

**EON CAPITAL BERHAD**  
(454644-K)

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2010**

	Note	Unaudited 30 September 2010 RM'000	Audited 31 December 2009 RM'000
<b>ASSETS</b>			
Cash and short-term funds		7,971,154	8,279,675
Deposits and placements with banks and other financial institutions		2,552,921	550,968
Held-for-trading securities	10	275,145	55,744
Derivative financial instruments	11	48,390	12,905
Available-for-sale securities	12	2,687,327	3,773,126
Held-to-maturity securities	13	175,601	211,179
Loans, advances and financing	14	35,214,831	32,048,326
Other assets	15	557,804	656,969
Statutory deposits with Bank Negara Malaysia		306,318	270,091
Deferred tax assets		151,596	129,684
Property, plant and equipment		317,917	312,569
Goodwill		86,610	86,610
<b>TOTAL ASSETS</b>		<u>50,345,614</u>	<u>46,387,846</u>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>			
Deposits from customers	17	39,063,175	33,865,921
Deposits and placements of banks and other financial institutions	18	3,732,121	4,948,004
Derivative financial instruments	11	65,959	58,712
Bills and acceptances payable		1,221,352	1,675,163
Provision for taxation and zakat		87,903	32,795
Other liabilities	19	1,115,985	1,069,858
Subordinated medium term notes	33	641,229	631,630
Hybrid capital	34	490,385	487,223
Borrowings	35	65,000	65,000
<b>TOTAL LIABILITIES</b>		<u>46,483,109</u>	<u>42,834,306</u>
SHARE CAPITAL		693,209	693,209
RESERVES		3,169,296	2,860,331
<b>SHAREHOLDERS' FUNDS</b>		<u>3,862,505</u>	<u>3,553,540</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<u>50,345,614</u>	<u>46,387,846</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	25	<u>26,844,945</u>	<u>21,541,403</u>
Net assets per ordinary share (RM)		<u>5.57</u>	<u>5.13</u>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL QUARTER/PERIOD ENDED 30 SEPTEMBER 2010**

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2010 RM'000	30 September 2009 RM'000	30 September 2010 RM'000	30 September 2009 RM'000
Interest income	20	518,170	436,603	1,437,810	1,315,518
Interest expense	21	(247,641)	(203,597)	(663,571)	(635,847)
Net interest income		270,529	233,006	774,239	679,671
Net income from Islamic Banking business	27(ii)	58,909	59,497	179,009	163,458
		329,438	292,503	953,248	843,129
Non-interest income	22	101,986	76,885	289,371	218,048
Net income		431,424	369,388	1,242,619	1,061,177
Other operating expenses	23	(220,245)	(205,735)	(626,453)	(583,142)
Operating profit		211,179	163,653	616,166	478,035
Impairment losses on loans, advances and financing	24	(26,173)	(59,429)	(113,567)	(144,320)
Impairment losses on securities		(19,759)	(3,675)	(55,928)	(13,704)
<b>Profit before taxation and zakat</b>		165,247	100,549	446,671	320,011
Taxation	32	(37,153)	(25,191)	(107,430)	(40,472)
Zakat		(8)	(10)	(22)	(26)
<b>Profit for the financial quarter/period</b>		128,086	75,348	339,219	279,513
Earnings per share (sen)					
- Basic	45	18.48	10.87	48.93	40.32
- Diluted	45	18.48	10.87	48.93	40.32

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE FINANCIAL QUARTER/PERIOD ENDED 30 SEPTEMBER 2010**

	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit for the financial quarter/period</b>	<u>128,086</u>	<u>75,348</u>	<u>339,219</u>	<u>279,513</u>
<b>Other comprehensive income:</b>				
<b>Gains recognised</b>				
<b>directly in equity</b>				
Changes in fair value of available -for-sale securities	4,459	24,782	6,579	55,469
Taxation relating to components of other comprehensive income	<u>(1,115)</u>	<u>(6,195)</u>	<u>(1,645)</u>	<u>(13,867)</u>
<b>Other comprehensive income for the financial quarter/period, net of tax</b>	<u>3,344</u>	<u>18,587</u>	<u>4,934</u>	<u>41,602</u>
<b>Total comprehensive income for the financial quarter/period</b>	<u>131,430</u>	<u>93,935</u>	<u>344,153</u>	<u>321,115</u>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2010**

	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Statutory reserve RM'000</b>	<b>Available- for-sale securities reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Total RM'000</b>
Balance as at 1 January 2010						
- As previously reported	693,209	1,066,296	754,339	22,535	1,017,161	3,553,540
- Effects of adopting FRS 139	-	-	-	-	(35,188)	(35,188)
- As restated	693,209	1,066,296	754,339	22,535	981,973	3,518,352
Profit for the financial period	-	-	-	-	339,219	339,219
Other comprehensive income	-	-	-	4,934	-	4,934
Total comprehensive income for the financial period	-	-	-	4,934	339,219	344,153
Transfer to statutory reserve	-	-	64,886	-	(64,886)	-
Balance as at 30 September 2010	693,209	1,066,296	819,225	27,469	1,256,306	3,862,505
Balance as at 1 January 2009	693,209	1,066,296	657,198	(25,311)	813,196	3,204,588
Profit for the financial period	-	-	-	-	279,513	279,513
Other comprehensive income	-	-	-	41,602	-	41,602
Total comprehensive income for the financial period	-	-	-	41,602	279,513	321,115
Dividends in respect of financial year ended 31 December 2008	-	-	-	-	(39,998)	(39,998)
Balance as at 30 September 2009	693,209	1,066,296	657,198	16,291	1,052,711	3,485,705

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2010**

	<b>30 September 2010 RM'000</b>	<b>30 September 2009 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit for the financial period	339,219	279,513
Adjustments for investing and financing items not involving movement of cash and cash equivalents	397,911	171,050
Operating profit before working capital changes	737,130	450,563
Increase in operating assets	(5,659,542)	(1,524,572)
Increase in operating liabilities	3,585,353	444,415
Cash used in operations	(1,337,059)	(629,594)
Income tax paid	(39,938)	(60,361)
Income tax refund	7,525	-
Zakat paid	(55)	(17)
Net cash used in operating activities	(1,369,527)	(689,972)
<b>Cash Flows From Investing Activities</b>		
Net proceeds from disposal/maturity of/ (purchase of) available-for-sale securities	1,092,357	(83,411)
Purchase of property, plant and equipment	(37,098)	(59,341)
Proceeds from disposal of property, plant and equipment	452	282
Interest/dividend received from available-for-sale and held-to-maturity securities	101,637	4,255
Net dividends received	2,430	3,100
Net cash generated from/(used in) investing activities	1,159,778	(135,115)
<b>Cash Flows From Financing Activities</b>		
Net proceeds from issuance of subordinated medium term notes	-	378,126
Net proceeds from short-term borrowings	-	80,000
Redemption of subordinated obligations	-	(731,799)
Interest paid on subordinated obligations	-	(2,185)
Interest paid on subordinated medium term notes	(30,743)	(11,691)
Net proceeds from issuance of Innovative Tier-1 Capital Securities	-	495,000
Interest paid on Innovative Tier-1 Capital Securities	(41,589)	-
Interest paid on long term borrowings	-	(5,049)
Interest paid on short term borrowings	(1,709)	(437)
Net interest (paid)/received for interest rate related derivatives	(24,731)	24,271
Net dividends paid	-	(39,998)
Net cash (used in)/generated from financing activities	(98,772)	186,238
<b>Net decrease in cash and cash equivalents</b>	<b>(308,521)</b>	<b>(638,849)</b>
<b>Cash and cash equivalents:</b>		
- as at beginning of the financial period	8,279,675	7,849,181
- as at end of the financial period	7,971,154	7,210,332

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**EXPLANATORY NOTES**

**Disclosure requirements pursuant to Malaysian Accounting Standards Board's (MASB) Standard No. FRS 134 (Interim Financial Reporting) and Bank Negara Malaysia's Guidelines on Financial Reporting for Banking Institutions (issued on 5 February 2010).**

**1. Basis of Preparation**

The condensed financial statements have been prepared in accordance with the Malaysian Accounting Standards Board's ("MASB") Standard No. FRS 134 (Interim Financial Reporting) and Bank Negara Malaysia's ("BNM") Guidelines on Financial Reporting for Banking Institutions (issued on 5 February 2010) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the financial statements of the Group for the financial year ended 31 December 2009.

The accounting policies, accounting estimates and methods of computation adopted by the Group for the condensed interim financial statements are consistent with those adopted in its latest audited financial statements, except for those disclosed in Note 2 of these explanatory notes.

**2. Changes in Accounting Policies**

During the current financial period, the Group adopted the following standards, amendments to published standards and interpretations to existing standards issued by MASB that are applicable and effective for the Group for the financial period beginning on 1 January 2010:

FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements
Amendments to FRS 132	Financial Instruments: Presentation
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRS 139	Financial Instruments: Recognition and Measurement

The adoption of the abovementioned standards, amendments to published standards and interpretations do not have any significant financial impact on the financial results and position of the Group, except for the following:

- (i) FRS 139 Financial Instruments: Recognition and Measurement
- (ii) Amendments to FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 "Financial Instruments: Recognition and Measurement" (effective from 1 January 2010) establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Prior to the adoption of FRS 139 on 1 January 2010, the accounting policies of the Group, as disclosed in its latest audited financial statements, incorporate requirements of BNM's Revised Guidelines on Financial Reporting for Licensed Institutions (Revised BNM/GP8 issued on 5 October 2004) which includes selected principles (i.e. recognition, derecognition and measurement of financial instruments, including derivative instruments, and hedge accounting) of FRS 139.

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**EXPLANATORY NOTES**

**2. Changes in Accounting Policies (continued)**

The adoption of FRS 139 on 1 January 2010 has resulted in the following changes in accounting policies:

(a) Impairment of loans, advances and financing

The adoption of FRS 139 has resulted in a change in the accounting policy relating to the assessment for impairment of loans, advances and financing. Prior to the adoption of FRS 139, allowances for impaired loans, advances and financing (previously referred to as non-performing loans, advances and financing) were computed in conformity with the Guidelines on Classification of Non-Performing Loans and Provision for Substandard, Bad and Doubtful Debts (BNM/GP3). Upon the adoption of FRS 139, the Group assesses at the end of each reporting period whether there is any objective evidence that a loan or group of loans is impaired. The loan or group of loans is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the loan (an incurred 'loss event') and that loss event (or events) has an impact on future estimated cash flows of the loan or group of loans that can be reliably estimated.

The Group first assesses whether objective evidence of impairment exists individually for loans which are individually significant, and collectively for loans which are not individually significant. An individual assessment will only be carried out for loans above the set threshold while loans below the set threshold are collectively assessed for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the loan's carrying amount and the present value of the estimated future cash flows. The carrying amount of the loan is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

In the Amendments to FRS 139 listed above, MASB has included an additional transitional arrangement for entities in the financial sector, whereby BNM may prescribe an alternative basis for collective assessment of impairment by banking institutions. This transitional arrangement is prescribed in BNM's guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 and subsequently updated on 26 January 2010, whereby banking institutions are required to maintain collective assessment impairment allowances of at least 1.5% of total outstanding loans/financing, net of individual assessment impairment allowance.

Banking institutions applying the transitional arrangement are required to ensure that the overall level of impairment allowances maintained for loans/financing is adequate in relation to the total credit risk exposure in the loans/financing portfolio. In particular, for loans/financing classified as impaired but which are not individually assessed for impairment, BNM expects banking institutions to undertake an assessment on the adequacy of impairment allowances for such loans/financing. Banking institutions are required to provide additional collective assessment impairment allowances for these loans/financing where the amount provided under the transitional arrangement is inadequate. Subject to the prior written approval of BNM, banking institutions may be allowed to maintain a lower level of collective assessment impairment allowances where BNM is satisfied that the institution has a loss estimation process that is sufficiently robust and supported by adequate historical loan loss data. The Group has applied the abovementioned transitional arrangement in determining the collective assessment impairment allowances for loans/financing as at the end of the reporting period.

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**EXPLANATORY NOTES**

**2. Changes in Accounting Policies (continued)**

The adoption of FRS 139 on 1 January 2010 has resulted in the following changes in accounting policies: (continued)

(a) Impairment of loans, advances and financing (continued)

The changes in accounting policy above have been accounted for prospectively, in line with the transitional arrangement under paragraph 103AA of FRS 139, with adjustments to the previous carrying amount of loans, advances and financing at the beginning of the current financial period being adjusted against the opening retained profits. With the adoption of the loans impairment basis under FRS 139 and application of the transitional arrangement under BNM's guidelines on Classification and Impairment Provisions for Loans/Financing, the Group wrote back general allowance of RM487,809,480 and specific allowance of RM592,062,747 against opening retained profits as at 1 January 2010. In addition, the Group had also recognised opening collective assessment impairment allowance of RM492,749,958 and opening individual assessment impairment allowance of RM678,569,309 against opening retained profits as at 1 January 2010. Any further collective assessment impairment allowance and individual assessment impairment allowance charged subsequent to the initial adoption of FRS 139 is recognised as impairment losses on loans, advances and financing in the income statement.

(b) Recognition of interest income on loans, advances and financing

FRS 139 prescribes that loans and receivables are measured at amortised cost using the effective interest method. Prior to the adoption of FRS 139, interest income on loans, advances and financing of the Group was recognised based on contractual interest rates. Upon the adoption of FRS 139 on 1 January 2010, interest income on loans, advances and financing is recognised using effective interest rates ("EIR"), which is the rate that exactly discounts estimated future cash receipts through the expected life of the loan or, when appropriate, a shorter period to the net carrying amount of the loan. This change in accounting policy has been accounted for prospectively in line with the transitional arrangement under paragraph 103AA of FRS 139, resulting in an adjustment of RM46,177,092 (credit) for the Group against the opening retained profits.

Prior to the adoption of FRS 139, where a loan account becomes non-performing, interest earned is reversed out from the income statement and reduced against the loan interest receivables accounts. Subsequently, interest earned on non-performing loan is recognised as interest income on a cash basis. Where an Islamic financing account become non-performing, income is suspended until it is realised on a cash basis. Finance income recognised prior to non-performing classification is not clawed back to the first day of default, in conformity with BNM Guidelines. Upon the adoption of FRS 139, once a loan has been written down as a result of an impairment loss, interest income is thereafter recognised using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.



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**EXPLANATORY NOTES**

**2. Changes in Accounting Policies (continued)**

The adoption of FRS 139 on 1 January 2010 has resulted in the following changes in accounting policies: (continued)

(c) Recognition of Embedded Derivatives

Upon the adoption of FRS 139, embedded derivatives are to be separated from the host contracts and accounted for as derivatives if the economic characteristics and risks of the embedded derivatives are not closely related to that of the host contracts and the fair value of the resultant derivatives can be reliably measured. Based on the assessment by the Group upon adoption of FRS 139 on 1 January 2010, there were no material embedded derivatives which were not closely related to the host contracts and which required bifurcation.

The financial impact arising from the adoption of FRS 139 on 1 January 2010 is summarised as follows:

	<b>As previously reported RM'000</b>	<b>Effects from changes in accounting policies RM'000</b>	<b>As restated RM'000</b>
Retained profits as at 1 January 2010	1,017,161	(35,188)	981,973

Notwithstanding the restatement or adjustments to the opening retained profits of the Group as at 1 January 2010, retrospective restatement of the statutory reserves maintained in compliance with Section 36 of the BAFIA 1989 is not required as specified in paragraph 4.3 of the BNM's Guidelines on Financial Reporting for Banking Institutions issued on 5 February 2010.

The adoption of the revised FRS 101 "Presentation of Financial Statements" (effective from 1 January 2010) has no impact on the financial results of the Group as the changes introduced are in terms of presentation. The revised FRS 101 prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. 'Non-owner changes in equity' are to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group had opted to present two statements (the income statement and statement of comprehensive income) and the comparative figures have been restated accordingly.

FRS 8 "Operating Segments" (effective from 1 July 2009) replaces FRS 114<sub>2004</sub>. The adoption of FRS 8 on 1 January 2010 has no impact on the financial results of the Group. In accordance with the requirements of FRS 8, segment information is reported in a manner that is consistent with the internal reporting provided to the Chief Operating Decision-maker. Prior year comparative figures have been restated accordingly.

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**EXPLANATORY NOTES**

**3. Audit Report**

The audit report of the latest audited annual financial statements was not subject to any qualification.

**4. Seasonality or Cyclicity of Operations**

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

**5. Items Affecting Net Income and Cash Flow**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the financial quarter/period ended 30 September 2010.

**6. Changes in Estimates**

There were no significant changes in estimates arising from prior financial quarter/period that have a material effect on the financial results and position of the Group for the financial quarter/period ended 30 September 2010.

**7. Issuance and Repayments**

There were no cancellation, repurchase, resale or repayment of debt and equity securities during the financial quarter/period ended 30 September 2010.

**8. Dividends Paid During the Current Financial Quarter/Period**

There were no interim dividends paid or declared in respect of the financial year ending 31 December 2010 during the financial quarter/period ended 30 September 2010.

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**EXPLANATORY NOTES**

**9. Segment Reporting**

(a) Segment revenue and segment results are as follows:

**Group**  
**3rd Quarter Ended**  
**30 September 2010**

	<b>Business and Investment Banking RM'000</b>	<b>Consumer Banking RM'000</b>	<b>Islamic Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Others RM'000</b>	<b>Inter- segment Elimination RM'000</b>	<b>Total RM'000</b>
Net interest income and Islamic banking income	92,690	180,231	52,816	57,445	(53,830)	86	329,438
Non-interest income	26,052	49,632	3,340	11,157	12,326	(521)	101,986
<b>Net income</b>	<b>118,742</b>	<b>229,863</b>	<b>56,156</b>	<b>68,602</b>	<b>(41,504)</b>	<b>(435)</b>	<b>431,424</b>
Other operating expenses	(18,457)	(130,765)	(3,238)	(2,848)	(65,372)	435	(220,245)
<b>Operating profit</b>	<b>100,285</b>	<b>99,098</b>	<b>52,918</b>	<b>65,754</b>	<b>(106,876)</b>	<b>-</b>	<b>211,179</b>
Impairment losses on loans, advances and financing	(374)	(30,342)	3,040	-	1,503	-	(26,173)
Impairment losses on securities	(7,353)	-	-	-	(12,406)	-	(19,759)
<b>Profit before taxation and zakat</b>	<b>92,558</b>	<b>68,756</b>	<b>55,958</b>	<b>65,754</b>	<b>(117,779)</b>	<b>-</b>	<b>165,247</b>
Taxation and zakat							(37,161)
<b>Profit for the financial quarter</b>							<b>128,086</b>

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**EXPLANATORY NOTES**

**9. Segment Reporting (continued)**

(a) Segment revenue and segment results are as follows: (continued)

**Group**  
**3rd Quarter Ended**  
**30 September 2009**

	<b>Business and Investment Banking RM'000</b>	<b>Consumer Banking RM'000</b>	<b>Islamic Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Others RM'000</b>	<b>Inter- segment Elimination RM'000</b>	<b>Total RM'000</b>
Net interest income and Islamic banking income	58,227	162,277	54,152	26,354	(8,507)	-	292,503
Non-interest income	22,324	41,228	2,294	7,212	4,436	(609)	76,885
<b>Net income</b>	<b>80,551</b>	<b>203,505</b>	<b>56,446</b>	<b>33,566</b>	<b>(4,071)</b>	<b>(609)</b>	<b>369,388</b>
Other operating expenses	(16,895)	(120,297)	(5,134)	(2,016)	(62,002)	609	(205,735)
<b>Operating profit</b>	<b>63,656</b>	<b>83,208</b>	<b>51,312</b>	<b>31,550</b>	<b>(66,073)</b>	<b>-</b>	<b>163,653</b>
Impairment losses on loans, advances and financing	3,715	(30,324)	(28,383)	-	(4,437)	-	(59,429)
Impairment losses on securities	-	-	-	-	(3,675)	-	(3,675)
<b>Profit before taxation and zakat</b>	<b>67,371</b>	<b>52,884</b>	<b>22,929</b>	<b>31,550</b>	<b>(74,185)</b>	<b>-</b>	<b>100,549</b>
Taxation and zakat							(25,201)
<b>Profit for the financial quarter</b>							<b>75,348</b>

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**EXPLANATORY NOTES**

**9. Segment Reporting (continued)**

(a) Segment revenue and segment results are as follows: (continued)

**Group**  
**Nine Months Ended**  
**30 September 2010**

	<b>Business and Investment Banking RM'000</b>	<b>Consumer Banking RM'000</b>	<b>Islamic Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Others RM'000</b>	<b>Inter- segment Elimination RM'000</b>	<b>Total RM'000</b>
Net interest income and Islamic banking income	256,262	518,206	167,956	100,387	(89,818)	255	953,248
Non-interest income	88,136	139,714	9,300	45,128	10,395	(3,302)	289,371
<b>Net income</b>	<b>344,398</b>	<b>657,920</b>	<b>177,256</b>	<b>145,515</b>	<b>(79,423)</b>	<b>(3,047)</b>	<b>1,242,619</b>
Other operating expenses	(54,005)	(374,347)	(17,034)	(6,797)	(177,317)	3,047	(626,453)
<b>Operating profit</b>	<b>290,393</b>	<b>283,573</b>	<b>160,222</b>	<b>138,718</b>	<b>(256,740)</b>	<b>-</b>	<b>616,166</b>
Impairment losses on loans, advances and financing	12,504	(107,185)	(5,042)	-	(13,844)		(113,567)
Impairment losses on securities	(7,353)	-	-	-	(48,575)		(55,928)
<b>Profit before taxation and zakat</b>	<b>295,544</b>	<b>176,388</b>	<b>155,180</b>	<b>138,718</b>	<b>(319,159)</b>	<b>-</b>	<b>446,671</b>
Taxation and zakat							(107,452)
<b>Profit for the financial period</b>							<b>339,219</b>

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**9. Segment Reporting (continued)**

(a) Segment revenue and segment results are as follows: (continued)

**Group**  
**Nine Months Ended**  
**30 September 2009**

	<b>Business and Investment Banking RM'000</b>	<b>Consumer Banking RM'000</b>	<b>Islamic Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Others RM'000</b>	<b>Inter- segment Elimination RM'000</b>	<b>Total RM'000</b>
Net interest income and Islamic banking income	171,717	461,949	145,834	90,645	(27,016)	-	843,129
Non-interest income	70,563	124,475	6,654	21,761	(3,588)	(1,817)	218,048
<b>Net income</b>	<b>242,280</b>	<b>586,424</b>	<b>152,488</b>	<b>112,406</b>	<b>(30,604)</b>	<b>(1,817)</b>	<b>1,061,177</b>
Other operating expenses	(52,465)	(373,167)	(16,132)	(6,010)	(137,185)	1,817	(583,142)
<b>Operating profit</b>	<b>189,815</b>	<b>213,257</b>	<b>136,356</b>	<b>106,396</b>	<b>(167,789)</b>	<b>-</b>	<b>478,035</b>
Impairment losses on loans, advances and financing	(6,493)	(86,625)	(45,164)	-	(6,038)	-	(144,320)
Impairment losses on securities	-	-	-	-	(13,704)	-	(13,704)
<b>Profit before taxation and zakat</b>	<b>183,322</b>	<b>126,632</b>	<b>91,192</b>	<b>106,396</b>	<b>(187,531)</b>	<b>-</b>	<b>320,011</b>
Taxation and zakat							(40,498)
<b>Profit for the financial period</b>							<b>279,513</b>

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**9. Segment Reporting (continued)**

(b) Segment assets and liabilities are as follows:

<b>Group</b>	<b>Business and Investment Banking RM'000</b>	<b>Consumer Banking RM'000</b>	<b>Islamic Banking RM'000</b>	<b>Treasury RM'000</b>	<b>Others RM'000</b>	<b>Inter- segment Elimination RM'000</b>	<b>Total RM'000</b>
<b>30 September 2010</b>							
Segment assets	11,317,512	15,241,762	3,071,743	14,182,909	8,194,918	(1,663,230)	50,345,614
Segment liabilities	10,247,856	13,115,435	2,922,141	17,838,782	3,311,108	(952,213)	46,483,109
<b>Group</b>							
<b>31 December 2009</b>							
Segment assets	10,679,828	13,723,963	2,686,844	12,663,640	7,671,499	(1,037,928)	46,387,846
Segment liabilities	8,678,546	12,512,511	2,426,191	16,377,440	3,266,896	(427,278)	42,834,306

(c) Revenue by products and services

Details of revenue from external customers by products or services are disclosed in Note 20 and Note 22.

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**EXPLANATORY NOTES**

**10. Held for Trading Securities**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value:</b>		
Malaysian Government securities	60,980	55,744
Malaysian Government treasury bills	39,815	-
Bank Negara Malaysia bills	99,322	-
Malaysian Government investment issues	9,998	-
Bank Negara Malaysia monetary notes	50,000	-
Private and Islamic debt securities	15,030	-
	<u>275,145</u>	<u>55,744</u>
	<u>275,145</u>	<u>55,744</u>

**11. Derivative Financial Instruments**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Derivatives at fair value through profit and loss:		
Interest rate swaps	5,975	-
Foreign currency forwards	35,045	9,825
Cross currency interest rate swaps	1,549	-
Derivatives designated as fair value hedge:		
Interest rate swaps	5,821	3,080
<b>Total derivative financial instruments - assets</b>	<u>48,390</u>	<u>12,905</u>
	<u>48,390</u>	<u>12,905</u>
Derivatives at fair value through profit and loss:		
Interest rate swaps	17,095	2,012
Foreign currency forwards	33,387	14,639
Cross currency interest rate swap	-	125
Derivatives designated as fair value hedge:		
Interest rate swaps	15,477	41,936
<b>Total derivative financial instruments - liabilities</b>	<u>65,959</u>	<u>58,712</u>
	<u>65,959</u>	<u>58,712</u>



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**12. Available-for-sale Securities**

	<b>Unaudited 30 September 2010 RM'000</b>	<b>Audited 31 December 2009 RM'000</b>
<b>At fair value:</b>		
Bank Negara Malaysia monetary notes	308,871	94,698
Bank Negara Malaysia negotiable notes	588,523	-
Malaysian Government investment issues	85,861	250,970
Malaysian Government treasury bills	23,976	-
Malaysian Government securities	150,720	499,224
Cagamas bonds	-	15,081
Khazanah bonds	-	9,982
Quoted equity securities in Malaysia	7,586	13,449
Quoted private debt securities	22,404	22,404
Private and Islamic debt securities	803,753	1,096,738
Negotiable instruments of deposit	202,272	1,500,017
Islamic negotiable instrument debt securities	449,146	278,798
Commercial papers	18,930	12,944
Islamic commercial papers	23,650	34,011
	<u>2,685,692</u>	<u>3,828,316</u>
Allowance for impairment	(23,270)	(62,381)
	<u>2,662,422</u>	<u>3,765,935</u>
<b>At cost:</b>		
Unquoted equity securities in Malaysia	24,727	6,215
Unquoted equity securities outside Malaysia	3,371	3,739
	<u>28,098</u>	<u>9,954</u>
Allowance for impairment	(3,193)	(2,763)
	<u>24,905</u>	<u>7,191</u>
	<u><u>2,687,327</u></u>	<u><u>3,773,126</u></u>

**13. Held-to-maturity Securities**

	<b>Unaudited 30 September 2010 RM'000</b>	<b>Audited 31 December 2009 RM'000</b>
<b>At amortised cost:</b>		
Private and Islamic debt securities	353,444	385,695
Allowance for impairment	(177,843)	(192,598)
	<u>175,601</u>	<u>193,097</u>
<b>At cost:</b>		
Unquoted equity securities in Malaysia	-	18,082
	<u>175,601</u>	<u>211,179</u>

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**EXPLANATORY NOTES**

**14. Loans, Advances and Financing**

	<b>Unaudited 30 September 2010 RM'000</b>	<b>Audited 31 December 2009 RM'000</b>
Overdrafts/cash line	2,151,397	2,209,784
Term loans/financing:		
Housing loans/financing	9,672,877	7,809,069
Syndicated term loans/financing	1,415,549	1,349,287
Hire purchase receivables	13,262,451	12,692,576
Personal loans/financing	957,455	494,096
Other term loans/financing	6,903,237	6,176,446
Bills receivable	8,567	9,412
Trust receipts	151,199	120,976
Claims on customers under acceptance credit/financing	2,590,328	2,563,348
Staff loans/financing	244,682	237,014
Credit cards	1,592,154	1,445,975
Revolving credit/financing	1,557,430	1,530,220
Other loans/financing	86,192	94,464
	<u>40,593,518</u>	<u>36,732,667</u>
Unearned interest/income	(4,348,158)	(3,620,035)
Gross loans, advances and financing	<u>36,245,360</u>	<u>33,112,632</u>
Adjustment for effective interest rate	113,446	-
Gross loans, advances and financing at amortised cost	<u>36,358,806</u>	<u>33,112,632</u>
Fair value changes arising from fair value hedge	(940)	15,567
Unamortised fair value changes arising from the unwinded fair value hedge	13,047	-
Allowances for impaired loans, advances and financing		
- Collective assessment impairment allowance	(536,166)	-
- Individual assessment impairment allowance	(619,916)	-
- General allowance	-	(487,810)
- Specific allowance	-	(592,063)
Net loans, advances and financing	<u><u>35,214,831</u></u>	<u><u>32,048,326</u></u>

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**EXPLANATORY NOTES**

**14. Loans, Advances and Financing (continued)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(i) Gross loans, advances and financing disbursed by type of customers are as follows:</b>		
Domestic non-bank financial institutions	559,434	457,040
Domestic business enterprises	13,218,044	12,289,280
(of which: Small and medium enterprises)	7,446,999	6,749,056
Government and statutory bodies	33,139	35,989
Individuals	21,883,578	19,815,564
Other domestic entities	22,091	23,899
Foreign entities	529,074	490,860
	36,245,360	33,112,632
<b>(ii) Gross loans, advances and financing analysed by interest rate/profit rate sensitivity are as follows:</b>		
Fixed rate	15,031,213	14,091,455
(of which: (i) Housing loans/financing	1,886,656	1,542,556
(ii) Hire purchase receivables	11,311,252	10,803,102
(iii) Others)	1,833,305	1,745,797
Variable rate	21,195,148	19,007,235
(of which: (i) Base lending rate plus	12,818,998	11,379,517
(ii) Cost plus	6,031,414	5,769,429
(iii) Others)	2,344,736	1,858,289
Non-interest bearing	18,999	13,942
	36,245,360	33,112,632

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**EXPLANATORY NOTES**

**14. Loans, Advances and Financing (continued)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>

**(iii) Gross loans, advances and financing analysed by residual contractual maturity are as follows:**

Maturing within one year	9,085,748	9,034,343
One year to three years	2,248,418	2,192,005
Three years to five years	5,228,959	4,481,200
Over five years	19,682,235	17,405,084
	36,245,360	33,112,632

**(iv) Gross loans, advances and financing analysed by sector are as follows:**

Agriculture, hunting, forestry and fishing	608,301	545,283
Mining and quarrying	74,590	205,241
Manufacturing	2,940,613	2,959,430
Electricity, gas and water	333,453	337,658
Construction	2,084,249	2,227,894
Wholesale and retail trade, restaurants and hotels	2,736,779	2,589,827
Transport, storage and communication	1,078,944	781,559
Finance, insurance and business services	1,513,613	1,203,770
Real estate	2,156,684	1,627,020
Community, social and personal services	222,043	215,692
Household	22,045,399	19,912,220
(of which: (i) Purchase of transport vehicles	9,790,395	9,466,288
(ii) Purchase of residential properties	7,991,712	6,683,505
(iii) Purchase of non-residential properties	983,942	855,459
(iv) Consumption credit	3,041,059	2,723,187
(vi) Others)	238,291	183,781
Others	450,692	507,038
	36,245,360	33,112,632

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**EXPLANATORY NOTES**

**14. Loans, Advances and Financing (continued)**

	Unaudited 30 September 2010		Audited 31 December 2009		Loans Growth (Annualised)
	RM'000	%	RM'000	%	
<b>(v) Gross loans, advances and financing analysed by economic purpose are as follows:</b>					
Purchase of securities	492,538	1.4	503,823	1.5	
Purchase of transport vehicles	11,223,160	31.0	10,733,667	32.4	
Purchase of landed properties	11,363,914	31.4	9,377,958	28.3	
(of which: (i) Residential	8,066,993	22.3	6,769,876	20.4	
(ii) Non-residential)	3,296,921	9.1	2,608,082	7.9	
Purchase of fixed assets (excluding landed properties)	533,920	1.5	396,150	1.2	
Personal use	1,448,752	4.0	1,109,207	3.3	
Credit cards	1,592,155	4.4	1,445,976	4.4	
Purchase of consumer durables	193	-	363	-	
Construction	449,007	1.2	781,530	2.4	
Mergers and acquisitions	43,901	0.1	12,271	-	
Working capital	7,732,963	21.3	7,682,346	23.2	
Others	1,364,857	3.7	1,069,341	3.3	
	<u>36,245,360</u>	<u>100.0</u>	<u>33,112,632</u>	<u>100.0</u>	<u>12.6%</u>

	Unaudited 30 September 2010 RM'000	Audited 31 December 2009 RM'000
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**(vi) Gross loans, advances and financing analysed by geographical distribution are as follows:**

Malaysia	36,018,167	32,873,722
Other countries	227,193	238,910
	<u>36,245,360</u>	<u>33,112,632</u>

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**EXPLANATORY NOTES**

**14. Loans, Advances and Financing (continued)**

	<b>Unaudited 30 September 2010 RM'000</b>	<b>Audited 31 December 2009 RM'000</b>
<b>(vii) Movements in impaired loans, advances and financing are as follows:</b>		
Balance as at 1 January		
- As previously reported	1,253,834	1,545,654
- Effects of adopting FRS 139	176,680	-
- As restated	1,430,514	1,545,654
Classified as impaired during the financial period/year	1,401,931	2,062,892
Reclassified as non-impaired during the financial period/year	(772,191)	(1,372,136)
Amount recovered	(475,529)	(515,583)
Amount written off	(285,194)	(449,071)
Loans/financing converted to securities	-	(17,922)
Exchange differences	(16,711)	-
Balance as at 30 September/31 December	1,282,820	1,253,834
Less: Impaired loans, advances and financing which have no adverse financial impact on the Group	(10,044)	(9,170)
	1,272,776	1,244,664
Less:		
Individual assessment impairment allowance	(536,910)	-
Specific allowance	-	(489,517)
Net impaired loans, advances and financing	735,866	755,147
<b>(viii) Impaired loans, advances and financing analysed by sector are as follows:</b>		
Agriculture, hunting, forestry and fishing	40,771	8,699
Mining and quarrying	3,905	626
Manufacturing	294,513	255,076
Electricity, gas and water	133	49
Construction	80,378	97,210
Wholesale and retail trade, restaurants and hotels	137,776	128,465
Transport, storage and communication	24,789	12,177
Finance, insurance and business services	20,923	12,034
Real estate	21,733	33,492
Community, social and personal services	1,239	1,640
Household	510,415	605,563
(of which: (i) Purchase of transport vehicles	129,989	166,773
(ii) Purchase of residential properties	287,695	331,066
(iii) Purchase of non-residential properties	21,888	26,470
(iv) Consumption credit	66,796	67,440
(vi) Others)	4,047	13,814
Others	146,245	98,803
	1,282,820	1,253,834

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**EXPLANATORY NOTES**

**14. Loans, Advances and Financing (continued)**

	<b>Unaudited</b>		<b>Audited</b>	
	<b>30 September</b>		<b>31 December</b>	
	<b>2010</b>		<b>2009</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>(ix) Impaired loans, advances and financing analysed by economic purpose are as follows:</b>				
Purchase of securities	9,612	0.7	16,027	1.3
Purchase of transport vehicles	150,191	11.7	202,764	16.2
Purchase of landed properties	356,170	27.8	400,217	31.9
(of which: (i) Residential	288,292	22.5	331,992	26.5
(ii) Non-residential)	67,878	5.3	68,225	5.4
Purchase of fixed assets (excluding landed properties)	11,051	0.9	15,272	1.2
Personal use	33,820	2.6	36,799	2.9
Credit cards	32,976	2.6	30,641	2.4
Purchase of consumer durables	20	-	12	-
Construction	23,895	1.9	26,603	2.1
Working capital				
(Analysed by geographical distribution:	638,030	49.8	505,902	40.4
Malaysia	497,202	38.8	413,472	33.0
Other countries)	140,828	11.0	92,430	7.4
Others	27,055	2.0	19,597	1.6
	1,282,820	100.0	1,253,834	100.0

<b>Unaudited</b>	<b>Audited</b>
<b>30 September</b>	<b>31 December</b>
<b>2010</b>	<b>2009</b>
<b>RM'000</b>	<b>RM'000</b>

**(x) Impaired loans, advances and financing analysed by geographical distribution are as follows:**

Malaysia	1,141,914	1,159,643
Other countries	140,906	94,191
	1,282,820	1,253,834

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**EXPLANATORY NOTES**

**14. Loans, Advances and Financing (continued)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(xi) Movements in allowances for impaired loans, advances and financing are as follows:</b>		
<b>Collective assessment impairment allowance</b>		
Balance as at 1 January		
- As previously reported	-	-
- Effects of adopting FRS 139	492,750	-
- As restated	492,750	-
Allowance made during the financial period/year	43,416	-
Balance as at 30 September/31 December	536,166	-
<b>Individual assessment impairment allowance</b>		
Balance as at 1 January		
- As previously reported	-	-
- Effects of adopting FRS 139	678,569	-
- As restated	678,569	-
Allowance made during the financial period/year	371,847	-
Allowance charged to deferred asset/other assets during the financial period/year	91	-
Allowance written-back in respect of recoveries/reclassification	(143,932)	-
Reversal of allowance set-off against deferred asset	(446)	-
Amount written off	(285,194)	-
Exchange differences	(1,019)	-
Balance as at 30 September/31 December	619,916	-

The Group has applied the transitional arrangement in determining the collective assessment impairment allowances as at the end of the reporting period for loans/financing, as prescribed in BNM's Guideline on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 and subsequently updated on 26 January 2010.



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**EXPLANATORY NOTES**

**14. Loans, Advances and Financing (continued)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(xi) Movements in allowances for impaired loans, advances and financing are as follows: (continued)</b>		
<b>General allowance</b>		
Balance as at 1 January		
- As previously reported	487,810	450,928
- Effects of adopting FRS 139	(487,810)	-
- As restated	-	450,928
Allowance made during the financial period/year	-	36,882
Balance as at 30 September/31 December	<u>-</u>	<u>487,810</u>
As % of gross loans, advances and financing less specific allowance	<u>-</u>	<u>1.5%</u>
<b>Specific allowance</b>		
Balance as at 1 January		
- As previously reported	592,063	792,530
- Effects of adopting FRS 139	(592,063)	-
- As restated	-	792,530
Allowance made during the financial period/year	-	462,405
Allowance charged to deferred asset/other assets during the financial period/year	-	237
Allowance written-back in respect of recoveries/reclassification	-	(199,181)
Reversal of allowance set-off against deferred asset	-	(4,235)
Amount written off	-	(449,071)
Amount transferred to allowance for impairment on securities	-	(10,622)
Balance as at 30 September/31 December	<u>-</u>	<u>592,063</u>

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**14. Loans, Advances and Financing (continued)**

**(xii) Key indicators for loans, advances and financing**

	<b>30 September 2010 RM'000</b>	<b>1 January 2010 RM'000</b>	<b>31 December 2009 RM'000</b>
(a) Gross loans, advances and financing	36,358,806	* 33,236,500	33,112,632
(b) Total allowances for impaired loans, advances and financing			
- Collective assessment impairment allowance	(536,166)	(492,750)	-
- Individual assessment impairment allowance	(619,916)	(678,569)	-
- General allowance	-	-	(487,810)
- Specific allowance	-	-	(592,063)
	<u>(1,156,082)</u>	<u>(1,171,319)</u>	<u>(1,079,873)</u>
(c) Net loans, advances and financing	35,214,831	32,080,748	32,048,326
(d) Gross impaired loans, advances and financing analysed by geographical distribution:			
Malaysia	1,141,914	1,271,100	-
Other countries	140,906	159,414	-
(e) Gross non-performing loans, advances and financing analysed by geographical distribution:			
Malaysia	-	-	1,159,643
Other countries	-	-	94,191
(f) Net impaired loans, advances and financing	735,866	845,321	-
(g) Net non-performing loans, advances and financing	-	-	755,147
(h) Gross impaired loan/financing ratio	3.5%	4.3%	-
(i) Gross non-performing loan/financing ratio	-	-	3.8%
(j) Net impaired loan/financing ratio	2.1%	2.6%	-
(k) Net non-performing loan/financing ratio	-	-	2.3%
(l) Impaired loan/financing loss coverage	90.1%	81.9%	-
(m) Non-performing loan/financing loss coverage	-	-	86.1%

\* After taking into account effective interest rate adjustment of RM46.177 million and reclassification of unamortised handling fee of RM77.691 million from "other assets" to "loans, advances and financing".

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**15. Other Assets**

	<b>Unaudited 30 September 2010 RM'000</b>	<b>Audited 31 December 2009 RM'000</b>
Unamortised handling fees	-	77,691
Trade receivables, net of allowances for bad and doubtful debts and interest-in-suspense of RM149,000 (31.12.2009: RM135,000)	34,471	12,707
Interest/income receivable	32,599	35,730
Other debtors, deposits and prepayments, net of impairment allowances for doubtful debts of RM10,359,577 (31.12.2009: RM708,040)	429,687	379,246
Deferred asset account	55,280	138,844
Tax recoverable	5,050	12,025
Prepaid lease payments	717	726
	<u>557,804</u>	<u>656,969</u>

**16. Valuation of Property, Plant and Equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

**17. Deposits from Customers**

	<b>Unaudited 30 September 2010 RM'000</b>	<b>Audited 31 December 2009 RM'000</b>
Demand deposits	5,679,780	4,594,199
Savings deposits	3,226,131	3,095,661
Fixed/investment deposits	25,694,042	23,538,826
Money market deposits	4,463,222	2,637,235
	<u>39,063,175</u>	<u>33,865,921</u>

**(i) The maturity structure of fixed/investment deposits and money market deposits is as follows:**

Due within six months	23,939,494	20,675,187
Six months to one year	5,869,750	4,808,241
One year to three years	327,037	678,719
Three years to five years	20,983	13,914
	<u>30,157,264</u>	<u>26,176,061</u>

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**17. Deposits from Customers (continued)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(ii) The deposits are sourced from the following type of customers:</b>		
Government and statutory bodies	4,353,200	3,500,571
Business enterprises	15,228,994	12,673,397
Individuals	13,157,295	12,504,900
Others	6,323,686	5,187,053
	<b>39,063,175</b>	<b>33,865,921</b>

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Licensed banks	899,257	1,621,353
Licensed Islamic banks	-	317,890
Licensed investment banks	35,375	286,265
Bank Negara Malaysia	1,483,876	1,475,415
Other financial institutions	1,313,613	1,247,081
	<b>3,732,121</b>	<b>4,948,004</b>

**(i) The maturity structure of deposits and placements of banks and other financial institutions is as follows:**

One year or less	2,327,368	3,360,765
More than one year	1,404,753	1,587,239
	<b>3,732,121</b>	<b>4,948,004</b>

Included in the above are negotiable certificates of deposit issued by the Group

	<b>200,000</b>	<b>1,429,714</b>
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**19. Other Liabilities**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade payable	58,795	35,647
Other accruals and payables	328,649	327,645
Interest/dividend payable	192,701	181,169
Clearing account	343,109	327,246
Loans sold to Cagamas Berhad with recourse	192,724	198,144
Profit equalisation reserve	7	7
	<b>1,115,985</b>	<b>1,069,858</b>

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**20. Interest Income**

	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Loans, advances and financing	437,028	369,138	1,227,022	1,100,891
Money at call and deposit placements with financial institutions	55,051	33,783	133,826	100,865
Held for trading securities	2,173	3,646	4,832	18,007
Available-for-sale securities	22,476	29,735	67,833	91,181
Held-to-maturity securities	1,442	301	4,297	4,574
	<u>518,170</u>	<u>436,603</u>	<u>1,437,810</u>	<u>1,315,518</u>
Of which:				
Interest income earned on impaired loans, advances and financing	<u>9,119</u>	<u>-</u>	<u>31,430</u>	<u>-</u>

**21. Interest Expense**

	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</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	28,124	36,227	89,727	103,190
Deposits from customers	194,074	152,577	500,109	497,253
Subordinated medium term notes	11,163	7,498	33,104	17,513
Innovative Tier 1 Capital Securities	10,692	2,328	31,728	2,328
Subordinated obligations	-	-	-	2,481
Long term borrowings	-	2,831	-	8,409
Short term borrowings	636	388	1,722	784
Others	2,952	1,748	7,181	3,889
	<u>247,641</u>	<u>203,597</u>	<u>663,571</u>	<u>635,847</u>

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**22. Non-interest Income**

	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>30 September 2010</u>	<u>30 September 2009</u>	<u>30 September 2010</u>	<u>30 September 2009</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Fee and commission income:				
Commissions	10,132	10,208	30,833	28,665
Service charges and fees	54,095	42,698	156,639	131,662
Guarantee fees	4,361	4,168	10,646	13,110
Advisory and arrangement fees	3,645	1,310	13,586	4,950
Underwriting commissions	122	103	1,366	479
Brokerage	2,177	2,540	6,409	6,996
	<u>74,532</u>	<u>61,027</u>	<u>219,479</u>	<u>185,862</u>
Net gains/(losses) on securities arising from:				
Sales of held for trading securities	1,263	252	2,643	183
Sales of available-for-sale securities	9,633	714	20,482	3,079
Redemption of held-to-maturity securities	439	692	2,086	1,383
Net unrealised gains/(losses) on fair value changes on held for trading securities	559	(92)	651	(254)
Dividend income from held for trading securities	-	21	87	34
Dividend income from available-for-sale securities	2,285	2,932	2,505	3,065
	<u>14,179</u>	<u>4,519</u>	<u>28,454</u>	<u>7,490</u>
Net unrealised gains/(losses) on fair value changes on derivatives held at fair value through profit and loss	<u>3,618</u>	<u>(4,768)</u>	<u>14,609</u>	<u>(1,523)</u>
Net unrealised gains/(losses) on fair value changes between hedged items and interest rate swaps designated as fair value hedges	<u>56</u>	<u>(44)</u>	<u>(881)</u>	<u>(1,448)</u>
Other income/(expenditure):				
Net foreign exchange gains	8,611	11,779	21,380	20,810
Rental income from premises	521	517	1,563	1,549
Gains on disposal of property, plant and equipment	4	168	145	348
Other operating income	1,873	3,202	7,463	7,660
Other non-operating income	184	525	2,006	1,604
Amortisation of fair value changes arising from the unwinded fair value hedges	(1,588)	-	(2,199)	-
Reversal of net unrealised losses on fair value changes of hedged available-for-sale securities upon their maturity	-	16	(2,613)	(4,156)
Net allowances made in respect of other bad and doubtful debts	(4)	(56)	(35)	(148)
	<u>9,601</u>	<u>16,151</u>	<u>27,710</u>	<u>27,667</u>
	<u>101,986</u>	<u>76,885</u>	<u>289,371</u>	<u>218,048</u>

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**23. Other Operating Expenses**

	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>30 September 2010</u>	<u>30 September 2009</u>	<u>30 September 2010</u>	<u>30 September 2009</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Personnel expenses	138,696	117,129	384,996	338,193
Promotion and marketing related expenses	4,664	4,671	17,139	15,985
Establishment related expenses	35,642	32,633	104,040	95,831
General administrative expenses	41,243	51,302	120,278	133,133
	<u>220,245</u>	<u>205,735</u>	<u>626,453</u>	<u>583,142</u>
<b>(i) Personnel expenses comprise the following:</b>				
Salaries, bonuses and allowances	111,754	94,128	309,150	271,375
Defined contribution plan	18,437	16,045	51,496	45,417
Other employee benefits	8,505	6,956	24,350	21,401
	<u>138,696</u>	<u>117,129</u>	<u>384,996</u>	<u>338,193</u>
<b>(ii) Promotion and marketing related expenses comprise the following:</b>				
Advertisement and publicity expenses	3,452	3,536	14,002	13,175
Travelling expenses	535	596	1,536	1,708
Others	677	539	1,601	1,102
	<u>4,664</u>	<u>4,671</u>	<u>17,139</u>	<u>15,985</u>
<b>(iii) Establishment related expenses comprise the following:</b>				
Depreciation of property, plant and equipment	12,711	11,176	37,175	32,108
Repair and maintenance	7,399	5,359	21,045	16,607
Rental of premises	6,412	6,158	19,497	18,839
Hire of equipment	505	350	1,414	1,058
Dataline rental	1,436	1,300	4,276	3,977
Security services	2,857	2,602	7,897	7,751
Electricity, water and sewerage	3,214	3,228	9,289	9,195
Others	1,108	2,460	3,447	6,296
	<u>35,642</u>	<u>32,633</u>	<u>104,040</u>	<u>95,831</u>

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**23. Other Operating Expenses (continued)**

	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>(iv) General administrative expenses comprise the following:</b>				
Communication costs	6,207	5,328	15,304	15,341
Auditors' remuneration	268	137	689	431
Printing and stationeries	3,024	2,983	8,871	9,085
Property, plant and equipment written off	7	29	42	115
Loss on disposal of property, plant and equipment	158	16	401	154
Legal and other professional charges	2,725	4,637	20,285	14,974
Cards expenses	19,685	19,251	50,928	49,572
Others	9,169	18,921	23,758	43,461
	<u>41,243</u>	<u>51,302</u>	<u>120,278</u>	<u>133,133</u>

**24. Impairment Losses on Loans, Advances and Financing**

	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Impairment losses on loans, advances and financing:				
Collective assessment impairment allowance				
- Made	10,238	-	43,416	-
Individual assessment impairment allowance				
- Made	121,207	-	371,847	-
- Written back	(43,385)	-	(143,932)	-
General allowance				
- Made	-	11,892	-	20,469
Specific allowance				
- Made	-	118,507	-	342,706
- Written back	-	(42,971)	-	(145,454)
Impaired loans, advances and financing:				
- Recovered	(61,918)	(27,999)	(157,814)	(73,507)
- Written off	31	-	50	106
	<u>26,173</u>	<u>59,429</u>	<u>113,567</u>	<u>144,320</u>

The Group has evaluated the portfolio of impaired loans, advances and financing of less than RM1 million each that had been impaired and remained uncollected for more than 5 years and no value has been assigned to the realisable value of collateral.



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**25. Commitments and Contingencies**

In the normal course of business of the Banking Units of the Group, the Group makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies and their related counterparty credit risk of the Banking Units of the Group are as follows:

<b>Unaudited 30 September 2010</b>	<b>Principal Amount RM'000</b>	<b>Positive Fair Value of Derivative Contracts RM'000</b>	<b>Credit Equivalent Amount * RM'000</b>	<b>Risk Weighted Amount * RM'000</b>
<u>Commitments and Contingent Liabilities</u>				
Direct credit substitutes	362,360	-	362,360	362,360
Transaction related contingent items	1,256,619	-	628,310	628,310
Short term self liquidating trade related contingencies	150,127	-	30,025	30,025
Forward asset purchases	244,010	-	-	-
Obligations under on-going underwriting agreements	113,963	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
Over one year	5,378,449	-	2,689,225	2,348,336
Up to one year	7,630,866	-	-	-
Unutilised credit card lines	3,483,305	-	696,661	522,496
	<b>18,619,699</b>	-	<b>4,406,581</b>	<b>3,891,527</b>
<u>Derivative financial contracts</u>				
Foreign exchange related contracts:				
One year or less	2,540,246	35,045	62,438	13,856
Interest/profit rate related contracts:				
One year or less	400,000	-	850	170
Over one year to three years	2,565,000	699	40,749	8,150
Over three years	2,720,000	11,097	99,397	19,879
	<b>8,225,246</b>	<b>46,841</b>	<b>203,434</b>	<b>42,055</b>
	<b>26,844,945</b>	<b>46,841</b>	<b>4,610,015</b>	<b>3,933,582</b>

\* The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors and risk-weights as defined in Bank Negara Malaysia's ("BNM") revised Risk-Weighted Capital Adequacy Framework ("RWCAF") and Capital Adequacy Framework for Islamic Banks ("CAFIB").

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**25. Commitments and Contingencies**

The commitments and contingencies and their related counterparty credit risk of the Banking Units of the Group are as follows: (continued)

<b>Audited</b>	<b>Positive Fair</b>		<b>Credit</b>	<b>Risk</b>
<b>31 December 2009</b>	<b>Principal</b>	<b>Value of</b>	<b>Equivalent</b>	<b>Weighted</b>
	<b>Amount</b>	<b>Derivative</b>	<b>Amount *</b>	<b>Amount *</b>
	<b>RM'000</b>	<b>Contracts</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>RM'000</b>		
<u>Commitments and Contingent Liabilities</u>				
Direct credit substitutes	468,115	-	468,115	468,115
Transaction related contingent items	1,384,930	-	692,465	692,465
Short term self liquidating trade related contingencies	131,466	-	26,293	26,293
Obligations under on-going underwriting agreements	64,200	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:				
Over one year	3,531,747	-	1,765,874	1,555,523
Up to one year	7,718,382	-	-	-
Unutilised credit card lines	3,710,027	-	742,005	556,504
	<u>17,008,867</u>	<u>-</u>	<u>3,694,752</u>	<u>3,298,900</u>
<u>Derivative financial contracts</u>				
Foreign exchange related contracts:				
One year or less	1,687,536	9,825	29,464	8,591
Interest/profit rate related contracts:				
One year or less	275,000	-	688	138
Over one year to three years	1,300,000	652	17,652	3,530
Over three years	1,270,000	2,428	47,027	9,405
	<u>4,532,536</u>	<u>12,905</u>	<u>94,831</u>	<u>21,664</u>
	<u>21,541,403</u>	<u>12,905</u>	<u>3,789,583</u>	<u>3,320,564</u>

\* The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors and risk-weights as defined in BNM's revised RWCAF and CAFIB.

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**26. Capital Adequacy**

(a) The capital adequacy ratios of the Banking Units of the Group are analysed as follows:

	<b>Unaudited 30 September 2010</b>	<b>Audited 31 December 2009</b>
Core capital ratio	10.51%	10.92%*
Risk-weighted capital ratio	<u>13.67%</u>	<u>14.18%*</u>

\* After deducting first and final dividends.

The components of Tier I and Tier II capital of the Banking Units of the Group are as follows:

	<b>Unaudited 30 September 2010 RM'000</b>	<b>Audited 31 December 2009 RM'000</b>
<b>Tier I Capital:</b>		
Paid-up share capital	1,329,807	1,329,807
Share premium	39,337	39,337
Retained profits	1,233,560	1,201,415
Other reserves	1,310,387	1,245,501
Innovative Tier 1 capital securities	489,396	488,520
	<u>4,402,487</u>	<u>4,304,580</u>
Less: Goodwill	(333,861)	(333,861)
Deferred tax assets	(167,640)	(137,193)
Total Tier I Capital	<u>3,900,986</u>	<u>3,833,526</u>
<b>Tier II Capital:</b>		
Subordinated medium term notes	637,663	632,944
Collective assessment impairment allowance	536,166	-
General allowance	-	487,810
Total Tier II Capital	<u>1,173,829</u>	<u>1,120,754</u>
Total Capital	5,074,815	4,954,280
Less: Investment in subsidiaries	(690)	(690)
<b>Capital Base</b>	<u>5,074,125</u>	<u>4,953,590</u>

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**26. Capital Adequacy (continued)**

(a) The capital adequacy ratios of the Banking Units of the Group are analysed as follows: (continued)

The capital adequacy ratios of the Banking Units of the Group consist of capital base and risk-weighted assets derived from consolidated balances of its banking subsidiaries which comprise EON Bank Berhad ("EBB"), EONCAP Islamic Bank Berhad ("EIBB") and MIMB Investment Bank Berhad ("MIMB").

The capital adequacy ratios of the Banking Units of the Group are computed in accordance with BNM's revised RWCAF-Basel II. The Banking Units of the Group have adopted the Standardised Approach for Credit Risk and Market Risk and the Basic Indicators Approach for Operational Risk.

EBB had, on 24 March 2010, granted a RM270 million Standby Subordinated Financing Facility ("Financing Facility") to EIBB to support the expansion of the business operations of EIBB. EBB had issued RM270 million of Subordinated Medium Term Notes ("MTN") under its RM2.0 billion MTN Program to raise this capital on behalf of EIBB. Under the Guidelines for the computation of Risk-Weighted Capital Adequacy Ratio ("RWCR"), the funding disbursed by EBB to EIBB under this Financing Facility will be reflected as a deduction from EBB's capital funds, as an "Investment in Capital Instruments of Other Banking Institutions". The first tranche of RM100 million under the Financing Facility has been drawn down by EIBB on 26 March 2010.

(b) The capital adequacy ratios of the banking subsidiary companies of the Group are as follows:

	<b>EON Bank Berhad <sup>1</sup></b>	<b>MIMB Investment Bank Berhad <sup>1</sup></b>	<b>EONCAP Islamic Bank Berhad <sup>2</sup></b>
<b>Unaudited</b>			
<b>30 September 2010</b>			
Core capital ratio	12.22%	73.58%	11.62%
Risk-weighted capital ratio	12.91%	74.24%	15.28%
<b>Audited</b>			
<b>31 December 2009</b>			
Core capital ratio	12.97%*	71.88%	11.14%
Risk-weighted capital ratio	13.89%*	72.52%	12.69%

\* After deducting first and final dividends.

1 The capital adequacy ratios of EBB and MIMB are computed in accordance with BNM's RWCAF-Basel II. EBB and MIMB have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

2 The capital adequacy ratios of EIBB are computed in accordance with BNM's CAFIB, which are based on the Basel II Capital Accord. EIBB has adopted the Standardised Approach for Credit and Market Risk and Basic Indicator Approach for Operational Risk.

The Financing Facility granted by EBB to EIBB qualified for inclusion as part of EIBB's Tier Two capital funds for the purposes of computation of EIBB's capital adequacy ratios.

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**27. Operations of Islamic Banking**

**(i) Unaudited Statement of Financial Position as at 30 September 2010**

	<b>Note</b>	<b>Unaudited 30 September 2010 RM'000</b>	<b>Audited 31 December 2009 RM'000</b>
<b>ASSETS</b>			
Cash and short-term funds		1,472,272	1,794,815
Deposits and placements with banks and other financial institutions		60,000	45,000
Derivative financial instruments		1,025	-
Available-for-sale securities		848,898	475,637
Financing and advances	27(iv)	5,053,119	4,568,751
Other assets		88,642	81,605
Statutory deposits with Bank Negara Malaysia		45,372	40,131
Deferred tax assets		16,567	11,474
Property, plant and equipment		3,427	2,623
<b>TOTAL ASSETS</b>		<u>7,589,322</u>	<u>7,020,036</u>
<b>LIABILITIES</b>			
Deposits from customers	27(v)	5,620,508	4,833,735
Deposits and placements of banks and other financial institutions		1,117,142	1,554,130
Bills and acceptances payable		17,003	32,392
Provision for zakat		27,062	1,011
Other liabilities		105,082	92,437
Borrowings		100,000	-
<b>TOTAL LIABILITIES</b>		<u>6,986,797</u>	<u>6,513,705</u>
<b>SHARE CAPITAL</b>		397,755	397,755
<b>RESERVES</b>		<u>204,770</u>	<u>108,576</u>
<b>SHAREHOLDER'S FUNDS</b>		<u>602,525</u>	<u>506,331</u>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>		<u>7,589,322</u>	<u>7,020,036</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		<u>1,301,974</u>	<u>1,152,466</u>

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**27. Operations of Islamic Banking (continued)**

**(ii) Unaudited Income Statement for the financial quarter/period ended 30 September 2010**

	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 September 2010 RM'000	30 September 2009 RM'000	30 September 2010 RM'000	30 September 2009 RM'000
Income derived from investment of depositors' funds	87,990	75,573	252,712	226,884
Income derived from investment of shareholder's funds	11,333	8,336	31,412	25,160
	<u>99,323</u>	<u>83,909</u>	<u>284,124</u>	<u>252,044</u>
Impairment losses on financing and advances	2,637	(28,808)	(6,358)	(50,258)
Total distributable income	101,960	55,101	277,766	201,786
Income attributable to depositors	(40,414)	(24,412)	(105,115)	(88,586)
Total net income	61,546	30,689	172,651	113,200
Other operating expenses	(22,468)	(22,339)	(71,921)	(65,474)
Profit before taxation and zakat	39,078	8,350	100,730	47,726
Taxation	(5,948)	(2,087)	(20,733)	(11,931)
Zakat	(8)	(10)	(22)	(26)
Profit for the financial quarter/period	<u><u>33,122</u></u>	<u><u>6,253</u></u>	<u><u>79,975</u></u>	<u><u>35,769</u></u>

**(iii) Unaudited Statement of Comprehensive Income for the financial quarter/period ended 30 September 2010**

	<u>3rd Quarter Ended</u>		<u>Nine Months Ended</u>	
	30 September 2010 RM'000	30 September 2009 RM'000	30 September 2010 RM'000	30 September 2009 RM'000
<b>Profit for the financial quarter/period</b>	<u><u>33,122</u></u>	<u><u>6,253</u></u>	<u><u>79,975</u></u>	<u><u>35,769</u></u>
<b>Other comprehensive income:</b>				
<b>Gains/(losses) recognised directly in equity</b>				
Changes in fair value of available -for-sale securities	(364)	5,679	(773)	5,680
Taxation relating to other components of comprehensive income	91	(1,420)	193	(1,420)
<b>Other comprehensive income for the financial quarter/period, net of tax</b>	<u><u>(273)</u></u>	<u><u>4,259</u></u>	<u><u>(580)</u></u>	<u><u>4,260</u></u>
<b>Total comprehensive income for the financial quarter/period</b>	<u><u>32,849</u></u>	<u><u>10,512</u></u>	<u><u>79,395</u></u>	<u><u>40,029</u></u>

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**27. Operations of Islamic Banking (continued)**

**(iv) Financing and Advances**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash line	254,854	300,862
Term financing:		
Housing financing	3,142,746	2,544,109
Hire purchase receivables	2,097,683	1,946,768
Syndicated financing	82,128	89,756
Personal financing	682,205	374,733
Other term financing	1,087,694	1,040,099
Bills receivable	1,833	1,555
Trust receipts	3,106	3,013
Claims on customers under acceptance financing	208,096	247,661
Staff financing	35,795	28,848
Revolving financing	167,473	126,510
Other financing	68,570	75,008
	<u>7,832,183</u>	<u>6,778,922</u>
Unearned income	<u>(2,624,307)</u>	<u>(2,000,976)</u>
Gross financing and advances	<u>5,207,876</u>	<u>4,777,946</u>
Adjustment for effective interest rate	<u>42,278</u>	<u>-</u>
Gross financing and advances at amortised cost	<u>5,250,154</u>	<u>4,777,946</u>
Allowances for impaired financing and advances		
- Collective assessment impairment allowance	(76,952)	-
- Individual assessment impairment allowance	(120,083)	-
- General allowance	-	(69,575)
- Specific allowance	-	(139,620)
Net financing and advances	<u><u>5,053,119</u></u>	<u><u>4,568,751</u></u>

**(a) Movements in impaired financing and advances are as follows:**

Balance as at 1 January		
- As previously reported	265,721	224,462
- Effects of adopting FRS 139	79,936	-
- As restated	<u>345,657</u>	<u>224,462</u>
Classified as impaired during the financial period/year	221,271	559,553
Reclassified as non-impaired during the financial period/year	(155,090)	(384,091)
Amount recovered	(69,495)	(95,164)
Amount written off	(29,119)	(26,933)
Financing converted to securities	-	(12,106)
Exchange differences	(16,711)	-
Balance as at 30 September/31 December	<u><u>296,513</u></u>	<u><u>265,721</u></u>

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**EXPLANATORY NOTES**

**27. Operations of Islamic Banking (continued)**

**(iv) Financing and Advances (continued)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(b) Movements in allowances for impaired financing and advances are as follows:</b>		
<b>Collective assessment impairment allowance</b>		
Balance as at 1 January		
- As previously reported	-	-
- Effects of adopting FRS 139	70,758	-
- As restated	<u>70,758</u>	-
Allowance made during the financial period/year	6,194	-
Balance as at 30 September/31 December	<u><u>76,952</u></u>	<u><u>-</u></u>
<b>Individual assessment impairment allowance</b>		
Balance as at 1 January		
- As previously reported	-	-
- Effects of adopting FRS 139	145,495	-
- As restated	<u>145,495</u>	-
Allowance made during the financial period/year	36,644	-
Allowance written back in respect of recoveries/reclassification	(31,918)	-
Amount written-off	(29,119)	-
Exchange differences	<u>(1,019)</u>	-
Balance as at 30 September/31 December	<u><u>120,083</u></u>	<u><u>-</u></u>

The Islamic banking subsidiary has applied the transitional arrangement in determining the collective assessment impairment allowances for financing and advances as at the end of the reporting period, as prescribed in BNM's Guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 and subsequently updated on 26 January 2010.



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**EXPLANATORY NOTES**

**27. Operations of Islamic Banking (continued)**

**(iv) Financing and Advances (continued)**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(b) Movements in allowances for impaired financing and advances are as follows: (continued)</b>		
<b>General allowance</b>		
Balance as at 1 January		
- As previously reported	69,575	71,611
- Effects of adopting FRS 139	(69,575)	-
- As restated	-	71,611
Allowance written back during the financial period/year	-	(2,036)
Balance as at 30 September/31 December	-	69,575
As % of gross financing and advances, less specific allowance	-	1.5%
<b>Specific allowance</b>		
Balance as at 1 January		
- As previously reported	139,620	86,242
- Effects of adopting FRS 139	(139,620)	-
- As restated	-	86,242
Allowance made during the financial period/year	-	125,020
Allowance written back in respect of recoveries/reclassification	-	(39,001)
Amount written-off	-	(26,934)
Amount transferred to allowance for impairment of securities	-	(5,707)
Balance as at 30 September/31 December	-	139,620

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**EXPLANATORY NOTES**

**27. Operations of Islamic Banking (continued)**

**(v) Deposits from Customers**

	<b>Unaudited 30 September 2010 RM'000</b>	<b>Audited 31 December 2009 RM'000</b>
<u>Non-Mudharabah:</u>		
Al-Wadiah demand deposits	1,296,841	1,149,555
Al-Wadiah savings deposits	200,819	187,109
 <u>Mudharabah:</u>		
Al-Fareed demand deposits	135,227	122,927
Al-Mudharabah savings deposits	105,912	94,731
<b>Total demand and savings deposits</b>	<u>1,738,799</u>	<u>1,554,322</u>
 <u>Non-Mudharabah:</u>		
Bai Al-Inah HARI	-	1,294
 <u>Mudharabah:</u>		
General investment deposits	3,881,709	3,278,119
<b>Total investment deposits</b>	<u>3,881,709</u>	<u>3,279,413</u>
	<u>5,620,508</u>	<u>4,833,735</u>

**28. Significant Events During the Financial Quarter/Period Ended 30 September 2010**

Other than those disclosed in Note 26(a) and Note 38(b), there were no significant events during the financial quarter/period ended 30 September 2010 that have not been disclosed in these condensed financial statements.

**29. Changes in the Composition of the Group**

There were no significant changes in the composition of the Group during the financial quarter/period ended 30 September 2010 that have not been disclosed in these condensed financial statements.

**30. Significant Events Subsequent to the Balance Sheet Date**

Other than those disclosed in Note 38(b), there were no significant events subsequent to the balance sheet date that have not been disclosed in these condensed financial statements.

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**31. Other Commitments**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Authorised and contracted for	45,024	31,565
Authorised but not contracted for	26,645	3,741
	<u>71,669</u>	<u>35,306</u>
Analysed as follows:		
- Property, plant and equipment	<u>71,669</u>	<u>35,306</u>

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**Additional disclosure requirements pursuant to paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.**

**32. Taxation**

The analysis of tax expense for the respective financial quarter/period are as follows:

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2010 RM'000</b>	<b>30 September 2009 RM'000</b>	<b>30 September 2010 RM'000</b>	<b>30 September 2009 RM'000</b>
Malaysian income tax:				
- Charge for the financial quarter/period	41,432	28,533	123,122	88,099
- Over provision in respect of prior years	(10,990)	-	(12,225)	(18,868)
	30,442	28,533	110,897	69,231
Transfer to deferred taxation	6,711	(3,342)	(3,467)	(28,759)
	37,153	25,191	107,430	40,472

**33. Subordinated Medium Term Notes**

	<b>Unaudited 30 September 2010 RM'000</b>	<b>Audited 31 December 2009 RM'000</b>
Subordinated medium term notes, at par	660,000	660,000
Fair value changes arising from fair value hedge	3,566	(1,314)
	663,566	658,686
Less: Unamortised discounts	(22,337)	(27,056)
	641,229	631,630

On 27 February 2009, EON Bank Berhad ("EBB") issued the first tranche of RM410.0 million nominal value of the 10 non-callable 5 years Subordinated Medium Term Notes ("MTN") callable on 27 February 2014 (and thereafter) and due on 27 February 2019 under the RM2.0 billion Subordinated MTN Programme. The coupon rate of the Subordinated MTN is 5.75% per annum, which is payable semi-annually in arrears from the date of the issue. Should EBB decide not to exercise its call option on the fifth (5) year from the issue date, the coupon rate will be revised to be equivalent to 7.75% or the then prevailing 5 years RM swap rate plus 3.70% per annum, whichever is higher, from the beginning of the sixth (6) year to the final maturity date.

Subsequently, on 2 December 2009, EBB issued a second tranche of RM250.0 million nominal value of the 10 non-callable 5 years Subordinated MTN callable on 2 December 2014 (and thereafter) and due on 2 December 2019 under the RM2.0 billion Subordinated MTN Programme. The coupon rate of this second tranche of the Subordinated MTN is 5.75% per annum, which is payable semi-annually in arrears from the date of the issue. Should EBB decide not to exercise its call option on the fifth (5) year from the issue date, the coupon rate of this second tranche will be revised to be equivalent to 7.75% or the then prevailing 5 years RM swap rate plus 3.70% per annum, whichever is higher, from the beginning of the sixth (6) year to the final maturity date; similar to the step-up rates in the first tranche.

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**33. Subordinated Medium Term Notes (continued)**

The above tranches of Subordinated MTNs constitute unsecured liabilities of EBB and are subordinated to all deposit liabilities and all other liabilities except those liabilities, which by their terms, rank equally in rights of payment with the Subordinated MTNs. The Subordinated MTNs qualify as Tier II capital for the purpose of determining the capital adequacy ratios of EBB, and are rated A2 by RAM Rating Services Berhad.

**34. Hybrid Capital**

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Innovative Tier 1 Capital Securities, at par	500,000	500,000
Fair value changes arising from fair value hedge	2,081	(1,297)
	502,081	498,703
Less: Unamortised discounts	(10,604)	(11,480)
Unamortised fair value changes arising from the unwinded fair value hedge	(1,092)	-
	490,385	487,223

On 10 September 2009, EBB had issued the first tranche of Innovative Tier 1 Capital Securities ("IT-1 Capital Securities") amounting to RM500 million in nominal value, from its RM1.0 billion IT-1 Capital Securities Programme. The IT-1 Capital Securities is structured in accordance with the Risk-Weighted Capital Adequacy Framework (General Requirements and Capital Components) issued by Bank Negara Malaysia ("BNM") and is rated A3 by RAM Rating Services Berhad.

The RM500 million IT-1 Capital Securities has a tenor of 30 years and EBB has the option to redeem the RM500 million IT-1 Capital Securities at the 10th anniversary, subject to the approval of BNM. The RM500 million IT-1 Capital Securities has a coupon rate of 8.25% per annum, payable semi-annually. In the event the IT-1 Capital Securities is not redeemed at the 10th anniversary (the First Optional Redemption Date), the coupon rate will be revised to 9.25% per annum from the 11th year to the final maturity.

The IT-1 Capital Securities constitute unsecured and subordinated obligations of EBB and are subordinated to all deposit liabilities and all other liabilities except those liabilities which rank equally in rights, and/or junior to the rights, of payment with the IT-1 Capital Securities. The IT-1 Capital Securities qualify as Tier 1 capital for the purpose of computing the capital adequacy ratios of EBB.

**35. Borrowings**

		<b>Unaudited</b>	<b>Audited</b>
	<b>Note</b>	<b>30 September</b>	<b>31 December</b>
		<b>2010</b>	<b>2009</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Short-term borrowings:</b>			
Revolving credit facilities	(i)	65,000	65,000
Total borrowings		65,000	65,000

(i) Short-term borrowings are unsecured revolving credit facilities granted by licensed banks under a rollover tenure of one, three and six months.

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**36. Unquoted Investments and Properties**

There were no sale of unquoted investments and properties for the financial quarter/period ended 30 September 2010, other than in the ordinary course of banking business.

**37. Quoted securities**

Financial institutions are exempted from the disclosure requirements related to quoted securities.

**38. Status of Corporate Proposals Announced But Not Completed**

- (a) On 26 May 2009, the Company announced that it proposed to undertake an issuance of up to 58,174,500 new warrants to Primus Pacific Partners LPI ("Primus") for a total consideration of RM29.5 million ("Proposed Issue of Warrants B"). Through a letter dated 18 June 2009, the Company has been advised by Bank Negara Malaysia ("BNM") that the Proposed Issue of Warrants B was not approved. Primus, in a letter issued to the Company on 22 June 2009, has advised that it intends to appeal the decision. To-date, the Company has not received any update on the outcome of the appeal by Primus.
- (b) On 21 January 2010, the Company had received an unsolicited offer from Hong Leong Bank Berhad ("HLBB") to acquire the entire assets and liabilities of the Company for a total cash consideration of RM4,921,781,997.20. After due consideration of the said offer, the Board of Directors ("Board") of the Company had resolved that the said offer is not in the interest of the Company and its shareholders based on, amongst others, the consideration in relation to the offer. Accordingly, the Board of the Company had on 2 February 2010 notified HLBB that it has resolved not to table the offer for consideration and approval by the shareholders of the Company. The first offer had therefore lapsed.

On 30 March 2010, the Board received a second offer from HLBB to acquire the entire assets and liabilities of the Company for a total cash consideration of RM4,921,781,997.20. Following negotiations between the Company and HLBB, HLBB had subsequently on 1 April 2010 made a revised offer to the Company by increasing the offer price from RM4,921,781,997.20 to RM5,060,423,743.60 ("HLBB Offer" or "Proposed Disposal").

On 21 May 2010, the Company had announced a proposal to distribute all the proceeds arising from the Proposed Disposal back to the entitled shareholder via a proposed special dividend, proposed increase in authorised share capital, proposed capital reduction and proposed issue of 2 new shares ("Proposed Distribution").

On 21 June 2010, the Company announced that it had received a petition containing several complaints brought by Primus (Malaysia) Sdn Bhd under Section 181 of the Company's Act, 1965 against the Company (as nominal respondent) and Directors (save for Mr Ng Wing Fai), seeking relief of the High Court of Malaya, on the grounds, among other matters, that the affairs of the Company are being conducted or the powers of the Directors of the Company are being exercised in a manner oppressive to one or more shareholders of the Company (including Primus) or in disregard of their interests as shareholders. The hearing of the petition commenced on 20 September 2010 and the trial is presently on-going.

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**38. Status of Corporate Proposals Announced But Not Completed (continued)**

(b) (continued)

On 7 July 2010, the Company announced that after deliberation by its Board and consultation with the Company's legal advisers, the Board (with the exception of Mr Ng Wing Fai who dissented) has affirmed its decision to table the HLBB Offer to the Company's shareholders at a general meeting for their consideration and approval and to empower the Board to make the decision whether or not to accept the Offer subject to the following being obtained:

- (i) The approval of the shareholders for the HLBB Offer at such general meeting
- (ii) The approval of the Minister of Finance for the HLBB Offer; and
- (iii) A final decision of the court on the petition filed with the High Court of Malaya at Kuala Lumpur (Commercial Division) by Primus (Malaysia) Sdn Bhd on 21 July 2010 against the Company (as nominal respondent) and 12 others ("Petition").

The approval of the Minister of Finance for the Proposed Disposal dated 26 July 2010 was obtained vide Bank Negara Malaysia's letter dated 3 August 2010. At the Company's Extraordinary General Meeting ("EGM") held on 27 September 2010, all the resolutions in relation to the Proposed Disposal and the Proposed Distribution have been passed by the shareholders.

On 4 October 2010, Primus (Malaysia) Sdn Bhd via its solicitors had informed the Company that it has filed an originating summons at the High Court of Malaya at Kuala Lumpur seeking the Court reliefs for, inter-alia, the declaration that all the resolutions passed at the EGM of the Company held on 27 September 2010 to be null and void and an order to restrain the Company, its servants, agents or whomsoever from implementing, or giving effect to, any such resolution passed at the EGM. The originating summons had been served on 15 October 2010 and on 19 October 2010, at the case management hearing, the originating summons has been fixed for hearing on 2 December 2010.

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**39. Derivative Financial Instruments**

Details of derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts are as follows:

<b>Unaudited</b> <b>30 September 2010</b>	<b>Contract/ Notional Amount RM'000</b>	<b>Fair Value</b>	
		<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
Foreign exchange related contracts:			
One year or less	2,540,246	35,045	33,387
Interest/profit rate related contracts:			
One year or less	400,000	-	2,714
Over one year to three years	2,565,000	699	23,071
Over three years	2,720,000	11,097	6,787
	<u>8,225,246</u>	<u>46,841</u>	<u>65,959</u>
<b>Audited</b>			
<b>31 December 2009</b>			
Foreign exchange related contracts:			
One year or less	1,687,536	9,825	14,639
Interest/profit rate related contracts:			
One year or less	275,000	-	3,314
Over one year to three years	1,300,000	652	22,587
Over three years	1,270,000	2,428	18,047
	<u>4,532,536</u>	<u>12,905</u>	<u>58,587</u>



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**39. Derivative Financial Instruments (continued)**

The Group's derivative financial instruments are subject to market and credit risk as follows:

(i) Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amounts subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at 30 September 2010, the amount of contracts of the Group, which were not hedged and, hence, exposed to market risk was RM7,338,477 (31 December 2009: RM20,308,353).

(ii) Credit risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Group has a gain position. As at 30 September 2010, the amount of credit risk of the Group, measured in terms of the cost to replace the profitable contracts, was RM34,020,079 (31 December 2009: RM9,824,168). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

There have been no changes since the end of the previous financial year in respect of the following:

- (a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
- (b) the risk management policies in place for mitigating and controlling the risks associated with these financial derivative contracts; and
- (c) the related accounting policies.

The above information, policies and procedures in respect of derivative financial instruments of the Group are discussed in the audited annual financial statements for the financial year ended 31 December 2009 and in the Risk Management section of the 2009 Annual Report.

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**40. Material Litigation**

As at 30 September 2010, other than those disclosed in Note 38(b), the Group does not have any litigation outside the ordinary course of business. The Group also does not have any material litigation in the ordinary course of business which would materially and adversely affect the Group's financial position other than the following:

On 27 September 2010, the Company announced that its wholly-owned subsidiary, EON Bank Berhad ("EBB"), had on 22 September 2010 received writ claiming among others, RM21 million in damages for alleged malicious prosecution of the Plaintiff by EBB together with an application for an order that EBB deposit into court the said RM21 million. The action arose in connection with a previous legal proceeding taken by EBB against the Plaintiff under a hire purchase transaction over which EBB secured Judgment in Default of Appearance for RM53,000. EBB made the Plaintiff bankrupt in 2004 but the judgment and bankruptcy was set aside in 2006. The application for the said order was withdrawn with costs awarded to EBB whereas the writ is pending hearing.

**41. Profit Forecast**

There were no profit forecast and profit guarantee issued by the Group.

**42. Review of performance for the current financial quarter against immediate preceding financial quarter**

The Group recorded a profit before taxation and zakat of RM165.2 million, an increase of RM15.7 million or 10.5% from the RM149.5 million achieved in the immediate preceding quarter ended 30 June 2010. The higher pre-tax profit was attributed mainly to higher interest income achieved of RM40.3 million or 8.4% following the three consecutive rise in the Overnight Policy Rate ("OPR") in March 2010, May 2010 and July 2010, and the growth in the consumer and SME loans portfolio. However, this was partly offset by the rise in interest expense by RM31.5 million or 14.6%. Accordingly, the net interest income was higher by RM8.8 million or 3.4%.

Other operating expenses was higher by RM15.3 million or 7.5%, as the Group continued to implement initiatives and review processes to improve efficiency.

During the current quarter, the Group had set aside impairment losses on securities totalling RM12.4 million, in relation to the Collateralized Loan Obligation ("CLO"), called CapOne which was originated 5 years ago, and matured in September 2010. The overall impairment provision for securities was RM12.2 million lower than the provision charge in the immediate preceding financial quarter ended 30 June 2010. Similarly, the impairment losses on loans, advances and financing at RM26.2 million during the quarter were also RM14.4 million lower, as the Group's asset quality continued to register further improvement. The gross impaired loans ratio has reduced further to 3.5%, from 3.7% in the immediate preceding financial quarter, whilst the impaired loan loss coverage ratio has improved from 88.8% to 90.1%.

For the current financial quarter ended 30 September 2010, the Group reported a net profit after tax of RM128.1 million. This represented an increase of RM14.8 million or 13.0% over the immediate preceding financial quarter ended 30 June 2010, as the effective tax rate remained at 22.5%.

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**43. Review of performance for the financial quarter/period ended 30 September 2010 against the corresponding financial quarter/period of preceding year**

**Current financial quarter against corresponding financial quarter of preceding year**

The Group recorded a profit before taxation and zakat of RM165.2 million for the financial quarter ended 30 September 2010, an increase of RM64.7 million or 64.3% compared to RM100.5 million achieved during the quarter ended September 2009. The higher pre-tax profit was attributed mainly to higher interest income of RM81.6 million or 18.7% following the three consecutive rise in OPR in March 2010, May 2010 and July 2010, and the annualised loans and financing growth of 12.6%. Interest expense increased by RM44.0 million or 21.6%, attributable partly to the interest expense relating to the capital instruments issued in 2009. This comprised the RM500 million Innovative Tier 1 Capital Securities which were issued on 10 September 2009 and the additional RM250 million subordinated medium term notes which were issued on 2 December 2009. Accordingly, the net interest income, including income derived from Islamic banking business, also increased by RM36.9 million or 12.6%.

Non-interest income increased by RM25.1 million or 32.6% due mainly to higher net gains on securities of RM9.7 million and higher service charges and fees of RM11.4 million, as the Group continued to focus on transactional banking services.

Other operating expenses increased by RM14.5 million or 7.1% due mainly to the rise in personnel expenses arising from annual increments and implementation of a performance based remuneration system.

Impairment losses on securities increased by RM16.1 million due to additional impairment provisions in the current financial quarter for CapOne, which matured in September 2010. Reflecting the improvement in the economic environment and asset quality, impairment losses on loans, advances and financing had decreased by RM33.3 million or 56.0% during the quarter. The gross impaired loans ratio has improved to 3.5% as at 30 September 2010 compared with the gross non-performing loans ratio of 4.3% as at 30 September 2009. Similarly, the impaired loan loss coverage had risen to 90.1% as at 30 September 2010 from 84.9% as at 30 September 2009.

After setting aside taxation expenses of RM37.1 million, the net profit after tax for the current financial quarter ended 30 September 2010 amounted to RM128.1 million, or an increase of 70.0%. This translated into earnings per share of 18.5 sen for the quarter, or an increase of 70.0%, from a year ago.

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**43. Review of performance for the financial quarter/period ended 30 September 2010 against the corresponding financial quarter/period of preceding year (continued)**

**Current financial period against corresponding financial period of preceding year**

For the financial period ended 30 September 2010, the Group recorded a profit before taxation and zakat of RM446.7 million as compared to RM320.0 million achieved for the nine-month period ended 30 September 2009. The RM126.7 million or 39.6% increase in pre-tax profit was mainly due to higher net interest income of RM94.6 million or 13.9% following the three consecutive rise in the OPR in March 2010, May 2010 and July 2010, and hence the consequential increase in Base Lending Rate ("BLR") by a total of 0.75% from end-September 2009 to end-September 2010, and the annualised loans growth of 12.6%. The rise in the OPR had also benefitted the Group's Islamic loans portfolio, with net income from Islamic banking business expanding by RM15.6 million or 9.5%, as the bulk of its financing portfolio is fixed rate in nature.

Non-interest income rose by RM71.3 million or 32.7% arising mainly from transactional banking services, trade finance activities, the corporate advisory services and higher net gains on sale of securities.

Other operating expenses increased by RM43.3 million or 7.4% due mainly to the rise in personnel expenses arising from annual increments and implementation of a performance based remuneration system, as well as depreciation expenses arising from the new acquisition of fixed assets. The Group is now in the final stage of completing its investments in technology and upgrading its delivery channels.

Impairment losses on loans, advances and financing were RM30.8 million lower due to higher recoveries from impaired loans, advances and financing. Impaired loan loss coverage improved from 81.9% as at 1 January 2010 (after incorporating the effects of adopting FRS 139) to 90.1% as at 30 September 2010. There is also a reduction in gross impaired loan ratio from 4.3% as at 1 January 2010 to 3.5% as at 30 September 2010. Likewise, there is also an improvement in the net impaired loan ratio from 2.6% as at 1 January 2010 to 2.1% as at 30 September 2010.

Impairment losses on securities increased by RM42.2 million due to additional impairment provisions during the nine-month period for CapOne, which matured in September 2010.

For the financial period ended 30 September 2010, the Group's tax rate had normalised at 24% (tax charge of RM107.4 million), whilst in the corresponding period, the tax charge was RM40.5 million, translating to a tax rate of 13% due to one-off non-recurring prior years' tax adjustments. The Group reported a net profit after tax of RM339.2 million for the nine months ended 30 September 2010 compared with RM279.5 million for the corresponding period ended 30 September 2009, an increase of RM59.7 million or 21.4%. This translated into earnings per share of 48.9 sen for the nine months ended 30 September 2010, an increase of 8.6 sen or 21.4% as compared with the 40.3sen for the corresponding period ended 30 September 2009.

As at 30 September 2010, the Group recorded net assets per ordinary share of RM5.57, an increase of RM0.54 or 10.7% as compared to RM5.03 as at 30 September 2009.

In conclusion, the results for the nine months ended 30 September 2010 were satisfactory. Based on the momentum that has been built up, the Group should be able to achieve its overall targets for FY2010, and report a satisfactory performance for the whole year.

**EON CAPITAL BERHAD**  
**(454644-K)**

**EXPLANATORY NOTES**

**44. Prospects for 2010**

The Malaysian economy is expected to further improve in 2010, with the GDP growth expected to expand by more than 5% and asset quality continuing to improve further. The Group expects to leverage on the infrastructure that has been built over the last two years, to compete more aggressively in the consumer and SME banking. The Group anticipates that it will be able to achieve its loans growth targets, driven mainly by the rising demand for funding from SMEs as a result of business expansion, increase in trade finance activities as well as consumer spending on housing and other consumer durables based on improved consumer and business sentiment. Arising from the more robust capital market activities, the Group also expects to see further growth in its non-interest income. Interest margins, however, would continue to come under pressure as competition in the form of new entrants and changes in the operating condition continues to intensify.

In line with Phase 2 of the Group's Business Transformation Programme, the Group will continue to grow its corporate and investment banking business, Group Treasury as well as the bancassurance business, to achieve further revenue diversification, while continuing to introduce more innovative products for its consumer and SME business. The Group expects to report a satisfactory financial performance for the current financial year.

**45. Earnings Per Share**

The calculation of the earnings per share of the Group, which is based on the profit for the financial quarter/period ended 30 September 2010 and 30 September 2009 respectively and the weighted average number of ordinary shares in issue during the respective financial quarter/period, are set out as follows:

	<b>3rd Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 September 2010</b>	<b>30 September 2009</b>	<b>30 September 2010</b>	<b>30 September 2009</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the financial quarter/period	128,086	75,348	339,219	279,513
Weighted average number of ordinary shares in issue during the financial quarter/period	693,209	693,209	693,209	693,209
Earnings per share (sen)				
- Basic/diluted	18.48	10.87	48.93	40.32

There were no dilutive potential ordinary shares outstanding as at 30 September 2010 and 30 September 2009.