

**C. Explanatory Notes Pursuant To Appendix C of Revised BNM/GP8**

**C1. Interest Income**

| <b>Group</b>   | <b>2nd Quarter ended</b> |                  | <b>Cumulative 6 Months ended</b> |                  |
|--|--------------------------|------------------|----------------------------------|------------------|
|  | <b>30.9.2006</b>         | <b>30.9.2005</b> | <b>30.9.2006</b>                 | <b>30.9.2005</b> |
|  | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>                    | <b>RM'000</b>    |
| Loan, advances and financing                                     |                          |                  |                                  |                  |
| - Interest income other than recoveries from NPLs                | <b>185,810</b>           | 200,826          | <b>369,864</b>                   | 406,466          |
| - Recoveries from NPLs   | <b>27,290</b>            | 13,608           | <b>58,680</b>                    | 25,926           |
|  | <b>213,100</b>           | 214,434          | <b>428,544</b>                   | 432,392          |
| Money at call and deposit placements with financial institutions | <b>32,743</b>            | 20,548           | <b>65,276</b>                    | 38,302           |
| Securities held-for-trading                                      | -                        | -                | <b>243</b>                       | -                |
| Securities available-for-sale                                    | <b>9,192</b>             | 7,237            | <b>17,508</b>                    | 16,940           |
| Securities held-to-maturity                                      | <b>15,596</b>            | 14,632           | <b>30,932</b>                    | 27,842           |
| Others   | <b>1,662</b>             | 2,307            | <b>3,372</b>                     | 5,669            |
|  | <b>272,293</b>           | 259,158          | <b>545,875</b>                   | 521,145          |
| Accretion of discount less amortisation of premium               | <b>17,888</b>            | 8,645            | <b>34,741</b>                    | 15,612           |
| Interest/income suspended  | <b>(8,462)</b>           | (16,535)         | <b>(24,338)</b>                  | (30,137)         |
|  | <b>281,719</b>           | 251,268          | <b>556,278</b>                   | 506,620          |

**C2. Interest Expense**

| <b>Group</b>  | <b>2nd Quarter ended</b> |                  | <b>Cumulative 6 Months ended</b> |                  |
|---|--------------------------|------------------|----------------------------------|------------------|
|   | <b>30.9.2006</b>         | <b>30.9.2005</b> | <b>30.9.2006</b>                 | <b>30.9.2005</b> |
|   | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>                    | <b>RM'000</b>    |
| Deposits and placements of banks and other financial institutions | <b>5,508</b>             | 2,009            | <b>10,255</b>                    | 3,476            |
| Deposits from customers   | <b>103,234</b>           | 100,476          | <b>205,480</b>                   | 201,043          |
| Loans sold to Cagamas   | <b>3,043</b>             | 3,948            | <b>6,317</b>                     | 8,072            |
| Short term borrowings   | <b>2,853</b>             | -                | <b>5,346</b>                     | -                |
| Subordinated bonds  | <b>9,210</b>             | 11,447           | <b>22,015</b>                    | 22,767           |
| Others  | <b>17,207</b>            | 6,777            | <b>33,169</b>                    | 13,407           |
|   | <b>141,055</b>           | 124,657          | <b>282,582</b>                   | 248,765          |

**MALAYSIAN PLANTATIONS BERHAD** (6627-X)  
**SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006**

**C3. Other Operating Income**

| <b>Group</b>  | <b>2nd Quarter ended</b> |                  | <b>Cumulative 6 Months ended</b> |                  |
|---|--------------------------|------------------|----------------------------------|------------------|
|   | <b>30.9.2006</b>         | <b>30.9.2005</b> | <b>30.9.2006</b>                 | <b>30.9.2005</b> |
|   | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>                    | <b>RM'000</b>    |
| (a) <u>Fee income:</u>  |                          |                  |                                  |                  |
| Commissions   | 7,388                    | 9,317            | 15,863                           | 21,386           |
| Service charges and fees  | 5,816                    | 4,456            | 13,323                           | 9,548            |
| Portfolio management  | 2,412                    | 418              | 4,326                            | 3,700            |
| Corporate advisory fees   | 2,049                    | 1,957            | 3,794                            | 5,068            |
| Underwriting commissions  | 200                      | 115              | 277                              | 994              |
| Brokerage fees  | 4,906                    | 5,482            | 11,937                           | 10,365           |
| Guarantee fees  | 2,041                    | 3,707            | 5,235                            | 7,862            |
| Processing fees   | 945                      | 2,740            | 4,058                            | 4,556            |
| Commitment fees   | 3,324                    | 3,404            | 6,607                            | 6,909            |
| Other fee income  | 4,310                    | 4,421            | 7,499                            | 6,771            |
|   | <b>33,391</b>            | <b>36,017</b>    | <b>72,919</b>                    | <b>77,159</b>    |
| (b) <u>Investment income:</u>   |                          |                  |                                  |                  |
| <u>Gains/(losses) arising from sale of securities:</u>                  |                          |                  |                                  |                  |
| Net gain/(loss) from sale of securities                                 |                          |                  |                                  |                  |
| - held-for-trading  | 1,748                    | 3,731            | 2,036                            | 7,878            |
| - available-for-sale  | 459                      | 4,737            | 9,708                            | 12,159           |
| - held-to-maturity  | 1,920                    | 1,009            | 1,164                            | (77)             |
| Unrealised (loss)/gain on revaluation<br>of securities held-for-trading | (2,872)                  | 1,720            | (2,158)                          | 713              |
| Gain from investment in Staple Bonds                                    | -                        | -                | 890                              | 890              |
| <u>Gross dividend income from:</u>                                      |                          |                  |                                  |                  |
| Securities held-for-trading   | -                        | 108              | -                                | 108              |
| Securities available-for-sale   | -                        | 4                | -                                | 28               |
| Securities held-to-maturity   | -                        | 698              | 1,991                            | 2,411            |
|   | <b>1,255</b>             | <b>12,007</b>    | <b>13,631</b>                    | <b>24,110</b>    |
| (c) <u>Other income:</u>  |                          |                  |                                  |                  |
| Foreign exchange profit   |                          |                  |                                  |                  |
| - realised  | 10,249                   | 5,858            | 15,115                           | 10,798           |
| - unrealised  | (3,507)                  | 987              | (904)                            | 1,075            |
| Rental income   | 115                      | 159              | 243                              | 311              |
| Gain on disposal of property<br>and equipment                           | 1,828                    | 6                | 1,987                            | 584              |
| Gain on disposal of foreclosed property                                 | 233                      | -                | 266                              | -                |
| Others  | 2,645                    | 3,080            | 5,728                            | 6,604            |
|   | <b>11,563</b>            | <b>10,090</b>    | <b>22,435</b>                    | <b>19,372</b>    |
| Total other operating income  | <b>46,209</b>            | <b>58,114</b>    | <b>108,985</b>                   | <b>120,641</b>   |

**MALAYSIAN PLANTATIONS BERHAD** (6627-X)  
**SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006**

**C4. Other Operating Expenses**

| <b>Group</b>                                     | <b>2nd Quarter ended</b> |                  | <b>Cumulative 6 Months ended</b> |                  |
|--|--------------------------|------------------|----------------------------------|------------------|
|  | <b>30.9.2006</b>         | <b>30.9.2005</b> | <b>30.9.2006</b>                 | <b>30.9.2005</b> |
|  | <b>RM'000</b>            | <b>RM'000</b>    | <b>RM'000</b>                    | <b>RM'000</b>    |
| <b>Personnel costs :</b>                         |                          |                  |                                  |                  |
| Salaries, allowances and bonuses                 | <b>61,308</b>            | 47,208           | <b>111,901</b>                   | 91,196           |
| Pension costs                                    | <b>7,560</b>             | 7,174            | <b>15,182</b>                    | 13,843           |
| Other personnel related expenses                 | <b>2,148</b>             | 7,050            | <b>14,117</b>                    | 12,733           |
|  | <b>71,016</b>            | 61,432           | <b>141,200</b>                   | 117,772          |
| <b>Establishment costs :</b>                     |                          |                  |                                  |                  |
| Depreciation of property, plant and equipment    | <b>8,602</b>             | 8,927            | <b>17,475</b>                    | 17,790           |
| Rental   | <b>6,625</b>             | 6,167            | <b>13,384</b>                    | 12,239           |
| Water and electricity                            | <b>1,307</b>             | 1,386            | <b>2,842</b>                     | 2,735            |
| Repairs & Maintenance                            | <b>2,882</b>             | 2,340            | <b>5,048</b>                     | 4,326            |
| EDP expenses                                     | <b>6,043</b>             | 6,530            | <b>14,052</b>                    | 12,452           |
| Others   | <b>2,151</b>             | 2,118            | <b>4,730</b>                     | 4,176            |
|  | <b>27,610</b>            | 27,468           | <b>57,531</b>                    | 53,718           |
| <b>Marketing expenses :</b>                      |                          |                  |                                  |                  |
| Advertisement and publicity                      | <b>13,574</b>            | 869              | <b>20,883</b>                    | 4,709            |
| Others   | <b>1,899</b>             | 1,462            | <b>3,971</b>                     | 3,217            |
|  | <b>15,473</b>            | 2,331            | <b>24,854</b>                    | 7,926            |
| <b>Administration and general expenses :</b>     |                          |                  |                                  |                  |
| Amortisation of goodwill                         | -                        | 5,000            | -                                | 9,842            |
| Negative goodwill recognised in income statement | -                        | (547)            | -                                | (1,095)          |
| Communication expenses                           | <b>3,081</b>             | 3,300            | <b>6,997</b>                     | 6,265            |
| Printing and stationeries                        | <b>1,037</b>             | 1,270            | <b>2,821</b>                     | 2,434            |
| Insurance  | <b>587</b>               | 718              | <b>1,907</b>                     | 1,702            |
| Professional fees                                | <b>1,071</b>             | 1,411            | <b>4,516</b>                     | 2,639            |
| Others   | <b>2,647</b>             | 4,321            | <b>5,940</b>                     | 7,963            |
|  | <b>8,423</b>             | 15,473           | <b>22,181</b>                    | 29,750           |
| <b>Total Other Operating Expenses</b>            | <b>122,522</b>           | 106,704          | <b>245,766</b>                   | 209,166          |

C5. Allowance for Losses on Loans, Advances and Financing

| <u>Group</u>  | 2nd Quarter ended |                | Cumulative 6 Months ended |                |
|---|-------------------|----------------|---------------------------|----------------|
|   | 30.9.2006         | 30.9.2005      | 30.9.2006                 | 30.9.2005      |
|   | RM'000            | RM'000         | RM'000                    | RM'000         |
| Allowance for bad and doubtful debts and financing: |                   |                |                           |                |
| (a) Specific allowance                              |                   |                |                           |                |
| - Made during the period                            | 222,341           | 424,270        | 289,489                   | 497,820        |
| - Written back during the period                    | (56,458)          | (16,510)       | (83,876)                  | (29,602)       |
| (b) General allowance                               |                   |                |                           |                |
| - Written back during the period                    | (7,002)           | (8,770)        | (7,617)                   | (13,817)       |
| Bad debts on loans and financing                    |                   |                |                           |                |
| - Recovered   | (20,513)          | (7,319)        | (30,695)                  | (16,069)       |
| - Written off                                       | 267               | 1,445          | 7,046                     | 1,775          |
|   | <u>138,635</u>    | <u>393,116</u> | <u>174,347</u>            | <u>440,107</u> |
| Allowance on commitments and contingencies          | -                 | -              | 2,149                     | -              |
| Allowance on amounts receivable from other debts    | (1,199)           | (392)          | 270                       | 16,026         |
|   | <u>137,436</u>    | <u>392,724</u> | <u>176,766</u>            | <u>456,133</u> |

**C6. Securities Held-for-trading**

|                                   | <b>Group</b>     |                  |
|-----------------------------------|------------------|------------------|
|                                   | <b>30.9.2006</b> | <b>31.3.2006</b> |
|                                   | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>At fair value</b>              |                  |                  |
| <u>Money Market Instruments:</u>  |                  |                  |
| Bankers acceptances               | 57,815           | 282,774          |
| <u>Quoted Securities:-</u>        |                  |                  |
| Shares in Malaysia                | 4,694            | 5,373            |
| Debt securities                   | 9,706            | 11,186           |
| Total securities held-for-trading | 72,215           | 299,333          |

**C7. Securities Available-for-sale**

|                                     | <b>Group</b>     |                  |
|-------------------------------------|------------------|------------------|
|                                     | <b>30.9.2006</b> | <b>31.3.2006</b> |
|                                     | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>At fair value</b>                |                  |                  |
| <u>Money Market Instruments:</u>    |                  |                  |
| Malaysian Government securities     | 90,444           | 86,254           |
| Malaysian Government treasury bills | 34,678           | 133,383          |
| Bank Negara Malaysia bills          | -                | 64,433           |
| Cagamas bonds                       | 129,965          | 79,979           |
| Commercial papers                   | 45,614           | 64,401           |
| Government investment certificate   | 9,994            | -                |
| <u>Quoted Securities:</u>           |                  |                  |
| Shares in Malaysia                  | 2,391            | 12,567           |
| <u>Unquoted Securities:</u>         |                  |                  |
| Shares in Malaysia                  | 1,113            | 1,113            |
| Debt securities                     | 618,394          | 604,665          |
| Total securities available-for-sale | 932,593          | 1,046,795        |

**C8. Securities Held-to-maturity**

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>30.9.2006</b> | <b>31.3.2006</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>At amortised cost</b>                     |                  |                  |
| <u>Money Market Instruments:</u>             |                  |                  |
| Malaysian Government securities              | <b>323,665</b>   | 324,416          |
| Malaysian Government investment certificates | <b>181,422</b>   | 169,255          |
| Bank Negara Malaysia bills                   | <b>160,000</b>   | 24,775           |
| Cagamas bonds                                | <b>326,249</b>   | 592,228          |
| Negotiable instruments of deposits           | <b>305,000</b>   | 155,000          |
| Bankers acceptances                          | <b>718,625</b>   | 1,052,406        |
| Khazanah bonds                               | <b>294,129</b>   | 288,978          |
| Commercial papers                            | -                | 19,681           |
| General investment instruments               | <b>5,000</b>     | -                |
| <br><u>Quoted Securities:</u>                |                  |                  |
| Debts securities                             | <b>32,239</b>    | 36,445           |
| <br><u>Unquoted securities:</u>              |                  |                  |
| Shares in Malaysia                           | <b>20,031</b>    | 21,067           |
| Debts securities                             | <b>548,583</b>   | 604,789          |
|  | <b>2,914,943</b> | 3,289,040        |
| Accumulated impairment losses                | <b>(138,435)</b> | (139,690)        |
| Total securities held-to-maturity            | <b>2,776,508</b> | 3,149,350        |

**C9. Loans, Advances and Financing**

|   | <b>Group</b>      |                   |
|---|-------------------|-------------------|
|   | <b>30.9.2006</b>  | <b>31.3.2006</b>  |
|   | <b>RM'000</b>     | <b>RM'000</b>     |
| Overdrafts  | 2,102,807         | 2,217,812         |
| Term loans/financing                                    |                   |                   |
| - Housing loans/financing                               | 4,120,357         | 3,835,852         |
| - Syndicated term loan/financing                        | 288,836           | 264,884           |
| - Hire purchase receivables                             | 1,615,578         | 1,518,988         |
| - Lease receivables                                     | 39,630            | 52,570            |
| - Other term loans/financing                            | 3,991,944         | 4,634,614         |
| Bills receivables                                       | 159,607           | 220,184           |
| Trust receipts  | 146,833           | 132,328           |
| Claims on customers under acceptance credits            | 1,035,479         | 995,826           |
| Staff loans   | 111,236           | 111,144           |
| Credit/charge card receivables                          | 293,086           | 241,262           |
| Revolving credits                                       | 594,132           | 820,721           |
| Other loans   | 125,695           | 119,540           |
|   | <b>14,625,220</b> | <b>15,165,725</b> |
| Unearned interest and income                            | (677,113)         | (597,176)         |
| Gross loans, advances and financing                     | <b>13,948,107</b> | <b>14,568,549</b> |
| Allowance for bad and doubtful debts<br>and financing:- |                   |                   |
| - Specific  | (699,826)         | (825,160)         |
| - General   | (198,771)         | (206,388)         |
| Net loans, advances and financing                       | <b>13,049,510</b> | <b>13,537,001</b> |

(a) By type of customer:

|  | <b>Group</b>      |                   |
|--|-------------------|-------------------|
|  | <b>30.9.2006</b>  | <b>31.3.2006</b>  |
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| Domestic non-bank financial institutions |                   |                   |
| - Stockbroking companies                 | 11,412            | 11,412            |
| - Others                                 | 141,406           | 99,872            |
| Domestic business enterprises            |                   |                   |
| - Small and medium enterprises           | 4,428,021         | 4,243,171         |
| - Others                                 | 2,731,958         | 3,990,079         |
| Government and statutory bodies          | 18,606            | 18,903            |
| Individuals                              | 6,591,071         | 6,178,826         |
| Other domestic entities                  | 227               | 5,702             |
| Foreign entities                         | 25,406            | 20,584            |
| Gross loans, advances and financing      | <b>13,948,107</b> | <b>14,568,549</b> |

**C9. Loans, Advances and Financing (cont'd)**

(b) By interest/profit rate sensitivity:

|                                     | <b>Group</b>             |                   |
|-------------------------------------|--------------------------|-------------------|
|                                     | <b>30.9.2006</b>         | <b>31.3.2006</b>  |
|                                     | <b>RM'000</b>            | <b>RM'000</b>     |
| Fixed rate                          |                          |                   |
| - Housing loans/financing           | <b>154,951</b>           | 153,218           |
| - Hire purchase receivables         | <b>1,401,289</b>         | 1,317,883         |
| - Other fixed rate loans/financing  | <b>1,120,071</b>         | 1,183,655         |
| Variable rate                       |                          |                   |
| - Base lending rate plus            | <b>8,938,543</b>         | 9,364,534         |
| - Cost plus                         | <b>2,210,010</b>         | 2,415,178         |
| - Other variable rates              | <b>123,243</b>           | 134,081           |
| Gross loans, advances and financing | <b><u>13,948,107</u></b> | <u>14,568,549</u> |

(c) By economic purpose:

|                                     | <b>Group</b>             |                   |
|-------------------------------------|--------------------------|-------------------|
|                                     | <b>30.9.2006</b>         | <b>31.3.2006</b>  |
|                                     | <b>RM'000</b>            | <b>RM'000</b>     |
| Purchase of securities              | <b>263,950</b>           | 382,391           |
| Purchase of transport vehicles      | <b>1,418,827</b>         | 1,326,985         |
| Purchase of landed property         | <b>5,661,502</b>         | 5,466,789         |
| of which: - Residential             | <b>4,143,704</b>         | 3,932,096         |
| - Non-residential                   | <b>1,517,798</b>         | 1,534,693         |
| Purchase fixed assets               |                          |                   |
| excl. land & building               | <b>27,914</b>            | 24,412            |
| Personal use                        | <b>524,020</b>           | 480,642           |
| Credit card                         | <b>293,086</b>           | 241,260           |
| Purchase of durable goods           | <b>188</b>               | 203               |
| Construction                        | <b>619,320</b>           | 712,321           |
| Working capital                     | <b>4,322,670</b>         | 4,919,679         |
| Others                              | <b>816,630</b>           | 1,013,867         |
| Gross loans, advances and financing | <b><u>13,948,107</u></b> | <u>14,568,549</u> |

**C9. Loans, Advances and Financing (cont'd)**

(d) Non-performing loans/financing (NPL/NPF)

Movements in non-performing loans, advances and financing are as follows:-

|  | <b>Group</b>            |                         |
|--|-------------------------|-------------------------|
|  | <b>30.9.2006</b>        | <b>31.3.2006</b>        |
|  | <b>RM'000</b>           | <b>RM'000</b>           |
| At beginning of year   | 2,125,272               | 2,038,407               |
| Non-performing during the period/year  | 856,995                 | 1,273,054               |
| Reclassified as performing   | (613,807)               | (724,255)               |
| Recoveries   | (277,114)               | (267,684)               |
| Amount written off   | (330,947)               | (194,250)               |
| At end of period/year  | <u>1,760,399</u>        | <u>2,125,272</u>        |
| Specific allowance   | <u>(699,826)</u>        | <u>(825,160)</u>        |
| Net non-performing loans, advances<br>and financing                              | <u><u>1,060,573</u></u> | <u><u>1,300,112</u></u> |
| Net NPL as a % of gross loans, advances<br>and financing less specific allowance | <u><u>8.0%</u></u>      | <u><u>9.5%</u></u>      |

(e) Movements in the allowance for bad and doubtful debts (and financing) are as follows:

|  | <b>Group</b>       |                    |
|--|--------------------|--------------------|
|  | <b>30.9.2006</b>   | <b>31.3.2006</b>   |
|  | <b>RM'000</b>      | <b>RM'000</b>      |
| <b>General Allowance</b>   |                    |                    |
| At beginning of year   | 206,388            | 224,874            |
| Allowance made during the period/year                                  | 13,914             | 27,410             |
| Amount write back  | (21,531)           | (45,896)           |
| At end of period/year  | <u>198,771</u>     | <u>206,388</u>     |
| As % of gross loans, advances and<br>financing less specific allowance | <u><u>1.5%</u></u> | <u><u>1.5%</u></u> |

**C9. Loans, Advances and Financing** (cont'd)

- (e) Movements in the allowance for bad and doubtful debts (and financing) are as follows: (cont'd)

|  | <b>Group</b>     |                  |
|--|------------------|------------------|
|  | <b>30.9.2006</b> | <b>31.3.2006</b> |
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| <b>Specific Allowance</b>                    |                  |                  |
| At beginning of year                         | <b>825,160</b>   | 384,462          |
| Allowance made during the period/year        | <b>289,489</b>   | 715,518          |
| Amount written-back in respect of recoveries | <b>(83,876)</b>  | (80,524)         |
| Amount written off                           | <b>(330,947)</b> | (194,296)        |
| At end of period/year                        | <b>699,826</b>   | 825,160          |

- (f) NPL/NPF by sector

|                                | <b>Group</b>     |                  |
|--------------------------------|------------------|------------------|
|                                | <b>30.9.2006</b> | <b>31.3.2006</b> |
|                                | <b>RM'000</b>    | <b>RM'000</b>    |
| Purchase of securities         | <b>75,272</b>    | 158,811          |
| Purchase of transport vehicles | <b>86,516</b>    | 80,134           |
| Purchase of landed property    | <b>687,157</b>   | 755,837          |
| of which: - Residential        | <b>394,640</b>   | 400,698          |
| - Non-residential              | <b>292,517</b>   | 355,139          |
| Purchase fixed assets          |                  |                  |
| excl. land & building          | -                | 3,567            |
| Personal use                   | <b>70,160</b>    | 67,384           |
| Credit card                    | <b>5,873</b>     | 5,081            |
| Purchase of durable goods      | -                | 51               |
| Construction                   | <b>170,933</b>   | 264,069          |
| Working capital                | <b>600,439</b>   | 716,625          |
| Others                         | <b>64,049</b>    | 73,713           |
|                                | <b>1,760,399</b> | 2,125,272        |

**C10. Balances Due From Clients And Brokers**

|                                      | <b>Group</b>          |                  |
|--------------------------------------|-----------------------|------------------|
|                                      | <b>30.9.2006</b>      | <b>31.3.2006</b> |
|                                      | <b>RM'000</b>         | <b>RM'000</b>    |
| Due from clients                     | <b>162,322</b>        | 180,376          |
| Due from brokers                     | <b>32,625</b>         | 100,764          |
|                                      | <u><b>194,947</b></u> | <u>281,140</u>   |
| Less:                                |                       |                  |
| Allowance for bad and doubtful debts | <b>(29,459)</b>       | (29,544)         |
|                                      | <u><b>165,488</b></u> | <u>251,596</u>   |

These represent amount receivable from margin clients, non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Central Depository System has yet to be made, and amount receivable from provision of corporate financial services.

The Group's normal trade credit terms for non-margin clients is 3 market days in accordance with Bursa Malaysia Securities Berhad Fixed Delivery and Settlement System ("FDSS") trading rules. The credit terms of other receivables of the Group are assessed and approved on a case-by-case basis.

Included in the balances due from clients and brokers are non-performing accounts as follows:

|                        | <b>Group</b>         |                  |
|------------------------|----------------------|------------------|
|                        | <b>30.9.2006</b>     | <b>31.3.2006</b> |
|                        | <b>RM'000</b>        | <b>RM'000</b>    |
| Classified as doubtful | <b>57</b>            | 221              |
| Classified as bad      | <b>31,901</b>        | 32,739           |
|                        | <u><b>31,958</b></u> | <u>32,960</u>    |

The movements in allowance for bad and doubtful debts are as follows:

|                                       |                      |               |
|---------------------------------------|----------------------|---------------|
| At beginning of year                  | <b>29,544</b>        | 14,242        |
| Allowance made during the period/year | <b>864</b>           | 22,067        |
| Reversal of allowance                 | <b>(949)</b>         | (6,765)       |
| At end of period/year                 | <u><b>29,459</b></u> | <u>29,544</u> |

**C11. Other Assets**

|   | <b>Group</b>     |                  |
|---|------------------|------------------|
|   | <b>30.9.2006</b> | <b>31.3.2006</b> |
|   | <b>RM'000</b>    | <b>RM'000</b>    |
| Trade receivables                           | 253              | 1,143            |
| Interest/Income receivable                  | 58,497           | 54,892           |
| Other receivables, deposits and prepayments | 183,113          | 125,287          |
| Manager's stocks                            | 1,797            | 1,524            |
| Foreclosed properties                       | 12,966           | 14,229           |
|   | <u>256,626</u>   | <u>197,075</u>   |
| Allowance for bad and doubtful debts        | (15,367)         | (15,185)         |
|   | <u>241,259</u>   | <u>181,890</u>   |

**C12. Deposits from Customers**

|                            | <b>Group</b>      |                   |
|----------------------------|-------------------|-------------------|
|                            | <b>30.9.2006</b>  | <b>31.3.2006</b>  |
|                            | <b>RM'000</b>     | <b>RM'000</b>     |
| <u>By type of deposits</u> |                   |                   |
| Demand deposits            | 4,249,935         | 3,936,179         |
| Savings deposits           | 1,450,209         | 1,471,345         |
| Fixed/investment deposits  | 11,733,170        | 12,258,480        |
| Others                     | 52                | 217               |
|                            | <u>17,433,366</u> | <u>17,666,221</u> |

|                                 | <b>Group</b>      |                   |
|---------------------------------|-------------------|-------------------|
|                                 | <b>30.9.2006</b>  | <b>31.3.2006</b>  |
|                                 | <b>RM'000</b>     | <b>RM'000</b>     |
| <u>By type of customer</u>      |                   |                   |
| Government and statutory bodies | 1,053,013         | 1,034,344         |
| Business enterprises            | 5,904,961         | 5,863,501         |
| Individuals                     | 9,708,520         | 9,744,249         |
| Others                          | 766,872           | 1,024,127         |
|                                 | <u>17,433,366</u> | <u>17,666,221</u> |

**C13. Deposits and Placements of Banks and Other Financial Institutions**

|                              | <b>Group</b>     |                  |
|------------------------------|------------------|------------------|
|                              | <b>30.9.2006</b> | <b>31.3.2006</b> |
|                              | <b>RM'000</b>    | <b>RM'000</b>    |
| Licensed banks               | 322,251          | 494,110          |
| Licensed merchant banks      | 15,000           | 30,000           |
| Bank Negara Malaysia         | 254,852          | 239,994          |
| Other financial institutions | 3,710            | 6,902            |
|                              | <u>595,813</u>   | <u>771,006</u>   |

**C14. Balances Due To Clients And Brokers**

|                | <b>Group</b>     |                  |
|----------------|------------------|------------------|
|                | <b>30.9.2006</b> | <b>31.3.2006</b> |
|                | <b>RM'000</b>    | <b>RM'000</b>    |
| Due to clients | 85,769           | 100,270          |
| Due to brokers | 26,231           | 69,584           |
|                | <u>112,000</u>   | <u>169,854</u>   |

These balances were mainly related to amounts payable to margin clients, non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Central Depository System have yet to be made.

The Group's normal trade credit terms for trade payable for non-margin client is 3 market day according to Bursa Malaysia Securities Berhad's FDSS trading rules. The credit terms of other payables are assessed and approved on a case-by-case basis.

**C15. Other Liabilities**

|                             | <b>Group</b>     |                  |
|-----------------------------|------------------|------------------|
|                             | <b>30.9.2006</b> | <b>31.3.2006</b> |
|                             | <b>RM'000</b>    | <b>RM'000</b>    |
| Other liabilities           | 600,207          | 547,226          |
| Interest/income payable     | 90,649           | 88,495           |
| Remiser's accounts          | 21,769           | 22,670           |
| Profit Equalisation Reserve | 30,841           | 22,391           |
|                             | <u>743,466</u>   | <u>680,782</u>   |

**C16 Capital Adequacy**

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

|                             | <b>30.9.2006</b> | <b>31.3.2006</b> |
|-----------------------------|------------------|------------------|
|                             | %                | %                |
| <u>Capital Ratios</u>       |                  |                  |
| Core capital ratio          | <b>10.85</b>     | 10.23            |
| Risk-weighted capital ratio | <b>16.62</b>     | 15.08            |

Components of Tier-I and Tier-II capital of the banking subsidiary group are as follow:-

|   | <b>30.9.2006</b> | <b>31.3.2006</b> |
|---|------------------|------------------|
|   | RM'000           | RM'000           |
| <b>Tier-I Capital</b>   |                  |                  |
| Paid-up share capital   | <b>596,517</b>   | 596,517          |
| Preference shares   | <b>2,000</b>     | 2,000            |
| Share premium   | <b>399,517</b>   | 399,517          |
| Retained profits  | <b>422,479</b>   | 421,593          |
| Statutory reserves  | <b>481,432</b>   | 481,432          |
| Other reserves  | <b>10,035</b>    | 10,035           |
| Minority interests  | <b>4,917</b>     | 5,026            |
|   | <b>1,916,897</b> | 1,916,120        |
| Less: Purchased goodwill/goodwill on consolidation            | <b>(304,149)</b> | (303,263)        |
| Deferred tax assets   | <b>(110,572)</b> | (117,994)        |
| Total Tier-I capital  | <b>1,502,176</b> | 1,494,863        |
| <b>Tier-II Capital</b>  |                  |                  |
| Subordinated bonds  | <b>600,000</b>   | 502,499          |
| General allowance for bad and doubtful debts<br>and financing | <b>198,771</b>   | 206,388          |
| Total Tier-II capital   | <b>798,771</b>   | 708,887          |
| <b>Total Capital/Capital Base</b>                             | <b>2,300,947</b> | 2,203,750        |

Analysis of the Banking subsidiary group's risk-weighted assets in the various categories of risk-weighted is as follows:

| Group                                    | <b>30.9.2006</b>   |                             | <b>31.3.2006</b>   |                             |
|--|--------------------|-----------------------------|--------------------|-----------------------------|
|  | Notional<br>RM'000 | Risk-<br>Weighted<br>RM'000 | Notional<br>RM'000 | Risk-<br>Weighted<br>RM'000 |
| 0%                                       | 5,511,446          | -                           | 5,179,157          | -                           |
| 10%                                      | 340,584            | 34,058                      | 602,049            | 60,205                      |
| 20%                                      | 2,664,185          | 532,837                     | 2,464,529          | 492,906                     |
| 50%                                      | 3,860,165          | 1,930,083                   | 3,655,582          | 1,827,791                   |
| 100%                                     | 11,256,067         | 11,256,067                  | 12,139,466         | 12,139,466                  |
| Risk-weighted assets from<br>market risk | -                  | 88,505                      | -                  | 95,766                      |
| <b>Total Risk Weighted Assets</b>        | <b>23,632,447</b>  | <b>13,841,550</b>           | <b>24,040,783</b>  | <b>14,616,134</b>           |

**C17 Comparative Figures**

The following comparative figures have been reclassified to conform with the current year's presentation:-

|   | <b>Group</b>                  |  |
|---|-------------------------------|--|
|   | <b>As restated<br/>RM'000</b> | <b>As previously<br/>reported<br/>RM'000</b> |
| <u>Income Statement for the 2nd quarter ended<br/>30 September 2005</u>               |                               |  |
| Operating revenue   | 322,817                       | 314,648                                      |
| Interest income   | 251,268                       | 247,097                                      |
| Net interest income   | 126,611                       | 122,440                                      |
| Net income from Islamic banking business  | 16,857                        | 16,858                                       |
| Other operating income  | 58,114                        | 51,332                                       |
| Net income  | 201,582                       | 190,630                                      |
| Other operating expenses  | (106,704)                     | (102,252)                                    |
| Operating profit  | 94,878                        | 88,378                                       |
| Impairment loss   | (24,802)                      | (22,474)                                     |
| Loss before tax   | (322,648)                     | (326,820)                                    |
| Taxation  | 95,908                        | 97,057                                       |
| Loss for the period   | (226,740)                     | (229,763)                                    |
| <br><u>Income Statement for the cumulative six months<br/>ended 30 September 2005</u> |                               |  |
| Operating revenue   | 651,512                       | 647,724                                      |
| Interest income   | 506,620                       | 506,667                                      |
| Net interest income   | 257,855                       | 257,902                                      |
| Net income from Islamic banking business  | 32,155                        | 32,118                                       |
| Other operating income  | 120,641                       | 107,483                                      |
| Net income  | 410,651                       | 397,503                                      |
| Other operating expenses  | (209,166)                     | (200,419)                                    |
| Operating profit  | 201,485                       | 197,084                                      |
| Impairment loss   | (26,210)                      | (21,799)                                     |
| Loss before tax   | (280,858)                     | (280,848)                                    |
| Taxation  | 78,025                        | 78,022                                       |
| Loss for the period   | (202,833)                     | (202,826)                                    |

**MALAYSIAN PLANTATIONS BERHAD** (6627-X)  
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**C18. Interest Rate Risk**

| <b>GROUP</b><br>As at 30 September 2006                              | <b>Up to<br/>1 month</b><br>RM'000 | <b>&gt;1-3<br/>months</b><br>RM'000 | <b>&gt;3-6<br/>months</b><br>RM'000 | <b>&gt;6-12<br/>months</b><br>RM'000 | <b>1-5<br/>years</b><br>RM'000 | <b>over 5<br/>years</b><br>RM'000 | <b>Non-<br/>interest<br/>sensitive</b><br>RM'000 | <b>Trading<br/>book</b><br>RM'000 | <b>Total</b><br>RM'000 | <b>Effective<br/>interest<br/>rate</b><br>% |
|--|------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------|-----------------------------------|--|-----------------------------------|------------------------|---|
| <b>ASSETS</b>  |                                    |                                     |                                     |                                      |                                |                                   |  |                                   |                        |   |
| Cash and short-term funds  | 3,609,407                          | -                                   | -                                   | -                                    | -                              | -                                 | 116,572  | -                                 | 3,725,979              | 3.62  |
| Deposits and placements with<br>financial institutions               | 2,020                              | 871,261                             | 300                                 | -                                    | -                              | -                                 | -  | -                                 | 873,581                | 3.64  |
| Securities held-for-trading  | -                                  | -                                   | -                                   | -                                    | -                              | -                                 | -  | 72,215                            | 72,215                 | 3.04  |
| Securities available-for-sale  | 7,933                              | 52,760                              | 44,707                              | 17,426                               | 754,090                        | 52,173                            | -  | 3,504                             | 932,593                | 5.27  |
| Securities held-to-maturity  | 535,122                            | 894,970                             | 137,152                             | 144,012                              | 1,004,992                      | 41,669                            | 18,591   | -                                 | 2,776,508              | 3.76  |
| Loans, advances and financing  | 10,691,686                         | 163,251                             | 362,111                             | 451,222                              | 1,423,635                      | 856,202                           | (898,597) *                                      | -                                 | 13,049,510             | 7.47  |
| Balances due from clients and brokers                                | 85,927                             | 63,118                              | -                                   | -                                    | -                              | -                                 | 16,443   | -                                 | 165,488                | 9.22  |
| Other non-interest sensitive balances                                | -                                  | -                                   | -                                   | -                                    | -                              | -                                 | 1,525,131  | -                                 | 1,525,131              | -   |
| <b>TOTAL ASSETS</b>  | <b>14,932,095</b>                  | <b>2,045,360</b>                    | <b>544,270</b>                      | <b>612,660</b>                       | <b>3,182,717</b>               | <b>950,044</b>                    | <b>778,140</b>                                   | <b>75,719</b>                     | <b>23,121,005</b>      |   |
| <b>LIABILITIES</b>   |                                    |                                     |                                     |                                      |                                |                                   |  |                                   |                        |   |
| Deposits from customers  | 10,132,369                         | 1,968,391                           | 1,789,397                           | 3,047,290                            | 495,919                        | -                                 | -  | -                                 | 17,433,366             | 2.74  |
| Deposits and placements of banks<br>and other financial institutions | 218,249                            | 125,777                             | 9,456                               | 4,755                                | 112,576                        | 125,000                           | -  | -                                 | 595,813                | 2.80  |
| Obligations on securities sold under<br>repurchase agreements        | 1,113,689                          | 1,930                               | -                                   | -                                    | -                              | -                                 | -  | -                                 | 1,115,619              | 3.21  |
| Bills and acceptances payable  | 51,803                             | 94,058                              | 21,931                              | -                                    | -                              | -                                 | -  | -                                 | 167,792                | 4.08  |
| Subordinated bonds   | -                                  | -                                   | -                                   | -                                    | 600,000                        | -                                 | -  | -                                 | 600,000                | 6.09  |
| Recourse obligations on loans sold<br>to Cagamas                     | 21,316                             | 16,402                              | 40,094                              | -                                    | 291,231                        | -                                 | -  | -                                 | 369,043                | 3.63  |
| Balances due to clients and brokers                                  | 111,783                            | -                                   | -                                   | -                                    | -                              | -                                 | -  | 217                               | 112,000                | 2.00  |
| Short term borrowing   | -                                  | -                                   | -                                   | 200,000                              | -                              | -                                 | -  | -                                 | 200,000                | 4.58  |
| Other non-interest sensitive balances                                | -                                  | -                                   | -                                   | -                                    | -                              | -                                 | 752,521  | -                                 | 752,521                | -   |
| <b>TOTAL LIABILITIES</b>   | <b>11,649,209</b>                  | <b>2,206,558</b>                    | <b>1,860,878</b>                    | <b>3,252,045</b>                     | <b>1,499,726</b>               | <b>125,000</b>                    | <b>752,521</b>                                   | <b>217</b>                        | <b>21,346,154</b>      |   |
| Shareholders' Equity   | -                                  | -                                   | -                                   | -                                    | -                              | -                                 | 1,769,934  | -                                 | 1,769,934              |   |
| Minority interests   | -                                  | -                                   | -                                   | -                                    | -                              | -                                 | 4,917  | -                                 | 4,917                  |   |
| <b>TOTAL LIABILITIES AND<br/>EQUITY</b>                              | <b>11,649,209</b>                  | <b>2,206,558</b>                    | <b>1,860,878</b>                    | <b>3,252,045</b>                     | <b>1,499,726</b>               | <b>125,000</b>                    | <b>2,527,372</b>                                 | <b>217</b>                        | <b>23,121,005</b>      |   |
| On-balances sheet interest<br>sensitivity gap                        | 3,282,886                          | (161,198)                           | (1,316,608)                         | (2,639,385)                          | 1,682,991                      | 825,044                           | (1,749,232)                                      | 75,502                            | -                      |   |
| Off-balances sheet interest<br>sensitivity gap                       | -                                  | -                                   | -                                   | -                                    | -                              | -                                 | -  | -                                 | -                      |   |
| <b>Total interest sensitivity gap</b>                                | <b>3,282,886</b>                   | <b>(161,198)</b>                    | <b>(1,316,608)</b>                  | <b>(2,639,385)</b>                   | <b>1,682,991</b>               | <b>825,044</b>                    | <b>(1,749,232)</b>                               | <b>75,502</b>                     | <b>-</b>               |   |

\* Specific allowance and general allowance of the Group are classified under the non interest sensitive column.

**MALAYSIAN PLANTATIONS BERHAD** (6627-X)  
**SECOND FINANCIAL QUARTER ENDED 30 SEPTEMBER 2006**

C18. **Interest Rate Risk** (cont'd)

| <b>GROUP</b><br>As at 31 March 2006                                  | <b>Up to<br/>1 month</b><br>RM'000 | <b>&gt;1-3<br/>months</b><br>RM'000 | <b>&gt;3-12<br/>months</b><br>RM'000 | <b>&gt;6-12<br/>months</b><br>RM'000 | <b>1-5<br/>years</b><br>RM'000 | <b>over 5<br/>years</b><br>RM'000 | <b>Non-<br/>interest<br/>sensitive</b><br>RM'000 | <b>Trading<br/>book</b><br>RM'000 | <b>Total</b><br>RM'000 | <b>Effective<br/>interest<br/>rate</b><br>% |
|--|------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------|-----------------------------------|--|-----------------------------------|------------------------|---|
| <b>ASSETS</b>  |                                    |                                     |                                      |                                      |                                |                                   |  |                                   |                        |   |
| Cash and short-term funds  | 2,460,832                          | -                                   | -                                    | -                                    | -                              | -                                 | 136,627  | -                                 | 2,597,459              | 3.19  |
| Deposits and placements with<br>financial institutions               | 1,700                              | 1,132,184                           | -                                    | 400                                  | -                              | -                                 | -  | -                                 | 1,134,284              | 3.20  |
| Securities held-for-trading  | -                                  | -                                   | -                                    | -                                    | -                              | -                                 | -  | 299,333                           | 299,333                | 3.11  |
| Securities available-for-sale  | -                                  | 119,306                             | 126,816                              | 69,732                               | 689,343                        | 27,918                            | -  | 13,680                            | 1,046,795              | 4.98  |
| Securities held-to-maturity  | 456,113                            | 821,221                             | 360,995                              | 373,523                              | 1,035,449                      | 80,982                            | 21,067   | -                                 | 3,149,350              | 3.56  |
| Loans, advances and financing  | 11,002,570                         | 137,242                             | 435,157                              | 364,486                              | 1,457,748                      | 1,171,346                         | (1,031,548) *                                    | -                                 | 13,537,001             | 7.13  |
| Balances due from clients and brokers                                | 165,642                            | 70,629                              | -                                    | -                                    | -                              | -                                 | 15,325   | -                                 | 251,596                | 9.75  |
| Other non-interest sensitive balances                                | -                                  | -                                   | -                                    | -                                    | -                              | -                                 | 1,565,379  | -                                 | 1,565,379              | -   |
| <b>TOTAL ASSETS</b>  | <b>14,086,857</b>                  | <b>2,280,582</b>                    | <b>922,968</b>                       | <b>808,141</b>                       | <b>3,182,540</b>               | <b>1,280,246</b>                  | <b>706,850</b>                                   | <b>313,013</b>                    | <b>23,581,197</b>      |   |
| <b>LIABILITIES</b>   |                                    |                                     |                                      |                                      |                                |                                   |  |                                   |                        |   |
| Deposits from customers  | 10,255,142                         | 2,003,906                           | 1,825,808                            | 2,969,211                            | 612,154                        | -                                 | -  | -                                 | 17,666,221             | 2.60  |
| Deposits and placements of banks<br>and other financial institutions | 356,715                            | 173,470                             | 10,580                               | 14,473                               | 78,960                         | 136,808                           | -  | -                                 | 771,006                | 2.95  |
| Obligations on securities sold under<br>repurchase agreements        | 1,126,782                          | 30,444                              | -                                    | -                                    | -                              | -                                 | -  | -                                 | 1,157,226              | 3.19  |
| Bills and acceptances payable  | 15,708                             | 147,561                             | 37,339                               | -                                    | -                              | -                                 | -  | -                                 | 200,608                | 3.50  |
| Subordinated bonds   | -                                  | 535,000                             | -                                    | -                                    | -                              | -                                 | -  | -                                 | 535,000                | 7.75  |
| Recourse obligations on loans sold<br>to Cagamas                     | -                                  | 22,356                              | 22,187                               | 91,692                               | 307,880                        | -                                 | -  | -                                 | 444,115                | 3.66  |
| Balances due to clients and brokers                                  | 169,642                            | -                                   | -                                    | -                                    | -                              | -                                 | 212  | -                                 | 169,854                | 2.00  |
| Long term borrowing  | -                                  | -                                   | -                                    | -                                    | 200,000                        | -                                 | -  | -                                 | 200,000                | 5.00  |
| Other non-interest sensitive balances                                | -                                  | -                                   | -                                    | -                                    | -                              | -                                 | 689,836  | -                                 | 689,836                | -   |
| <b>TOTAL LIABILITIES</b>   | <b>11,923,989</b>                  | <b>2,912,737</b>                    | <b>1,895,914</b>                     | <b>3,075,376</b>                     | <b>1,198,994</b>               | <b>136,808</b>                    | <b>690,048</b>                                   | <b>-</b>                          | <b>21,833,866</b>      |   |
| Shareholders' equity   | -                                  | -                                   | -                                    | -                                    | -                              | -                                 | 1,742,305  | -                                 | 1,742,305              |   |
| Minority interests   | -                                  | -                                   | -                                    | -                                    | -                              | -                                 | 5,026  | -                                 | 5,026                  |   |
| <b>TOTAL LIABILITIES AND<br/>EQUITY</b>                              | <b>11,923,989</b>                  | <b>2,912,737</b>                    | <b>1,895,914</b>                     | <b>3,075,376</b>                     | <b>1,198,994</b>               | <b>136,808</b>                    | <b>2,437,379</b>                                 | <b>-</b>                          | <b>23,581,197</b>      |   |
| On-balances sheet interest<br>sensitivity gap                        | 2,162,868                          | (632,155)                           | (972,946)                            | (2,267,235)                          | 1,983,546                      | 1,143,438                         | (1,730,529)                                      | 313,013                           | -                      |   |
| Off-balances sheet interest<br>sensitivity gap                       | -                                  | -                                   | -                                    | -                                    | -                              | -                                 | -  | -                                 | -                      |   |
| <b>Total interest sensitivity gap</b>                                | <b>2,162,868</b>                   | <b>(632,155)</b>                    | <b>(972,946)</b>                     | <b>(2,267,235)</b>                   | <b>1,983,546</b>               | <b>1,143,438</b>                  | <b>(1,730,529)</b>                               | <b>313,013</b>                    | <b>-</b>               |   |

\* Specific allowance and general allowance of the Group are classified under the non interest sensitive column.

**C19. Operations of Islamic Banking**

**(a) Balance Sheets (Unaudited)**

|   | <b>Group</b>              |                           |
|---|---------------------------|---------------------------|
|   | <b>30.9.2006</b>          | <b>31.3.2006</b>          |
|   | <b>RM'000</b>             | <b>RM'000</b>             |
| <b>ASSETS</b>   |                           |                           |
| Cash and short term funds   | <b>302,546</b>            | 404,051                   |
| Deposits and placements with financial institutions               | -                         | 30,000                    |
| Security held-to-maturity   | <b>472,372</b>            | 542,192                   |
| Security available-for-sale                                       | <b>172,796</b>            | 187,180                   |
| Financing, advances and other loans                               | <b>2,039,042</b>          | 1,997,204                 |
| Other assets  | <b>36,397</b>             | 9,347                     |
| Statutory deposits with Bank Negara Malaysia                      | <b>73,562</b>             | 76,520                    |
| Deferred tax assets   | <b>19,042</b>             | 15,678                    |
| Property, plant and equipment                                     | <b>225</b>                | 246                       |
| <b>TOTAL ASSETS</b>   | <b><u>3,115,982</u></b>   | <b><u>3,262,418</u></b>   |
| <br><b>LIABILITIES AND ISLAMIC BANKING FUNDS</b>                  |                           |                           |
| Deposits from customers   | <b>1,805,479</b>          | 1,854,759                 |
| Deposits and placements of banks and other financial institutions | <b>244,020</b>            | 317,035                   |
| Obligations on securities sold under repurchase agreements        | <b>32,656</b>             | 14,417                    |
| Other liabilities   | <b>78,057</b>             | 154,853                   |
| Provision for taxation  | <b>47,539</b>             | 33,864                    |
| <b>TOTAL LIABILITIES</b>  | <b><u>2,207,751</u></b>   | <b><u>2,374,928</u></b>   |
| Islamic Banking Funds   | <b>792,100</b>            | 792,100                   |
| Reserves  | <b>116,131</b>            | 95,390                    |
| <b>TOTAL LIABILITIES AND ISLAMIC BANKING FUNDS</b>                | <b><u>3,115,982</u></b>   | <b><u>3,262,418</u></b>   |
| <br><b>COMMITMENTS AND CONTINGENCIES</b>                          | <br><b><u>369,256</u></b> | <br><b><u>536,850</u></b> |

**C19. Operations of Islamic Banking (cont'd)**

**(b) Income Statement (Unaudited)**

|  | <b>GROUP</b>                                      |                             |   |                             |
|--|---|-----------------------------|---|-----------------------------|
|  | <b>2nd Quarter ended<br/>30.9.2006<br/>RM'000</b> | <b>30.9.2005<br/>RM'000</b> | <b>Cumulative 6 Months ended<br/>30.9.2006<br/>RM'000</b> | <b>30.9.2005<br/>RM'000</b> |
| Income derived from investment of depositors' funds and financial institutions | <b>34,190</b>                                     | 31,091                      | <b>64,033</b>   | 55,201                      |
| Allowance for losses on financing, advances and other loans                    | <b>(21,335)</b>                                   | (5,078)                     | <b>(22,699)</b>   | (8,708)                     |
| Transfer from profit equalisation reserve                                      | <b>(5,556)</b>                                    | (5,346)                     | <b>(8,450)</b>  | (8,269)                     |
| <b>Total attributable income</b>   | <b>7,299</b>                                      | 20,667                      | <b>32,884</b>   | 38,224                      |
| Income attributable to the depositors and financial institutions               | <b>(15,578)</b>                                   | (10,360)                    | <b>(29,832)</b>   | (19,414)                    |
| <b>Income attributable to the reporting institutions</b>                       | <b>(8,279)</b>                                    | 10,307                      | <b>3,052</b>  | 18,810                      |
| Income derived from investment of Islamic banking funds                        | <b>14,296</b>                                     | 1,472                       | <b>28,099</b>   | 4,637                       |
| <b>Total net income</b>  | <b>6,017</b>                                      | 11,779                      | <b>31,151</b>   | 23,447                      |
| Other operating expenses   | <b>(698)</b>                                      | (918)                       | <b>(1,485)</b>  | (1,652)                     |
| <b>Profit before taxation</b>  | <b>5,319</b>                                      | 10,861                      | <b>29,666</b>   | 21,795                      |
| Tax expenses   | <b>(1,359)</b>                                    | (3,690)                     | <b>(8,663)</b>  | (6,537)                     |
| <b>Profit after taxation</b>   | <b>3,960</b>                                      | 7,171                       | <b>21,003</b>   | 15,258                      |

C19. Operations of Islamic Banking (cont'd)

(c) Financing, Advances and Other Loans

|   | Group               |                     |
|---|---------------------|---------------------|
|   | 30.9.2006<br>RM'000 | 31.3.2006<br>RM'000 |
| (i) <u>By type</u>                                      |                     |                     |
| Cash line financing                                     | 19,141              | 20,029              |
| Term loans/financing                                    |                     |                     |
| - Housing loans/financing                               | 286,599             | 205,124             |
| - Hire purchase receivables                             | 887,834             | 809,960             |
| - Lease receivables                                     | 39,525              | 51,946              |
| - Other term loans/financing                            | 1,147,175           | 1,172,315           |
| Bills receivables                                       | 8,954               | 9,607               |
| Trust receipts  | 5,587               | 94                  |
| Claims on customers under acceptance credits            | 97,817              | 95,799              |
| Staff loans   | 26,836              | 18,329              |
| Revolving credits                                       | 181,418             | 179,008             |
|   | 2,700,886           | 2,562,211           |
| Unearned income   | (589,648)           | (515,389)           |
| Gross financing, advances and other loans               | 2,111,238           | 2,046,822           |
| Allowance for bad and doubtful debts<br>and financing:- |                     |                     |
| - Specific  | (40,667)            | (19,014)            |
| - General   | (31,529)            | (30,604)            |
| Total net financing, advances and other loans           | 2,039,042           | 1,997,204           |

(ii) Movements in non-performing financing, advances and other loans (including income receivables) are as follows:-

|  | Group               |                     |
|--|---------------------|---------------------|
|  | 30.9.2006<br>RM'000 | 31.3.2006<br>RM'000 |
| At beginning of year   | 59,775              | 42,102              |
| Non-performing during the period/year  | 120,975             | 59,303              |
| Reclassified as performing   | (83,832)            | (38,559)            |
| Recoveries   | (5,536)             | (2,719)             |
| Amount written off   | (12)                | (352)               |
| At end of period/year  | 91,370              | 59,775              |
| Specific allowance   | (40,667)            | (19,014)            |
| Net non-performing financing, advances<br>and other loans                        | 50,703              | 40,761              |
| Net NPL as a % of gross loans, advances<br>and financing less specific allowance | 2.4%                | 2.0%                |

C19. **Operations of Islamic Banking** (cont'd)

(c) **Financing, Advances and Other Loans** (cont'd)

(iii) Movements in the allowance for bad and doubtful debts and financing are as follows:-

|   | Group     |           |
|---|-----------|-----------|
|   | 30.9.2006 | 31.3.2006 |
|   | RM'000    | RM'000    |
| <b>General Allowance</b>                        |           |           |
| At beginning of year                            | 30,604    | 17,817    |
| Allowance made during the period/year           | 3,751     | 14,759    |
| Amount write back                               | (2,826)   | (1,972)   |
| At end of period/year                           | 31,529    | 30,604    |
| As % of total financing less specific allowance | 1.5%      | 1.5%      |
| <b>Specific Allowance</b>                       |           |           |
| At beginning of year                            | 19,014    | 15,143    |
| Allowance made during the period/year           | 24,664    | 6,539     |
| Amount written-back in respect of recoveries    | (2,999)   | (2,316)   |
| Amount written back                             | (12)      | (352)     |
| At end of period/year                           | 40,667    | 19,014    |

(d) **Deposits From Customers**

|                             | Group     |           |
|-----------------------------|-----------|-----------|
|                             | 30.9.2006 | 31.3.2006 |
|                             | RM'000    | RM'000    |
| (i) <u>By type</u>          |           |           |
| <u>Non-Mudharabah Fund</u>  |           |           |
| Demand deposits             | 549,096   | 434,964   |
| Savings deposits            | 152,924   | 126,685   |
| <u>Mudharabah Fund</u>      |           |           |
| General investment deposits | 1,103,459 | 1,293,110 |
|                             | 1,805,479 | 1,854,759 |

**By Order of the Board**

**LEE WEI YEN (MAICSA 7001798)**  
 Group Company Secretary  
 Kuala Lumpur  
 17 November 2006