

Company No.

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**BANK OF CHINA (MALAYSIA) BERHAD**  
**(Incorporated in Malaysia)**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2006**

**BANK OF CHINA (MALAYSIA) BERHAD**  
**(Incorporated in Malaysia)**

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED BALANCE SHEETS AS AT 31 MARCH 2006**

	Note	31 March 2006 RM'000	31 December 2005 RM'000
<b>ASSETS</b>			
Cash and short-term funds	8	<b>474,899</b>	396,694
Deposits and placements with banks and other financial institutions	9	<b>154,800</b>	128,400
Securities portfolio			
Held-to-maturity investments	10	<b>56,243</b>	56,396
Loans and advances	11	<b>338,656</b>	286,498
Other assets	12	<b>5,906</b>	4,446
Deferred taxation assets		<b>5,172</b>	5,172
Tax recoverable		<b>146</b>	146
Statutory deposits with Bank Negara Malaysia		-	-
Property, plant and equipment		<b>856</b>	885
<b>TOTAL ASSETS</b>		<b>1,036,678</b>	<b>878,637</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits from customers	13	<b>449,259</b>	320,610
Deposits and placements of banks and other financial institutions	14	<b>224,710</b>	178,922
Bills and acceptances payable		<b>8,218</b>	26,746
Other liabilities	15	<b>22,495</b>	23,082
		<b>704,682</b>	<b>549,360</b>
<b>Shareholders' Equity</b>			
Share Capital		<b>304,000</b>	304,000
Reserves		<b>27,996</b>	25,277
		<b>331,996</b>	<b>329,277</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,036,678</b>	<b>878,637</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	23	<b>381,434</b>	<b>480,863</b>

**BANK OF CHINA (MALAYSIA) BERHAD**  
**(Incorporated in Malaysia)**

**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED INCOME STATEMENTS FOR THE THREE MONTHS**  
**ENDED 31 MARCH 2006**

Note	<b>1st Quarter Ended</b>		
	<b>31 March</b>		<b>31 March</b>
	<b>2006</b>	<b>RM'000</b>	
Interest income	16	<b>9,361</b>	8,057
Interest expense	17	<b>(4,553)</b>	(3,485)
Net interest income		<b>4,808</b>	4,572
Other operating income	18	<b>2,661</b>	1,276
Other operating expenses	19	<b>(3,600)</b>	(2,530)
Allowance for losses on loans and advances	20	-	-
Profit before taxation		<b>3,869</b>	3,318
Taxation	21	<b>(1,150)</b>	(1,150)
Net profit		<b>2,719</b>	2,168

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2006**

Note	Issued and fully paid ordinary shares of RM1 each		Non- distributable	Distributable		Total RM'000
	Nominal value RM'000	Statutory reserve RM'000	Retained profit RM'000	Proposed dividend RM'000		
At 1 January 2006	304,000	19,868	375	5,034	329,277	
Net profit for the financial year	-	-	2,719	-	2,719	
Transfer to statutory reserve	-	-	-	-	-	
<b>At 31 March 2006</b>	<b>304,000</b>	<b>19,868</b>	<b>3,094</b>	<b>5,034</b>	<b>331,996</b>	
At 1 January 2005	304,000	14,769	311	-	319,080	
Net profit for the financial year	-	-	10,197	-	10,197	
Transfer to statutory reserve	-	5,099	(5,099)	-	-	
Proposed dividend	-	-	(5,034)	5,034	-	
<b>At 31 December 2005</b>	<b>304,000</b>	<b>19,868</b>	<b>375</b>	<b>5,034</b>	<b>329,277</b>	

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**UNAUDITED INTERIM FINANCIAL STATEMENTS**  
**CONDENSED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006**

	Note	31 March 2006 RM'000	31 December 2005 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		3,869	14,206
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment		110	579
Amortisation of premium less accretion of discount		153	814
Gain from sale of held-to-maturity investments		-	-
Loan loss allowance		-	258
Interest suspended		-	-
Interest income from held-to-maturity investments		(672)	(3,209)
Unrealised foreign exchange gain		(41)	(299)
		<hr/>	<hr/>
Cash flow from operation profit before changes in operating assets and liabilities		3,419	12,349
<b>(INCREASE)/DECREASE IN OPERATING ASSETS:</b>			
Loans and advances		(52,158)	(33,312)
Deposits and placements with banks and other financial institutions		(26,400)	(128,400)
Other assets		(2,102)	14,723
<b>INCREASE/(DECREASE) IN OPERATING LIABILITIES:</b>			
Deposits from customers		128,649	99,918
Deposits and placements of banks and other financial institutions		45,788	(122,848)
Bills and acceptances payables		(18,528)	26,326
Other liabilities		(587)	8,156
		<hr/>	<hr/>
Cash generated from / (used in) operating activities		78,081	(123,088)
Taxation paid		(1,150)	(4,005)
		<hr/>	<hr/>
Net cash generated from / (used in) operating activities		76,931	(127,093)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(80)	(216)
Net sale of held-to-maturity investments		-	35,000
Interest received on held-to-maturity investments		1,354	2,837
		<hr/>	<hr/>
Net cash generated from investing activities		1,274	37,621
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash used in financing activities		<hr/>	<hr/>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>			
		78,205	(89,472)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>			
		396,694	486,166
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>			
8		474,899	396,694
		<hr/>	<hr/>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
ENDED 31 MARCH 2006**

**1 Review of Performance and Commentary of Prospects**

The bank recorded a higher profit before tax for the first three months ended 31 March 2006 compared with the corresponding period in 2005. In year 2006, the bank continues to focus on building its core customer base by offering conventional commercial banking, trade financing and retail banking products.

The bank will continue to focus its activities towards expanding its trade finance business and fee based income, enhancing its competitive edge in market place while maintaining its superior asset quality.

**2 Group Accounting Policies**

The interim financial statements for the three months ended 31 March 2006 have been prepared in accordance with FRS134 (formerly known as MASB 26) issued by the Malaysian Accounting Standard Board (MASB). The interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2005.

The accounting policies adopted by the Bank for the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2005.

The Bank has been given approval by Bank Negara Malaysia to compute impairment losses of loans and advances based on "Guidelines on Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts, BNM/GP3".

**3 Audit Report**

The audit report for the financial period ended 31 December 2005 was not subject to any qualification.

**4 Seasonal or Cyclical Factors**

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

**5 Exceptional or Extraordinary Items**

There were no exceptional or extraordinary items in the three months ended 31 March 2006.

**6 Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the three months ended 31 March 2006.

**7 Changes in Debt and Equity Securities**

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 for the period under review.

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2006**

**8 Cash and short-term funds**

	<b>31 March</b>	31 December
	<b>2006</b>	2005
	<b>RM'000</b>	RM'000
Cash and balances with banks and other financial institutions	29,899	19,350
Money at call and deposit placements maturing within 1 month	<b>445,000</b>	377,344
	<b>474,899</b>	396,694

**9 Deposit and placements with banks and other financial institutions**

	<b>31 March</b>	31 December
	<b>2006</b>	2005
	<b>RM'000</b>	RM'000
Bank Negara Malaysia	<b>154,800</b>	128,400
	<b>154,800</b>	128,400

**10 Securities portfolio**

**Held-to-maturity investments**

	<b>31 March</b>	31 December
	<b>2006</b>	2005
	<b>RM'000</b>	RM'000
Malaysian Government Securities	58,029	58,029
Amortisation of premium less accretion of discounts	(1,786)	(1,633)
	<b>56,243</b>	56,396

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2006**

**11 Loans and advances**

**(i) By type**

	<b>31 March</b>	<b>31 December</b>
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Overdrafts	44,397	39,059
Terms loans		
Housing loans	5,579	4,785
Syndicated term loan	114,586	117,876
Other term loans	80,495	84,016
Bills receivable	49	625
Trust receipts	4,673	3,817
Claims on customers under acceptance credits	34,895	37,560
Staff loans	1,443	1,384
Of which: RMnil are to Directors		
Loans to banks and other financial institutions	62,640	7,477
	<hr/>	<hr/>
Less: Allowance for bad and doubtful debts:		
- General	(9,810)	(9,810)
- Specific	(291)	(291)
Total net loans and advances	<hr/> <b>338,656</b>	<hr/> <b>286,498</b>

**(ii) By type of customer**

	<b>31 March</b>	<b>31 December</b>
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic banking institutions	55,310	-
Domestic non-bank financial institutions	7,330	7,477
Domestic business enterprises		
- Small medium enterprises ("SME")	140,881	137,043
- Non-SME	54,307	59,575
Government and statutory bodies	62,748	64,936
Individuals	9,514	8,662
Foreign entities	<hr/> 18,667	<hr/> 18,906
	<hr/> <b>348,757</b>	<hr/> <b>296,599</b>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2006**

**11 Loans and advances (continued)**

**(iii) By interest rate sensitivity**

	<b>31 March</b>	31 December
	<b>2006</b>	2005
	<b>RM'000</b>	RM'000
Fixed rate		
Housing loans	5,579	3,398
Other fixed rate loan	1,443	1,384
Variable rate		
BLR plus	136,895	136,216
Cost-plus	34,944	37,725
Other variable rates	169,896	117,876
	<b>348,757</b>	<b>296,599</b>

**(iv) By sector**

	<b>31 March</b>	31 December
	<b>2006</b>	2005
	<b>RM'000</b>	RM'000
Agriculture, hunting, forestry & fishing	538	547
Mining and quarrying	-	-
Manufacturing	42,249	44,737
Electricity, gas and water	40,666	41,629
Construction	1,407	1,269
Real estate	80,106	79,201
Purchase of landed property:		
- Residential	7,075	6,140
- Non-residential	933	1,797
Wholesale & retail trade and restaurants & hotels	52,781	54,342
Transport, storage and communication	55,253	57,341
Finance, insurance and business services	66,147	7,964
Purchase of transport vehicles	253	275
Consumption credit	1,349	1,357
	<b>348,757</b>	<b>296,599</b>

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2006**

**(v) Non-performing Loans (NPL)**

**(i) Movement in non-performing loans and advances**

	<b>31 March 2006 RM'000</b>	<b>31 December 2005 RM'000</b>
At beginning of year	403	392
Classified as non-performing during the period	7,303	-
Other adjustments	28	11
At end of period	<u>7,734</u>	403
Specific allowance	(291)	(291)
Net non-performing loans and advances	<u>7,443</u>	112
Ratio of net non-performing loans and advances to net loans and advances	2.14%	0.04%

**(ii) Movements in allowance for bad and doubtful debts**

	<b>31 March 2006 RM'000</b>	<b>31 December 2005 RM'000</b>
<b>General allowance</b>		
At beginning of year	9,810	9,810
At end of period	<u>9,810</u>	<u>9,810</u>
As % of gross loans and advances less specific allowance	2.8%	3.3%
<b>Specific allowance</b>		
At beginning of year	291	33
Allowance made during the period	-	258
At end of period	<u>291</u>	<u>291</u>

**(iii) NPL by sector**

	<b>31 March 2006 RM'000</b>	<b>31 December 2005 RM'000</b>
Manufacturing	<u>7,734</u>	403
	<u>7,734</u>	403

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2006**

**12 Other Assets**

	<b>31 March</b>	31 December
	<b>2006</b>	2005
	<b>RM'000</b>	RM'000
Interest receivable	1,293	2,020
Other debtors, deposits and prepayments	<u>4,613</u>	2,426
	<b>5,906</b>	<b>4,446</b>

**13 Deposits from Customers**

**(i) By type of deposit**

	<b>31 March</b>	31 December
	<b>2006</b>	2005
	<b>RM'000</b>	RM'000
Demand deposits	73,857	69,700
Savings deposits	16,468	17,528
Fixed deposits	118,929	124,370
Negotiable instruments of deposits	240,000	109,000
Others	<u>5</u>	12
	<b>449,259</b>	<b>320,610</b>

**(ii) By type of customer**

	<b>31 March</b>	31 December
	<b>2006</b>	2005
	<b>RM'000</b>	RM'000
Government and statutory bodies	1,005	1,012
Business enterprises	375,163	247,760
Individuals	72,934	71,771
Others	<u>157</u>	67
	<b>449,259</b>	<b>320,610</b>

**14 Deposits and placements of banks and other financial institutions**

	<b>31 March</b>	31 December
	<b>2006</b>	2005
	<b>RM'000</b>	RM'000
Licensed banks	<u>224,710</u>	178,922
	<b>224,710</b>	<b>178,922</b>

**15 Other Liabilities**

	<b>31 March</b>	31 December
	<b>2006</b>	2005
	<b>RM'000</b>	RM'000
Interest payable	1,644	2,066
Accrued expenses	8,921	8,929
Margin deposits	7,168	7,176
Other liabilities	<u>4,762</u>	4,911
	<b>22,495</b>	<b>23,082</b>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2006**

**16 Interest income**

	<b>1st Quarter Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Loans and advances		
- Interest income other than recoveries from NPL	4,081	3,159
Money at call and deposit placement with financial institutions	4,934	4,121
Securities		
- Held-to-maturity investment	672	1,103
	<u>9,687</u>	<u>8,383</u>
Amortisation of premium less accretion of discount	(153)	(326)
Interest suspended	(173)	-
Total interest income	<u>9,361</u>	<u>8,057</u>

**17 Interest Expense**

	<b>1st Quarter Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits and placements of banks and other financial institutions		
Deposits from customers	1,989	1,588
	<u>2,564</u>	<u>1,897</u>
	<u>4,553</u>	<u>3,485</u>

**18 Other operating income**

	<b>1st Quarter Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Fees and commission income:		
- Processing fees	5	1
- Syndication fees	20	26
- Commitment fees	75	62
- Other fees relating to loan & finance	126	64
- Guarantee fees	260	262
- Acceptance Commission	105	110
- Other fee income	<u>1,014</u>	<u>325</u>
	<u>1,605</u>	<u>850</u>
Held-to-maturity investments income:		
Gains from sale of held-to-maturity investments	-	-
Foreign exchange gain/(loss):		
- Realised gain/(loss)	1,015	440
- Unrealised gain/(loss)	<u>41</u>	<u>(14)</u>
	<u>2,661</u>	<u>1,276</u>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2006**

**19 Other operating expenses**

	<b>1st Quarter Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Personnel costs	1,982	1,045
Of which: Salaries & wages (includes CEO / EDs)	892	821
Bonuses	540	(148)
Employee provident fund	174	149
Staff welfare expenses	252	115
Other personnel costs	124	108
Marketing expenses	217	93
Of which: Entertainment expenses	163	70
Other marketing expenses	54	23
Establishment costs	888	870
Of which: Lease rental of premises	349	301
Depreciation of property, plant and equipment	110	206
Repairs and maintenance	257	275
Other establishment costs	172	88
Administration and general expenses	513	522
Of which: Management fees	-	100
Insurance premium	26	71
Auditors' remuneration	-	1
Other administration and general expenses	487	350
	<b>3,600</b>	<b>2,530</b>

**20 Allowance for losses on loans and advances**

	<b>1st Quarter Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Allowance for bad and doubtful debts on loans and advances		
(a) Specific allowance		
- Made in the financial period	-	-
(b) General allowance		
- Made in the financial period	-	-
	<b>-</b>	<b>-</b>
	<b>-</b>	<b>-</b>

**21 Taxation**

	<b>1st Quarter Ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Current tax - Malaysian income tax	1,150	1,150
Deferred tax	-	-
	<b>1,150</b>	<b>1,150</b>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
 ENDED 31 MARCH 2006**

**22 Capital adequacy**

	<b>31 March 2006 RM'000</b>	<b>31 December 2005 RM'000</b>
<b><u>Tier I capital</u></b>		
Paid-up ordinary share capital	<b>304,000</b>	304,000
Retained profit	375	375
Proposed dividend	5,034	5,034
Other reserves	19,868	19,868
	<b>329,277</b>	329,277
Less: Deferred tax assets	(5,172)	(5,172)
<b>Total Tier I Capital</b>	<b>324,105</b>	324,105
<b><u>Tier II capital</u></b>		
General allowance for bad and doubtful debts	9,810	9,810
<b>Total Tier II Capital</b>	<b>9,810</b>	9,810
<b>Total capital base</b>	<b>333,915</b>	333,915
<b><u>Capital ratios</u></b>		
Core capital ratio (inclusive of market risk)	101%	100%
Risk-weighted capital ratio (inclusive of market risk)	104%	103%
Core capital ratio (inclusive of market risk and net of proposed dividends)	99%	99%
Risk-weighted capital ratio (inclusive of market risk and net of proposed dividends)	103%	102%
Risk-weighted assets for credit and market risks(RM'000)	320,679	323,752

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006**

**23 Commitments and contingencies**

	31 March 2006			31 December 2005		
	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	-	-	-	150	150	150
Transaction-related contingent items	138,912	69,456	14,873	194,261	97,131	20,578
Short-term self-liquidation trade related contingencies	22,060	4,412	836	26,126	5,225	482
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	95,800	-	-	96,770	-	-
- Maturity exceeding one year	28,900	14,450	5,450	19,810	9,905	9,170
Foreign exchange related contracts:						
- Less than one year	3,683	-	-	13,530	-	-
Others	92,079	-	-	130,216	-	-
<b>Total</b>	<b>381,434</b>	<b>88,318</b>	<b>21,159</b>	<b>480,863</b>	<b>112,411</b>	<b>30,380</b>

**BANK OF CHINA (MALAYSIA) BERHAD**  
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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006**

**24 Interest rate risk**

<b>31 March 2006</b>	<b>Up to 1 month</b>	<b>&gt; 1-3 month</b>	<b>&gt; 3-12 month</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Non-interest sensitive</b>	<b>Total</b>	<b>Effective interest rate %</b>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Assets</b>								
Cash and short term funds	471,714	-	-	-	-	3,185	474,899	3.35%
Deposits & placement with banks & other financial institutions	-	154,800	-	-	-	-	154,800	3.39%
Securities	-	-	-	56,243	-	-	56,243	4.92%
Loans and advances								
- performing	172,626	49,704	117,232	102	1,359	(9,810)	331,213	6.37%
- non-performing	-	-	-	-	-	7,443	7,443	
Other assets	-	-	-	-	-	5,906	5,906	
Deferred taxation	-	-	-	-	-	5,172	5,172	
Tax recoverable	-	-	-	-	-	146	146	
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	
Property, plant and equipment	-	-	-	-	-	856	856	
Total assets	<b>644,340</b>	<b>204,504</b>	<b>117,232</b>	<b>56,345</b>	<b>1,359</b>	<b>12,898</b>	<b>1,036,678</b>	
<b>Liabilities</b>								
Deposits from customers	193,165	160,011	21,905	316	-	73,862	449,259	3.11%
Deposits & placement of banks & other financial institutions	88,438	25,782	110,490	-	-	-	224,710	4.58%
Bills and acceptance payable	1,136	7,082	-	-	-	-	8,218	3.34%
Other liabilities	-	-	-	-	-	22,495	22,495	
Total liabilities	<b>282,739</b>	<b>192,875</b>	<b>132,395</b>	<b>316</b>	<b>-</b>	<b>96,357</b>	<b>704,682</b>	
Shareholders's funds	-	-	-	-	-	331,996	331,996	
Total liabilities and Shareholders' funds	<b>282,739</b>	<b>192,875</b>	<b>132,395</b>	<b>316</b>	<b>-</b>	<b>428,353</b>	<b>1,036,678</b>	
On-balance sheet interest sensitivity gap	361,601	11,629	(15,163)	56,029	1,359	(415,455)	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	
Total interest sensitivity gap	<b>361,601</b>	<b>11,629</b>	<b>(15,163)</b>	<b>56,029</b>	<b>1,359</b>	<b>(415,455)</b>	<b>-</b>	

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2006**

**24 Interest rate risk (continued)**

<b>31 December 2005</b>	<b>Up to 1 month</b>	<b>&gt; 1-3 month</b>	<b>&gt; 3-12 month</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Non-interest sensitive</b>	<b>Total</b>	<b>Effective interest rate %</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b>Assets</b>								
Cash and short term funds	394,010	-	-	-	-	2,684	396,694	3.18%
Deposits & placement with banks & other financial institutions	-	128,400	-	-	-	-	128,400	3.09%
Securities	-	-	-	56,396	-	-	56,396	4.92%
Loans and advances								
- performing	172,418	59,458	60,469	117	3,734	(9,810)	286,386	6.19%
- non-performing	-	-	-	-	-	112	112	
Other assets	-	-	-	-	-	4,446	4,446	
Deferred taxation	-	-	-	-	-	5,172	5,172	
Tax recoverable	-	-	-	-	-	146	146	
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	
Property, plant and equipment	-	-	-	-	-	885	885	
Total assets	<b>566,428</b>	<b>187,858</b>	<b>60,469</b>	<b>56,513</b>	<b>3,734</b>	<b>3,635</b>	<b>878,637</b>	
<b>Liabilities</b>								
Deposits from customers	222,012	12,438	16,329	119	-	69,712	320,610	2.75%
Deposits & placement of banks & other financial institutions	95,773	56,693	26,456	-	-	-	178,922	4.36%
Bills and acceptance payable	14,460	11,150	1,136	-	-	-	26,746	3.19%
Other liabilities	-	-	-	-	-	23,082	23,082	
Total liabilities	<b>332,245</b>	<b>80,281</b>	<b>43,921</b>	<b>119</b>	<b>-</b>	<b>92,794</b>	<b>549,360</b>	
Shareholders's funds	-	-	-	-	-	329,277	329,277	
Total liabilities and Shareholders' funds	<b>332,245</b>	<b>80,281</b>	<b>43,921</b>	<b>119</b>	<b>-</b>	<b>422,071</b>	<b>878,637</b>	
On-balance sheet interest sensitivity gap	234,183	107,577	16,548	56,394	3,734	(418,436)	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	
Total interest sensitivity gap	<b>234,183</b>	<b>107,577</b>	<b>16,548</b>	<b>56,394</b>	<b>3,734</b>	<b>(418,436)</b>	<b>-</b>	

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS  
ENDED 31 MARCH 2006**

**25 Operations of Islamic Banking**

No Islamic banking activities was involved for the first 3 months ended 31 March 2006.

**26 Valuation of Property, Plant and Equipment**

The Bank's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. There was no change in the valuation of property, plant and equipment that were brought forward from the previous audited annual financial statements.

**27 Events subsequent to Balance Sheet Date**

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the interim statements.