>1,333,983</u>	<u>2,408,097</u>	<u>1,334,003</u>

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

	Group and Bank	
	30 September 2006	31 December 2005
	RM'000	RM'000
Licensed banks	620,000	95,000
Other financial institutions	2,337,512	1,825,897
	<u>2,957,512</u>	<u>1,920,897</u>

**20. Other liabilities**

	Group and Bank	
	30 September 2006	31 December 2005
	RM'000	RM'000
Allowance for commitments and contingencies	1,018	3,241
Interest Payable	12,776	5,864
Bills Payable	106,872	76,552
Derivatives	465,244	419,701
Employee benefits	22,145	21,277
Other liabilities	275,278	108,565
	<u>883,333</u>	<u>635,200</u>

## 20. Other liabilities (continued)

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

	Group and Bank	
	30 September 2006 RM'000	31 December 2005 RM'000
Balance at 1 January	3,241	3,241
Reclassification to specific provision	(2,223)	-
Closing balance	<u>1,018</u>	<u>3,241</u>

## 21. Interest income

	Group and Bank			
	Nine months ended 30 Sept 2006 RM'000		Three months ended 30 Sept 2006 RM'000	
Loans and advances				
- Interest income other than recoveries from NPL	21,938	14,996	7,718	5,783
- Recoveries from NPL	201	170	65	53
Money at call and deposit placements with financial institutions	151,164	115,298	67,666	46,269
Securities held for trading	53,266	47,171	24,056	13,629
Others	4	-	2	-
	<u>226,573</u>	<u>177,635</u>	<u>99,507</u>	<u>65,734</u>

## 22. Interest expense

	Group and Bank			
	Nine months ended 30 Sept 2006 RM'000		Three months ended 30 Sept 2006 RM'000	
Deposits and placements of banks and other financial institutions	109,249	72,236	45,978	27,217
Deposits from customers	43,879	36,614	21,967	13,788
Others	2,195	555	891	128
	<u>155,323</u>	<u>109,405</u>	<u>68,836</u>	<u>41,133</u>

## 23. Non-Interest Income

	<b>Group and Bank</b>			
	<b>Nine months ended 30 Sept 2006 RM'000</b>	<b>30 Sept 2005 RM'000</b>	<b>Three months ended 30 Sept 2006 RM'000</b>	<b>30 Sept 2005 RM'000</b>
Fee income:				
Commission	2,744	2,188	943	778
Service charges and fees	4,715	4,627	1,427	1,540
Guarantee fees	757	799	255	273
Underwriting fees	-	713	-	713
Other fee income	2,393	1,493	2,393	1,093
	<u>10,609</u>	<u>9,820</u>	<u>5,018</u>	<u>4,397</u>
(Losses) / gains arising from sale of securities:-				
Securities held -for- trading	(4,970)	27,388	15,850	20,724
Net gains/(losses) arising from dealing in foreign exchange	37,937	35,388	20,698	18,643
Net (losses)/gains arising from trading in derivatives	(26,049)	(30,611)	(1,385)	(27,256)
Net unrealised gains/(losses) on revaluation of trading portfolio (including derivatives)	77,852	48,370	51,267	42,200
Unrealised gains/(losses) from foreign exchange	(8,009)	(20,221)	(8,517)	(9,661)
Impairment cost from securities available-for-sale	(4,079)	-	-	-
Gross dividends from securities held-to-maturity	51	36	-	-
Gain on disposal of property, plant and equipment	1	164	-	-
Other operating income, net	20,651	5,814	2,363	811
	<u>93,385</u>	<u>66,328</u>	<u>80,276</u>	<u>45,461</u>
	<u>103,994</u>	<u>76,148</u>	<u>85,294</u>	<u>49,858</u>

## 24. Other operating expenses

	<b>Group and Bank</b>			
	<b>Nine months ended 30 Sept 2006 RM'000</b>	<b>30 Sept 2005 RM'000</b>	<b>Three months ended 30 Sept 2006 RM'000</b>	<b>30 Sept 2005 RM'000</b>
Personnel costs				
- Salaries, allowance and bonuses	27,785	18,984	6,803	5,543
- Others	9,281	4,909	5,227	1,272
Establishment costs				
- Rental	1,669	1,504	571	502
- Depreciation	1,693	1,724	615	568
- Others	1,912	1,726	706	559
Marketing expenses	1,709	1,807	695	601
Administration and general expenses				
- Inter-company expenses	16,986	20,979	(311)	9,500
- Communication	738	762	272	368
- Others	4,165	2,739	1,637	1,144
	<u>65,938</u>	<u>55,134</u>	<u>16,215</u>	<u>20,057</u>

The number of employees of the Group and the Bank at the end of the period was 123 (Sept 2005 - 116).

25. Loan loss and allowance written back

	Group and Bank			
	Nine months ended		Three months ended	
	30sept 2006	30 Sept 2005	30 Sept 2006	30 Sept 2005
	RM'000	RM'000	RM'000	RM'000
Allowance for bad and doubtful debts on loans and financing				
Specific allowance				
- Provided in the financial year	(2,223)	(50)	(2,223)	2,241
- Written back	1,573	3,026	107	2,527
Bad debts on loans and financing				
- Recovered	102	108	-	108
	<u>(548)</u>	<u>3,084</u>	<u>(2,116)</u>	<u>4,876</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 2006</b>			<b>31 December 2005</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	4,008	4,008	4,008	17,332	17,332	6,569
Transaction-related contingent items	374,719	187,360	106,022	295,840	147,920	62,057
Short-term self-liquidating trade-related contingencies	29,258	5,852	2,688	22,412	4,482	3,474
Irrecoverable commitments to extend credit:						
- Maturity not exceeding one year	300,238	-	-	240,036	-	-
- Maturity exceeding one year	1,213	606	606	1,941	971	971
Foreign exchange related contracts:						
- Less than one year	16,580,630	345,383	98,497	15,596,795	336,893	110,674
- One year to less than 5 years	1,056,506	118,968	49,829	257,642	20,471	4,894
- 5 years and above	2,682,782	382,205	138,747	2,380,975	353,846	136,102
Interest rate related contracts:						
- Less than one year	36,320,000	79,831	16,191	21,038,087	31,016	6,341
- One year to less than 5 years	63,057,435	1,044,473	204,159	28,691,956	648,356	140,925
- 5 years and above	4,430,625	410,040	95,320	1,934,276	183,578	49,585
	<u>124,837,414</u>	<u>2,578,726</u>	<u>716,067</u>	<u>70,477,292</u>	<u>1,744,865</u>	<u>521,592</u>



27. Capital adequacy

	Bank	
	30 September 2006	31 December 2005
	RM'000	RM'000
Tier 1 capital		
Paid-up share capital	173,599	143,043
Share premium	357,764	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	726,599	451,598
Tier 2 capital		
General allowance for bad and doubtful debts	23,946	23,946
	<hr/>	<hr/>
Total Capital	750,545	475,544
Less: Investments in subsidiaries	(20)	(20)
	<hr/>	<hr/>
Capital base	750,525	475,524
	<hr/> <hr/>	<hr/> <hr/>
Core capital ratio	17.98%	20.27%
Risk-weighted capital ratio	18.57%	21.34%
	<hr/> <hr/>	<hr/> <hr/>

## 28. Interest rate risk

Group and Bank 30 September 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>Assets</b>									
Cash and short term funds	3,070,617	-	-	-	-	63,198	-	3,133,815	4.76
Securities purchased under resale agreement	-	-	-	-	-	-	2,848,934	2,848,934	3.74
Deposits and placement with banks and other financial institutions	-	20,000	-	-	-	-	-	20,000	3.78
Securities held for trading	-	-	-	-	-	-	1,394,582	1,394,582	5.47
Securities available for sale	-	-	-	-	-	2,548	-	2,548	-
Securities held-to-maturity	-	-	-	-	-	1,591	-	1,591	-
Loans, advances and financing									
- Performing	188,919	152,260	121,975	26,691	33,905	-	-	523,750	5.33
- Non-performing*	-	-	-	-	-	6,093	-	6,093	-
Other assets	-	-	-	-	-	198,130	600,700	798,830	-
<b>Total assets</b>	<b>3,259,536</b>	<b>172,260</b>	<b>121,975</b>	<b>26,691</b>	<b>33,905</b>	<b>271,560</b>	<b>4,844,216</b>	<b>8,730,143</b>	

## 28. Interest rate risk (continued)

Group and Bank 30 September 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	525,301	758,847	20,825	630,840	93,600	378,664	-	2,408,077	3.63
Deposits and placements of banks and other financial institutions	1,925,750	330,000	-	-	-	701,762	-	2,957,512	4.07
Obligations on securities sold under repurchase agreements	1,243,360	364,806	-	-	-	-	-	1,608,166	3.30
Bills and acceptances payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	472,062	465,244	937,306	-
<b>Total liabilities</b>	<b>3,694,411</b>	<b>1,453,653</b>	<b>20,825</b>	<b>630,840</b>	<b>93,600</b>	<b>1,552,488</b>	<b>465,244</b>	<b>7,911,061</b>	
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>819,082</b>	<b>-</b>	<b>819,082</b>	
<b>Total liabilities and shareholders' funds</b>	<b>3,694,411</b>	<b>1,453,653</b>	<b>20,825</b>	<b>630,840</b>	<b>93,600</b>	<b>2,371,570</b>	<b>465,244</b>	<b>8,730,143</b>	
On-balance sheet interest sensitivity gap	(434,875)	(1,281,393)	101,150	(604,149)	(59,695)	(2,100,010)	4,378,972	-	
<b>Total interest sensitivity gap</b>	<b>(434,875)</b>	<b>(1,281,393)</b>	<b>101,150</b>	<b>(604,149)</b>	<b>(59,695)</b>	<b>(2,100,010)</b>	<b>4,378,972</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 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			
<b>Assets</b>									
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	-
<b>Total assets</b>	<b>2,331,851</b>	<b>137,359</b>	<b>204,552</b>	<b>14,856</b>	<b>33,097</b>	<b>278,411</b>	<b>2,381,512</b>	<b>5,381,638</b>	

## 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			
<b>Liabilities and shareholders' funds</b>									
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	-
<b>Total liabilities</b>	<b>3,256,183</b>	<b>166,673</b>	<b>38,446</b>	<b>77,900</b>	<b>74,000</b>	<b>814,501</b>	<b>419,701</b>	<b>4,847,404</b>	
<b>Shareholders' funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>534,234</b>	<b>-</b>	<b>534,234</b>	
<b>Total liabilities and shareholders' funds</b>	<b>3,256,183</b>	<b>166,673</b>	<b>38,446</b>	<b>77,900</b>	<b>74,000</b>	<b>1,348,735</b>	<b>419,701</b>	<b>5,381,638</b>	
On-balance sheet interest sensitivity gap	(924,332)	(29,314)	166,106	(63,044)	(40,903)	(1,070,324)	1,961,811		
<b>Total interest sensitivity gap</b>	<b>(924,332)</b>	<b>(29,314)</b>	<b>166,106</b>	<b>(63,044)</b>	<b>(40,903)</b>	<b>(1,070,324)</b>	<b>1,961,811</b>		

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