

BANK OF CHINA (MALAYSIA) BERHAD (511251-V)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED BALANCE SHEETS AS AT 30 SEPTEMBER 2009

		Group	Bank	Bank
		30 September	30 September	31 December
		2009	2009	2008
	Note	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
ASSETS				
Cash and short-term funds	9	626,574	626,574	383,464
Deposits and placements with banks and other financial institutions	10	160,000	160,000	100,000
Held-to-maturity securities	11	39,798	39,798	39,706
Loans and advances	12	619,237	619,237	741,932
Other assets	13	5,002	4,951	3,368
Deferred tax assets		4,920	4,920	4,920
Statutory deposits with Bank Negara Malaysia		-	-	-
Property and equipment		4,618	4,516	2,079
Intangible assets		583	570	921
Investment in a subsidiary	30	-	500	-
TOTAL ASSETS		<u>1,460,732</u>	<u>1,461,066</u>	<u>1,276,390</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits from customers	14	530,201	530,480	363,737
Deposits and placements of banks and other financial institutions	15	509,660	509,660	534,410
Bills and acceptances payable		46,319	46,319	1,959
Other liabilities	16	15,093	15,088	19,066
Provision for taxation		-	-	974
TOTAL LIABILITIES		<u>1,101,273</u>	<u>1,101,547</u>	<u>920,146</u>
Financed by:				
Share capital		304,000	304,000	304,000
Reserves		55,459	55,519	52,244
SHAREHOLDERS' EQUITY		<u>359,459</u>	<u>359,519</u>	<u>356,244</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,460,732</u>	<u>1,461,066</u>	<u>1,276,390</u>
COMMITMENTS AND CONTINGENCIES	24	<u>1,388,919</u>	<u>1,388,919</u>	<u>1,196,990</u>

BANK OF CHINA (MALAYSIA) BERHAD (511251-V)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED INCOME STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

Group		3rd Quarter Ended		Nine Months Ended	
		30 September		30 September	
		2009		2009	
		RM'000		RM'000	
Interest income	17	8,755		27,655	
Interest expense	18	(3,728)		(10,998)	
Net interest income		5,027		16,657	
Other operating income	19	3,992		11,500	
Other operating expenses	20	(4,669)		(13,802)	
Allowance for losses on loans and advances	21	-		-	
Profit before taxation		4,350		14,355	
Taxation	22	(1,300)		(4,300)	
Net profit for the financial period		3,050		10,055	

Bank		3rd Quarter Ended		Nine Months Ended	
		30 September		30 September	
		2009		2008	
		RM'000	RM'000	RM'000	RM'000
Interest income	17	8,755	14,945	27,655	38,207
Interest expense	18	(3,728)	(8,253)	(10,998)	(19,530)
Net interest income		5,027	6,692	16,657	18,677
Other operating income	19	3,992	4,465	11,500	12,040
Other operating expenses	20	(4,609)	(3,719)	(13,742)	(11,826)
Allowance for losses on loans and advances	21	-	-	-	(3,500)
Profit before taxation		4,410	7,438	14,415	15,391
Taxation	22	(1,300)	(2,050)	(4,300)	(4,730)
Net profit for the financial period		3,110	5,388	10,115	10,661

BANK OF CHINA (MALAYSIA) BERHAD (511251-V)
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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

	Group 30 September <u>2009</u>	Bank 30 September <u>2009</u>	Bank 30 September <u>2008</u>
Note	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	14,355	14,415	15,391
<i>Adjustment for:</i>			
Depreciation of property and equipment	427	427	300
Amortisation of intangible assets	361	360	327
Net (gain)/loss on disposal of property and equipment	(16)	(16)	(5)
Amortisation of premium less accretion of discount	(92)	(92)	122
Allowance for losses on loans and advances	-	-	3,500
Write back of allowance for losses on loans and advances	-	-	-
Interest income from held-to-maturity securities	(1,126)	(1,126)	(1,433)
Unrealised foreign exchange (gain) / loss	(172)	(172)	91
Property and equipment written off	19	19	-
	<u>13,756</u>	<u>13,815</u>	<u>18,293</u>
(INCREASE)/DECREASE IN OPERATING ASSETS			
Deposits and placements with banks and other financial institutions	(60,000)	(60,000)	(99,000)
Loans and advances	122,695	122,695	(534,430)
Other assets	(1,087)	(1,036)	(403)
INCREASE/(DECREASE) IN OPERATING LIABILITIES			
Deposits from customers	166,464	166,743	(109,303)
Deposits and placements of banks and other financial institutions	(24,750)	(24,750)	560,438
Bills and acceptances payable	44,360	44,360	31,150
Other liabilities	(3,973)	(3,978)	(9,290)
	<u>257,465</u>	<u>257,849</u>	<u>(142,545)</u>
Cash generated from / (used in) operating activities	257,465	257,849	(142,545)
Taxation paid	(5,274)	(5,274)	(4,995)
	<u>252,191</u>	<u>252,575</u>	<u>(147,540)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(2,985)	(2,883)	(202)
Purchase of intangible assets	(23)	(9)	(218)
Proceeds from disposal of property and equipment	16	16	5
Net sale / (net purchases) of held-to-maturity securities	-	-	15,328
Interest received on held-to-maturity securities	751	751	2,137
Investment in subsidiary	-	(500)	-
	<u>(2,241)</u>	<u>(2,625)</u>	<u>17,050</u>
Net cash generated from investing activities	(2,241)	(2,625)	17,050
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(6,840)	(6,840)	(6,411)
	<u>(6,840)</u>	<u>(6,840)</u>	<u>(6,411)</u>
Net cash used in financing activities	(6,840)	(6,840)	(6,411)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD			
	243,110	243,110	(136,901)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD			
	383,464	383,464	587,326
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD			
9	<u>626,574</u>	<u>626,574</u>	<u>450,425</u>

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UNAUDITED INTERIM FINANCIAL STATEMENTS
CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

	Issued and fully paid ordinary shares of			Total RM'000
	RM1.00 each Nominal value RM'000	Non-	Distributable	
		distributable Statutory reserves RM'000	Distributable Retained profits RM'000	
Group				
At 1 January 2009	304,000	43,436	8,808	356,244
Net profit for the financial period	-	-	10,055	10,055
Total recognised income for the financial period	-	-	10,055	10,055
Transfer to statutory reserve	-	-	-	-
Dividends paid	-	-	(6,840)	(6,840)
At 30 September 2009	304,000	43,436	12,023	359,459
Bank				
At 1 January 2009	304,000	43,436	8,808	356,244
Net profit for the financial period	-	-	10,115	10,115
Total recognised income for the financial period	-	-	10,115	10,115
Transfer to statutory reserve	-	-	-	-
Dividends paid	-	-	(6,840)	(6,840)
At 30 September 2009	304,000	43,436	12,083	359,519
At 1 January 2008	304,000	35,805	7,590	347,395
Net profit for the financial period	-	-	5,273	5,273
Total recognised income for the financial period	-	-	5,273	5,273
Transfer to statutory reserve	-	-	-	-
Dividends paid	-	-	(6,411)	(6,411)
At 30 September 2008	304,000	35,805	6,452	346,257

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS
ENDED 30 SEPTEMBER 2009

1 Review of Performance and Commentary of Prospects

Profit before taxation for the nine months ended 30 September 2009 is lower as compared with the corresponding period in 2008 due to reduced revenue and increased overheads as a result of network expansion. The Bank continues 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 nine months ended 30 September 2009 have been prepared in accordance with FRS134 Interim Financial Reporting 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 nine months ended 30 September 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 nine months ended 30 September 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.

8 Dividend paid

A final dividend of 3.00 sen less income tax of 25% for the financial year ended 31 December 2008 which was approved by the shareholders in the Annual General Meeting held on 23 April 2009, amounting to RM6,840,000 was paid on 28 April 2009.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS
ENDED 30 SEPTEMBER 2009

9 Cash and short-term funds

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Cash and balances with banks and other financial institutions	55,874	46,664
Money at call and deposit placements maturing within 1 month	570,700	336,800
	<u>626,574</u>	<u>383,464</u>

10 Deposits and placements with banks and other financial institutions

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Bank Negara Malaysia	160,000	100,000
	<u>160,000</u>	<u>100,000</u>

11 Held-to-maturity securities

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
At amortised cost		
Money market instrument:		
Malaysian Government Securities	39,672	39,672
Amortisation of premium less accretion of discounts	126	34
	<u>39,798</u>	<u>39,706</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS
ENDED 30 SEPTEMBER 2009

12 Loans and advances

(i) By type

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Overdrafts	40,975	46,785
Terms loans		
- Housing loans	6,902	7,313
- Syndicated term loan	317,015	363,345
- Other term loans	127,461	171,283
Bills receivable	23,310	67,458
Trust receipts	3,227	5,546
Claims on customers under acceptance credits	58,690	38,169
Staff loans	2,671	2,837
of which: RMnil (2008: RMnil were to Directors)		
Loans to banks and other financial institutions	57,650	58,196
	637,901	760,932
Less: Unearned interest and income	(255)	(591)
Total gross loans and advances	637,646	760,341
Less: Allowance for bad and doubtful debts:		
- General	(17,466)	(17,466)
- Specific	(943)	(943)
Total net loans and advances	619,237	741,932

(ii) By type of customer

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Domestic banking institutions	52,110	51,977
Domestic non-bank financial institutions	5,474	6,219
Domestic business enterprises		
- Small medium enterprises ("SME")	144,032	183,719
- Non-SME	130,139	139,838
Government and statutory bodies	-	52,563
Individuals	16,467	15,075
Foreign entities	289,424	310,950
	637,646	760,341

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**NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS
 ENDED 30 SEPTEMBER 2009**

12 Loans and advances (continued)

(iii) By interest rate sensitivity

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Fixed rate		
- Housing loans	-	27
- Other fixed rate loan	3,495	2,837
Variable rate		
- BLR plus	165,973	189,909
- Cost plus	75,808	57,028
- Other variable rates	392,370	510,540
	637,646	760,341

(iv) By purpose

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Purchase of transport vehicles	49,198	51,702
Purchase of landed property:	84,124	93,007
- Residential	11,247	12,057
- Non-residential	72,877	80,950
Purchase of fixed assets other than land and building	825	-
Personal use	3,522	3,926
Construction	8,441	4,890
Working capital	411,236	536,162
Other purpose	80,300	70,654
	637,646	760,341

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

12 Loans and advances (continued)

(v) Non-performing Loans (NPL)

(a) Movement in non-performing loans and advances

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
At beginning of financial period	6,219	7,103
Classified as non-performing during the period	66	-
Amount recovered	(745)	(884)
Amount written off	-	-
At end of financial period	<u>5,540</u>	<u>6,219</u>
Specific allowance	<u>(943)</u>	<u>(943)</u>
Net non-performing loans and advances	<u><u>4,597</u></u>	<u><u>5,276</u></u>
Ratio of net non-performing loans and advances to gross loans and advances less specific allowance	0.72%	0.69%

(b) Movement in allowance for bad and doubtful debts

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
General allowance		
At beginning of the financial period	17,466	12,710
Allowance made during the financial period	-	4,756
At end of the financial period	<u>17,466</u>	<u>17,466</u>
As % of gross loans and advances less specific allowance	2.75%	2.30%
Specific allowance		
At beginning of the financial period	943	575
Allowance made during the financial period	-	368
Amount recovered	-	-
Amount written off	-	-
At end of the financial period	<u>943</u>	<u>943</u>

(c) NPL by purpose

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Working capital	5,474	6,219
Purchase of residential property	66	-
	<u>5,540</u>	<u>6,219</u>

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

13 Other Assets

	Group 30 September 2009 RM'000	Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Interest receivable	1,520	1,520	1,039
Other debtors, deposits and prepayments	3,482	3,431	2,329
	5,002	4,951	3,368

14 Deposits from Customers

(i) By type of deposits

	Group 30 September 2009 RM'000	Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Demand deposits	95,817	96,096	94,099
Savings deposits	18,814	18,814	18,579
Fixed deposits	413,970	413,970	249,456
Others	1,600	1,600	1,603
	530,201	530,480	363,737

(ii) By type of customer

	Group 30 September 2009 RM'000	Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Government and statutory bodies	1,600	1,600	1,603
Business enterprises	400,784	401,063	235,973
Individuals	117,475	117,475	126,125
Others	10,342	10,342	36
	530,201	530,480	363,737

15 Deposits and placements of banks and other financial institutions

	Group and Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Licensed banks	509,660	534,410
	509,660	534,410

16 Other Liabilities

	Group 30 September 2009 RM'000	Bank 30 September 2009 RM'000	Bank 31 December 2008 RM'000
Interest payable	1,613	1,613	3,718
Accrued expenses	3,252	3,252	4,470
Margin deposits	2,150	2,150	3,475
Other liabilities	8,078	8,073	7,403
	15,093	15,088	19,066

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

17 Interest income	3rd Quarter Ended		Nine Months Ended	
	Group and Bank	Bank	Group and Bank	Bank
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPL	4,124	9,891	15,711	21,060
- Recoveries from NPLs	-	-	-	-
Money at call and deposit placement with financial institutions	4,221	4,626	10,727	15,836
Securities				
- Held-to-maturity investments	379	422	1,126	1,433
	8,724	14,939	27,564	38,329
Amortisation of premium less accretion of discount	31	6	92	(122)
Interest suspended	-	-	(1)	-
Total interest income	8,755	14,945	27,655	38,207
18 Interest Expense	3rd Quarter Ended		Nine Months Ended	
	Group and Bank	Bank	Group and Bank	Bank
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	1,219	5,995	4,911	11,618
Deposits from customers	2,394	1,597	5,884	6,384
Others	115	661	203	1,528
	3,728	8,253	10,998	19,530
19 Other operating income	3rd Quarter Ended		Nine Months Ended	
	Group and Bank	Bank	Group and Bank	Bank
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	RM'000	RM'000	RM'000	RM'000
Fees income:				
- Fee on loans and advances	517	351	1,261	1,080
- Service charges and fees	1,383	1,359	3,976	3,869
- Guarantee fees	572	676	1,682	1,350
- Other fee income	13	-	28	5
	2,485	2,386	6,947	6,304
Foreign exchange income:				
- Realised	1,230	2,120	4,381	5,827
- Unrealised	277	(41)	172	(91)
	3,992	4,465	11,500	12,040

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

20 Other operating expenses

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2009		30 September 2009	
	RM'000	RM'000	RM'000	RM'000
<u>Personnel expenses</u>	2,872	8,737		
Salaries & wages (includes CEO / EDs)	1,759	4,865		
Bonuses	676	2,218		
Defined contribution plan ("EPF")	188	851		
Staff welfare expenses	89	311		
Other personnel costs	160	492		
<u>Marketing expenses</u>	151	347		
Entertainment	93	241		
Other marketing	58	106		
<u>Establishment costs</u>	1,110	3,121		
Rental of premises	410	1,129		
Depreciation	165	427		
Amortisation	121	361		
Repairs and maintenance	122	396		
Other establishment costs	292	808		
<u>Administration and general expenses</u>	536	1,597		
Insurance premium	1	278		
Other administration and general expenses	535	1,319		
	4,669	13,802		

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2009		30 September 2008	
	RM'000	RM'000	RM'000	RM'000
<u>Personnel expenses</u>	2,843	2,450	8,708	7,742
Salaries & wages (includes CEO / EDs)	1,743	1,303	4,849	4,242
Bonuses	676	634	2,218	2,056
Defined contribution plan ("EPF")	186	286	849	867
Staff welfare expenses	88	87	310	233
Other personnel costs	150	140	482	344
<u>Marketing expenses</u>	150	81	346	289
Entertainment	92	64	240	247
Other marketing	58	17	106	42
<u>Establishment costs</u>	1,103	941	3,114	2,565
Rental of premises	410	457	1,129	1,056
Depreciation	165	100	427	300
Amortisation	120	119	360	327
Repairs and maintenance	116	90	390	432
Other establishment costs	292	175	808	450
<u>Administration and general expenses</u>	513	247	1,574	1,230
Insurance premium	1	-	278	278
Other administration and general expenses	512	247	1,296	952
	4,609	3,719	13,742	11,826

21 Allowance for losses on loans and advances

	3rd Quarter Ended		Nine Months Ended	
	Group and Bank		Group and Bank	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	RM'000	RM'000	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	-	-	-	3,500
	-	-	-	3,500

22 Taxation

	3rd Quarter Ended		Nine Months Ended	
	Group and Bank		Group and Bank	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008
	RM'000	RM'000	RM'000	RM'000
Current tax - Malaysian income tax	1,300	2,050	4,300	4,730
	1,300	2,050	4,300	4,730

NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

23 Capital adequacy

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

	Group	Bank	Bank
	30 September	30 September	31 December
	2009	2009	2008
	RM'000	RM'000	RM'000
<u>Tier-1 capital</u>			
Paid-up ordinary share capital	304,000	304,000	304,000
Retained profits	8,808	8,808	8,808
Other reserves	43,436	43,436	43,436
	<u>356,244</u>	<u>356,244</u>	<u>356,244</u>
Less: Deferred tax assets	(4,920)	(4,920)	(4,920)
Total Tier-1 Capital	<u>351,324</u>	<u>351,324</u>	<u>351,324</u>
<u>Tier-2 capital</u>			
General allowance for bad and doubtful debts	17,466	17,466	17,466
Total Tier-2 Capital	<u>17,466</u>	<u>17,466</u>	<u>17,466</u>
Less: investment in a subsidiary	-	(500)	-
Total capital base	<u>368,790</u>	<u>368,290</u>	<u>368,790</u>
<u>Capital ratios</u>			
Core capital ratio	36.8%	36.8%	37.3%
Risk-weighted capital ratio	38.6%	38.6%	39.1%

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

Credit risk	878,497	878,332	869,092
Market risk	3,438	3,438	1,131
Operational risk	72,579	72,579	70,953
Total risk-weighted assets	<u>954,514</u>	<u>954,349</u>	<u>941,176</u>

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.

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

24 Commitments and contingencies

	Group and Bank			Bank		
	30 September 2009			31 December 2008		
	<u>Principal</u>	<u>Credit</u>	<u>Risk</u>	<u>Principal</u>	<u>Credit</u>	<u>Risk</u>
RM'000	equivalent RM'000	weighted RM'000	RM'000	equivalent RM'000	weighted RM'000	
Direct credit substitutes	2,642	2,642	416	2,226	2,226	2,226
Transaction-related contingent items	468,408	234,204	117,360	437,379	218,690	89,609
Short-term self-liquidation trade related contingencies	8,399	1,680	1,673	4,242	848	848
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	499,898	99,980	70,283	375,670	75,134	70,460
- Maturity exceeding one year	380,858	190,429	103,679	349,980	174,990	88,266
Foreign exchange related contracts:						
- Less than one year	1,735	-	-	7,173	-	-
Others	26,979	-	-	20,320	-	-
Total	1,388,919	528,935	293,411	1,196,990	471,888	251,409

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25 Interest rate risk

Group	Non Trading Book						Total RM'000	Effective interest rate %
	<u>Up to 1</u> <u>month</u> RM'000	<u>> 1-3 month</u> RM'000	<u>> 3-12 month</u> RM'000	<u>1-5 years</u> RM'000	<u>Over 5 years</u> RM'000	<u>Non-interest</u> <u>sensitive</u> RM'000		
30 September 2009								
Assets								
Cash and short term funds	622,122	-	-	-	-	4,452	626,574	2.07%
Deposits & placement with banks & other financial institutions	-	160,000	-	-	-	-	160,000	2.10%
Loans and advances	-	-	-	39,798	-	-	39,798	4.09%
Loans and advances								
- performing	399,737	168,806	60,892	29	2,642	(17,466)	614,640	2.47%
- non-performing	-	-	-	-	-	4,597	4,597	
Other assets	-	-	-	-	-	5,002	5,002	
Deferred tax assets	-	-	-	-	-	4,920	4,920	
Property and equipment	-	-	-	-	-	4,618	4,618	
Intangible assets	-	-	-	-	-	583	583	
Total assets	1,021,859	328,806	60,892	39,827	2,642	6,706	1,460,732	
Liabilities								
Deposits from customers	389,603	17,548	30,767	-	-	92,283	530,201	2.06%
Deposits & placements of banks & other financial institutions	226,902	230,708	52,050	-	-	-	509,660	0.75%
Bills and acceptances payable	20,346	25,973	-	-	-	-	46,319	2.17%
Other liabilities	-	-	-	-	-	15,093	15,093	
Provision of taxation	-	-	-	-	-	-	-	
Total liabilities	636,851	274,229	82,817	-	-	107,376	1,101,273	
Shareholders' equity	-	-	-	-	-	-	-	
Total liabilities and shareholders' equity	636,851	274,229	82,817	-	-	107,376	1,101,273	
On balance sheet - interest rate gap	385,008	54,577	(21,925)	39,827	2,642	(100,670)	359,459	
Off balance sheet - interest rate gap	-	-	-	-	-	-	-	
Total interest rate gap	385,008	54,577	(21,925)	39,827	2,642	(100,670)	359,459	

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

25 Interest rate risk (Continued)

Bank	Non Trading Book						Total RM'000	Effective interest rate %
	<u>Up to 1</u> <u>month</u> RM'000	<u>> 1-3 month</u> RM'000	<u>> 3-12 month</u> RM'000	<u>1-5 years</u> RM'000	<u>Over 5 years</u> RM'000	<u>Non-interest</u> <u>sensitive</u> RM'000		
30 September 2009								
Assets								
Cash and short term funds	622,122	-	-	-	-	4,452	626,574	2.07%
Deposits & placement with banks & other financial institutions	-	160,000	-	-	-	-	160,000	2.10%
Held-to-maturity securities	-	-	-	39,798	-	-	39,798	4.09%
Loans and advances								
- performing	399,737	168,806	60,892	29	2,642	(17,466)	614,640	2.47%
- non-performing	-	-	-	-	-	4,597	4,597	
Other assets	-	-	-	-	-	4,951	4,951	
Deferred tax assets	-	-	-	-	-	4,920	4,920	
Property and equipment	-	-	-	-	-	4,516	4,516	
Intangible assets	-	-	-	-	-	570	570	
Investment in subsidiaries	-	-	-	-	-	500	500	
Total assets	1,021,859	328,806	60,892	39,827	2,642	7,040	1,461,066	
Liabilities								
Deposits from customers	389,603	17,548	30,767	-	-	92,562	530,480	2.06%
Deposits & placements of banks & other financial institutions	226,902	230,708	52,050	-	-	-	509,660	0.75%
Bills and acceptances payable	20,346	25,973	-	-	-	-	46,319	2.17%
Other liabilities	-	-	-	-	-	15,088	15,088	
Provision of taxation	-	-	-	-	-	-	-	
Total liabilities	636,851	274,229	82,817	-	-	107,650	1,101,547	
Shareholders' equity	-	-	-	-	-	359,519	359,519	
Total liabilities and shareholders' equity	636,851	274,229	82,817	-	-	467,169	1,461,066	
On balance sheet - interest rate gap	385,008	54,577	(21,925)	39,827	2,642	(460,129)	-	
Off balance sheet - interest rate gap	-	-	-	-	-	-	-	
Total interest rate gap	385,008	54,577	(21,925)	39,827	2,642	(460,129)	-	

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2009

25 Interest rate risk (Continued)

Bank	Non Trading Book							Effective interest rate %
	<u>Up to 1</u>	<u>> 1-3 month</u>	<u>> 3-12 month</u>	<u>1-5 years</u>	<u>Over 5 years</u>	<u>Non-interest</u>	<u>Total</u>	
	<u>month</u>					<u>sensitive</u>		
<u>31 December 2008</u>	RM'000	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	2.97%
Deposits & placements of banks & other financial institutions	357,688	176,722	-	-	-	-	534,410	2.47%
Bills and acceptance payable	1,959	-	-	-	-	-	1,959	3.65%
Other liabilities	-	-	-	-	-	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)	-	

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NOTES TO UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

26 Credit Exposures Arising From Credit Transactions With Connected Parties

	Group and Bank 30 September 2009	Bank 31 December 2008
Outstanding credit exposures with connected parties (RM'000)	<u>191,220</u>	<u>179,179</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>16%</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.

27 Operations of Islamic Banking

No Islamic banking activities was involved for the financial period ended 30 September 2009.

28 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.

29 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.

30 Changes in the composition of the Group

The Bank has set up a wholly-owned subsidiary company, China Visa Services (Malaysia) Sdn Bhd to operate as the China visa application service centre with an authorised share capital of RM5,000,000 divided into 5,000,000 ordinary share of RM1.00 each and an issued and paid-up share capital of RM500,000 comprising of 500,000 ordinary share of RM1.00 each.

The investment in subsidiary company will not have any material effect on the Bank performance for the financial period ended 30 September 2009 as it is still at the initial set up stage.