



Standard Chartered Bank Malaysia Berhad
(Incorporated in Malaysia)
and its subsidiaries

**Financial statements for the three months
ended 31 March 2011**

STANDARD CHARTERED BANK MALAYSIA BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	Group		Bank	
		31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Assets					
Cash and short term funds		8,726,625	4,522,666	7,437,027	3,667,843
Deposits and placements with banks and other financial institutions		427,412	358,182	2,289,536	2,263,730
Securities purchased under resale agreements		154,322	89,854	154,322	89,854
Financial assets held for trading	12	1,981,200	3,349,777	1,981,200	3,349,777
Investment securities available-for-sale	13	4,592,456	6,622,786	4,422,663	5,999,460
Loans, advances and financing	14	28,535,612	28,107,906	26,053,911	25,765,761
Derivative financial assets		2,189,551	2,335,191	2,189,919	2,333,269
Other assets	16	872,228	207,373	1,020,630	284,945
Tax recoverable		4,264	3,271	-	-
Statutory deposits with Bank Negara Malaysia	17	30,513	36,760	10,000	12,000
Investments in subsidiaries		-	-	386,022	386,022
Property, plant and equipment		59,553	55,530	52,724	55,530
Deferred tax assets		120,752	120,032	113,504	112,832
Total assets		47,694,488	45,809,328	46,111,458	44,321,023
Liabilities					
Deposits from customers	18	33,261,463	34,256,728	31,901,553	32,935,268
Deposits and placements of banks and other financial institutions	19	6,251,297	3,621,804	6,161,397	3,520,407
Bills and acceptances payable		-	6,792	-	6,792
Recourse obligations on loans sold to Cagamas Berhad		-	72,919	-	72,919
Derivative financial liabilities		1,760,461	1,886,049	1,761,630	1,885,045
Other liabilities	20	2,954,650	2,448,903	2,888,629	2,444,303
Tax payable		41,510	15,940	41,510	15,940
Subordinated debts		883,702	885,652	883,702	885,652
Total liabilities		45,153,083	43,194,787	43,638,421	41,766,326
Equity					
Share capital		125,000	125,000	125,000	125,000
Reserves		2,416,405	2,489,541	2,348,037	2,429,697
Total equity attributable to equity holder of the Bank		2,541,405	2,614,541	2,473,037	2,554,697
Total liabilities and equity		47,694,488	45,809,328	46,111,458	44,321,023
Commitments and contingencies	27	166,570,501	162,357,835	165,531,196	161,064,175

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2010.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND THREE MONTHS ENDED 31 MARCH 2011

	Note	Group			
		1st Quarter ended		Three months ended	
		31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Interest income	21	378,391	316,864	378,391	316,864
Interest expense	22	(169,866)	(147,664)	(169,866)	(147,664)
Net interest income		208,525	169,200	208,525	169,200
Net income from Islamic Banking operations	23	50,345	63,606	50,345	63,606
Other operating income	24	258,870	232,806	258,870	232,806
		136,893	175,685	136,893	175,685
Total net income		395,763	408,491	395,763	408,491
Other operating expenses	25	(190,213)	(187,438)	(190,213)	(187,438)
Operating profit		205,550	221,053	205,550	221,053
Provisions for loans, advances and financing	26	2,585	(40,249)	2,585	(40,249)
Profit before taxation		208,135	180,804	208,135	180,804
Tax expense		(54,115)	(47,008)	(54,115)	(47,008)
Profit for the period		154,020	133,796	154,020	133,796
Other comprehensive income, net of income tax					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		(915)	(3,395)	(915)	(3,395)
Net amount transferred to profit or loss		320	(4,891)	320	(4,891)
Cash flow hedges:-					
Effective portion of changes in fair value		(4,569)	(4,434)	(4,569)	(4,434)
Net amount transferred to profit or loss		3,008	1,343	3,008	1,343
Other comprehensive income for the period, net of income tax		(2,156)	(11,377)	(2,156)	(11,377)
Total comprehensive income for the period		151,864	122,419	151,864	122,419
Profit for the period attributable to:-					
Equity holder of the Bank		154,020	133,796	154,020	133,796
Total comprehensive income attributable to:-					
Equity holder of the Bank		151,864	122,419	151,864	122,419

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2010.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 1ST QUARTER AND THREE MONTHS ENDED 31 MARCH 2011

	Note	Bank			
		1st Quarter ended		Three months ended	
		31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Interest income	21	390,997	325,956	390,997	325,956
Interest expense	22	(169,866)	(147,664)	(169,866)	(147,664)
Net interest income		221,131	178,292	221,131	178,292
Net income from Islamic Banking operations	23	-	-	-	-
		221,131	178,292	221,131	178,292
Other operating income	24	152,643	188,647	152,643	188,647
Total net income		373,774	366,939	373,774	366,939
Other operating expenses	25	(183,955)	(184,518)	(183,955)	(184,518)
Operating profit		189,819	182,421	189,819	182,421
Provisions for loans, advances and financing	26	6,604	(25,077)	6,604	(25,077)
Profit before taxation		196,423	157,344	196,423	157,344
Tax expense		(51,070)	(40,909)	(51,070)	(40,909)
Profit for the period		145,353	116,435	145,353	116,435
Other comprehensive income, net of income tax					
Fair value reserve (investment securities available-for-sale):-					
Net changes in fair value		(772)	(3,022)	(772)	(3,022)
Net amount transferred to profit or loss		320	(4,891)	320	(4,891)
Cash flow hedges:-					
Effective portion of changes in fair value		(4,569)	(4,434)	(4,569)	(4,434)
Net amount transferred to profit or loss		3,008	1,343	3,008	1,343
Other comprehensive income for the period, net of income tax		(2,013)	(11,004)	(2,013)	(11,004)
Total comprehensive income for the period		143,340	105,431	143,340	105,431
Profit for the period attributable to:-					
Equity holder of the Bank		145,353	116,435	145,353	116,435
Total comprehensive income attributable to:-					
Equity holder of the Bank		143,340	105,431	143,340	105,431

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2010.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2011

GROUP	← Non-Distributable Reserves →					Distributable Reserves		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2011	125,000	375,000	156,706	190	1,416	(8,601)	1,964,830	2,614,541
Profit for the period	-	-	-	-	-	-	154,020	154,020
Other comprehensive income for the period	-	-	-	-	(595)	(1,561)	-	(2,156)
Total comprehensive income for the period	-	-	-	-	(595)	(1,561)	154,020	151,864
Dividends payable:- - 2011 interim	-	-	-	-	-	-	(225,000)	(225,000)
At 31 March 2011	125,000	375,000	156,706	190	821	(10,162)	1,893,850	2,541,405

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2010.

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2011

GROUP	← Non-Distributable Reserves →					Distributable Reserves		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2010	125,000	375,000	132,960	190	7,439	(8,669)	1,646,935	2,278,855
Profit for the period	-	-	-	-	-	-	133,796	133,796
Other comprehensive income for the period	-	-	-	-	(8,286)	(3,091)	-	(11,377)
Total comprehensive income for the period	-	-	-	-	(8,286)	(3,091)	133,796	122,419
At 31 March 2010	125,000	375,000	132,960	190	(847)	(11,760)	1,780,731	2,401,274

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2010.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2011

BANK	← <i>Non-Distributable Reserves</i> →					<i>Distributable Reserves</i>		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2011	125,000	375,000	125,000	190	1,363	(8,601)	1,936,745	2,554,697
Profit for the period	-	-	-	-	-	-	145,353	145,353
Other comprehensive income for the period	-	-	-	-	(452)	(1,561)	-	(2,013)
Total comprehensive income for the period	-	-	-	-	(452)	(1,561)	145,353	143,340
Dividends payable:- - 2011 interim	-	-	-	-	-	-	(225,000)	(225,000)
At 31 March 2011	125,000	375,000	125,000	190	911	(10,162)	1,857,098	2,473,037

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2010.

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2011

BANK	← <i>Non-Distributable Reserves</i> →					→ <i>Distributable Reserves</i>		Total RM'000
	Share capital RM'000	Share premium RM'000	Statutory reserves RM'000	Capital redemption reserves RM'000	AFS reserves RM'000	Cash flow hedge reserves RM'000	Retained profits RM'000	
At 1 January 2010	125,000	375,000	125,000	190	6,868	(8,669)	1,641,356	2,264,745
Profit for the period	-	-	-	-	-	-	116,435	116,435
Other comprehensive income for the period	-	-	-	-	(7,913)	(3,091)	-	(11,004)
Total comprehensive income for the period	-	-	-	-	(7,913)	(3,091)	116,435	105,431
At 31 March 2010	125,000	375,000	125,000	190	(1,045)	(11,760)	1,757,791	2,370,176

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2010.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2011

	Group		Bank	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Profit before taxation	208,135	180,804	196,423	157,344
Adjustment for non-cash items	(7,394)	(47,471)	(10,475)	(41,905)
Operating profit before working capital changes	200,741	133,333	185,948	115,439
Changes in working capital:-				
Net changes in operating assets	166,534	(4,591,461)	397,735	(4,198,080)
Net changes in operating liabilities	1,833,314	3,093,171	1,621,525	3,150,040
Income taxes paid	(29,538)	(36,631)	(25,500)	(32,685)
Net cash generated from/(used in) operating activities	2,171,051	(1,401,588)	2,179,708	(965,286)
Net cash generated from investing activities	2,032,908	958,456	1,589,476	933,458
Net increase/(decrease) in cash and cash equivalents	4,203,959	(443,132)	3,769,184	(31,828)
Cash and cash equivalent at beginning of the period	4,522,666	8,870,950	3,667,843	7,586,909
Cash and cash equivalent at end of the period	8,726,625	8,427,818	7,437,027	7,555,081

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2010.

STANDARD CHARTERED BANK MALAYSIA BERHAD
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AND ITS SUBSIDIARY COMPANIES

REVIEW OF PERFORMANCE

The Group registered a profit before taxation of RM 208.14 million for the three months ended 31 March 2011, representing a RM 27.33 million or 15.12% improvement compared against the corresponding period last year. Net interest income increased by RM 39.33 million to RM 208.53 million due to increase in the Group and the Bank's loans portfolio. Other operating income (including income from Islamic Banking operations) declined by RM 52.05 million to RM 187.24 million, whilst operating expenses increased by RM 2.78 million to RM 190.21 million. Recoveries from bad and doubtful debts on loans, advances and financing increased by RM 50.41 million to RM 65.66 million, due to disposal of impaired loans which were written off. Total assets registered an increase of RM 1.88 billion or 4.10% to RM 47.69 billion compared to the last financial year ended 31 December 2010. The Group's core capital ratio and risk-weighted capital ratio remained strong at 9.73% and 13.87% respectively.

PROSPECTS

The Group will continue to grow its business in Malaysia in support of a focused strategic agenda to achieve Standard Chartered PLC's ambition to be the best international bank, leading the way in Asia, Africa and the Middle East. Over the past few years, the Group has built significant momentum to lead the way in product innovation, service, performance culture, corporate governance and enhancing shareholder value.

The Group's strategic focus for Consumer Banking will be centred on continuing on the transformation path, maintaining execution focus and exploring new opportunities. The Group aims to establish leadership in High Value Segments (Premium Banking, Private Banking and SME) while defending Personal Banking. Key to maintaining traction going into 2011 will be through continuing execution focus on embedding the Customer Charter of fast, friendly and accurate service, and the launch of new initiatives to drive sales management discipline.

Wholesale Banking will continue to deepen client relationships, intensify focus on network leverage and explore new opportunities. The key to success will be staff recruitment and retention, product support from regional product groups and key investments to expand our capabilities.

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Notes to the financial statements for the financial three months ended 31 March 2011

1. Basis of preparation of the financial statements

The unaudited condensed interim financial statements for the first quarter and the financial three months ended 31 March 2011 have been prepared in accordance with FRS 134, *Interim Financial Reporting*, issued by the Malaysian Accounting Standards Board ("MASB") and Bank Negara Malaysia ("BNM") guidelines.

The financial statements incorporate those activities relating to Islamic Banking which have been undertaken by the Group. Islamic Banking refers generally to the acceptance of deposits and granting of financing under the Syariah principles.

The accounting policies and methods of computation in the unaudited condensed interim financial statements are consistent with those adopted in the last audited financial statements.

The unaudited interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2010.

2. Auditor's report on preceding annual financial statements

The auditor's report on the financial statements for the financial year ended 31 December 2010 was not qualified.

3. Seasonal or cyclical factors

The business operations of the Group and the Bank have not been affected by any material seasonal or cyclical factors.

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank in the first quarter and the financial three months ended 31 March 2011.

5. Changes in accounting estimates

There were no material changes in estimates of amounts reported that have a material effect on the unaudited condensed interim financial statements in the first quarter and the financial three months ended 31 March 2011.

6. Issuances, cancellations, repurchases, resale and repayments of securities portfolio

There were no issuance and repayment of debt and equity securities, share-buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the first quarter and the financial three months ended 31 March 2011.

7. Dividend

There were no dividend paid during the first quarter and the financial three months ended 31 March 2011.

8. Carrying amount of revalued assets

The Group's and the Bank's property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The valuations of certain land and buildings of the Group and the Bank have been brought forward without amendment from the previous audited annual financial statements for the financial year ended 31 December 2010.

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9. Subsequent events

There were no material events subsequent to the statement of financial position date that requires disclosure or adjustments to the unaudited condensed interim financial statements.

10. Changes in the composition of the Group

There were no significant changes in the composition of the Group in the first quarter and the financial three months ended 31 March 2011.

11. Significant event

On 8 February 2011, the Group and the Bank had entered into a conditional Sale and Purchase Agreement ("SPA") for the sale of impaired loans to Aiqon Direct Sdn. Bhd. and Aiqon Ehsan Sdn. Bhd., both are special purpose vehicles ("SPV") incorporated as subsidiaries of Aiqon Capital Sdn. Bhd. Total consideration for the sale amounted to RM 99 million and RM 81 million for the Group and the Bank. Impact to the Group and the Bank's profit before taxation for the financial three months ended 31 March 2011 are RM 59 million and RM 48 million respectively.

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12. Financial assets held for trading

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
<u>At fair value</u>				
Malaysian Government treasury bills	129,742	194,831	129,742	194,831
Malaysian Government bonds/securities	689,109	636,956	689,109	636,956
Government Islamic bonds	10,293	20,705	10,293	20,705
Bank Negara Malaysia bills	772,935	2,156,498	772,935	2,156,498
Cagamas bonds	4,974	-	4,974	-
Private debt securities	374,147	340,787	374,147	340,787
	<u>1,981,200</u>	<u>3,349,777</u>	<u>1,981,200</u>	<u>3,349,777</u>

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13. Investment securities available-for-sale

	Group		Bank	
	31 March	31 December	31 March	31 December
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<u>At fair value</u>				
Malaysian Government bonds/ securities *	1,454,230	1,493,740	1,454,230	1,493,740
Bank Negara Malaysia bills	1,335,600	2,077,444	1,235,691	1,529,339
Cagamas bonds	24,763	25,077	-	-
Bankers' acceptances and Islamic acceptance bills	902,651	506,752	902,651	506,752
Negotiable instruments of deposit	839,013	2,480,002	804,013	2,445,002
Private debt securities	10,121	15,144	-	-
	<u>4,566,378</u>	<u>6,598,159</u>	<u>4,396,585</u>	<u>5,974,833</u>
Unquoted securities:-				
Equity shares, at cost	9,658	9,647	9,658	9,647
Private debt securities, at fair value	16,420	14,980	16,420	14,980
	<u>4,592,456</u>	<u>6,622,786</u>	<u>4,422,663</u>	<u>5,999,460</u>

* Included in Malaysian Government bonds/securities are Malaysian Government Securities of the Group and the Bank amounting to RM 215 million each (2010: RM 201 million) being utilised to meet Statutory Reserve Requirement as further explained in Note 17.

Included in unquoted equity shares are 51% shareholdings held in Popular Ambience Sdn. Bhd. ("PASB") and Resolution Alliance Sdn Bhd ("RASB"), amounting to RM 51 each. Both companies are incorporated in Malaysia. The remaining 49% shareholdings of PASB are held by Standard Chartered Bank (Hong Kong) Limited ("SCBHK"), while that of RASB are held by SCBHK (40%) and an unrelated third party (9%). The principal activities of PASB and RASB are that of special purpose vehicles established to undertake the purchase of non-performing loans.

In accordance with paragraphs 12 and 13 of FRS 127, *Consolidated and Separate Financial Statements*, consolidated financial statements shall include the financial statements of all subsidiaries of the parent where control exists.

The shareholders of PASB and RASB have entered into separate Master Shareholders' Agreements in which the Bank had assigned to SCBHK its rights over all the profits or losses of PASB and RASB and the entitlement to appoint Directors of PASB and RASB. The Bank has therefore ceased to have control over PASB and RASB as it does not have the ability to exercise its power to govern the financial and operating policies of PASB and RASB so as to obtain benefits from its activities. In view of the above, PASB and RASB are excluded from the Group's consolidated financial statements and they are classified under investment securities available-for-sale.

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14. Loans, advances and financing**(i) By type**

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
<u>At amortised cost</u>				
Overdrafts	656,627	660,746	656,627	660,746
Term loans/financing				
- Housing loans/financing	13,209,556	13,022,787	12,356,195	12,188,088
- Syndicated term loan/financing	787,056	928,345	787,056	928,345
- Hire purchase receivables	135,521	101,845	-	-
- Lease receivables	375,294	365,030	-	-
- Other term loans/financing	8,043,849	7,827,018	6,644,818	6,438,005
Bills receivable	2,458,590	2,328,025	2,455,135	2,326,325
Trust receipts	1,340,387	1,435,463	1,195,623	1,250,769
Staff loans/financing	85,780	86,539	82,528	83,221
Loans/financing to banks and other financial institutions	367,147	358,259	367,147	358,259
Credit card receivables	1,498,842	1,505,746	1,498,842	1,505,746
Revolving credit	1,235,891	1,120,404	707,425	722,637
	<u>30,194,540</u>	<u>29,740,207</u>	<u>26,751,396</u>	<u>26,462,141</u>
Less: Unearned interest and income	(919,302)	(893,959)	(1,824)	(1,693)
Gross loans, advances and financing	<u>29,275,238</u>	<u>28,846,248</u>	<u>26,749,572</u>	<u>26,460,448</u>
Less: Impairment provisions on loans, advances and financing:-				
- Individual impairment provisions	(301,694)	(311,096)	(289,563)	(298,740)
- Collective impairment provisions	(437,932)	(427,246)	(406,098)	(395,947)
Total net loans, advances and financing	<u>28,535,612</u>	<u>28,107,906</u>	<u>26,053,911</u>	<u>25,765,761</u>

(ii) By type of customer

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Domestic banking institutions	-	2,963	-	2,963
Domestic non-bank financial institutions	170,858	321,472	110,818	261,339
Domestic business enterprises	9,908,368	9,716,031	8,678,324	8,612,695
<i>Small medium enterprises</i>	<u>3,075,408</u>	<u>2,890,944</u>	<u>2,945,268</u>	<u>2,764,578</u>
<i>Others</i>	<u>6,832,960</u>	<u>6,825,087</u>	<u>5,733,056</u>	<u>5,848,117</u>
Individuals	17,256,015	16,929,474	16,050,912	15,736,971
Other domestic entities	-	669	-	669
Foreign entities	1,939,997	1,875,639	1,909,518	1,845,811
	<u>29,275,238</u>	<u>28,846,248</u>	<u>26,749,572</u>	<u>26,460,448</u>

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14. Loans, advances and financing (continued)**(iii) By interest/profit rate sensitivity**

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Fixed rate				
Housing loans/financing	49,537	49,725	45,065	45,031
Other fixed rate loan/financing	3,659,706	3,389,887	2,359,137	2,109,176
Variable rate				
BLR plus	16,550,878	16,430,713	16,245,471	16,010,288
Cost plus	8,080,593	8,109,945	7,553,532	7,714,900
Other variable rates	934,524	865,978	546,367	581,053
	<u>29,275,238</u>	<u>28,846,248</u>	<u>26,749,572</u>	<u>26,460,448</u>

(iv) By sector

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Agriculture	310,855	312,620	185,009	188,985
Mining and quarrying	155,135	164,105	151,836	155,250
Manufacturing	3,598,415	3,350,381	3,361,050	3,096,185
Electricity, gas and water	487,769	639,117	487,592	638,925
Construction	335,849	319,412	316,749	302,016
Real estate	509,960	482,731	327,532	307,411
Wholesale & retail trade and restaurants & hotels	2,310,034	2,135,959	2,061,770	2,034,214
Transportation, storage and communication	343,435	340,342	110,772	107,744
Finance, insurance and business services	1,474,306	1,683,718	1,264,393	1,471,274
Household	18,268,310	17,901,437	17,032,728	16,679,106
Others	1,481,170	1,516,426	1,450,141	1,479,338
	<u>29,275,238</u>	<u>28,846,248</u>	<u>26,749,572</u>	<u>26,460,448</u>

(v) By purpose

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Purchase of securities	482,808	633,625	482,808	633,625
Purchase of landed property	15,667,492	15,434,170	15,276,253	15,039,144
- Residential	12,826,426	12,664,411	12,515,256	12,352,786
- Non-residential	2,841,066	2,769,759	2,760,997	2,686,358
Fixed assets excluding land & building	68,359	53,237	-	-
Personal use	2,361,274	2,146,347	1,471,101	1,271,493
Credit cards	1,498,842	1,505,746	1,498,842	1,505,746
Working capital	8,914,030	8,761,108	7,738,135	7,698,425
Others	282,433	312,015	282,433	312,015
	<u>29,275,238</u>	<u>28,846,248</u>	<u>26,749,572</u>	<u>26,460,448</u>

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14. Loans, advances and financing (continued)**(vi) By maturity structure**

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Maturing within one year	10,243,594	10,456,653	9,395,171	9,494,847
One year to three years	1,323,807	1,232,516	835,709	846,327
Three years to five years	2,265,443	1,962,296	1,587,247	1,354,538
Over five years	15,442,394	15,194,783	14,931,445	14,764,736
	<u>29,275,238</u>	<u>28,846,248</u>	<u>26,749,572</u>	<u>26,460,448</u>

(vii) By geographical distribution

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Within Malaysia	28,913,030	28,492,454	26,387,364	26,106,654
Outside Malaysia	362,208	353,794	362,208	353,794
	<u>29,275,238</u>	<u>28,846,248</u>	<u>26,749,572</u>	<u>26,460,448</u>

(viii) Analysis of foreign currency exposure

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
USD	1,538,254	1,513,419	1,415,367	1,381,405
GBP	564,322	561,076	564,322	561,076
Other foreign currencies	18,830	23,259	18,830	22,987
	<u>18,830</u>	<u>23,259</u>	<u>18,830</u>	<u>22,987</u>

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15. Impaired loans, advances and financing**(i) Movements in impaired loans, advances and financing**

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
At 1 January	441,715	453,505	419,285	439,359
Classified as impaired during the financial period/year	143,344	551,890	127,588	491,105
Reclassified as performing during the financial period/year	(74,079)	(293,399)	(73,884)	(292,512)
Amount recovered during the financial period/year	(24,982)	(67,274)	(23,487)	(59,660)
Amount written off during the financial period/year	(61,326)	(203,007)	(46,795)	(159,007)
At end of reporting period/year	<u>424,672</u>	<u>441,715</u>	<u>402,707</u>	<u>419,285</u>
Individual impairment provisions	<u>(301,694)</u>	<u>(311,096)</u>	<u>(289,563)</u>	<u>(298,740)</u>
Net impaired loans, advances and financing	<u>122,978</u>	<u>130,619</u>	<u>113,144</u>	<u>120,545</u>
Ratio of net impaired loans, advances and financing to net loans, advances and financing	<u>0.43%</u>	<u>0.46%</u>	<u>0.43%</u>	<u>0.46%</u>

(ii) Movements in impairment provisions for loans, advances and financing

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Collective impairment provisions				
At 1 January	427,246	352,831	395,947	329,090
Impairment made during the financial period/year	15,405	101,714	12,443	86,717
Amount written back	(4,719)	(27,299)	(2,292)	(19,860)
At end of reporting period/year	<u>437,932</u>	<u>427,246</u>	<u>406,098</u>	<u>395,947</u>
As a percentage of gross loans, advances and financing less individual impairment provisions	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>
Individual impairment provisions				
At 1 January	311,096	308,569	298,740	297,327
Impairment made during the financial period/year	55,261	214,421	40,762	168,375
Amount written back	(20,613)	(72,426)	(20,444)	(71,539)
Amount written off	(44,050)	(139,468)	(29,495)	(95,423)
At end of reporting period/year	<u>301,694</u>	<u>311,096</u>	<u>289,563</u>	<u>298,740</u>

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15. Impaired loans, advances and financing (continued)**(iii) Impaired loans, advances and financing by sector**

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Agriculture	13,731	13,981	13,731	13,981
Manufacturing	37,466	34,832	37,452	32,819
Construction	59,166	55,563	59,166	55,563
Wholesale & retail trade and restaurants & hotels	45,856	49,392	45,799	49,392
Transportation, storage and communication	830	32	826	32
Finance, insurance and business services	4,044	2,567	4,044	2,567
Household	262,555	273,169	240,665	252,752
Others	1,024	12,179	1,024	12,179
	<u>424,672</u>	<u>441,715</u>	<u>402,707</u>	<u>419,285</u>

(iv) Impaired loans, advances and financing by purpose

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Purchase of landed property	232,648	242,183	223,317	232,684
- Residential	209,849	217,209	200,518	207,710
- Non-residential	22,799	24,974	22,799	24,974
Personal use	25,598	27,875	13,039	14,979
Credit cards	13,887	14,790	13,887	14,790
Working capital	152,539	156,867	152,464	156,832
	<u>424,672</u>	<u>441,715</u>	<u>402,707</u>	<u>419,285</u>

(v) Impaired loans, advances and financing by geographical distribution

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Within Malaysia	424,406	441,098	402,441	418,668
Outside Malaysia	266	617	266	617
	<u>424,672</u>	<u>441,715</u>	<u>402,707</u>	<u>419,285</u>

16. Other assets

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Interest/Income receivables	29,889	39,392	35,373	40,906
Other receivables, deposit and prepayments	842,339	167,981	985,257	244,039
	<u>872,228</u>	<u>207,373</u>	<u>1,020,630</u>	<u>284,945</u>

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17. Statutory deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia ("BNM") in accordance with Section 37(1)(c) of the Central Bank of Malaysia Act 1958 (revised 1994) to satisfy the Statutory Reserve Requirement ("SRR"); the amounts of which are determined as set percentages of total eligible liabilities.

In accordance with BNM's circular titled "Regulatory Treatment related to the Statutory Reserve Requirement Incentive for Principal Dealers and Islamic Principal Dealers" issued on 10 July 2009, the Bank, being a principal dealer appointed by BNM, is allowed to utilise Malaysian Government Securities ("MGS") to meet the SRR. As at 31 March 2011, MGS of the Group and the Bank with nominal amount of RM 215 million each (2010: RM 201 million) are utilised for SRR purposes. These securities are included in the investment securities available-for-sale (Note 13).

18. Deposits from customers**(i) By type of deposits**

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Demand deposits	11,890,627	12,825,314	11,483,840	12,359,091
Savings deposits	3,554,677	3,942,783	3,476,377	3,879,015
Fixed/Investment deposits	17,148,527	16,803,823	16,461,221	16,198,205
Negotiable instruments of deposits	667,632	684,808	480,115	498,957
	<u>33,261,463</u>	<u>34,256,728</u>	<u>31,901,553</u>	<u>32,935,268</u>

(ii) By type of customers

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Government and statutory bodies	131,887	126,072	26,887	26,072
Business enterprises	13,794,722	15,032,215	13,261,959	14,486,533
Individuals	17,032,822	16,955,819	16,555,259	16,510,743
Others	2,302,032	2,142,622	2,057,448	1,911,920
	<u>33,261,463</u>	<u>34,256,728</u>	<u>31,901,553</u>	<u>32,935,268</u>

The maturity structure of the fixed/investment deposits and negotiable instruments of deposits is as follows:-

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Due within six months	14,262,855	13,976,010	13,575,531	13,384,052
Six months to one year	2,467,589	2,456,205	2,397,145	2,368,938
One year to three years	184,025	117,495	149,777	91,097
Three years to five years	519,655	533,137	519,655	533,137
Over five years	382,035	405,784	299,228	319,938
	<u>17,816,159</u>	<u>17,488,631</u>	<u>17,841,296</u>	<u>17,606,162</u>

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19. Deposits and placements of banks and other financial institutions

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Licensed banks	1,121,345	278,846	1,095,886	253,271
Bank Negara Malaysia	683,626	77,637	683,626	77,637
Other financial institutions	4,446,326	3,265,321	4,381,885	3,189,499
	<u>6,251,297</u>	<u>3,621,804</u>	<u>6,161,397</u>	<u>3,520,407</u>

20. Other liabilities

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Interest/Income payable	138,187	125,194	134,058	121,319
Amount owing to subsidiaries	-	-	22	22
Profit equalisation reserve	7,478	7,478	-	-
Dividends payable	225,000	-	225,000	-
Other payables and accruals	2,583,985	2,316,231	2,529,549	2,322,962
	<u>2,954,650</u>	<u>2,448,903</u>	<u>2,888,629</u>	<u>2,444,303</u>

The movements in profit equalisation reserve are as follows:-

Profit equalisation reserve

	Group		Bank	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
At 1 January	7,478	7,478	-	-
Amount provided during the financial period/year	-	-	-	-
At end of reporting period/year	<u>7,478</u>	<u>7,478</u>	<u>-</u>	<u>-</u>

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21. Interest income

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries				
from impaired loans	290,742	219,659	290,742	219,659
- Recoveries from impaired loans	4,732	6,917	4,732	6,917
Money at call and deposit placements				
with banks and other financial institutions	19,843	50,257	19,843	50,257
Financial assets held for trading	21,404	11,103	21,404	11,103
Investment securities available-for-sale	41,670	28,928	41,670	28,928
	<u>378,391</u>	<u>316,864</u>	<u>378,391</u>	<u>316,864</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries				
from impaired loans	290,742	219,659	290,742	219,659
- Recoveries from impaired loans	4,732	6,917	4,732	6,917
Money at call and deposit placements				
with banks and other financial institutions	32,449	59,349	32,449	59,349
Financial assets held for trading	21,404	11,103	21,404	11,103
Investment securities available-for-sale	41,670	28,928	41,670	28,928
	<u>390,997</u>	<u>325,956</u>	<u>390,997</u>	<u>325,956</u>

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22. Interest expense

	Group and Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	8,425	23,906	8,425	23,906
Deposits from customers	148,854	110,356	148,854	110,356
Loans sold to Cagamas	708	1,523	708	1,523
Subordinated debts	11,879	11,879	11,879	11,879
	<u>169,866</u>	<u>147,664</u>	<u>169,866</u>	<u>147,664</u>

23. Net income from Islamic Banking operations

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	21,900	16,368	21,900	16,368
Transfer to profit equalisation reserves	-	-	-	-
Total distributable income	<u>21,900</u>	<u>16,368</u>	<u>21,900</u>	<u>16,368</u>
Income attributable to depositors	<u>(5,988)</u>	<u>(3,239)</u>	<u>(5,988)</u>	<u>(3,239)</u>
Income attributable to the Bank	15,912	13,129	15,912	13,129
Income derived from investment of Islamic banking capital funds and shareholder's funds	<u>34,433</u>	<u>50,477</u>	<u>34,433</u>	<u>50,477</u>
	<u>50,345</u>	<u>63,606</u>	<u>50,345</u>	<u>63,606</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	-	-	-	-
Transfer to profit equalisation reserves	-	-	-	-
Total distributable income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income attributable to depositors	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income attributable to the Bank	-	-	-	-
Income derived from investment of Islamic banking capital funds and Islamic banking capital funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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24. Other operating income

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	63,611	57,871	63,611	57,871
- <i>Commission income</i>	43,469	37,790	43,469	37,790
- <i>Service fees</i>	12,606	15,108	12,606	15,108
- <i>Guarantee fees</i>	7,536	4,973	7,536	4,973
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(15,003)	(5,014)	(15,003)	(5,014)
- <i>Commission charges</i>	(9,965)	273	(9,965)	273
- <i>Service charges</i>	(5,038)	(5,287)	(5,038)	(5,287)
	<u>48,608</u>	<u>52,857</u>	<u>48,608</u>	<u>52,857</u>
Net trading income				
Gains from sale of financial assets held for trading and derivative financial instruments	25,992	30,387	25,992	30,387
Unrealised gains on revaluation of financial assets held for trading and other financial instruments	6,391	26,855	6,391	26,855
Foreign exchange currency				
- Gain from dealing in foreign currency	20,911	199,782	20,911	199,782
- Unrealised gains/(loss) from foreign exchange translation	32,501	(162,936)	32,501	(162,936)
	<u>85,795</u>	<u>94,088</u>	<u>85,795</u>	<u>94,088</u>
Other income				
Gains from sale of investment securities available-for-sale	429	10,396	429	10,396
Gross dividends from unquoted investments	-	17,568	-	17,568
Rental income	(22)	86	(22)	86
Gain on disposal of property, plant and equipment	-	388	-	388
Others	2,083	302	2,083	302
	<u>2,490</u>	<u>28,740</u>	<u>2,490</u>	<u>28,740</u>
Total other operating income	<u>136,893</u>	<u>175,685</u>	<u>136,893</u>	<u>175,685</u>

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24. Other operating income (continued)

	Bank			
	1st Quarter ended		Three months ended	
	31 March 2011 RM'000	31 March 2010 RM'000	31 March 2011 RM'000	31 March 2010 RM'000
Fee and commission				
Fee and commission income:-				
Arising from financial instruments not fair valued through profit or loss	63,611	57,871	63,611	57,871
- <i>Commission income</i>	43,469	37,790	43,469	37,790
- <i>Service fees</i>	12,606	15,108	12,606	15,108
- <i>Guarantee fees</i>	7,536	4,973	7,536	4,973
Fee and commission expense:-				
Arising from financial instruments not fair valued through profit or loss	(15,003)	(5,014)	(15,003)	(5,014)
- <i>Commission charges</i>	(9,965)	273	(9,965)	273
- <i>Service charges</i>	(5,038)	(5,287)	(5,038)	(5,287)
	<u>48,608</u>	<u>52,857</u>	<u>48,608</u>	<u>52,857</u>
Net trading income				
Gains from sale of financial assets held for trading and derivative financial instruments	25,992	30,387	25,992	30,387
Unrealised gains on revaluation of financial assets held for trading and other financial instruments	6,391	26,855	6,391	26,855
Foreign exchange currency				
- Gain from dealing in foreign currency	20,911	199,782	20,911	199,782
- Unrealised gains/(loss) from foreign exchange translation	32,501	(162,936)	32,501	(162,936)
	<u>85,795</u>	<u>94,088</u>	<u>85,795</u>	<u>94,088</u>
Other income				
Gains from sale of investment securities available-for-sale	429	10,396	429	10,396
Gross dividends from unquoted investments	-	17,568	-	17,568
Rental income	(22)	86	(22)	86
Gain on disposal of property, plant and equipment	-	388	-	388
Others	17,833	13,264	17,833	13,264
	<u>18,240</u>	<u>41,702</u>	<u>18,240</u>	<u>41,702</u>
Total other operating income	<u>152,643</u>	<u>188,647</u>	<u>152,643</u>	<u>188,647</u>

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25. Other operating expenses

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	67,611	60,246	67,611	60,246
- Pension fund contributions	7,391	5,978	7,391	5,978
- Other staff related cost	7,861	6,100	7,861	6,100
	<u>82,863</u>	<u>72,324</u>	<u>82,863</u>	<u>72,324</u>
Establishment costs				
- Depreciation of property, plant and equipment	6,156	6,105	6,156	6,105
- Rental	5,691	5,297	5,691	5,297
- Information technology and project expenses	22,542	22,202	22,542	22,202
- Others	8,327	7,133	8,327	7,133
	<u>42,716</u>	<u>40,737</u>	<u>42,716</u>	<u>40,737</u>
Marketing expenses				
- Advertisement and publicity	4,343	5,928	4,343	5,928
- Others	7,432	4,985	7,432	4,985
	<u>11,775</u>	<u>10,913</u>	<u>11,775</u>	<u>10,913</u>
Administration and general expenses				
- Communication expenses	3,182	3,453	3,182	3,453
- Group administration and business support expenses	22,257	29,422	22,257	29,422
- Outsourcing expenses	16,276	13,221	16,276	13,221
- Others	11,144	17,368	11,144	17,368
	<u>52,859</u>	<u>63,464</u>	<u>52,859</u>	<u>63,464</u>
Total other operating expenses	<u>190,213</u>	<u>187,438</u>	<u>190,213</u>	<u>187,438</u>

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25. Other operating expenses (continued)

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Salaries, bonuses, wages and allowances	65,988	59,717	65,988	59,717
- Pension fund contributions	7,391	5,978	7,391	5,978
- Other staff related cost	7,626	6,001	7,626	6,001
	<u>81,005</u>	<u>71,696</u>	<u>81,005</u>	<u>71,696</u>
Establishment costs				
- Depreciation of property, plant and equipment	5,644	6,105	5,644	6,105
- Rental	5,408	5,297	5,408	5,297
- Information technology and project expenses	22,509	22,196	22,509	22,196
- Others	7,950	7,122	7,950	7,122
	<u>41,511</u>	<u>40,720</u>	<u>41,511</u>	<u>40,720</u>
Marketing expenses				
- Advertisement and publicity	4,239	5,867	4,239	5,867
- Others	7,386	4,983	7,386	4,983
	<u>11,625</u>	<u>10,850</u>	<u>11,625</u>	<u>10,850</u>
Administration and general expenses				
- Communication expenses	3,148	3,442	3,148	3,442
- Group administration and business support expenses	21,033	28,293	21,033	28,293
- Outsourcing expenses	16,276	13,221	16,276	13,221
- Others	9,357	16,296	9,357	16,296
	<u>49,814</u>	<u>61,252</u>	<u>49,814</u>	<u>61,252</u>
Total other operating expenses	<u><u>183,955</u></u>	<u><u>184,518</u></u>	<u><u>183,955</u></u>	<u><u>184,518</u></u>

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26. Provisions for loans, advances and financing

	Group			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	34,648	22,312	34,648	22,312
- Made in the financial period	55,261	44,251	55,261	44,251
- Written back	(20,613)	(21,939)	(20,613)	(21,939)
Collective impairment provisions				
- Made in the financial period	15,405	16,100	15,405	16,100
- Written back	(4,719)	-	(4,719)	-
Bad and doubtful debts on loans, advances and financing:-				
Written off	17,742	17,084	17,742	17,084
Recovered	(65,661)	(15,247)	(65,661)	(15,247)
	<u>(2,585)</u>	<u>40,249</u>	<u>(2,585)</u>	<u>40,249</u>

	Bank			
	1st Quarter ended		Three months ended	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Provisions for loans, advances and financing:-				
Individual impairment provisions	20,318	11,940	20,318	11,940
- Made in the financial period	40,762	33,742	40,762	33,742
- Written back	(20,444)	(21,802)	(20,444)	(21,802)
Collective impairment provisions				
- Made in the financial period	12,443	11,300	12,443	11,300
- Written back	(2,292)	-	(2,292)	-
Bad and doubtful debts on loans, advances and financing:-				
Written off	17,742	17,084	17,742	17,084
Recovered	(54,815)	(15,247)	(54,815)	(15,247)
	<u>(6,604)</u>	<u>25,077</u>	<u>(6,604)</u>	<u>25,077</u>

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27. Commitments and contingencies

In ordinary course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies are as follows:-

Group	31 March 2011			31 December 2010		
	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	1,314,532	1,314,532	422,899	1,277,004	1,277,004	362,744
Transaction-related contingent items	3,159,138	3,095,969	831,201	3,202,905	3,131,157	801,467
Short-term self liquidating trade-related contingencies	627,808	593,827	156,446	195,473	163,000	65,924
Sell and buy back agreements	196,644	196,644	20,850	70,797	70,797	2,235
Other commitments to extend credit:-						
- maturity not exceeding one year	12,845,337	4,003,483	1,293,724	11,769,362	3,740,659	1,218,389
- maturity exceeding one year	4,612,317	1,774,156	793,374	4,346,479	1,750,451	774,013
Foreign exchange related contracts:-						
- less than one year	51,076,437	1,203,506	289,487	41,166,278	1,131,926	307,874
- one year to less than five years	10,609,142	1,129,418	360,156	11,916,400	1,177,274	372,210
- five years and above	4,414,755	789,449	173,813	4,504,133	826,478	185,849
Interest rate related contracts:-						
- less than one year	22,671,817	94,312	8,757	24,924,926	103,836	21,433
- one year to less than five years	45,766,197	1,193,113	402,731	44,561,020	1,129,231	305,227
- five years and above	7,241,245	647,966	240,949	7,360,722	699,656	263,169
Miscellaneous commitments and contingencies	2,035,132	341,918	107,648	7,062,336	636,357	448,121
	<u>166,570,501</u>	<u>16,378,293</u>	<u>5,102,035</u>	<u>162,357,835</u>	<u>15,837,826</u>	<u>5,128,655</u>

Foreign exchange and interest rate related contracts are subject to market risk and credit risk.

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27. Commitments and contingencies (continued)

	31 March 2011			31 December 2010		
	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
Bank						
Direct credit substitutes	1,302,311	1,302,311	416,929	1,243,177	1,243,177	348,639
Transaction-related contingent items	3,139,565	3,076,396	828,185	3,178,218	3,106,471	794,194
Short-term self liquidating trade-related contingencies	595,560	561,579	143,551	184,877	152,404	62,612
Sell and buy back agreements	196,644	196,644	20,850	39,972	39,972	793
Other commitments to extend credit:-						
- maturity not exceeding one year	12,026,889	3,932,405	1,250,135	10,802,817	3,649,549	1,156,489
- maturity exceeding one year	4,255,503	1,757,906	779,158	3,975,398	1,729,671	757,052
Foreign exchange related contracts:-						
- less than one year	51,076,437	1,203,506	289,487	41,166,278	1,131,953	307,861
- one year to less than five years	10,609,142	1,129,418	357,925	11,860,301	1,172,483	369,197
- five years and above	4,414,755	789,449	173,813	4,504,133	826,478	185,849
Interest rate related contracts:-						
- less than one year	22,671,817	94,312	8,757	24,924,926	103,836	21,433
- one year to less than five years	46,122,699	1,116,253	400,320	44,761,020	1,166,559	313,438
- five years and above	7,084,742	619,284	194,341	7,360,722	687,425	216,821
Miscellaneous commitments and contingencies	2,035,132	341,918	107,648	7,062,336	636,357	448,121
	<u>165,531,196</u>	<u>16,121,381</u>	<u>4,971,099</u>	<u>161,064,175</u>	<u>15,646,335</u>	<u>4,982,499</u>

Foreign exchange and interest rate related contracts are subject to market risk and credit risk.

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28. Interest rate risk

The tables below summarise the Group's and the Bank's financial instruments at carrying amounts, categorised by contractual re-pricing or maturity dates.

Group As at 31 March 2011	Non-trading books					Trading books RM'000	Total RM'000	Effective interest rate (%)
	← 3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Financial assets								
Cash and short term funds	8,023,204	-	-	-	694,771	-	8,717,975	2.14
Deposits and placements with banks and other financial institutions	420,181	7,231	-	-	-	-	427,412	1.66
Securities purchased under resale agreements	154,322	-	-	-	-	-	154,322	2.20
Financial assets held for trading	-	-	-	-	-	1,981,200	1,981,200	3.47
Investment securities available-for-sale	2,884,037	1,309,306	373,034	243	25,836	-	4,592,456	2.93
Loans, advances and financing								
- Performing	22,215,124	3,361,081	1,917,890	916,881	1,658	-	28,412,634	5.31
- Impaired	-	-	-	-	122,978	-	122,978	
Derivative financial assets	-	-	-	-	-	2,189,551	2,189,551	
Other balances	-	-	-	-	902,741	-	902,741	
	33,696,868	4,677,618	2,290,924	917,124	1,747,984	4,170,751	47,501,269	
Financial liabilities								
Deposits from customers	21,965,720	4,417,727	680,304	389,656	5,808,056	-	33,261,463	2.22
Deposits and placements of banks and other financial institutions	6,102,156	71,517	37,624	40,000	-	-	6,251,297	2.31
Derivative financial liabilities	-	-	-	-	-	1,760,461	1,760,461	
Other balances	-	-	-	-	2,954,650	-	2,954,650	
Subordinated debts	-	380,000	503,702	-	-	-	883,702	5.45
	28,067,876	4,869,244	1,221,630	429,656	8,762,706	1,760,461	45,111,573	
On-balance sheet interest sensitivity gap	5,628,992	(191,626)	1,069,294	487,468	(7,014,722)	2,410,290		
Off-balance sheet interest sensitivity gap	(5,774,985)	1,639,492	1,402,967	(667,583)	-	-		
Total interest sensitivity gap	(145,993)	1,447,866	2,472,261	(180,115)	(7,014,722)	2,410,290		

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28. Interest rate risk (continued)

Group As at 31 December 2010	← Non-trading books →					Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
Financial assets								
Cash and short term funds	3,776,116	-	-	-	746,550	-	4,522,666	1.82
Deposits and placements with banks and other financial institutions	293,259	64,923	-	-	-	-	358,182	2.11
Securities purchased under resale agreements	89,854	-	-	-	-	-	89,854	2.30
Financial assets held for trading	-	-	-	-	-	3,349,777	3,349,777	3.42
Investment securities available-for-sale	4,496,450	1,091,640	1,010,069	243	24,384	-	6,622,786	2.91
Loans, advances and financing								
- Performing	22,269,555	3,427,615	1,454,346	824,532	1,239	-	27,977,287	5.22
- Impaired	-	-	-	-	130,619	-	130,619	
Derivative financial assets	-	-	-	-	-	2,335,191	2,335,191	
Other balances	-	-	-	-	244,133	-	244,133	
	30,925,234	4,584,178	2,464,415	824,775	1,146,925	5,684,968	45,630,495	
Financial liabilities								
Deposits from customers	22,496,373	4,102,200	656,206	384,007	6,617,942	-	34,256,728	1.90
Deposits and placements of banks and other financial institutions	2,970,021	640,617	7,551	3,615	-	-	3,621,804	2.49
Bills and acceptances payable	6,792	-	-	-	-	-	6,792	3.37
Recourse obligations on loans sold to Cagamas Berhad	72,919	-	-	-	-	-	72,919	4.60
Derivative financial liabilities	-	-	-	-	-	1,886,049	1,886,049	
Other balances	-	-	-	-	2,448,903	-	2,448,903	
Subordinated debts	-	380,000	505,652	-	-	-	885,652	5.45
	25,546,105	5,122,817	1,169,409	387,622	9,066,845	1,886,049	43,178,847	
On-balance sheet interest sensitivity gap	5,379,129	(538,639)	1,295,006	437,153	(7,919,920)	3,798,919		
Off-balance sheet interest sensitivity gap	(7,033,571)	3,418,721	(402,670)	(871,933)	-	-		
Total interest sensitivity gap	(1,654,442)	2,880,082	892,336	(434,780)	(7,919,920)	3,798,919		

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28. Interest rate risk (continued)

The tables below summarise the Group's and the Bank's financial instruments at carrying amounts, categorised by contractual re-pricing or maturity dates.

Bank	Non-trading books					Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
As at 31 March 2011								
Financial assets								
Cash and short term funds	6,933,406	-	-	-	503,621	-	7,437,027	2.04
Deposits and placements with banks and other financial institutions	1,778,925	333,611	-	177,000	-	-	2,289,536	2.59
Securities purchased under resale agreements	154,322	-	-	-	-	-	154,322	2.20
Financial assets held for trading	-	-	-	-	-	1,981,200	1,981,200	3.47
Investment securities available-for-sale	2,849,037	1,209,398	338,149	243	25,836	-	4,422,663	2.93
Loans, advances and financing								
- Performing	21,185,257	3,308,250	917,928	529,332	-	-	25,940,767	4.90
- Impaired	-	-	-	-	113,144	-	113,144	
Derivative financial assets	-	-	-	-	-	2,189,919	2,189,919	
Other balances	-	-	-	-	1,030,630	-	1,030,630	
	32,900,947	4,851,259	1,256,077	706,575	1,673,231	4,171,119	45,559,208	
Financial liabilities								
Deposits from customers	21,014,345	4,126,305	653,620	299,227	5,808,056	-	31,901,553	2.21
Deposits and placements of banks and other financial institutions	6,014,221	77,176	30,000	40,000	-	-	6,161,397	2.35
Derivative financial liabilities	-	-	-	-	-	1,761,630	1,761,630	
Other balances	-	-	-	-	2,888,629	-	2,888,629	
Subordinated debts	-	380,000	503,702	-	-	-	883,702	5.45
	27,028,566	4,583,481	1,187,322	339,227	8,696,685	1,761,630	43,596,911	
On-balance sheet interest sensitivity gap	5,872,381	267,778	68,755	367,348	(7,023,454)	2,409,489		
Off-balance sheet interest sensitivity gap	(5,774,985)	1,639,492	1,402,967	(667,583)	-	-		
Total interest sensitivity gap	97,396	1,907,270	1,471,722	(300,235)	(7,023,454)	2,409,489		

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28. Interest rate risk (continued)

Bank As at 31 December 2010	← Non-trading books →				Non-interest sensitive RM'000	Trading books RM'000	Total RM'000	Effective interest rate (%)
	3 months or less RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000				
Financial assets								
Cash and short term funds	3,141,681	-	-	-	526,162	-	3,667,843	1.63
Deposits and placements with banks and other financial institutions	1,085,133	1,001,597	-	177,000	-	-	2,263,730	2.64
Securities purchased under resale agreements	89,854	-	-	-	-	-	89,854	2.30
Financial assets held for trading	-	-	-	-	-	3,349,777	3,349,777	3.42
Investment securities available-for-sale	4,162,817	837,162	974,854	243	24,384	-	5,999,460	2.90
Loans, advances and financing								
- Performing	21,481,245	3,323,393	532,776	307,802	-	-	25,645,216	4.94
- Impaired	-	-	-	-	120,545	-	120,545	
Derivative financial assets	-	-	-	-	-	2,333,269	2,333,269	
Other balances	-	-	-	-	296,945	-	296,945	
	29,960,730	5,162,152	1,507,630	485,045	968,036	5,683,046	43,766,639	
Financial liabilities								
Deposits from customers	21,592,625	3,796,746	629,792	298,163	6,617,942	-	32,935,268	1.90
Deposits and placements of banks and other financial institutions	2,879,790	640,617	-	-	-	-	3,520,407	2.49
Bills and acceptances payable	6,792	-	-	-	-	-	6,792	3.37
Recourse obligations on loans sold to Cagamas Berhad	72,919	-	-	-	-	-	72,919	4.60
Derivative financial liabilities	-	-	-	-	-	1,885,045	1,885,045	
Other balances	-	-	-	-	2,444,303	-	2,444,303	
Subordinated debts	-	380,000	505,652	-	-	-	885,652	5.45
	24,552,126	4,817,363	1,135,444	298,163	9,062,245	1,885,045	41,750,386	
On-balance sheet interest sensitivity gap	5,408,604	344,789	372,186	186,882	(8,094,209)	3,798,001		
Off-balance sheet interest sensitivity gap	(7,033,571)	3,418,721	(402,670)	(871,933)	-	-		
Total interest sensitivity gap	(1,624,967)	3,763,510	(30,484)	(685,051)	(8,094,209)	3,798,001		

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29. Capital adequacy

The capital adequacy ratios of the Group and the Bank as at 31 March 2011 are analysed as follows:-

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Tier 1 Capital				
Paid-up ordinary share capital	125,000	125,000	125,000	125,000
Share premium	375,000	375,000	375,000	375,000
Other reserves	2,037,655	2,117,302	1,977,864	2,057,511
Less: Deferred tax assets	(118,744)	(118,742)	(111,526)	(111,525)
Eligible Tier 1 capital	<u>2,418,911</u>	<u>2,498,560</u>	<u>2,366,338</u>	<u>2,445,986</u>
Tier 2 Capital				
Islamic subordinated debt	380,000	380,000	380,000	380,000
Subordinated bonds	500,000	500,000	500,000	500,000
Collective impairment provisions under standardised approach	64,217	62,990	68,563	67,588
Surplus of total eligible provisions over total expected loss under AIRB approach	83,482	85,503	92,966	93,575
	<u>1,027,699</u>	<u>1,028,493</u>	<u>1,041,529</u>	<u>1,041,163</u>
Less: Investment in subsidiaries	-	-	(386,022)	(386,022)
Eligible Tier 2 capital	<u>1,027,699</u>	<u>1,028,493</u>	<u>655,507</u>	<u>655,141</u>
Total capital base	<u><u>3,446,610</u></u>	<u><u>3,527,053</u></u>	<u><u>3,021,845</u></u>	<u><u>3,101,127</u></u>

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

	Group		Bank	
	31 March 2011 RM'000	31 December 2010 RM'000	31 March 2011 RM'000	31 December 2010 RM'000
Total risk-weighted assets:-				
Credit risk	20,197,371	20,220,010	18,609,504	18,711,609
Market risk	1,965,068	1,715,769	1,965,068	1,715,769
Operational risk	2,687,014	2,802,491	2,473,297	2,610,212
Large exposure for equity holdings	621	621	621	621
	<u>24,850,074</u>	<u>24,738,891</u>	<u>23,048,490</u>	<u>23,038,211</u>

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29. Capital adequacy (continued)

The capital adequacy ratios of the Group and the Bank are as follows:-

	Group		Bank	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
Before proposed dividend:-				
Tier 1 capital ratio	9.73%	10.10%	10.27%	10.62%
Risk-weighted capital ratio	13.87%	14.26%	13.11%	13.46%
After proposed dividend:-				
Tier 1 capital ratio	9.73%	9.19%	10.27%	9.64%
Risk-weighted capital ratio	13.87%	13.35%	13.11%	12.48%

The capital adequacy ratios of the Islamic banking subsidiary of the Bank are as follows:-

	31 March 2011	31 December 2010
Tier 1 capital ratio	14.52%	14.40%
Risk-weighted capital ratio	14.52%	14.40%