

**CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED BALANCE SHEETS AS AT 30 JUNE 2008**

	Note	Group		Bank	
		30 June 2008	31 December 2007	30 June 2008	31 December 2007
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short term funds	6	2,429,379	2,501,063	2,428,951	2,500,841
Deposits and placements with licensed banks and other financial institutions		500,000	100,000	500,000	100,000
Securities held-for-trading	7	574,523	54,850	574,523	54,850
Securities available-for-sale	8	2,637,980	3,639,847	2,637,980	3,639,847
Securities held-to-maturity	9	108,460	140,216	108,460	140,216
Loans, advances and financing	10	234,891	208,344	234,891	208,344
Other assets	12	53,701	60,223	54,032	60,382
Statutory deposits with Bank Negara Malaysia		116,707	140,878	116,707	140,878
Investment in subsidiary companies		-	-	20	20
Property, plant and equipment		5,336	4,860	5,336	4,860
Deferred tax asset		43,036	43,036	43,036	43,036
TOTAL ASSETS		<u>6,704,013</u>	<u>6,893,317</u>	<u>6,703,936</u>	<u>6,893,274</u>
LIABILITIES					
Deposits from customers	13	3,161,298	3,155,542	3,161,298	3,155,542
Deposits and placements of banks and other financial institutions	14	2,795,870	2,994,359	2,795,870	2,994,359
Other liabilities	15	59,840	67,130	59,834	67,124
Subordinated term loan		-	28,000	-	28,000
Provision for taxation and zakat		609	485	609	485
TOTAL LIABILITIES		<u>6,017,617</u>	<u>6,245,516</u>	<u>6,017,611</u>	<u>6,245,510</u>
SHAREHOLDERS' EQUITY					
Share Capital		156,500	156,500	156,500	156,500
Reserves:					
Share premium		362,611	362,611	362,611	362,611
Statutory reserve		107,257	90,950	107,257	90,950
Securities available-for-sale reserve		(26,301)	329	(26,301)	329
Retained earnings		86,329	37,411	86,258	37,374
TOTAL SHAREHOLDERS' EQUITY		<u>686,396</u>	<u>647,801</u>	<u>686,325</u>	<u>647,764</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>6,704,013</u>	<u>6,893,317</u>	<u>6,703,936</u>	<u>6,893,274</u>
COMMITMENTS AND CONTINGENCIES	24	<u>622,152</u>	<u>1,017,952</u>	<u>622,152</u>	<u>1,017,952</u>
CAPITAL ADEQUACY	25				
Before deducting proposed dividends					
Core capital ratio		45.59%	32.91%	45.58%	32.91%
Risk-weighted capital ratio		45.97%	33.71%	45.96%	33.71%
After deducting proposed dividends					
Core capital ratio		45.25%	32.91%	45.24%	32.91%
Risk-weighted capital ratio		45.63%	33.71%	45.62%	33.71%
NET ASSETS PER SHARE (RM)		<u>4.39</u>	<u>4.14</u>	<u>4.39</u>	<u>4.14</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2008**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30 June 2008	30 June 2007	30 June 2008	30 June 2007
		RM'000	RM'000	RM'000	RM'000
Group					
Operating revenue		85,658	102,203	167,016	189,155
Interest income	16	60,999	75,166	118,360	140,166
Interest expense	17	(42,396)	(56,538)	(83,490)	(106,615)
Net interest income		18,603	18,628	34,870	33,551
Income from Islamic Banking operation	27	5,414	3,184	11,456	7,475
Other operating income	18	11,008	12,067	21,582	20,479
Net income		35,025	33,879	67,908	61,505
Operating expenses	19	(9,118)	(10,663)	(18,010)	(20,017)
Operating profit		25,907	23,216	49,898	41,488
(Allowance) / write-back for losses on loans and advances	20	(1,294)	2,363	7,075	2,439
Write-back/(Allowance) for losses on doubtful debts	21	12	(6)	19	11
Impairment write-back / (loss)	22	490	(17,924)	8,362	(20,968)
Profit before tax expense and zakat		25,115	7,649	65,354	22,970
Tax expense		(5)	(2)	(5)	(3)
Zakat		(46)	(79)	(124)	(152)
Net profit for the period		25,064	7,568	65,225	22,815
Earnings per RM1.00 share – basic (sen)		16.17	4.88	42.08	14.72

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2008**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
Bank					
Operating revenue		85,651	102,183	166,977	189,135
Interest income	16	60,999	75,166	118,360	140,166
Interest expense	17	(42,396)	(56,538)	(83,490)	(106,615)
Net interest income		18,603	18,628	34,870	33,551
Income from Islamic Banking operation	27	5,414	3,184	11,456	7,475
Other operating income	18	11,001	12,047	21,543	20,459
Net income		35,018	33,859	67,869	61,485
Operating expenses	19	(9,118)	(10,661)	(18,010)	(20,015)
Operating profit		25,900	23,198	49,859	41,470
(Allowance) / write-back for losses on loans and advances	20	(1,294)	2,363	7,075	2,439
Write-back/(Allowance) for losses on doubtful debts	21	12	(6)	19	11
Impairment write-back / (loss)	22	490	(17,924)	8,362	(20,968)
Profit before tax expense and zakat		25,108	7,631	65,315	22,952
Tax expense		-	-	-	-
Zakat		(46)	(79)	(124)	(152)
Net profit for the period		25,062	7,552	65,191	22,800
Earnings per RM1.00 share – basic (sen)		16.17	4.87	42.06	14.71

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008

Group	Non-distributable				(Accumulated Losses) / Retained Profit	Total
	Share Capital	Share Premium	Statutory Reserve *	Securities available-for-sale Reserve #		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2006	156,500	362,611	37,546	1,757	(15,907)	542,507
Net profit for the period	-	-	-	-	22,815	22,815
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	14,587	-	14,587
Realised gain on sale of securities available-for-sale	-	-	-	(3,721)	-	(3,721)
At 30 June 2007	156,500	362,611	37,546	12,623	6,908	576,188
Net profit for the period	-	-	-	-	83,907	83,907
Deferred taxation on revaluation of securities available-for-sale	-	-	-	476	-	476
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(10,297)	-	(10,297)
Realised gain on sale of securities available-for-sale	-	-	-	(2,473)	-	(2,473)
Transfer to statutory reserve	-	-	53,404	-	(53,404)	-
At 31 December 2007	156,500	362,611	90,950	329	37,411	647,801
Net profit for the period	-	-	-	-	65,225	65,225
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(22,797)	-	(22,797)
Realised gain on sale of securities available-for-sale	-	-	-	(3,833)	-	(3,833)
Transfer to statutory reserve	-	-	16,307	-	(16,307)	-
At 30 June 2008	<u>156,500</u>	<u>362,611</u>	<u>107,257</u>	<u>(26,301)</u>	<u>86,329</u>	<u>686,396</u>

* The statutory reserve is maintained in compliance with Section 36 of the Banking and Financial Institution Act, 1989 and is not distributable as cash dividends

The securities available-for-sale reserve arose from the change in the fair value of the securities available-for-sale in compliance with the revised BNMGP8 requirement.

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008

Bank	Non-distributable				(Accumulated Losses) / Retained Profit	Total
	Share Capital	Share Premium	Statutory Reserve *	Securities available- for-sale Reserve #		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2006	156,500	362,611	37,546	1,757	(16,030)	542,384
Net profit for the period	-	-	-	-	22,800	22,800
Unrealised net gain on revaluation of securities available-for-sale	-	-	-	14,587	-	14,587
Realised gain on sale of securities available-for- sale	-	-	-	(3,721)	-	(3,721)
At 30 June 2007	156,500	362,611	37,546	12,623	6,770	576,050
Net profit for the period	-	-	-	-	84,008	84,008
Deferred taxation on revaluation of securities available-for-sale	-	-	-	476	-	476
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(10,297)	-	(10,297)
Realised gain on sale of securities available-for- sale	-	-	-	(2,473)	-	(2,473)
Transfer to statutory reserve	-	-	53,404	-	(53,404)	-
At 31 December 2007	156,500	362,611	90,950	329	37,374	647,764
Net profit for the period	-	-	-	-	65,191	65,191
Unrealised net loss on revaluation of securities available-for-sale	-	-	-	(22,797)	-	(22,797)
Realised gain on sale of securities available-for- sale	-	-	-	(3,833)	-	(3,833)
Transfer to statutory reserve	-	-	16,307	-	(16,307)	-
At 30 June 2008	<u>156,500</u>	<u>362,611</u>	<u>107,257</u>	<u>(26,301)</u>	<u>86,258</u>	<u>686,325</u>

* The statutory reserve is maintained in compliance with Section 36 of the Banking and Financial Institution Act, 1989 and is not distributable as cash dividends

The securities available-for-sale reserve arose from the change in the fair value of the securities available-for-sale in compliance with the revised BNMGP8 requirement.

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

**CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED CONDENSED CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2008**

	Group		Bank	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
Profit before tax expense	65,354	22,970	65,316	22,952
Adjustments for non-cash items	(60,518)	(18,857)	(60,514)	(18,854)
Operating profit before changes in working capital	4,836	4,113	4,802	4,098
Changes in working capital:				
Net changes in operating assets	547,756	(659,453)	547,584	(659,766)
Net changes in operating liabilities	(195,204)	1,952	(195,204)	1,966
Net cash generated from / (used in) operating activities	357,388	(653,388)	357,182	(653,702)
Net cash used in investing activities	(1,072)	(25)	(1,072)	(25)
	(1,072)	(25)	(1,072)	(25)
Net cash used in financing activities	(28,000)	-	(28,000)	-
	(28,000)	-	(28,000)	-
Net change in cash and cash equivalents	328,316	(653,413)	328,110	(653,727)
Cash and cash equivalents at beginning of the period	2,601,063	5,550,065	2,600,841	5,549,906
Cash and cash equivalents at end of the period	2,929,379	4,896,652	2,928,951	4,896,179

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	17,034	21,861	16,606	21,388
Money at call and deposit placements maturing within one month	2,412,345	4,220,780	2,412,345	4,220,780
Deposit and placements with banks and other financial institutions	500,000	654,011	500,000	654,011
	2,929,379	4,896,652	2,928,951	4,896,179

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2007.

Explanatory Notes Pursuant to Bank Negara Malaysia Guidelines on Financial Reporting for Licensed Institutions ("BNM/GP8") – September 2004.

1. Basis of Preparation

The audited condensed interim financial statements for the 2nd quarter ended 30 June 2008 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: held-for-trading financial assets and available-for-sale financial assets. The audited condensed interim financial statements have been prepared in accordance with Financial Reporting Standard 134 ("FRS 134"): Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"). The audited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Bank for the year ended 31 December 2007. The explanatory notes attached to the interim financial statements provide an explanation of events and performance of the Group and the Bank since the year ended 31 December 2007.

The significant accounting policies and methods of computation applied in the audited condensed financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2007.

The specific and general allowance for bad and doubtful debts and financing of the Group and the Bank are computed in conformity with Bank Negara Malaysia's Garispanduan 3 ("BNM/GP3") which is consistent with the adoption made in the previous audited annual financial statements.

2. Auditors' report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2007 was not qualified.

3. Performance Review

The Group and the Bank recorded a lower pre-tax profit of RM25.115 million for the 2nd quarter ended 30th June 2008 and is 62% lower than the preceding 1st quarter pre-tax profit of RM40.239 million. The decrease in earnings was due to lower recovery and write-back for losses on loans and advances and impairment write-back.

The pre-tax profit for the six months period ended 30th June 2008 amounted to RM65.354 million, an increase of 185% when compared with the pre-tax profit of RM22.970 million for the previous corresponding six months period. The increase in earnings was due to a higher loan recovery, write-back of PER and a write-back of impairment in securities.

4. Proposed Dividends

No dividend was paid as at 30 June 2008.

An interim dividend of 450 sen per share less 26% income tax on 1,500,000 Perpetual Preference Shares of RM1.00 each, amounting to RM4.995 million is proposed for the financial year ending 31 December 2008.

No interim dividend was declared for the corresponding period last year.

5. Prospects for 2008

As more development projects under the Ninth Malaysia Plan come onstream, it is believed that majority of funds will be raised via the capital market. This will help to increase investment banking activities.

The Bank expects enhanced involvement in the debt and equity capital markets, especially in private debt securities origination, advisory and underwriting, as well as brokerage and placement, complemented by trading activities.

Barring any unforeseen circumstances, the Group and the Bank are expected to record satisfactory performance in 2008.

Financial Reporting for Licensed Institutions (“BNM/GP8”)

6. Cash and short-term funds

	Group		Bank	
	30 June 2008 RM'000	31 December 2007 RM'000	30 June 2008 RM'000	31 December 2007 RM'000
Cash and balances with banks and other financial institutions	17,034	16,658	16,606	16,436
Money at call and deposit placements maturing within one month	2,412,345	2,484,405	2,412,345	2,484,405
	<u>2,429,379</u>	<u>2,501,063</u>	<u>2,428,951</u>	<u>2,500,841</u>

7. Securities held-for-trading

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
At fair value		
Quoted securities:		
Malaysian Government Securities	-	30,116
Bank Negara Malaysia Notes	29,615	-
Government Investment Issues	-	24,734
Unquoted securities:		
Other Acceptances Discounted	245,878	-
Private Debt Securities	299,030	-
Total securities held-for-trading	<u>574,523</u>	<u>54,850</u>

8. Securities available-for-sale

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
At fair value		
Quoted securities:		
Malaysian Government Securities	80,258	241,342
Government Investment Issues	79,071	175,139
Bank Negara Malaysia Notes	151,552	82,953
Shares in Malaysia	6,758	6,894
	<u>317,639</u>	<u>506,328</u>
Unquoted Securities:		
Cagamas Berhad bonds	19,949	20,004
Khazanah Nasional Berhad bonds	204,941	274,373
Private Debt Securities	1,686,184	2,269,057
Other Acceptances Discounted	329,645	450,086
Negotiable Instruments of Deposits	79,622	119,999
	<u>2,320,341</u>	<u>3,133,519</u>
Total securities available-for-sale	<u>2,637,980</u>	<u>3,639,847</u>

9. Securities held-to-maturity

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
At amortised cost		
Quoted securities:		
Malaysian Government Securities	2,094	2,123
Malaysian Islamic Treasury Bills	-	9,893
Bank Negara Malaysia Notes	49,999	74,822
	<u>52,093</u>	<u>86,838</u>
Unquoted Securities:		
Cagamas Berhad bonds	-	4,987
Khazanah Nasional Berhad bonds	18,913	-
Private Debt Securities	158,200	194,376
Shares in Malaysia	906	3,365
	<u>178,019</u>	<u>202,728</u>
	<u>230,112</u>	<u>289,566</u>
Less: Accumulated impairment loss	(121,652)	(149,350)
Total securities held-to-maturity	<u>108,460</u>	<u>140,216</u>

10. Loans, advances and financing

i) By type

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
Term loans		
- Syndicated term loans	60,145	60,181
- Other term loans	58,226	42,229
Staff loans	3,404	3,402
Revolving credits	63,503	57,790
Share margin financing	82,695	75,789
Gross loans, advances and financing	<u>267,973</u>	<u>239,391</u>
Less: Allowance for bad and doubtful debts		
- General	(5,588)	(3,471)
- Specific	(27,494)	(27,576)
Net loans, advances and financing	<u>234,891</u>	<u>208,344</u>

ii) By type of customer

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
Domestic business enterprises		
- Small medium enterprises	198,686	-
- Others	3,572	166,509
Individuals	65,715	69,283
Other domestic entities	-	3,599
Gross loans, advances and financing	<u>267,973</u>	<u>239,391</u>

iii) By interest/profit rate sensitivity

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
Fixed rate:		
- Staff loans	3,404	3,402
- Other fixed rate loans	82,695	75,789
Variable rate:		
- Cost plus	181,874	160,200
Gross loans, advances and financing	<u>267,973</u>	<u>239,391</u>

iv) By economic sector

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
Primary agriculture	4,722	5,000
Mining and quarrying	750	1,000
Manufacturing	18,335	19,186
Construction	52,371	37,169
Wholesale & retail trade and restaurants & hotels	7,436	7,629
Transport, storage and communication	78,317	70,271
Finance, insurance and business services	37,888	27,439
Education, health and others	2,439	2,414
Others	65,715	69,283
Gross loans, advances and financing	<u>267,973</u>	<u>239,391</u>

11. Non-Performing Loans ("NPL")

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
i) Movements in non-performing loans, advances and financing		
At beginning of year	37,986	123,836
Classified as non-performing during the year	11	13,726
Amount converted to securities	-	(15,548)
Sale of NPLs to a related company	-	(60,456)
Amount written-back	(257)	-
Amount written off	-	(18,839)
Amount recovered	-	(4,733)
At end of period/year	<u>37,740</u>	<u>37,986</u>
Specific allowance ("SA")	<u>(27,494)</u>	<u>(27,576)</u>
Net non-performing loan, advances and financing	<u>10,246</u>	<u>10,410</u>
Net NPL as % of gross loans, advances and financing less specific allowance	<u>4.26%</u>	<u>4.91%</u>

ii) Movements in allowance for bad and doubtful debts

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
General allowance		
At beginning of year	3,471	3,471
Allowance made during the year	2,117	-
At end of period/year	<u>5,588</u>	<u>3,471</u>
As % of gross loans and advances less specific allowance	2.32%	1.64%
Specific allowance	RM'000	RM'000
At beginning of year	27,576	102,036
Allowance made during the year	184	4,535
Amount written-back	(266)	(3,078)
Sale of NPLs to a related company	-	(57,078)
Amount written off	-	(18,839)
At end of period/year	<u>27,494</u>	<u>27,576</u>

iii) NPL by economic sector

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
Primary agriculture	-	-
Manufacturing	11,113	11,150
Construction	13,609	13,802
Wholesale & retail trade and restaurants & hotels	197	197
Finance, insurance and business services	12,531	12,558
Others	290	279
	<u>37,740</u>	<u>37,986</u>

12. Other Assets

	Group		Bank	
	30 June 2008 RM'000	31 December 2007 RM'000	30 June 2008 RM'000	31 December 2007 RM'000
Other debtors, deposits and prepayment	24,995	25,762	24,995	25,762
Less: Allowance for bad and doubtful debts (a)	<u>(24,087)</u>	<u>(24,090)</u>	<u>(24,087)</u>	<u>(24,090)</u>
	908	1,672	908	1,672
Tax recoverable	307	291	305	290
Interest receivables	20,610	24,909	20,610	24,909
Amount due from brokers and clients (b)	31,863	33,135	31,863	33,135
Amount due from subsidiaries	-	-	333	160
Amount due from related companies	13	216	13	216
	<u>53,701</u>	<u>60,223</u>	<u>54,032</u>	<u>60,382</u>

(a) Movements in allowance for bad and doubtful debts

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
Specific allowance:		
At beginning of year	(24,090)	(42,207)
Allowance made during the year	(48)	(238)
Amount written-back	51	18,355
At end of period/year	<u>(24,087)</u>	<u>(24,090)</u>

(b) Amount due from brokers and clients:

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
Brokers	8,114	10,200
Clients	26,038	25,240
	<u>34,152</u>	<u>35,440</u>
Less: Allowance for doubtful debts	(2,287)	(2,302)
General allowance	(2)	(3)
	<u>31,863</u>	<u>33,135</u>

13. Deposits from customers

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
i) By type of deposits:		
Call deposits	395,008	281,555
Fixed deposits	2,766,290	2,873,987
	<u>3,161,298</u>	<u>3,155,542</u>
ii) By type of customers:		
Business enterprises	3,124,018	3,115,760
Government and statutory bodies	36,195	37,660
Individuals	1,085	2,122
	<u>3,161,298</u>	<u>3,155,542</u>

14. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
i) Call deposits		
- other financial institutions	209,061	309,920
ii) Fixed deposits		
- licensed Commercial bank	50	-
- licensed Islamic banks	-	20,000
- other financial institutions	2,586,759	2,664,439
	<u>2,586,809</u>	<u>2,684,439</u>
	<u>2,795,870</u>	<u>2,994,359</u>

15. Other liabilities

	Group		Bank	
	30 June 2008 RM'000	31 December 2007 RM'000	30 June 2008 RM'000	31 December 2007 RM'000
Interest payable	13,325	15,345	13,325	15,345
Accrued liabilities and other payables	7,529	7,603	7,523	7,597
Amount due to brokers and clients (a)	34,588	34,729	34,588	34,729
Profit Equalisation Reserve	2,136	6,956	2,136	6,956
Employee benefits	784	907	784	907
Amount due to holding companies	1,478	693	1,478	693
Amount due to related companies	-	897	-	897
	<u>59,840</u>	<u>67,130</u>	<u>59,834</u>	<u>67,124</u>

(a) Amount due to brokers and clients

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
Brokers	19,646	13,734
Clients	11,479	15,767
Margin clients	102	258
Trust monies	1,706	1,928
Collateralised clients deposits	1,655	3,042
	<u>34,588</u>	<u>34,729</u>

16. Interest income

	Group and Bank	
	30 June 2008 RM'000	30 June 2007 RM,000
Loans and advances		
- Interest income other than recoveries from NPL	9,000	2,738
- Recoveries from NPL	23	2,022
Money at call and deposit placement with financial institutions	51,737	73,223
Securities held-for-trading	47	117
Securities available-for-sale	31,909	33,225
Securities held-to-maturity	819	5,610
	<u>93,535</u>	<u>116,935</u>
Accretion of discount less amortisation of premium	25,760	23,231
Interest suspended	(935)	-
Total interest income	<u>118,360</u>	<u>140,166</u>

17. Interest expense

	Group and Bank	
	30 June 2008 RM'000	30 June 2007 RM'000
Deposits and placements of banks and other financial institutions	29	73
Deposits from customers	82,819	105,898
Subordinated term loan from holding company	642	644
	<u>83,490</u>	<u>106,615</u>

18. Other operating income

	Group		Bank	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
i) Fees and Commission				
Arrangement / Management fees	666	1,675	666	1,675
Agency fees	885	1,272	885	1,272
Commitment fees	60	35	60	35
Corporate advisory fees	685	377	685	377
Acceptances commission	-	10	-	10
Brokerage commission	7,872	7,477	7,872	7,477
Guarantee fees	55	72	55	72
Participation fees	100	275	100	275
Underwriting fees	4,348	5,278	4,348	5,278
Other fee income	33	75	33	75
	<u>14,704</u>	<u>16,546</u>	<u>14,704</u>	<u>16,546</u>

ii)	Gain/(Loss) arising from sale of securities				
	Net gain/(loss) from sale of securities held-for-trading	2,892	(224)	2,892	(224)
	Net gain from sale of securities available-for-sale	3,039	3,531	3,039	3,531
	Net unrealised revaluation gain on securities held-for-trading	(22)	1	(22)	1
		<u>5,909</u>	<u>3,308</u>	<u>5,909</u>	<u>3,308</u>
iii)	Gross dividend income from:				
	Securities available-for-sale	100	-	100	-
	Securities held-to-maturity	99	282	99	282
		<u>199</u>	<u>282</u>	<u>199</u>	<u>282</u>
iv)	Other income				
	Others	667	277	628	257
	Gains on disposal of property, plant and equipment	103	66	103	66
		<u>770</u>	<u>343</u>	<u>731</u>	<u>323</u>
	Total other operating income	<u>21,582</u>	<u>20,479</u>	<u>21,543</u>	<u>20,459</u>

19. Operating expenses

	Group		Bank		
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000	
i)	Personnel expenses:				
	- Salaries and wages	5,199	4,657	5,199	4,657
	- Allowance and bonuses	2,166	3,162	2,166	3,162
	- Staff training	84	188	84	188
	- Others	1,610	1,677	1,610	1,677
		<u>9,059</u>	<u>9,684</u>	<u>9,059</u>	<u>9,684</u>
ii)	Establishment related expenses:				
	- Depreciation	882	766	882	766
	- Rental	882	1,158	882	1,158
	- Hire of equipment	88	108	88	108
	- Others	870	1,429	870	1,429
		<u>2,722</u>	<u>3,461</u>	<u>2,722</u>	<u>3,461</u>
iii)	Promotion and marketing related expenses:				
	- Advertisement & publicity	122	129	122	129
	- Others	298	584	298	584
		<u>420</u>	<u>713</u>	<u>420</u>	<u>713</u>
iv)	General administrative expenses:				
	- Communication expenses	154	477	154	477
	- Audit fees	56	39	56	39
	- Directors meeting allowances	135	71	135	71
	- Management fees	3,554	1,872	3,554	1,872
	- Corporate Dealers and Remisers' Commissions	1,122	2,679	1,122	2,679
	- Securities Commission's Levy	286	222	286	222
	- Others	502	799	502	797
		<u>5,809</u>	<u>6,159</u>	<u>5,809</u>	<u>6,157</u>
	Total operating expenses	<u>18,010</u>	<u>20,017</u>	<u>18,010</u>	<u>20,015</u>

20. Allowance for losses on loans and financing

	Group and Bank	
	30 June 2008 RM'000	30 June 2007 RM'000
Allowance for bad and doubtful debts on loans and financing:		
i) Specific allowance		
- Made in the financial period	(184)	(54)
- Written back	266	1,661
ii) Bad debts on loans and financing		
- Recovered	9,110	832
iii) General allowance		
- Made in the financial period	(2,117)	-
	<u>7,075</u>	<u>2,439</u>

21. Allowance for losses on doubtful debts

	Group and Bank	
	30 June 2008 RM'000	30 June 2007 RM'000
Allowance for bad and doubtful debts on trade receivables		
i) Specific allowance		
- Made in the financial period	(76)	-
- Written back	94	8
ii) General allowance		
- Made in the financial period	(4)	-
- Written back	5	3
	<u>19</u>	<u>11</u>

22. Allowance for impairment loss

	Group and Bank	
	30 June 2008 RM'000	30 June 2007 RM'000
i) Securities available-for-sale		
- Charged for the period	(14,707)	(22,564)
- Written back	4,288	-
ii) Securities held-to-maturity		
- Written back	18,781	1,596
	<u>8,362</u>	<u>(20,968)</u>

23. Credit exposures arising from credit transactions with connected parties.

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
i) Outstanding credit exposures with connected parties	<u>16,000</u>	<u>16,000</u>
ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>0.55%</u>	<u>0.47%</u>
iii) Percentage of outstanding credit exposures to connected parties which is non-performing or in default	<u>nil</u>	<u>nil</u>

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

24. Commitments and contingencies

	Group and Bank			Group and Bank		
	30 June 2008			31 December 2007		
	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	133	133	133	133	133	133
Transaction-related contingent items	4,150	2,075	2,075	4,150	2,075	2,075
Obligations under underwriting agreement	508,972	254,486	72,702	921,342	460,671	137,489
Commitments to extend credit:						
- Maturity not exceeding one year	71,187	14,237	14,182	79,947	15,989	15,933
- Maturity exceeding one year	70	35	13	176	88	32
- Miscellaneous commitments and contingencies	37,640	7,528	1,506	12,204	2,441	488
Total	622,152	278,494	90,611	1,017,952	481,397	156,150

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

25. Capital adequacy

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

	Group		Bank	
	30 June 2008 RM'000	31 December 2007 RM'000	30 June 2008 RM'000	31 December 2007 RM'000
Tier-I capital				
Paid-up share capital	155,000	155,000	155,000	155,000
Paid-up non-cumulative perpetual preference share	1,500	1,500	1,500	1,500
Share premium	362,611	362,611	362,611	362,611
Statutory reserve	107,257	90,950	107,257	90,950
Accumulated profit	86,329	37,411	86,258	37,374
	712,697	647,472	712,626	647,435
Less: Deferred tax assets	(43,036)	(43,036)	(43,036)	(43,036)
Total Tier-I capital	669,661	604,436	669,590	604,399
Tier-II capital				
General allowance for bad and doubtful debts	5,588	3,471	5,588	3,471
Subordinated term loan	-	11,200	-	11,200
Total Tier-II capital	5,588	14,671	5,588	14,671
Total capital	675,249	619,107	675,178	619,070
Less:				
Investment in subsidiary companies	-	-	(20)	(20)
Capital Base ^	675,249	619,107	675,158	619,050
Before deducting proposed dividends*				
Core capital ratio	45.59%	32.91%#	45.58%	32.91%#
Risk-weighted capital ratio	45.97%	33.71%#	45.96%	33.71%#
After deducting proposed dividends				
Core capital ratio	45.25%	32.91%#	45.24%	32.91%#
Risk-weighted capital ratio	45.63%	33.71%#	45.62%	33.71%#

* In arriving at the capital base used in the ratio calculations of the Group and the Bank, the dividends proposed or declared but remain unpaid at the balance sheet were not deducted.

^ The profit after tax of the Group and the Bank for the half year ended 30 June 2008, had been subjected to a limited review by our external auditors. As such the Group's and the Bank's profit after tax for the half year ended 30 June 2008 have been included in the capital base used in the computation of the Group's and the Bank's Capital Adequacy Ratios respectively.

ii) Breakdown of gross risk-weighted assets in the various categories of risk-weights:

	Group		Group	
	30 June 2008		31 December 2007	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount# RM'000	Risk-weighted amount# RM'000
0%	3,111,272	-	2,969,159	-
20%	1,981,210	396,242	2,563,279	512,656
35%	1,222	428	1,584	554
50%	914,255	457,128	1,368,613	684,306
75%	814	610	1,018	764
100%	357,087	357,087	371,966	371,966
150%	4,677	7,015	4,677	7,015
Total Risk Weighted Assets for Credit Risk	6,370,537	1,218,510	7,280,296	1,577,261
Risk Weighted Assets Equivalent for Market Risk	-	22,029	-	20,232
Risk Weighted Assets Equivalent for Operational Risk	-	228,130	-	239,019
	<u>6,370,537</u>	<u>1,468,669</u>	<u>7,280,296</u>	<u>1,836,512</u>

	Bank		Bank	
	30 June 2008		31 December 2007	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount# RM'000	Risk-weighted amount# RM'000
0%	3,111,272	-	2,969,159	-
20%	1,980,782	396,156	2,563,057	512,611
35%	1,222	428	1,584	554
50%	914,255	457,128	1,368,613	684,306
75%	814	610	1,018	764
100%	357,418	357,418	372,125	372,125
150%	4,677	7,015	4,677	7,015
Total Risk Weighted Assets for Credit Risk	6,370,440	1,218,755	7,280,233	1,577,375
Risk Weighted Assets Equivalent for Market Risk	-	22,029	-	20,232
Risk Weighted Assets Equivalent for Operational Risk	-	228,130	-	239,019
	<u>6,370,440</u>	<u>1,468,914</u>	<u>7,280,233</u>	<u>1,836,626</u>

With effect from 1 January 2008, the capital adequacy of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II): Standardised Approach for Credit Risk, Market Risk and Basic Indicator Approach for Operational Risk. The comparatives as at 31 December 2007 have been adjusted accordingly.

26. Interest rate risk

Group	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			
30 June 2008									
ASSETS									
Cash and short term funds	2,412,345	-	-	-	-	17,034	-	2,429,379	2.99
Deposits and placements with licensed banks and financial institutions	-	500,000	-	-	-	-	-	500,000	3.59
Securities held-for-trading	-	-	-	-	-	-	574,523	574,523	4.73
Securities available-for-sale	170,555	440,349	754,360	1,000,468	265,490	6,758	-	2,637,980	5.67
Securities held-to-maturity	49,999	-	2,094	31,048	-	25,319	-	108,460	3.51
Loans, advances and financing									
- performing	135,002	80,731	276	9,218	5,006	(5,588)*	-	224,645	7.49
- non-performing	-	-	-	-	-	10,246	-	10,246	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	116,707	-	116,707	-
Other assets	-	-	-	-	-	102,073	-	102,073	-
TOTAL ASSETS	2,767,902	1,021,080	756,730	1,040,734	270,496	272,548	574,523	6,704,013	-
LIABILITIES									
Deposits from customers	2,650,225	417,198	93,875	-	-	-	-	3,161,298	3.41
Deposits and placements of banks and other financial institutions	2,432,025	350,151	13,694	-	-	-	-	2,795,870	3.39
Subordinated term loan	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	60,449	-	60,449	-
TOTAL LIABILITIES	5,082,250	767,349	107,569	-	-	60,449	-	6,017,617	-
SHAREHOLDERS' EQUITY	-	-	-	-	-	686,396	-	686,396	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,082,250	767,349	107,569	-	-	746,845	-	6,704,013	-
On-balance sheet interest sensitivity gap	(2,314,348)	253,731	649,161	1,040,734	270,496	(474,297)	574,523	-	-

* General allowance for bad and doubtful debts

26. Interest rate risk (continued)

Bank	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			
30 June 2008									
ASSETS									
Cash and short term funds	2,412,345	-	-	-	-	16,606	-	2,428,951	2.99
Deposits and placements with licensed banks and financial institutions	-	500,000	-	-	-	-	-	500,000	3.59
Securities held-for-trading	-	-	-	-	-	-	574,523	574,523	4.73
Securities available-for-sale	170,555	440,349	754,360	1,000,468	265,490	6,758	-	2,637,980	5.67
Securities held-to-maturity	49,999	-	2,094	31,048	-	25,319	-	108,460	3.51
Loans, advances and financing									
- performing	135,002	80,731	276	9,218	5,006	(5,588)*	-	224,645	7.49
- non-performing	-	-	-	-	-	10,246	-	10,246	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	116,707	-	116,707	-
Other assets	-	-	-	-	-	102,424	-	102,424	-
TOTAL ASSETS	2,767,902	1,021,080	756,730	1,040,734	270,496	272,471	574,523	6,703,936	-
LIABILITIES									
Deposits from customers	2,650,225	417,198	93,875	-	-	-	-	3,161,298	3.41
Deposits and placements of banks and other financial institutions	2,432,025	350,151	13,694	-	-	-	-	2,795,870	3.39
Subordinated term loan	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	60,443	-	60,443	-
TOTAL LIABILITIES	5,082,250	767,349	107,569	-	-	60,443	-	6,017,611	-
SHAREHOLDERS' EQUITY	-	-	-	-	-	686,325	-	686,325	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,082,250	767,349	107,569	-	-	746,768	-	6,703,936	-
On-balance sheet interest sensitivity gap	(2,314,348)	253,731	649,161	1,040,734	270,496	(474,297)	574,523	-	-

* General allowance for bad and doubtful debts

26. Interest rate risk (continued)

Group	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			
31 December 2007									
ASSETS									
Cash and short term funds	2,484,405	-	-	-	-	16,658	-	2,501,063	3.42
Deposits and placements with licensed banks and financial institutions	-	100,000	-	-	-	-	-	100,000	3.62
Securities held-for-trading	-	-	-	-	-	-	54,850	54,850	3.72
Securities available-for-sale	531,072	754,303	655,652	1,387,507	304,419	6,894	-	3,639,847	4.84
Securities held-to-maturity	-	24,813	67,012	12,020	-	36,371	-	140,216	3.46
Loans, advances and financing									
- performing	62,635	131,337	-	4,994	2,439	(3,471)*	-	197,934	7.54
- non-performing	-	-	-	-	-	10,410	-	10,410	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	140,878	-	140,878	-
Other assets	-	-	-	-	-	108,119	-	108,119	-
TOTAL ASSETS	3,078,112	1,010,453	722,664	1,404,521	306,858	315,859	54,850	6,893,317	-
LIABILITIES									
Deposits from customers	2,589,467	553,735	12,340	-	-	-	-	3,155,542	3.39
Deposits and placements of banks and other financial institutions	2,495,333	431,850	67,176	-	-	-	-	2,994,359	3.36
Subordinated term loan	-	-	-	28,000	-	-	-	28,000	4.60
Other liabilities	-	-	-	-	-	67,615	-	67,615	-
TOTAL LIABILITIES	5,084,800	985,585	79,516	28,000	-	67,615	-	6,245,516	-
SHAREHOLDERS' EQUITY	-	-	-	-	-	647,801	-	647,801	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,084,800	985,585	79,516	28,000	-	715,416	-	6,893,317	-
On-balance sheet interest sensitivity gap	(2,006,688)	24,868	643,148	1,376,521	306,858	(399,557)	54,850	-	-

* General allowance for bad and doubtful debts

26. Interest rate risk (continued)

Bank	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			
31 December 2007									
ASSETS									
Cash and short term funds	2,484,405	-	-	-	-	16,436	-	2,500,841	3.42
Deposits and placements with licensed banks and financial institutions	-	100,000	-	-	-	-	-	100,000	3.62
Securities held-for-trading	-	-	-	-	-	-	54,850	54,850	3.72
Securities available-for-sale	531,072	754,303	655,652	1,387,507	304,419	6,894	-	3,639,847	4.84
Securities held-to-maturity	-	24,813	67,012	12,020	-	36,371	-	140,216	3.46
Loans, advances and financing									
- performing	62,635	131,337	-	4,994	2,439	(3,471)*	-	197,934	7.54
- non-performing	-	-	-	-	-	10,410	-	10,410	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	140,878	-	140,878	-
Other assets	-	-	-	-	-	108,298	-	108,298	-
TOTAL ASSETS	3,078,112	1,010,453	722,664	1,404,521	306,858	315,816	54,850	6,893,274	-
LIABILITIES									
Deposits from customers	2,589,467	553,735	12,340	-	-	-	-	3,155,542	3.39
Deposits and placements of banks and other financial institutions	2,495,333	431,850	67,176	-	-	-	-	2,994,359	3.36
Subordinated term loan	-	-	-	28,000	-	-	-	28,000	4.60
Other liabilities	-	-	-	-	-	67,609	-	67,609	-
TOTAL LIABILITIES	5,084,800	985,585	79,516	28,000	-	67,609	-	6,245,510	-
SHAREHOLDERS' EQUITY	-	-	-	-	-	647,764	-	647,764	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,084,800	985,585	79,516	28,000	-	715,373	-	6,893,274	-
On-balance sheet interest sensitivity gap	(2,006,688)	24,868	643,148	1,376,521	306,858	(399,557)	54,850	-	-

* General allowance for bad and doubtful debts

27. Operations of Islamic Banking Scheme (SPI)

**SKIM PERBANKAN ISLAM
CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED BALANCE SHEETS AS AT 30 JUNE 2008**

	Note	Group and Bank	
		30 June 2008 RM'000	31 December 2007 RM'000
ASSETS			
Cash and short term funds	a	288,584	150,817
Securities held-for-trading	b	29,615	24,734
Securities available-for-sale	c	942,581	1,069,706
Securities held-to-maturity	d	68,912	84,715
Other assets		3,806	6,218
Deferred tax asset		535	535
TOTAL ASSETS		<u>1,334,033</u>	<u>1,336,725</u>
LIABILITIES			
Deposits from customers	e	621,620	615,112
Deposits and placements of banks and other financial institutions	f	611,459	617,004
Provision for Profit Equalisation Reserve		3,785	6,956
Other liabilities		2,136	4,296
Provision for zakat		203	485
TOTAL LIABILITIES		<u>1,239,203</u>	<u>1,243,853</u>
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		80,000	80,000
Reserves		14,830	12,872
TOTAL ISLAMIC BANKING CAPITAL FUNDS		<u>94,830</u>	<u>92,872</u>
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		<u>1,334,033</u>	<u>1,336,725</u>

SKIM PERBANKAN ISLAM
CONDENSED INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2008

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30 June 2008 RM'000	30 June 2007 RM'000	30 June 2008 RM'000	30 June 2007 RM'000
Group and Bank				
Income derived from investment of depositors' funds and others	13,656	15,036	27,177	28,576
Transfer (to) / from profit equalisation reserve	2,135	(364)	4,820	846
Dividend attributable to depositors	<u>(10,377)</u>	<u>(11,488)</u>	<u>(20,541)</u>	<u>(21,947)</u>
	5,414	3,184	11,456	7,475
Staff costs	(349)	(246)	(631)	(547)
Other operating expenses	<u>(714)</u>	<u>(234)</u>	<u>(796)</u>	<u>(396)</u>
	4,351	2,704	10,029	6,532
Allowance for impairment losses on securities available-for-sale	<u>(2,441)</u>	-	<u>(4,955)</u>	<u>1,500</u>
Profit before zakat	1,910	2,704	5,074	8,032
Zakat	<u>(46)</u>	<u>(79)</u>	<u>(124)</u>	<u>(152)</u>
Net profit for the period	<u><u>1,864</u></u>	<u><u>2,625</u></u>	<u><u>4,950</u></u>	<u><u>7,880</u></u>

a. Cash and short-term funds

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
Cash and balances with banks and other financial institutions	134	107
Money at call and deposit placements maturing within one month	288,450	150,710
	<u>288,584</u>	<u>150,817</u>

b. Securities held-for-trading

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
At fair value		
Quoted securities:		
Government Investment Issues	-	24,734
Islamic BNM Notes	29,615	
Total securities held-for-trading	<u>29,615</u>	<u>24,734</u>

c. Securities available-for-sale

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
At fair value		
Quoted securities:		
Government Investment Issues	54,701	169,998
Islamic BNM Notes	59,974	10,000
	<u>114,675</u>	<u>179,998</u>
Unquoted Securities:		
Islamic Private Debt Securities	374,793	470,547
Islamic Negotiable Instruments of Deposits	79,622	-
Islamic Acceptance Bills	148,601	149,187
Cagamas Mudharabah bonds	19,949	20,004
Khazanah Nasional Berhad bonds	204,941	249,970
	<u>827,906</u>	<u>889,708</u>
Total securities available-for-sale	<u>942,581</u>	<u>1,069,706</u>

d. Securities held-to-maturity

	Group and Bank	
	30 June 2008 RM'000	31 December 2007 RM'000
At amortised cost		
Quoted securities:		
Islamic BNM Notes	49,999	74,822
Islamic MTB	-	9,893
	<u>49,999</u>	<u>84,715</u>
Unquoted Securities:		
Islamic Private Debt Securities	4,998	4,998
Khazanah Nasional Berhad bonds	18,913	-
	<u>23,911</u>	<u>4,998</u>
	73,910	89,713
Less: Accumulated impairment losses	(4,998)	(4,998)
Total securities held-to-maturity	<u>68,912</u>	<u>84,715</u>

e. Deposits from customers

Group and Bank	
30 June 2008 RM'000	31 December 2007 RM'000

i) By type of deposits:

Mudharabah Fund

Fixed / Investment deposits
 Others

608,748	597,513
12,872	17,599
621,620	615,112

ii) By type of customers:

Business enterprises

621,620	615,112
621,620	615,112

f. Deposits and placements of banks and other financial institutions

Group and Bank	
30 June 2008 RM'000	31 December 2007 RM'000

i) By type of deposits:

Mudharabah Fund

Fixed / Investment deposits
 Others

602,349	538,422
9,110	78,582
611,459	617,004

ii) By type of customers:

Licensed Islamic Banks
 Other financial institutions

-	20,000
611,459	597,004
611,459	617,004

I, Dato' Megat Hisham bin Megat Mahmud, the Chief Executive Officer/Director primarily responsible for the financial management of MIDF Amanah Investment Bank Berhad, do hereby state that, the audited interim financial statements for the six months ended 30th June 2008, as set out on pages 1 to 25, have been prepared from the Group and the Bank's accounting and other records and that to the best of my knowledge and belief, are drawn up so as to give a true and fair view of the state of affairs of the Group and the Bank as at 30th June 2008. The results and cash flows of the Group and the Bank for the period ended on that date are in accordance with the applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board as modified by Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965.

DATO' MEGAT HISHAM BIN MEGAT MAHMUD
CHIEF EXECUTIVE OFFICER/DIRECTOR

Date: 30th July 2008