

RHB ISLAMIC Bank Berhad**BALANCE SHEET AS AT 31 MAR 2006**

| | Note | 31.12.2005 RM'000 | 31.03.2006 RM'000 |
|---|------|----------------------|----------------------|
| ASSETS | | | |
| Cash and short-term funds | 4 | 1,939,598 | 2,121,362 |
| Deposits and placements with banks and financial institutions | 5 | 450,000 | 435,174 |
| Securities | 6 | | |
| - Held for trading | | 633,284 | 603,945 |
| - Available for Sale | | 147,997 | 161,321 |
| - Held -to-maturity investment | | 811,981 | 773,707 |
| Financing, advances and other loans | 7 | 3,400,411 | 3,586,558 |
| Other assets | 9 | 28,743 | 37,947 |
| Statutory deposits with Bank Negara Malaysia | 10 | 182,329 | 180,829 |
| Property, plant and equipment | 11 | 6,580 | 6,735 |
| Deferred Taxation | | 22,743 | 23,331 |
| Tax asset | | - | 3,988 |
| Total Assets | | 7,623,666 | 7,934,897 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | | |
| Liabilities | | | |
| Deposits from customers | 12 | 5,511,645 | 6,139,296 |
| Deposits and placements of banks and other financial institutions | 13 | 1,094,249 | 940,923 |
| Bills and acceptances payable | | 34,037 | 32,113 |
| Other liabilities | 14 | 415,600 | 234,639 |
| Provision for taxation | | 2,981 | 4,394 |
| Total Liabilities | | 7,058,512 | 7,351,365 |
| Shareholders' equity | | | |
| Share capital | | 523,424 | 523,424 |
| Reserve | 18 | 41,730 | 60,108 |
| Total shareholders' Equity | | 565,154 | 583,532 |
| Total Liabilities and shareholders' Equity | | 7,623,666 | 7,934,897 |
| COMMITMENTS AND CONTINGENCIES | | | |
| | 27 | 1,664,446 | 1,860,778 |
| CAPITAL ADEQUACY | | | |
| Core Capital Ratio | 28 | 16.48% | 15.78% |
| Risk-Weighted Capital Ratios | | 18.72% | 17.93% |

**INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED FROM 16
MARCH 2005 (DATE OF COMMENCEMENT) TO 31
DECEMBER 2005**

| | | From 16.3.2005 | | |
|--|----|-----------------------|----------------------|----------------------|
| | | to | | |
| | | 31.03.2005 | 31.12.2005 | 31.03.2006 |
| | | RM'000 | RM'000 | RM'000 |
| Income derived from investment of depositors' funds | 19 | 10,570 | 211,193 | 69,348 |
| Income derived from investment of shareholder' funds | 20 | 1,527 | 34,035 | 14,112 |
| Allowances for losses on financing | 21 | (332) | (3,622) | (1,649) |
| Impairment losses | | - | - | - |
| Profit equalization reserve | | (1,403) | (8,001) | (1,800) |
| Other expenses directly attributable to depositors and shareholder funds | | - | - | - |
| Total distributable income | | <u>10,362</u> | <u>233,605</u> | <u>80,011</u> |
| Income attributable to the depositors | 22 | <u>(6,177)</u> | <u>(113,455)</u> | <u>(34,934)</u> |
| Total net Income | | <u>4,185</u> | <u>120,150</u> | <u>45,077</u> |
| Personnel expenses | 23 | (615) | (14,642) | (5,125) |
| Other overhead and expenditures | 24 | <u>(2,799)</u> | <u>(45,354)</u> | <u>(14,801)</u> |
| Profit before taxation | | <u>771</u> | <u>60,154</u> | <u>25,151</u> |
| Taxation | 26 | <u>(279)</u> | <u>(18,670)</u> | <u>(7,140)</u> |
| Profit after taxation | | <u><u>492</u></u> | <u><u>41,484</u></u> | <u><u>18,011</u></u> |

**STATEMENT OF CHANGES IN EQUITY FOR
FINANCIAL PERIOD ENDED 15 MARCH 2005 (DATE OF
COMMENCEMENT) TO 31 DECEMBER 2005**

| | Share Capital | Statutory Reserves | Net Unrealised Gain/Losses on Available for Sale | Retained Profits | Total |
|--|------------------|-----------------------|---|---------------------|---------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 15 March 2005 (Date of commencement) | - | - | - | - | - |
| Amount vested over from holding company | 523,424 | - | - | - | 523,424 |
| Net gain and losses not recognised in income statement | - | - | 342 | - | 342 |
| Net profit for the financial period | - | - | (96) | 41,484 | 41,388 |
| Transfer to statutory reserves | | 20,742 | | (20,742) | - |
| 18 | | | | | |
| At 30 September 2005 | 523,424 | 20,742 | 246 | 20,742 | 565,154 |

| | Share Capital | Statutory Reserves | Net Unrealised Gain/Losses on Available for Sale | Retained Profits | Total |
|--|------------------|-----------------------|---|---------------------|---------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| As at 31.12.05 | 523,424 | 20,742 | 246 | 20,742 | 565,154 |
| Net gain and losses not recognised in income statement | - | - | 367 | - | 367 |
| Net profit for the financial period | - | - | - | 18,011 | 18,011 |
| Transfer to statutory reserves | | - | | - | - |
| 18 | | | | | |
| At 30 September 2005 | 523,424 | 20,742 | 613 | 38,753 | 583,532 |

**CASH FLOW STATEMENTS FOR THE
FINANCIAL PERIOD FROM 15 MARCH 2005
(DATE OF COMMENCEMENT) TO 30**

| | 15.3.2005 | 31.12.2005 |
|---|-------------------|-------------------|
| | to | to |
| | 31.12.2005 | 31.03.2005 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation and zakat for the financial period | 772 | 25,151 |
| Adjustment for: | | |
| Depreciation of property, plant and equipment | - | 199 |
| Income from; | | |
| Investment on securities held for trading | - | - |
| Investment on securities under Available for sale | - | (2,223) |
| Investment on securities held to maturity | (427) | - |
| Accretion of discount less amortisation of premium | (1,395) | (5,466) |
| (Gain)/loss on sale of investment securities | - | - |
| Allowance for/(write-back of) | 270 | (1,046) |
| Profit equalisation reserve (written-back) / made | - | 1,800 |
| Operating profit before working capital changes | (780) | 18,415 |
| (Increase)/decrease in operating assets: | | |
| Decrease/(increase) in deposits and placements | | |
| with banks and other financial institutions | 9,000 | 14,826 |
| Increase in financing, advances and other loans | 42,929 | (185,101) |
| Decrease/(increase): | | |
| Investment on securities held for trading | 164,044 | 29,706 |
| Increase in other assets | 11,831 | (9,169) |
| Decrease/(increase) in statutory deposit with | | |
| Bank Negara Malaysia | (45,140) | 1,500 |
| Increase/(decrease) in operating liabilities: | | |
| (Decrease)/increase in deposits from customers | (133,584) | 627,651 |
| (Decrease)/increase in deposits and placements | | |
| of banks and other financial institutions | 204,715 | (153,326) |
| Increase in bills and acceptances payable | (50,765) | (1,923) |
| Increase/(decrease) in other liabilities | 156,179 | (182,762) |
| Cash generated from /(used in) operations | 358,429 | 159,817 |
| Taxation | - | (10,303) |
| Net cash generated from/(used in)operating activities | 358,429 | 149,514 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipments | 14 | (354) |
| Income received from; | | |
| Investment on securities under Available for sale | 2,339 | - |
| Investment on securities held to maturity | - | 30,416 |
| Net sale/(purchase); | 233 | - |
| Investment on securities under Available for sale | - | 2,188 |
| Investment on securities held to maturity | - | - |
| Net cash generated from/(used in) investing activities | 2,586 | 32,250 |
| ANALYSIS OF CASH AND CASH EQUIVALENT | | |
| Net increase/(decrease) in cash and cash equivalents | 361,015 | 181,764 |
| Cash and cash equivalents at beginning of financial period | - | - |
| | 1,278,744 | 1,939,598 |
| Cash and cash equivalents at end of the financial period | 1,639,759 | 2,121,362 |

4 CASH AND SHORT-TERM FUNDS

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|--|-------------------|-------------------|
| | RM'000 | RM'000 |
| Cash and balances with banks and other financial institutions | 69,598 | 106,362 |
| Money at call and deposit placements maturing within one month | <u>1,870,000</u> | <u>2,015,000</u> |
| | <u>1,939,598</u> | <u>2,121,362</u> |

5 DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

| | | |
|----------------------|----------------|----------------|
| Licensed banks | 50,000 | 30,000 |
| Bank negara malaysia | <u>400,000</u> | <u>405,174</u> |
| | <u>450,000</u> | <u>435,174</u> |

6 SECURITIES

(a) Held for Trading

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|------------------------------|-------------------|-------------------|
| | RM'000 | RM'000 |
| Money market instruments : | | |
| <u>Quoted securities:</u> | | |
| Government investment issued | 18,577 | 49,975 |
| Islamic debt securities | 29,073 | - |
| <u>Unquoted securities:</u> | | |
| Bank Negara Malaysia bills | 426,837 | - |
| Treasury bills | 19,808 | 49,546 |
| Islamic accepted bills | 20,437 | 352,243 |
| Private debt securities | <u>118,552</u> | <u>152,181</u> |
| | <u>633,284</u> | <u>603,945</u> |

(b) Available-for-Sale

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|-------------------------------------|-------------------|-------------------|
| | RM'000 | RM'000 |
| Money market instruments : | | |
| <u>Quoted securities:</u> | | |
| Cagamas Mudharabah bonds | 14,990 | - |
| Government investment issued | 18,577 | 34,487 |
| <u>Unquoted securities:</u> | | |
| Bank Negara Malaysia bills | 99,575 | 6,553 |
| Treasury bills | 32,857 | 119,706 |
| Unquoted securities in Malaysia: | | |
| Shares | 575 | 575 |
| Total securities available for sale | <u>166,574</u> | <u>161,321</u> |

(c) Held-to-Maturity Investment

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|------------------------------|-------------------|-------------------|
| | RM'000 | RM'000 |
| Money market instruments : | | |
| <u>Quoted securities:</u> | | |
| Government investment issues | - | 16,272 |
| Cagamas Mudharabah bonds | 80,599 | 60,561 |
| Khazanah bonds | 585,764 | 551,087 |
| <u>Unquoted securities:</u> | | |
| Private debt securities | 145,618 | 145,787 |
| Total investment securities | <u>811,981</u> | <u>773,707</u> |

7 FINANCING, ADVANCES AND OTHER LOANS**(i) By Type**

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|--|-------------------|-------------------|
| | RM'000 | RM'000 |
| Cash line | 58,430 | 61,418 |
| Term financing: | | |
| - House financing | 1,203,929 | 1,272,875 |
| - Syndicated term financing | 519,453 | 517,658 |
| - Hire purchase receivables | 67,089 | 106,880 |
| - Leasing receivables | - | - |
| - Other term financing | 717,264 | 701,663 |
| Bills receivable | 498,346 | 632,009 |
| Trust receipts | 15,237 | 4,322 |
| Claims on customers under acceptance credits | - | - |
| Staff financing | 1,740 | 2,830 |
| Revolving credit | 445,064 | 428,645 |
| Others | - | - |
| | <u>3,526,552</u> | <u>3,728,300</u> |
| Less : Unearned income | (7,340) | (15,931) |
| Total gross financing, advances and other loans | <u>3,519,212</u> | <u>3,712,369</u> |
| Less : Allowances for bad and doubtful financing : | | |
| - general | (76,192) | (74,006) |
| - specific | (47,770) | (51,805) |
| Total net financing, advances and other loans | <u>3,395,250</u> | <u>3,586,558</u> |

(ii) By Contract

| | | |
|---|------------------|------------------|
| Bai' Bithaman Ajil (deferred payment sale) | 1,783,620 | 1,854,781 |
| AITAB (lease ended with ownership) | 59,681 | 90,949 |
| Murabahah (cost plus) | 958,647 | 1,064,976 |
| Others | 717,264 | 701,663 |
| Total gross financing, advances and other loans | <u>3,519,212</u> | <u>3,712,369</u> |

(iii) By type of customer

| | | |
|---|------------------|------------------|
| Domestic non-bank financial institutions | | |
| - Stockbroking companies | - | - |
| - Others | 34,826 | 45,080 |
| Domestic business enterprise | | |
| - Small medium enterprise | 208,876 | 511,138 |
| - Others | 2,007,035 | 1,825,591 |
| Government and statutory bodies | - | - |
| Individuals | 1,251,630 | 1,313,578 |
| Other domestic entities | 16,124 | 16,066 |
| Foreign entities | 721 | 916 |
| Total gross financing, advances and other loans | <u>3,519,212</u> | <u>3,712,369</u> |

(iv) By profit rate sensitivity

| | | |
|---|------------------|------------------|
| Fixed rate | | |
| - Housing loans / financing | 1,205,737 | 1,275,705 |
| - AITAB | 59,681 | 90,949 |
| - Other fixed rate loan / financing | 1,236,717 | 1,219,321 |
| Variable rate | | |
| - Other variable rates | 1,017,077 | 1,126,394 |
| Total gross financing, advances and other loans | <u>3,519,212</u> | <u>3,712,369</u> |

(iv) By sectors

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|---|-------------------|-------------------|
| | RM'000 | RM'000 |
| Agriculture | 274,188 | 322,392 |
| Mining and quarrying | 2,222 | 2,087 |
| Manufacturing | 583,829 | 625,279 |
| Electricity, gas and water | 183,898 | 175,835 |
| Construction | 70,005 | 71,877 |
| Real estate | 204,621 | 203,571 |
| Purchase of landed property | | |
| (of which : i. Residential | 1,203,807 | 1,275,706 |
| ii. Non-residential) | 41,813 | 47,022 |
| Wholesale and retail trade and restaurant and hotel | 224,058 | 215,219 |
| Transport, storage and communication | 53,872 | 67,060 |
| Finance, insurance and business services | 214,831 | 245,217 |
| Purchase of securities | 343,174 | 348,958 |
| Purchase of transport vehicles | 5 | 8,334 |
| Consumption credit | 25,443 | - |
| Others | 93,445 | 103,812 |
| Total gross financing, advances and other loans | <u>3,519,211</u> | <u>3,712,369</u> |

8 NON-PERFORMING FINANCING**(i) Movement in the non-performing financing, advances and other loans**

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|---|-------------------|-------------------|
| | RM'000 | RM'000 |
| At 31.12.2005 | - | 210,657 |
| Amount vested over from holding company | 258,040 | 915 |
| Classified as non-performing | 215,710 | 71,743 |
| Reclassified as performing | (223,051) | (44,262) |
| Amount recovered | (9,955) | (3,284) |
| Amount Written off | (30,087) | (32) |
| At 30 September | <u>210,657</u> | <u>235,737</u> |
| Less : Specific allowances | (47,770) | (51,805) |
| Net non-performing financing, advances and other loans | <u>162,887</u> | <u>183,932</u> |
| Ratio of net non-performing financing, advances and other loans to net financing, advances and other loans | 4.8% | 5.1% |

(ii) Movement in allowances for bad and doubtful financing

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|--|-------------------|-------------------|
| | RM'000 | RM'000 |
| General allowance | | |
| At 31.12.2005 | - | 73,692 |
| Amount vested over from holding company | 77,059 | 14 |
| Allowances made/ (written back) during the year | (3,367) | 300 |
| Transfer to Specific allowances | - | - |
| At 31 December 2005 | <u>73,692</u> | <u>74,006</u> |
| | | |
| As % of total gross financing and advances less specific allowances | 2.12% | 2.02% |
| | | |
| Specific allowance | | |
| At 31.12.2005 | - | 50,270 |
| Amount vested over from holding company | 75,661 | 194 |
| Allowances made during the year | 8,724 | 1,656 |
| Amount recovered | (1,706) | (305) |
| Amount written off | (32,409) | (10) |
| At 31 December 2005 | <u>50,270</u> | <u>51,805</u> |

(iii) Non-performing financing by sectors

| | | |
|---|----------------|----------------|
| Agriculture | 97 | 102 |
| Mining and quarrying | - | - |
| Manufacturing | 5,870 | 24,575 |
| Electricity, gas and water | 10 | 11 |
| Construction | 712 | 785 |
| Real estate | 2,370 | 3,110 |
| Purchase of landed property | | |
| (of which : i. Residential | 154,561 | 157,394 |
| ii. Non-residential) | 1,429 | 2,744 |
| Wholesale and retail trade and restaurant and hotel | 4,099 | 3,736 |
| Transport, storage and communication | 29,076 | 29,377 |
| Finance, insurance and business services | 10,344 | 11,691 |
| Purchase of securities | 74 | 58 |
| Purchase of transport vehicles | 3 | 8 |
| Consumption credit | - | - |
| Others | 2,012 | 2,146 |
| | <u>210,657</u> | <u>235,737</u> |

9 OTHER ASSETS

| | | |
|---------------------------------------|---------------|---------------|
| Income receivables | 5,373 | 6,507 |
| Deposit, other debtors and prepayment | 20,607 | 10,353 |
| Interbranch balances | 15,831 | 21,087 |
| | <u>41,811</u> | <u>37,947</u> |

10 STATUTORY DEPOSIT WITH BANK NEGARA

The statutory deposits are maintained with Bank Negara Malaysia in compliance with section 37(1) (c) of the Central Bank of Malaysia Act, 1958 (revised 1994), the amount of which are determined at 4% of total eligible liabilities.

12 DEPOSITS FROM CUSTOMERS

(i) By Type of deposits

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|--|-------------------|-------------------|
| | RM'000 | RM'000 |
| Non-Mudharabah Funds: | | |
| Demand deposits | 1,124,827 | 1,338,469 |
| Savings deposits | 466,709 | 477,757 |
| Negotiable instrument deposit certificates | <u>141,924</u> | <u>142,722</u> |
| | <u>1,733,460</u> | <u>1,958,948</u> |
| Mudharabah Funds: | | |
| Demand deposits | 302,721 | 306,596 |
| General Investment deposits | 1,026,773 | 1,106,826 |
| Special Investment deposits | <u>2,448,692</u> | <u>2,766,926</u> |
| | <u>3,778,186</u> | <u>4,180,348</u> |
| | <u>5,511,646</u> | <u>6,139,296</u> |

(ii) By Type of customer

| | | |
|---------------------------------|------------------|------------------|
| Government and statutory bodies | 945,291 | 1,264,934 |
| Business enterprises | 3,864,254 | 4,042,546 |
| Individuals | <u>702,101</u> | <u>831,816</u> |
| | <u>5,511,646</u> | <u>6,139,296</u> |

13 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|-----------------------------|-------------------|-------------------|
| | RM'000 | RM'000 |
| Non-Mudharabah | | |
| Licensed Islamic banks | 9,754 | - |
| Other financial institution | <u>786,485</u> | <u>393,880</u> |
| | 796,239 | 393,880 |
| Mudharabah | | |
| Licensed Islamic banks | 44,000 | 9,828 |
| Other financial institution | <u>254,010</u> | <u>537,215</u> |
| | 298,010 | 547,043 |
| | <u>1,094,249</u> | <u>940,923</u> |

14 OTHER LIABILITIES

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|---|-------------------|-------------------|
| | RM'000 | RM'000 |
| Sundry creditors | 16,243 | 8,617 |
| Amount due to holding company | 305,615 | 139,752 |
| Profit equalisation reserve (see note 15) | 17,279 | 19,079 |
| Other accruals and payables | <u>84,371</u> | <u>67,191</u> |
| | <u>423,508</u> | <u>234,639</u> |

15 PROFIT EQUALIZATION RESERVE

| | | |
|---|----------------|---------------|
| At 31.12.2005 | - | 17,279 |
| Amount vested over from holding company | 9,277 | - |
| Amount provided during the financial period | 14,484 | 1,800 |
| Amount utilized during the financial period | <u>(6,482)</u> | <u>-</u> |
| Balance as at end of financial period | <u>17,279</u> | <u>19,079</u> |

* Profit equalization reserved at the end of financial year of which the shareholders' portion is RM1,382K.

16 PROVISION FOR TAXATION

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|----------|-------------------|-------------------|
| | RM'000 | RM'000 |
| Taxation | 4,259 | 4,395 |
| | <u>4,259</u> | <u>4,395</u> |

17 SHARE CAPITAL**Authorized:**

| | | |
|---|------------------|------------------|
| Ordinary shares of RM1.00 each | 2,000,000 | 2,000,000 |
| Other type of shares as appropriate with movement | - | - |
| | <u>2,000,000</u> | <u>2,000,000</u> |

Issued and fully paid

| | | |
|---|----------------|----------------|
| Ordinary shares of RM1.00 each | | |
| At 15 March 2005 (Date of commencement) | 523,424 | 523,424 |
| Issued during the period | - | - |
| At 31 December 2005 | <u>523,424</u> | <u>523,424</u> |

18 RESERVE

Movement of unrealised gain or losses on "Available-for-sale"

| | <u>31.12.2005</u> | <u>31.03.2006</u> |
|---|-------------------|-------------------|
| | RM'000 | RM'000 |
| At 15 March 2005 (Date of commencement) | - | 246 |
| Unrealised gain/(losses) on Available-for-sale | 342 | 367 |
| Impairment charges classified to income statement | - | - |
| Gain reclassified to income statement | - | - |
| Losses reclassified to income statement | - | - |
| At 31 December 2005 | <u>342</u> | <u>613</u> |

* Net unrealized gain or losses on "Available-for-sale" at the end of financial year of which the depositors portion is RM314K

19 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS FUNDS AND OTHERS

| | <u>31.03.2005</u> | <u>31.12.2005</u> | <u>31.03.2006</u> |
|------------------------------------|-------------------|-------------------|-------------------|
| | RM'000 | RM'000 | RM'000 |
| Income derived from investment of: | | | |
| (i) General investment deposits | 3,879 | 58,555 | 12,045 |
| (ii) Other depositors | 6,691 | 152,638 | 57,303 |
| | <u>10,570</u> | <u>211,193</u> | <u>69,348</u> |

(i) Income derived from investment of General Investment deposits

Finance Income and hibah

| | | | |
|---|--------------|---------------|---------------|
| Financing and advances | 2,513 | 38,447 | 8,119 |
| Securities held-for-trading | 155 | 2,437 | 777 |
| Securities available for sale | 2 | 87 | 89 |
| securities held to maturity | 142 | 1,864 | 354 |
| Money at call and deposits with financial institution | 657 | 8,686 | 1,870 |
| Others | - | - | - |
| | <u>3,469</u> | <u>51,521</u> | <u>11,209</u> |

| | | | |
|--|--------------|---------------|---------------|
| Amortisation of premium less accretion of discount | 313 | 4,347 | 869 |
| Total finance Income | <u>3,782</u> | <u>55,868</u> | <u>12,078</u> |

Other operating income

| | | | |
|---|--------------|-----------------|---------------|
| Fee and comission | | | |
| - Commission on Acceptance Bills | 28 | 315 | 95 |
| - Guarantee | 1 | 20 | 3 |
| Gain from sale of security held-for-trading | 5 | 812 | 33 |
| Gain from sale of security available-for sale | 63 | 1,016 | - |
| Gain from sale of security held-to-maturity | - | - | - |
| Unrealized gain/(losses) from revaluation of trading securities | - | 524 | (164) |
| | <u>3,879</u> | <u>58,555</u> # | <u>12,045</u> |
| | | R | |
| | | E | |
| | | F | |
| | | ! | |

(ii) Income derived from investment of other deposits

Finance Income and hibah

| | | | |
|---|--------------|----------------|---------------|
| Financing and advances | 4,336 | 100,882 | 38,625 |
| Securities held-for-trading | 267 | 7,450 | 3,697 |
| Securities available for sale | 3 | 228 | 422 |
| securities held to maturity | 245 | 4,816 | 1,682 |
| Money at call and deposits with financial institution | 1,134 | 21,761 | 8,899 |
| Others | - | - | - |
| | <u>5,985</u> | <u>135,137</u> | <u>53,325</u> |

| | | | |
|--|--------------|----------------|---------------|
| Amortisation of premium less accretion of discount | 540 | 11,023 | 4,136 |
| Total finance Income | <u>6,525</u> | <u>146,160</u> | <u>57,461</u> |

Other operating income

| | | | |
|---|--------------|------------------|---------------|
| Fee and comission | | | |
| - Commission on Acceptance Bills | 48 | 810 | 452 |
| - Guarantee | 1 | 52 | 14 |
| Gain from sale of security held-for-trading | 9 | 1,780 | 156 |
| Gain from sale of security available-for sale | 108 | 2,554 | (1) |
| Gain from sale of security held-to-maturity | - | - | - |
| Unrealized gain/(losses) from revaluation of trading securities | - | 1,282 | (779) |
| | <u>6,691</u> | <u>152,638</u> # | <u>57,303</u> |
| | | R | |
| | | E | |
| | | F | |
| | | ! | |

20 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS FUNDS

Finance Income and hibah

| | | | |
|---|------------|---------------|--------------|
| Financing and advances | 642 | 12,562 | 4,304 |
| Securities held-for-trading | 40 | 868 | 412 |
| Securities available for sale | - | 29 | 47 |
| securities held to maturity | 36 | 604 | 187 |
| Money at call and deposits with financial institution | 168 | 2,767 | 992 |
| Others | - | - | - |
| | <u>886</u> | <u>16,830</u> | <u>5,942</u> |
| Amortization of premium less accretion of discount | 80 | 1,394 | 461 |
| Total finance income | <u>966</u> | <u>18,224</u> | <u>6,403</u> |

Other operating income

| | | | |
|---|--------------|---------------|---------------|
| Fee and commission | | | |
| - Commission on Acceptance Bills | 7 | 102 | 50 |
| - Guarantee | - | 7 | 2 |
| - Other fees and commission | 229 | 1,886 | 1,334 |
| - Service charges | 308 | 13,085 | 6,392 |
| Gain from sale of security held-for-trading | 1 | 241 | 17 |
| Gain from sale of security available-for sale | 16 | 325 | - |
| Gain from sale of security held-to-maturity | - | - | - |
| Unrealized gain/(losses) from revaluation of trading securities | - | 165 | (86) |
| | <u>1,527</u> | <u>34,035</u> | <u>14,112</u> |

R
E
F
!

21 ALLOWANCES FOR LOSSES ON FINANCING

| | period ended <u>31.03.2005</u> RM'000 | period ended <u>31.12.2005</u> RM'000 | period ended <u>31.03.2006</u> RM'000 |
|--|---|---|---|
| Allowances for bad and doubtful financing: | | | |
| (a) Specific allowances | | | |
| - Provided for the financial period | 408 | 6,224 | 1,656 |
| - Written back | (91) | (1,706) | (306) |
| | <u>317</u> | <u>4,518</u> | <u>1,350</u> |
| (b) General allowances | | | |
| - Provided for the financial period | - | 6,033 | 300 |
| - Written back | - | (6,900) | - |
| | <u>-</u> | <u>(867)</u> | <u>300</u> |
| Bad debt on financing | | | |
| - Recovered | 15 | (29) | (1) |
| - Written off | - | - | - |
| | <u>332</u> | <u>3,622</u> | <u>1,649</u> |

22 INCOME ATTRIBUTABLE TO DEPOSITORS

| | period ended <u>31.03.2005</u> RM'000 | period ended <u>31.12.2005</u> RM'000 | period ended <u>31.03.2006</u> RM'000 |
|---|---|---|---|
| Deposits from customer | | | |
| - Mudharabah | 3,995 | 71,568 | 25,015 |
| - Non-Mudharabah | 548 | 13,532 | 3,212 |
| Deposits and placement of banks and other financial institution | | | |
| - Mudharabah | 31 | 897 | 803 |
| - Non-Mudharabah | 1,603 | 27,458 | 5,904 |
| Others | - | - | - |
| | <u>6,177</u> | <u>113,455</u> | <u>34,934</u> |

23 PERSONNEL EXPENSES

| | period ended <u>31.03.2005</u> RM'000 | period ended <u>31.12.2005</u> RM'000 | period ended <u>31.03.2006</u> RM'000 |
|------------------------|---|---|---|
| Salaries and wages | 376 | 8,300 | 3,315 |
| Allowances and bonuses | 127 | 3,614 | 725 |
| Others | 112 | 2,728 | 1,085 |
| | <u>615</u> | <u>14,642</u> | <u>5,125</u> |

24 OTHER OVERHEAD AND EXPENDITURE

| | period ended <u>31.03.2005</u> RM'000 | period ended <u>31.12.2005</u> RM'000 | period ended <u>31.03.2006</u> RM'000 |
|-----------------------------|---|---|---|
| Promotion | | | |
| Advertisement and publicity | 64 | 3,518 | 667 |
| Establishment | | | |
| Rental | 61 | 743 | 280 |
| Depreciation | 14 | 499 | 199 |
| EDP expenses | 5 | 160 | 141 |
| Repair and maintenance | 65 | 1,453 | 609 |
| General expenses | | | |
| Management fees | 1,915 | 33,783 | 12,118 |
| Auditors fees | | | |
| -Audit work | - | 281 | 30 |
| -Non-audit work | - | - | 6 |
| Professional fees | 495 | 1,593 | 62 |
| Others | 180 | 3,324 | 689 |
| | <u>2,799</u> | <u>45,354</u> | <u>14,801</u> |

25 CEO, DIRECTORS AND SHARIAH COMMITTEE MEMBERS REMUNERATION

| | period ended <u>31.03.2005</u> RM'000 | period ended <u>31.12.2005</u> RM'000 | period ended <u>31.03.2006</u> RM'000 |
|---|---|---|---|
| Executive directors and CEO | | | |
| Salary and other remuneration, including meeting allowances | | | |
| Fees | | | |
| Bonuses | | | |
| Benefit-in-kind | | | |
| Non -Executive directors | | | |
| Fees | | | |
| Other remunerations | | | |
| Benefit-in-kind | | | |
| Shariah Committee Members | | 141 | |
| | | <u>141</u> | |

26 TAXATION

| | period ended <u>31.03.2005</u> | period ended <u>31.12.2005</u> | period ended <u>31.03.2006</u> |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Tax expenses for the year: | | | |
| - Malaysian income tax | 671 | 20,290 | 7,728 |
| Double taxation relief | - | - | - |
| | <u>671</u> | <u>20,290</u> | <u>7,728</u> |
| Deferred tax | | | |
| - Relating to origination and reversal of temporary differences | (392) | (2,780) | (588) |
| (Over)/underprovided in prior year | | | |
| - Malaysian income tax | - | - | - |
| | <u>279</u> | <u>17,510</u> | <u>7,140</u> |

27 COMMITMENTS AND CONTINGENCIES

As at 31.12.05

| | Principal amount RM'000 | Credit equivalent amount RM'000 | Risk weighted amount RM'000 |
|---|-------------------------------|--|--------------------------------------|
| Direct credit substitutes | - | - | - |
| Transaction-related contingent items | 50,374 | 25,187 | 23,619 |
| Short-term self liquidating trade-related contingencies | 109,130 | 21,826 | 21,826 |
| Obligations under underwriting agreements | 50,000 | 25,000 | 25,000 |
| Other assets sold with recourse and commitments with certain drawdowns | - | - | - |
| Housing loan sold directly and indirectly to Cagamas Berhad with recourse (Islamic housing loan) | 44,062 | 44,062 | 22,031 |
| Irrevocable commitments to extend credit | - | - | - |
| - maturity not exceeding one year | 1,224,395 | - | - |
| - maturity exceeding one year | 168,319 | 84,160 | 64,231 |
| Foreign exchange related contracts * | - | - | - |
| - less than one year | - | - | - |
| - one year to less than five years | - | - | - |
| - more than five years | - | - | - |
| Profit rate related contracts * | - | - | - |
| - less than one year | - | - | - |
| - one year to less than five years | - | - | - |
| - more than five years | - | - | - |
| Others | 19,166 | - | - |
| | <u>1,665,446</u> | <u>200,235</u> | <u>156,707</u> |

As at 31.03.05

| | Principal amount RM'000 | Credit equivalent amount RM'000 | Risk weighted amount RM'000 |
|---|-------------------------------|--|--------------------------------------|
| Direct credit substitutes | - | - | - |
| Transaction-related contingent items | 52,453 | 26,227 | 24,660 |
| Short-term self liquidating trade-related contingencies | 150,754 | 30,151 | 30,151 |
| Obligations under underwriting agreements | 50,000 | 25,000 | 25,000 |
| Other assets sold with recourse and commitments with certain drawdowns | - | - | - |
| Housing loan sold directly and indirectly to Cagamas Berhad with recourse (Islamic housing loan) | 43,430 | 43,430 | 21,715 |
| Irrevocable commitments to extend credit | - | - | - |
| - maturity not exceeding one year | 1,282,731 | - | - |
| - maturity exceeding one year | 264,124 | 132,062 | 108,309 |
| Foreign exchange related contracts * | - | - | - |
| - less than one year | - | - | - |
| - one year to less than five years | - | - | - |
| - more than five years | - | - | - |
| Profit rate related contracts * | - | - | - |
| - less than one year | - | - | - |
| - one year to less than five years | - | - | - |
| - more than five years | - | - | - |
| Others | 17,286 | - | - |
| | <u>1,860,778</u> | <u>256,869</u> | <u>209,835</u> |

28 CAPITAL ADEQUACY

(a) The capital adequacy ratios of the Bank are as follows:-

| | <u>31.12.2005</u> RM'000 | <u>31.03.2006</u> RM'000 |
|---|-----------------------------|-----------------------------|
| Tier I Capital | | |
| Paid up share capital | 523,424 | 523,424 |
| Statutory reserve | 20,742 | 20,742 |
| Retain profit | 20,742 | 20,742 |
| | <u>564,908</u> | <u>564,908</u> |
| Less : deferred tax asset liabilities | (22,743) | (22,743) |
| Total Tier-I capital | <u>542,165</u> | <u>542,165</u> |
| Tier II Capital | | |
| General provisions for bad and doubtful debts | 73,692 | 74,005 |
| Total Tier II capital | <u>73,692</u> | <u>74,005</u> |

| | | |
|---------------------|----------------|----------------|
| Capital base | <u>615,857</u> | <u>616,170</u> |
|---------------------|----------------|----------------|

Capital ratios

| | | |
|--------------------------------------|--------|--------|
| Core capital ratio | 16.48% | 15.78% |
| Risk-weighted capital adequacy ratio | 18.72% | 17.93% |

31.12.2005

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

| | Principal RM'000 | Risk Weighted RM'000 |
|----------------------------------|---------------------|----------------------------|
| 0% | 3,282,205 | - |
| 10% | 95,589 | 9,559 |
| 20% | 109,440 | 21,888 |
| 50% | 1,093,138 | 546,569 |
| 100% | 2,675,107 | 2,675,107 |
| Money Market Risk weighted asset | <u>7,255,479</u> | <u>36,007</u> |
| | <u>7,255,479</u> | <u>3,289,130</u> |