

THE ROYAL BANK OF SCOTLAND BERHAD (301932-A)
(Incorporated in Malaysia)

BALANCE SHEETS AS AT 30 JUNE 2009

	Note	Group		Bank	
		30-Jun 2009 RM'000	31-Dec 2008 RM'000	30-Jun 2009 RM'000	31-Dec 2008 RM'000
ASSETS					
Cash and short-term funds	d) i	1,424,767	980,782	1,424,767	980,782
Deposits and placements with banks and other financial institutions	d) ii	1,195,637	342,192	1,195,637	342,192
Securities purchased under resale agreements	f) i	-	-	-	-
Securities - Held for trading	f) ii	759,193	1,288,357	759,193	1,288,357
Securities - Available for sale	f) iii	456,625	455,821	456,625	455,821
Loans, advances and financing	g) i	419,484	624,018	419,484	624,018
Other assets	r)	1,430,394	2,478,104	1,430,394	2,478,104
Deferred tax assets		34,504	24,050	34,504	24,050
Statutory deposits with Bank Negara Malaysia		17,400	1,350	17,400	1,350
Investments in subsidiary companies		-	-	20	20
Investments in an associated company		15,055	13,141	8,503	8,503
Property, plant and equipment	q)	33,639	32,788	33,639	32,788
Intangible asset	q)	1,322	1,513	1,322	1,513
TOTAL ASSETS		5,788,020	6,242,116	5,781,488	6,237,498
LIABILITIES AND SHAREHOLDERS' FUNDS					
Deposits from customers	c)	2,568,923	2,489,966	2,568,943	2,489,986
Deposits and placements of banks and other financial institutions	e)	750,922	311,710	750,922	311,710
Other liabilities	s)	1,645,856	2,638,818	1,645,856	2,638,818
Provision for taxation		29,930	25,540	29,930	25,540
Subordinated debt capital		200,000	200,000	200,000	200,000
TOTAL LIABILITIES		5,195,631	5,666,034	5,195,651	5,666,054

THE ROYAL BANK OF SCOTLAND BERHAD (301932-A)
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BALANCE SHEETS AS AT 30 JUNE 2009 (CONTD.)

		Group		Bank	
		30-Jun 2009 RM'000	31-Dec 2008 RM'000	30-Jun 2009 RM'000	31-Dec 2008 RM'000
Share capital	n)	203,000	203,000	203,000	203,000
Reserves		389,389	373,082	382,837	368,444
SHAREHOLDERS' FUNDS		592,389	576,082	585,837	571,444
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		5,788,020	6,242,116	5,781,488	6,237,498
		-	-	-	-
COMMITMENTS AND CONTINGENCIES	o)	93,837,715	120,926,756	93,837,715	120,926,756

**INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

		Group		Bank	
		30-Jun 2009 RM'000	30-Jun 2008 RM'000	30-Jun 2009 RM'000	30-Jun 2008 RM'000
Interest income	i)	55,806	192,887	55,806	192,887
Interest expense	j)	(43,647)	(165,023)	(43,647)	(165,023)
Other operating income	k)	51,619	149,671	51,619	149,671
Other operating expenses	l)	(43,971)	(75,466)	(43,971)	(75,466)
Allowance for losses on loans and financing	m)	(1,002)	942	(1,002)	942
Provision for commitments and contingencies		-	-	-	-
Share of profit of an associate		1,914	3,185	-	-
Impairment Loss		-	-	-	-
Profit before taxation		20,719	106,196	18,805	103,011
Taxation		(3,472)	(27,611)	(3,472)	(27,611)
Profit after taxation		17,247	78,585	15,333	75,400

THE ROYAL BANK OF SCOTLAND BERHAD (301932-A)
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009

Group	← Non-distributable →				Distributable	Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Unrealised reserves RM'000	Retained earnings RM'000	
At 1 January 2008	203,000	76,182	121,278	1,495	52,893	454,848
Profit for the year	-	-	-	-	120,205	120,205
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	1,029	-	1,029
Transfer of reserves	-	-	29,461	-	(29,461)	-
At 31 December 2008	203,000	76,182	150,739	2,524	143,637	576,082
At 1 January 2009	203,000	76,182	150,739	2,524	143,637	576,082
Profit for the year	-	-	-	-	17,247	17,247
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(940)	-	(940)
Transfer of reserves	-	-	-	-	-	-
At 30 June 2009	203,000	76,182	150,739	1,584	160,884	592,389

Bank	← Non-distributable →				Distributable	Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Unrealised reserves RM'000	Retained earnings RM'000	
At 1 January 2008	203,000	76,182	121,278	1,495	50,618	452,573
Profit for the year	-	-	-	-	117,842	117,842
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	1,029	-	1,029
Transfer of reserves	-	-	29,461	-	(29,461)	-
At 31 December 2008	203,000	76,182	150,739	2,524	138,999	571,444
At 1 January 2009	203,000	76,182	150,739	2,524	138,999	571,444
Profit for the year	-	-	-	-	15,333	15,333
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(940)	-	(940)
Transfer of reserves	-	-	-	-	-	-
At 30 June 2009	203,000	76,182	150,739	1,584	154,332	585,837

THE ROYAL BANK OF SCOTLAND BERHAD (301932-A)
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Group		Bank	
	30-Jun 2009 RM'000	30-Jun 2008 RM'000	30-Jun 2009 RM'000	30-Jun 2008 RM'000
Cash Flows from Operating Activities				
Profit before taxation	20,719	106,196	18,805	103,011
Adjustments for:				
Depreciation of property, plant and equipment	2,915	3,181	2,915	3,181
Amortisation of intangible asset	430		430	
Loss/ (Gain) on disposal of property, plant and equipment	-	-	-	-
Property, plant and equipment written-off				
Allowance for losses on loans and financing	1,002	(942)	1,002	(942)
Amortisation of premium less accretion of discount	374	(8,311)	374	(8,311)
Loss/(gain) from sale of securities held for trading	(17,599)	(38,643)	(17,599)	(38,643)
Unrealised (gain)/loss on revaluation of securities held-for-trading	1,346	622	1,346	622
Unrealised foreign exchange (gain)/loss	(54,119)	(73,669)	(54,119)	(73,669)
Unrealised loss/(gain) on derivatives trading	21,562	148,544	21,562	148,544
(Writeback)/provision for diminution in value of shares	-	-	-	-
(Writeback)/provision for commitment and contingencies	-	-	-	-
Share of profit of an associate	(1,914)	(3,185)	-	-
	(46,003)	27,597	(44,089)	30,782
Operating profit/(loss) before working capital changes	(25,284)	133,793	(25,284)	133,793
(Increase)/Decrease in:				
Securities held-for-trading	(244,437)	219,598	(244,437)	219,598
Loans, advances and financing	284,385	930,718	284,385	930,718
Securities purchased under resale agreements	-	-	-	-
Other assets	(104,451)	(884,055)	(104,451)	(884,055)
Statutory deposits with Bank Negara Malaysia	102,500	59,863	102,500	59,863
Increase/(Decrease) in:				
Deposits from customers	(576,272)	1,139,827	(576,272)	1,139,827
Deposits and placements of banks and other financial institutions	(4,310,185)	748,031	(4,310,185)	748,031
Subordinated debt capital	-	-	-	-
Other liabilities	(2,108)	1,590,880	(2,108)	1,590,880
Cash (used in)/generated from operations	(4,875,852)	3,938,655	(4,875,852)	3,938,655
Income taxes paid	(10,000)	(8,500)	(10,000)	(8,500)
Dividends paid	-	-	-	-
Net Cash (Used in)/Generated from Operating Activities	(4,885,852)	3,930,155	(4,885,852)	3,930,155

THE ROYAL BANK OF SCOTLAND BERHAD (301932-A)
(Incorporated in Malaysia)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009 (CONTD.)

	Group/Bank		Group/Bank	
	30-Jun 2009 RM'000	30-Jun 2008 RM'000	30-Jun 2009 RM'000	30-Jun 2008 RM'000
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(3,897)	(3,921)	(3,897)	(3,921)
Purchase of intangible asset	(108)	(518)	(108)	(518)
Proceeds from disposal of property, plant and equipment	-	-	-	-
Decrease/(Increase) in securities available-for-sale	(8,759)	332,745	(8,759)	332,745
Investment in an associated company	0	(8,503)	0	(8,503)
Net Cash Used In Investing Activities	(12,764)	319,803	(12,764)	319,803
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,898,616)	4,249,958	(4,898,616)	4,249,958
CASH AND CASH EQUIVALENTS AT 30 JUNE 08 AND 07	7,519,020	3,269,062	7,519,020	3,269,062
CASH AND CASH EQUIVALENTS AT 30 JUNE 09 AND 08	2,620,404	7,519,020	2,620,404	7,519,020

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2009

a) PERFORMANCE REVIEW

After a strong first quarter, the financial performance of the Bank in quarter two slowed. Year to Date 2009 Net Interest Income (NII) is much lower than the same period last year due to a reduced balance sheet size and lower interest rates. The reduction in balance sheet and RWA has consequently led to further improvement in capital ratios (now at 14.48%). Trading Income is also lower at this juncture due to the supernormal trading results notched up in 2008 during the onset of the Global Financial Crises with central banks cutting interest rates sharply. In 2009, trading income continue to generate positive income, however to a lesser extent as markets begin to recover and interest rate cuts may have reached the end of their cycle. Generally the non-trading businesses continue to operate soundly with a pick up in the Consumer Wealth Management division as fee income increased on the back of increased appetite for investment products. The ratio of Non-Performing Loans however did move upwards in the second quarter yet still remains very low at 0.4%. On the costs front, the Bank continues to remain vigilant and is tracking significantly lower than 2008 when the bank invested into its Retail & Commercial franchise.

b) CURRENT YEAR PROSPECTS

RBS continues to work towards implementing its strategy of delivering exceptional service to its clients, and operating as one of the top-tier investment banks in the Malaysian financial market. The Bank is progressing well towards divesting the Retail & Commercial business segment which will result in the Bank's continued focus on its key corporate clients - the divestment will also lead to further reduction in the cost base. The economic outlook looks vastly improved from this time last year as financial markets begin to recover. Economic growth forecasts still remain cautious but anticipate broader economic recovery by late 2010. The Bank will position itself to benefit from the improved sentiment by providing tailored financial solutions as clients look to re-position themselves for an improved economic environment.

c) DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 June 2009 RM'000	31 December 2008 RM'000	30 June 2009 RM'000	31 December 2008 RM'000
i) By type of deposit				
Demand deposits	728,288	737,694	728,308	737,714
Saving deposits	8,284	6,103	8,284	6,103
Fixed deposits	1,569,772	1,544,305	1,569,772	1,544,305
Other deposits	-	31,864	-	31,864
Negotiable instruments of deposit	262,579	170,000	262,579	170,000
Repurchase agreements	-	-	-	-
	2,568,923	2,489,966	2,568,943	2,489,986

(ii) By type of customer

	Group		Bank	
	30 June 2009 RM'000	31 December 2008 RM'000	30 June 2009 RM'000	31 December 2008 RM'000
Government and Statutory bodies	9,974	9,724	9,974	9,724
Business enterprises	1,713,386	1,429,753	1,713,386	1,429,753
Individuals	594,898	598,808	594,898	598,808
Others	250,665	451,681	250,685	451,701
	2,568,923	2,489,966	2,568,943	2,489,986

d i) CASH AND SHORT-TERM FUND

	Group/Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Cash and balances with banks and other Financial institutions	77,246	633,206
Money at call and deposit placements maturing within one month	1,347,521	347,576
	<u>1,424,767</u>	<u>980,782</u>

d ii) DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

Licensed banks	-	-
Other financial institutions	1,195,637	342,192
	<u>1,195,637</u>	<u>342,192</u>

e) DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group/Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Licensed banks	0	0
Licensed finance companies	0	0
Licensed investment banks	0	0
Bank Negara Malaysia	7,124	15,163
Other financial institutions	743,798	296,547
	<u>750,922</u>	<u>311,710</u>

f) SECURITIES PORTFOLIO

i) SECURITIES PURCHASED UNDER RESALE AGREEMENTS

Securities purchased under resale agreements are as follows:

	Group/Bank	
	30 June	31 December
	2009	2008
	RM'000	RM'000
Reverse Repo	-	-

ii) SECURITIES - HELD FOR TRADING

	Group/Bank	
	30 June	31 December
	2009	2008
	RM'000	RM'000
At Fair Value		
Money market instruments:		
Malaysian Government securities	156,615	588,052
BNM Bills	-	271,321
Cagamas	-	-
Government Investment Issues (GII)	500,750	386,850
Khazanah Bonds	91,683	-
Private debt securities	10,145	42,134
Total securities held-for-trading	759,193	1,288,357

iii) SECURITIES - AVAILABLE FOR SALE

	Group/Bank	
	30 June	31 December
	2009	2008
	RM'000	RM'000
At Fair Value		
Malaysian Government securities	146,426	91,455
Government Investment Issues	207,312	263,007
Private debt securities	101,168	99,640
Shares	1,719	1,719
	456,625	455,821
less: Provision for diminution in value of shares	0	0
Total securities available-for-sale	456,625	455,821

g) LOANS, ADVANCES AND FINANCING

	Group/Bank	
	30 June	31 December
	2009	2008
	RM'000	RM'000
i) By type		
Overdrafts	62,377	25,600
Term loans/financing	114,332	127,697
Housing loans/financing	37,933	40,329
Syndicated term loan/financing	-	-
Hire purchase receivables	-	-
Other term loans/financing	76,399	87,368
Bills receivable	77,174	127,099
Trust receipts	-	-
Claims on customers under acceptance credits	77,381	91,739
Staff loans	12,787	13,545
Loans/financing to banks and other financial institutions	-	-
Credit/charge cards	-	-
Revolving credit	93,593	255,574
Less: Unearned interest and income	(219)	(182)
Other loans/financing	-	-
Gross loans, advances and financing	437,425	641,072
Less: Allowance for bad and doubtful debts		
- general	(15,783)	(15,783)
- specific	(2,158)	(1,271)
Total net loans, advances and financing	419,484	624,018

ii) By type of customer

	Group/Bank	
	30 June	31 December
	2009	2008
	RM'000	RM'000
Domestic banking institutions	-	-
Domestic non-bank financial institutions		
Stockbroking companies	-	-
Domestic business enterprises		
Small medium enterprises	30,956	28,012
Others	351,023	555,791
Government and statutory bodies	-	-
Individuals	55,446	57,269
Foreign entities	-	-
	437,425	641,072

iii) By interest/profit rate sensitivity

Fixed rate		
Housing loans/financing	9,548	10,314
Other fixed rate loan/financing	6,539	7,131
Variable rate		
BLR plus	101,890	67,790
Cost plus	319,448	555,837
	<u>437,425</u>	<u>641,072</u>

Group/Bank	
30 June	31 December
2009	2008
RM'000	RM'000

iii) By sector

Agriculture, hunting, forestry & fishing	3,955	1,883
Electricity, Gas & Water	800	894
Manufacturing	147,227	236,161
Construction	51,753	26,172
Real estate	67,002	82,642
Purchase of landed properties (Residential)	47,435	50,068
Transport, storage and communication	684	101,022
Finance, insurance and business services	42,513	25,000
Purchase of securities	-	1,500
Purchase of transport vehicles	443	271
Wholesale and retail	52,883	95,076
Consumption credit	22,730	20,383
Others	-	-
	<u>437,425</u>	<u>641,072</u>

Group/Bank	
30 June	31 December
2009	2008
RM'000	RM'000

h) NON-PERFORMING LOANS/FINANCING (NLF/NPF)

i) Movements in non-performing loans, advances and financing

At beginning of year	2,195	5,362
Classified as non-performing during the year	2,177	353
Reclassified as performing during the year	(374)	-
Loans/financing converted to securities	-	-
Amount Recovered	-	(132)
Amount written off	(115)	(3,388)
Other adjustments	-	-
At end of year	<u>3,883</u>	<u>2,195</u>
Specific allowance	<u>(2,158)</u>	<u>(1,271)</u>
Net non-performing loans, advances and financing	<u>1,725</u>	<u>924</u>
Ratio of net NPLs and financing to net loans and financing	<u>0.40%</u>	<u>0.14%</u>

ii) Movements in allowance for bad and doubtful debts

	Group/Bank	
	30 June	31 December
	2009	2008
	RM'000	RM'000
General allowance:		
At beginning of year	15,783	15,783
Allowance made/ (written back) during the year	-	-
Amount transferred to specific allowance	-	-
At end of year	<u>15,783</u>	<u>15,783</u>
As % of gross loans, advances and financing less specific allowance	<u>3.63%</u>	<u>2.47%</u>
Specific allowance:		
At beginning of year	1,271	4,210
Allowance made during the year	1,122	756
Transferred from general allowance	-	-
Transferred from provision for commitments and contingencies	-	-
Transferred to accumulated impairment loss in value of securities	-	-
Amount recovered	(120)	(307)
Amount written off	(115)	(3,388)
Others (received from written off debtors)	-	-
At end of year	<u>2,158</u>	<u>1,271</u>

iii) NPL/NPF by sector

	Group/Bank	
	30 June	31 December
	2009	2008
	RM'000	RM'000
Purchase of landed properties (Residential)	2,814	2,118
Wholesale and retail	1,069	77
	<u>3,883</u>	<u>2,195</u>

i) INTEREST INCOME

	Group/Bank	
	30 June	30 June
	2009	2008
	RM'000	RM'000
Loans, advances and financing	12,798	15,559
- Interest income other than recoveries from NPL	12,451	14,847
- Recoveries from NPL	347	712
Money at call and deposit placements with banks and other financial institutions	32,420	168,310
Securities - Available for sale	11,021	872
Securities - Held for trading	-	-
Others	-	-
	<u>56,239</u>	<u>184,741</u>
Amortisation of premium less accretion of discount	(374)	8,311
Interest suspended	(59)	(165)
Total interest income	<u>55,806</u>	<u>192,887</u>

j) INTEREST EXPENSE

	Group/Bank	
	30 June	30 June
	2009	2008
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	15,736	116,577
Deposits from other customers	27,911	48,446
Loans sold to Cagamas	-	-
Others	-	-
Total interest expense	<u>43,647</u>	<u>165,023</u>

k) OTHER OPERATING INCOME

	Group/Bank	
	30 June	30 June
	2009	2008
	RM'000	RM'000
Fee income:		
Commission	2,740	3,596
Service charges and fees	5,570	34,493
Guarantee fees	1,542	976
Other fee income	996	-
	<u>10,848</u>	<u>39,065</u>
Gain arising from sale of securities:		
Net gain from sale of securities held-for-trading	17,599	38,643
	<u>17,599</u>	<u>38,643</u>
Unrealised(loss)/gain on revaluation of securities held-for-trading	(1,346)	(622)
	<u>(1,346)</u>	<u>(622)</u>
Gross dividend income from:		
Securities available-for-sale	9	9
	<u>9</u>	<u>9</u>
Other income:		
Foreign exchange profit	15,145	39,894
Unrealised	54,119	73,669
Realised	(38,974)	(33,775)
Gain on disposal of property, plant and equipment	-	-
(Loss)/gain on derivatives trading	609	31,480
Unrealised	(21,562)	(148,544)
Realised	22,171	180,024
Premium earned from currency option trading	-	-
Writeback of restructuring costs	-	-
Writeback of provision in diminution in value of shares	-	-
Others	8,755	1,202
	<u>24,509</u>	<u>72,576</u>
Total	<u>51,619</u>	<u>149,671</u>

l) OTHER OPERATING EXPENSES

	Group/Bank	
	30 June	30 June
	2009	2008
	RM'000	RM'000
Personnel costs (Note a)	17,798	33,276
Establishment costs (Note b)	7,292	7,411
Marketing expenses (Note c)	1,662	2,005
Administration and general expenses (Note d)	17,219	32,774
	<u>43,971</u>	<u>75,466</u>

OTHER OPERATING EXPENSES (CONTD.)

	Group/Bank	
	30 June	30 June
	2009	2008
	RM'000	RM'000
a) Personnel costs		
Salaries, bonuses and allowances	12,508	26,709
Social security costs	398	901
Pension costs-defined contribution plan	1,800	3,499
Other staff related expenses	3,092	2,167
	<u>17,798</u>	<u>33,276</u>

	Group/Bank	
	30 June	30 June
	2009	2008
	RM'000	RM'000
b) Establishment costs		
Premises rental	1,731	1,699
Depreciation of property, plant and equipment	3,334	3,171
Repairs and maintenance	499	264
Others	1,728	2,277
	<u>7,292</u>	<u>7,411</u>

	Group/Bank	
	30 June	30 June
	2009	2008
	RM'000	RM'000
c) Marketing Expenses		
Advertising	1,464	1,596
Others	198	409
	<u>1,662</u>	<u>2,005</u>

	Group/Bank	
	30 June	30 June
	2009	2008
	RM'000	RM'000
d) Administration and general expenses		
Management fees	10,908	27,263
Communication and transportation	3,457	1,472
Others	2,854	4,039
	<u>17,219</u>	<u>32,774</u>

m) ALLOWANCE FOR LOSSES ON LOANS AND FINANCING

	Group/Bank	
	30 June	30 June
	2009	2008
	RM'000	RM'000
Provision for bad and doubtful debts and financing:		
Specific provision		
- Made in the financial year	1,122	1,223
- Written back	(120)	(2,165)
General allowance		
- Made in the financial year	0	0
- Written back in the financial year	0	0
	<u>1,002</u>	<u>(942)</u>

n) CAPITAL ADEQUACY

The components of Tier I and Tier II capital are as follows:

	Bank	
	30 June 2009 RM'000	31 December 2008 RM'000
Tier-I capital		
Paid-up share capital	203,000	203,000
Share premium	76,182	76,182
Statutory reserves	150,739	150,739
Retained earnings	138,999	138,999
Current unaudited unadjusted profit/(loss)		0
	568,920	568,920
Less : Deferred tax assets	(24,050)	(24,050)
Total Tier-I capital	544,870	544,870
Tier-II Capital		
General provision for bad and doubtful debts and financing	15,783	15,783
Subordinated Debt Capital	200,000	200,000
Total Tier-II capital	215,783	215,783
Total capital funds	760,653	760,653
Less: Investment in subsidiary companies	(20)	(20)
Capital base	760,633	760,633
Capital Ratios		
Core capital ratio	10.37%	9.41%
Risk-weighted capital ratio	14.48%	13.14%

The breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

0%	-	-
10%	-	10
20%	1,074,298	1,128,616
50%	405,673	804,667
100%	942,994	756,798
Total	2,422,965	2,690,091
Total Risk Weighted Assets		
Credit Risk	2,422,965	2,690,091
Market Risk	2,831,385	3,099,769
	5,254,350	5,789,860

O 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.

Risk Weighted Exposures of the Group and of the Bank are as follows:

	June 2009			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	47,808	47,808	47,808	47,245	47,245	47,245
Transaction-related contingent items	631,675	315,838	274,076	357,284	178,641	147,328
Short-term self-liquidating trade-related contingencies	120,838	24,168	24,152	163,188	32,638	32,446
Other assets sold with recourse and commitments with certain drawdown	915	915	915	444	444	444
Irrevocable commitments to extend credit:						
- maturity less than one year	590,634	-	-	756,466	-	-
- maturity more than one year	541	271	135	598	299	150
Foreign exchange related contracts:						
- Forward contracts						
- less than one year	12,129,734	273,308	66,822	16,830,572	601,695	144,764
- one year to less than five years	7,979,311	590,188	129,640	7,831,735	573,896	127,642
- five years and above	3,365,909	364,417	129,955	3,569,246	387,387	134,927
Interest rate related contracts:						
- less than one year	19,224,055	181,272	38,147	30,147,394	155,212	38,205
- one year to less than five years	36,962,630	1,342,811	280,228	43,717,683	1,440,501	305,464
- five years and above	12,783,665	1,458,748	429,349	17,504,901	2,805,732	912,372
	<u>93,837,715</u>	<u>4,599,743</u>	<u>1,421,227</u>	<u>120,926,756</u>	<u>6,223,690</u>	<u>1,890,987</u>

* The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.

p) INTEREST RATE RISK

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 30 JUNE 2009.

	Non-Trading Book					SPI-related items	Trading book	Total
	Up to 1 month	3 - 12 months	1 - 5 years	Over 5 years	Non-interest sensitive			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets								
Cash and short-term funds	1,424,767	-	-	-	-	-	1,424,767	
Deposits and placements with banks and other financial institutions	-	1,195,637	-	-	-	-	1,195,637	
Securities purchased under resale agreements	-	-	-	-	-	-	-	
Securities - Held For Trading	-	-	-	-	-	759,193	759,193	
Securities - Available For Sale	-	126,683	327,039	2,903	-	-	456,625	
Loans, advances and financing	142,866	37,300	91,992	-	(18,160)	-	419,484	
Other assets	-	-	-	-	1,430,394	-	1,430,394	
Deferred tax assets	-	-	-	-	34,504	-	34,504	
Statutory deposits with Bank Negara Malaysia	-	-	-	-	17,400	-	17,400	
Investments in subsidiary companies	-	-	-	-	20	-	20	
Investments in an associated company	-	-	-	-	8,503	-	8,503	
Property, plant and equipment	-	-	-	-	33,639	-	33,639	
Intangible asset	-	-	-	-	1,322	-	1,322	
Total Assets	1,567,633	37,300	1,487,806	2,903	1,525,782	(18,160)	5,781,488	
Liabilities								
Deposits from customers	1,935,326	266,108	146,077	-	-	-	2,568,943	
Deposits and placements of banks and other financial institutions	743,798	7,124	-	-	-	-	750,922	
Subordinated debt capital	-	-	-	-	200,000	-	200,000	
Other liabilities	-	-	-	-	1,645,856	-	1,645,856	
Provision for taxation	-	-	-	-	29,930	-	29,930	
Total Liabilities	2,679,124	273,232	146,077	-	1,875,786	-	5,195,651	
On balance sheet interest rate gap	(1,111,491)	(235,932)	1,266,374	272,954	(350,004)	(18,160)	585,837	
Off balance sheet interest rate gap	-	-	-	-	-	(61,000)	-	
Net interest rate gap	(1,111,491)	(235,932)	1,266,374	272,954	(350,004)	(18,160)	585,837	

p. INTEREST RATE RISK

The following table represents the Bank's carrying assets and liabilities at carrying amounts as at 31 December 2008.

	Non-Trading Book					SPL-related items	Trading book	Total
	Up to 1 month	1 - 3 months	3 - 12 months	1 - 5 years	Over 5 years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and short-term funds	980,782	-	-	-	-	-	-	980,782
Deposits and placements with banks and other financial institutions	-	-	342,192	-	-	-	-	342,192
Securities held-for-trading	10,000	50,055	221,265	1,000,777	6,260	-	-	1,288,357
Securities available-for-sale	-	-	187,095	267,484	1,242	-	-	455,821
Loans, advances and financing	201,713	201,517	219,782	18,242	-	(17,236)	-	624,018
Other assets	-	-	-	-	-	-	-	2,478,104
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	1,350
Investments in subsidiary companies	-	-	-	-	-	-	-	20
Investment in an associated company	-	-	-	-	-	-	-	8,503
Deferred tax assets	-	-	-	-	-	-	-	24,050
Property, plant and equipment	-	-	-	-	-	-	-	32,788
Intangible asset	-	-	-	-	-	-	-	1,513
Total Assets	1,192,495	251,572	970,334	1,286,503	7,502	(17,236)	-	6,237,498
Liabilities								
Deposits from customers	1,997,167	252,376	118,385	122,058	-	-	-	2,489,986
Deposits and placements of banks and other financial institutions	189,933	-	52,337	69,440	-	-	-	311,710
Other liabilities	-	-	-	-	-	-	-	2,638,818
Provision for taxation	-	-	-	-	-	-	-	25,540
Subordinated debt capital	-	-	-	-	-	-	-	200,000
Total Liabilities	2,187,100	252,376	170,722	191,498	-	2,864,358	-	5,666,054
On balance sheet interest rate gap	(994,605)	(804)	799,612	1,095,005	7,502	(318,030)	(17,236)	571,444
Off balance sheet interest rate gap	-	-	-	-	-	-	-	6,000
Net interest rate gap	(994,605)	(804)	799,612	1,095,005	7,502	(318,030)	(17,236)	577,444

Group/Bank	
30 June	31 Dec
2009	2008
RM'000	RM'000

r) OTHER ASSETS

Other debtors, deposits and prepayments	236,118	88,969
Mark to market on derivative financial instruments	1,194,276	2,389,135
	<u>1,430,394</u>	<u>2,478,104</u>

s) OTHER LIABILITIES

Retirement benefits	22	22
Short Selling Securities	189,816	0
Other liabilities	283,287	238,649
Mark to market on derivative financial instruments	1,172,731	2,400,147
	<u>1,645,856</u>	<u>2,638,818</u>