

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED BALANCE SHEETS AS AT 31 MARCH 2009

	Note	31 March 2009 RM'000	31 December 2008 RM'000
ASSETS			
Cash and short-term funds	8	469,754	383,464
Deposits and placements with banks and other financial institutions	9	-	100,000
Held-to-maturity securities	10	39,736	39,706
Loans and advances	11	653,827	741,932
Other assets	12	6,313	3,368
Deferred tax assets		4,920	4,920
Statutory deposits with Bank Negara Malaysia		-	-
Property and equipment		3,347	2,079
Intangible assets		809	921
TOTAL ASSETS		1,178,706	1,276,390
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits from customers	13	357,856	363,737
Deposits and placements of banks and other financial institutions	14	445,063	534,410
Bills and acceptances payable		-	1,959
Other liabilities	15	14,797	19,066
Provision for taxation		974	974
TOTAL LIABILITIES		818,690	920,146
Financed by:			
Share capital		304,000	304,000
Reserves		56,016	52,244
SHAREHOLDERS' EQUITY		360,016	356,244
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,178,706	1,276,390
		-	
COMMITMENTS AND CONTINGENCIES	23	1,183,752	1,196,990

BANK OF CHINA (MALAYSIA) BERHAD
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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE THREE MONTHS
ENDED 31 MARCH 2009

		Three Months Ended	
		31 March	31 March
		2009	2008
		RM'000	RM'000
Interest income	16	10,412	11,478
Interest expense	17	(4,224)	(5,617)
Net interest income		6,188	5,861
Other operating income	18	3,716	3,496
Other operating expenses	19	(4,632)	(4,058)
Allowance for losses on loans and advances	20	-	-
Profit before taxation		5,272	5,299
Taxation	21	(1,500)	(1,275)
Net profit for the financial period		3,772	4,024

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009

	Note	31 March <u>2009</u> RM'000	31 December <u>2008</u> RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		5,272	20,845
<i>Adjustment for:</i>			
Depreciation of property and equipment		107	399
Amortisation of intangible assets		120	450
Net (gain)/loss on disposal of property and equipment		(2)	(5)
Amortisation of premium less accretion of discount		(30)	91
Allowance for losses on loans and advances		-	5,124
Write back of allowance for losses on loans and advances		-	-
Interest income from held-to-maturity securities		(370)	(1,812)
Unrealised foreign exchange gain / (loss)		219	(726)
Property and equipment written off		-	119
		<hr/>	<hr/>
Operating profit before changes in operating assets and liabilities		5,316	24,485
(INCREASE)/DECREASE IN OPERATING ASSETS			
Deposits and placements with banks and other financial institutions		100,000	(29,000)
Loans and advances		88,105	(370,344)
Other assets		(2,794)	1,899
INCREASE/(DECREASE) IN OPERATING LIABILITIES			
Deposits from customers		(5,881)	(64,908)
Deposits and placements of banks and other financial institutions		(89,347)	281,561
Bills and acceptances payable		(1,959)	1,959
Other liabilities		(4,269)	(52,331)
		<hr/>	<hr/>
Cash generated from / (used in) operating activities		89,171	(206,679)
Taxation paid		(1,500)	(6,944)
		<hr/>	<hr/>
Net cash generated from / (used in) operating activities		87,671	(213,623)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(1,375)	(1,209)
Purchase of intangible assets		(8)	(231)
Proceeds from disposal of property and equipment		2	5
Net sale / (net purchases) of held-to-maturity securities		-	15,327
Interest received on held-to-maturity securities		-	2,280
		<hr/>	<hr/>
Net cash generated from investing activities		(1,381)	16,172
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	(6,411)
		<hr/>	<hr/>
Net cash used in financing activities		-	(6,411)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD			
		86,290	(203,862)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD			
		383,464	587,326
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD			
	8	<hr/> <hr/>	<hr/> <hr/>
		469,754	383,464

BANK OF CHINA (MALAYSIA) BERHAD
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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2009

	Issued and fully paid ordinary shares of RM1 each	Non- distributable	Distributable	Total
	Nominal value RM'000	Statutory reserves RM'000	Retained profits RM'000	RM'000
At 1 January 2009	304,000	43,436	8,808	356,244
Net profit for the financial period	-	-	3,772	3,772
Total recognised income for the financial period	-	-	3,772	3,772
Transfer to statutory reserve	-	-	-	-
Dividends paid	-	-	-	-
At 31 March 2009	304,000	43,436	12,580	360,016
At 1 January 2008	304,000	35,805	7,590	347,395
Net profit for the financial year	-	-	15,260	15,260
Total recognised income for the year	-	-	15,260	15,260
Transfer to statutory reserve	-	7,631	(7,631)	-
Dividends paid	-	-	(6,411)	(6,411)
At 31 December 2008	304,000	43,436	8,808	356,244

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS
ENDED 31 MARCH 2009

1 Review of Performance and Commentary of Prospects

Profit before tax for the three months ended 31 March 2009 is marginal lower as compared with the corresponding period in 2008. The Bank will continued to promote its fee based generating products and grow its customer based. Given the current volatile market condition, the Bank will conduct its business with greater emphasis in risk management.

2 Group Accounting Policies

The interim financial statements for the three months ended 31 March 2009 have been prepared in accordance with FRS134 issued by the Malaysian Accounting Standard Board (MASB). The interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2008.

The accounting policies adopted by the Bank for the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2008.

The Bank's allowance for non-performing loans is in conformity with the minimum requirements of Bank Negara Malaysia's "Guidelines on the Classification of Non-performing Loans and Provision for Substandard, Bad and Doubtful Debts, BNM/GP3".

3 Audit Report

The audit report for the financial period ended 31 December 2008 was not subject to any qualification.

4 Seasonal or Cyclical Factors

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

5 Exceptional or Extraordinary Items

There were no exceptional or extraordinary items in the three months ended 31 March 2009.

6 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the three months ended 31 March 2009.

7 Changes in Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review.

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS
ENDED 31 MARCH 2009**

8 Cash and short-term funds

	31 March 2009	31 December 2008
	RM'000	RM'000
Cash and balances with banks and other financial institutions	49,054	46,664
Money at call and deposit placements maturing within 1 month	420,700	336,800
	469,754	383,464

9 Deposits and placements with banks and other financial institutions

	31 March 2009	31 December 2008
	RM'000	RM'000
Bank Negara Malaysia	-	100,000
	-	100,000

10 Held-to-maturity securities

	31 March 2009	31 December 2008
	RM'000	RM'000
At amortised cost		
Money market instrument:		
Malaysian Government Securities	39,672	39,672
Amortisation of premium less accretion of discounts	64	34
	39,736	39,706

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009

11 Loans and advances

(i) By type

	31 March 2009	31 December 2008
	RM'000	RM'000
Overdrafts	40,138	46,785
Terms loans		
- Housing loans	7,264	7,313
- Syndicated term loan	324,765	363,345
- Other term loans	196,710	171,283
Bills receivable	-	67,458
Trust receipts	3,905	5,546
Claims on customers under acceptance credits	35,905	38,169
Staff loans	2,752	2,837
of which: RMnil (2008: RMnil were to Directors)		
Loans to banks and other financial institutions	60,940	58,196
	<u>672,379</u>	<u>760,932</u>
Less: Unearned interest and income	(143)	(591)
Total gross loans and advances	<u>672,236</u>	<u>760,341</u>
Less: Allowance for bad and doubtful debts:		
- General	(17,466)	(17,466)
- Specific	(943)	(943)
Total net loans and advances	<u><u>653,827</u></u>	<u><u>741,932</u></u>

(ii) By type of customer

	31 March 2009	31 December 2008
	RM'000	RM'000
Domestic banking institutions	54,721	51,977
Domestic non-bank financial institutions	6,219	6,219
Domestic business enterprises		
- Small medium enterprises ("SME")	201,134	183,719
- Non-SME	70,230	139,838
Government and statutory bodies	-	52,563
Individuals	15,027	15,075
Foreign entities	324,905	310,950
	<u>672,236</u>	<u>760,341</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS
ENDED 31 MARCH 2009

11 Loans and advances (continued)
(iii) By interest rate sensitivity

	31 March	31 December
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
Fixed rate		
- Housing loans	25	27
- Other fixed rate loan	2,752	2,837
Variable rate		
- BLR plus	174,944	189,909
- Cost plus	54,410	57,028
- Other variable rates	440,105	510,540
	<u>672,236</u>	<u>760,341</u>

(iv) By purpose

	31 March	31 December
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
Purchase of transport vehicles	53,548	51,702
Purchase of landed property:	92,595	93,007
- Residential	12,078	12,057
- Non-residential	80,517	80,950
Personal use	3,896	3,926
Construction	2,582	4,890
Working capital	445,888	536,162
Other purpose	73,727	70,654
	<u>672,236</u>	<u>760,341</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009

11 Loans and advances (continued)

(v) Non-performing Loans (NPL)

(a) Movement in non-performing loans and advances

	31 March 2009 RM'000	31 December 2008 RM'000
At beginning of financial year	6,219	7,103
Classified as non-performing during the period	-	-
Amount recovered	-	(884)
Amount written off	-	-
At end of financial period	<u>6,219</u>	<u>6,219</u>
Specific allowance	<u>(943)</u>	<u>(943)</u>
Net non-performing loans and advances	<u><u>5,276</u></u>	<u><u>5,276</u></u>
 Ratio of net non-performing loans and advances to gross loans and advances less specific allowance	 0.79%	 0.69%

(b) Movement in allowance for bad and doubtful debts

	31 March 2009 RM'000	31 December 2008 RM'000
General allowance		
At beginning of the financial year	17,466	12,710
Allowance made during the financial year	-	4,756
At end of the financial year	<u>17,466</u>	<u>17,466</u>
 As % of gross loans and advances less specific allowance	 2.60%	 2.30%
Specific allowance		
At beginning of the financial year	943	575
Allowance made during the financial period	-	368
Amount recovered	-	-
Amount written off	-	-
At end of the financial year	<u>943</u>	<u>943</u>

(c) NPL by purpose

	31 March 2009 RM'000	31 December 2008 RM'000
Working capital	<u>6,219</u>	<u>6,219</u>
	<u><u>6,219</u></u>	<u><u>6,219</u></u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009

12 Other Assets

	31 March 2009	31 December 2008
	RM'000	RM'000
Interest receivable	1,262	1,039
Other debtors, deposits and prepayments	5,051	2,329
	6,313	3,368

13 Deposits from Customers

(i) By type of deposits

	31 March 2009	31 December 2008
	RM'000	RM'000
Demand deposits	95,708	94,099
Savings deposits	19,796	18,579
Fixed deposits	240,752	249,456
Negotiable instruments of deposits	-	-
Others	1,600	1,603
	357,856	363,737

(ii) By type of customer

	31 March 2009	31 December 2008
	RM'000	RM'000
Government and statutory bodies	1,600	1,603
Business enterprises	227,679	235,973
Individuals	128,450	126,125
Others	127	36
	357,856	363,737

14 Deposits and placements of banks and other financial institutions

	31 March 2009	31 December 2008
	RM'000	RM'000
Licensed banks	445,063	534,410
	445,063	534,410

15 Other Liabilities

	31 March 2009	31 December 2008
	RM'000	RM'000
Interest payable	1,538	3,718
Accrued expenses	4,119	4,470
Margin deposits	2,098	3,475
Other liabilities	7,042	7,403
	14,797	19,066

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009

16 Interest income

	Three Months Ended	
	31 March	31 March
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
Loans and advances		
- Interest income other than recoveries from NPL	6,749	5,172
- Recoveries from NPLs	-	-
Money at call and deposit placement with financial institutions	3,263	5,816
Securities		
- Held-to-maturity investments	370	621
	10,382	11,609
Amortisation of premium less accretion of discount	30	(131)
Interest suspended	-	-
Total interest income	<u>10,412</u>	<u>11,478</u>

17 Interest Expense

	Three Months Ended	
	31 March	31 March
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	2,486	2,188
Deposits from customers	1,735	2,943
Others	3	486
	4,224	5,617

18 Other operating income

	Three Months Ended	
	31 March	31 March
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
Fees income:		
- Fee on loans and advances	355	366
- Service charges and fees	1,242	1,223
- Guarantee fees	497	280
- Other fee income	13	-
	2,107	1,869
Foreign exchange income:		
- Realised	1,390	1,554
- Unrealised	219	73
	3,716	3,496

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009

19 Other operating expenses

	Three Months Ended	
	31 March	31 March
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
<u>Personnel expenses</u>	2,912	2,619
Salaries & wages (includes CEO / EDs)	1,546	1,505
Bonuses	716	601
Defined contribution plan ("EPF")	323	310
Staff welfare expenses	35	92
Other personnel costs	292	111
<u>Marketing expenses</u>	109	123
Entertainment	96	108
Other marketing	13	15
<u>Establishment costs</u>	1,109	773
Rental of premises	352	349
Depreciation	107	102
Amortisation	120	104
Repairs and maintenance	171	92
Other establishment costs	359	126
<u>Administration and general expenses</u>	502	543
Insurance premium	17	16
Other administration and general expenses	485	527
	<u>4,632</u>	<u>4,058</u>

20 Allowance for losses on loans and advances

	Three Months Ended	
	31 March	31 March
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
Allowance for bad and doubtful debts on loans and advances		
(a) Specific allowance		
- Made in the financial period	-	-
- Written back in the financial period	-	-
(b) General allowance		
- Made in the financial period	-	-
	<u>-</u>	<u>-</u>

21 Taxation

	Three Months Ended	
	31 March	31 March
	<u>2009</u>	<u>2008</u>
	RM'000	RM'000
Current tax - Malaysian income tax	1,500	1,275
	<u>1,500</u>	<u>1,275</u>

BANK OF CHINA (MALAYSIA) BERHAD
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009

22 Capital adequacy

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

	31 March 2009 RM'000	31 December 2008 RM'000
<u>Tier-1 capital</u>		
Paid-up ordinary share capital	304,000	304,000
Retained profits	8,808	8,808
Other reserves	43,436	43,436
	356,244	356,244
Less: Deferred tax assets	(4,920)	(4,920)
Total Tier-1 Capital	351,324	351,324
<u>Tier-2 capital</u>		
General allowance for bad and doubtful debts	17,466	17,466
Total Tier-2 Capital	17,466	17,466
Total capital base	368,790	368,790
<u>Capital ratios</u>		
<u>Before deducting proposed dividends</u>		
Core capital ratio	39.7%	37.3%
Risk-weighted capital ratio	41.6%	39.1%
<u>After deducting proposed dividends</u>		
Core capital ratio	38.9%	36.6%
Risk-weighted capital ratio	40.9%	38.4%

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

Credit risk	810,513	869,092
Market risk	2,044	1,131
Operational risk	72,136	70,953
Total risk-weighted assets	884,693	941,176

The Bank implemented Basel II - Risk Weighted Assets Computation under the BNM's Risk-weighted Capital Adequacy Framework ('RWCAF') with effect from 1 January 2008. The Bank has adopted the Standardised Approach for credit risk and market risk, and the basic indicator approach for operational risk.

BANK OF CHINA (MALAYSIA) BERHAD
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009.

23 Commitments and contingencies

	31 March 2009			31 December 2008		
	Principal	Credit	Risk	Principal	Credit	Risk
	RM'000	equivalent	weighted	RM'000	equivalent	weighted
		RM'000	RM'000		RM'000	RM'000
Direct credit substitutes	2,226	2,226	2,226	2,226	2,226	2,226
Transaction-related contingent items	453,592	226,796	92,505	437,379	218,690	89,609
Short-term self-liquidation trade related contingencies	14,531	2,906	2,906	4,242	848	848
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	328,634	65,727	65,672	375,670	75,134	70,460
- Maturity exceeding one year	368,013	184,007	92,379	349,980	174,990	88,266
Foreign exchange related contracts:						
- Less than one year	5,472	-	-	7,173	-	-
Others	11,284	-	-	20,320	-	-
Total	1,183,752	481,662	255,688	1,196,990	471,888	251,409

BANK OF CHINA (MALAYSIA) BERHAD
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009.

24 Interest rate risk

31 March 2009

	Non Trading Book						Total RM'000	Effective interest rate %
	Up to 1 month	> 1-3 month	> 3-12 month	1-5 years	Over 5 years	Non-interest sensitive		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Assets								
Cash and short term funds	465,156	-	-	-	-	4,598	469,754	2.10%
Deposits & placement with banks & other financial institutions	-	-	-	-	-	-	-	0.00%
Held-to-maturity securities	-	-	-	39,736	-	-	39,736	4.09%
Loans and advances								
- performing	454,064	129,416	79,785	38	2,714	(17,466)	648,551	3.11%
- non-performing	-	-	-	-	-	5,276	5,276	
Other assets	-	-	-	-	-	6,313	6,313	
Deferred tax assets	-	-	-	-	-	4,920	4,920	
Property and equipment	-	-	-	-	-	3,347	3,347	
Intangible assets	-	-	-	-	-	809	809	
Total assets	919,220	129,416	79,785	39,774	2,714	7,797	1,178,706	
Liabilities								
Deposits from customers	211,318	10,287	44,489	32	-	91,730	357,856	2.23%
Deposits & placements of banks & other financial institutions	318,667	53,436	72,960	-	-	-	445,063	0.75%
Bills and acceptances payable	-	-	-	-	-	-	-	
Other liabilities	-	-	-	-	-	14,797	14,797	
Provision of taxation	-	-	-	-	-	974	974	
Total liabilities	529,985	63,723	117,449	32	-	107,501	818,690	
Shareholders' equity	-	-	-	-	-	360,016	360,016	
Total liabilities and shareholders' equity	529,985	63,723	117,449	32	-	467,517	1,178,706	
On balance sheet - interest rate gap	389,235	65,693	(37,664)	39,742	2,714	(459,720)	-	
Off balance sheet - interest rate gap	-	-	-	-	-	-	-	
Total interest rate gap	389,235	65,693	(37,664)	39,742	2,714	(459,720)	-	

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2009.

24 Interest rate risk (Continued)

31 December 2008

	Non Trading Book						Total RM'000	Effective interest rate %
	Up to 1 month	> 1-3 month	> 3-12 month	1-5 years	Over 5 years	Non-interest sensitive		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Assets								
Cash and short term funds	378,482	-	-	-	-	4,982	383,464	3.30%
Deposits & placement with banks & other financial institutions	-	100,000	-	-	-	-	100,000	3.31%
Held-to-maturity securities	-	-	-	39,706	-	-	39,706	4.09%
Loans and advances								
- performing	551,630	192,109	7,519	97	2,767	(17,466)	736,656	4.38%
- non-performing	-	-	-	-	-	5,276	5,276	
Other assets	-	-	-	-	-	3,368	3,368	
Deferred tax assets	-	-	-	-	-	4,920	4,920	
Property and equipment	-	-	-	-	-	2,079	2,079	
Intangible assets	-	-	-	-	-	921	921	
Total assets	930,112	292,109	7,519	39,803	2,767	4,080	1,276,390	
Liabilities								
Deposits from customers	209,698	24,666	38,451	-	-	90,922	363,737	3.29%
Deposits & placements of banks & other financial institutions	357,688	176,722	-	-	-	-	534,410	4.56%
Other liabilities	1,959	-	-	-	-	-	1,959	
	-	-	-	-	-	19,066	19,066	-
Provision of taxation	-	-	-	-	-	974	974	
Total liabilities	569,345	201,388	38,451	-	-	110,962	920,146	
Shareholders' equity	-	-	-	-	-	356,244	356,244	
Total liabilities and shareholders' equity	569,345	201,388	38,451	-	-	467,206	1,276,390	
On balance sheet - interest rate gap	360,767	90,721	(30,932)	39,803	2,767	(463,126)	-	
Off balance sheet - interest rate gap	-	-	-	-	-	-	-	
Total interest rate gap	360,767	90,721	(30,932)	39,803	2,767	(463,126)	-	

BANK OF CHINA (MALAYSIA) BERHAD
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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS
ENDED 31 MARCH 2009

25 Credit Exposures Arising From Credit Transactions With Connected Parties

	31 March 2009	31 December 2008
Outstanding credit exposures with connected parties (RM'000)	<u>207,722</u>	<u>179,179</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>18%</u>	<u>17%</u>
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	<u>0%</u>	<u>0%</u>

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008. However, the Bank has obtained exemption from Bank Negara Malaysia's for the above credit transaction exposures with connected parties.

26 Operations of Islamic Banking

No Islamic banking activities was involved for the financial period ended 31 March 2009.

27 Valuation of Property, Plant and Equipment

The Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements.

28 Events subsequent to Balance Sheet Date

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