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**INFORMATION ON THE PACIFIC BANK BERHAD**


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1. **Company Name** : The Pacific Bank Berhad (Company No.: 5024-T)

2. **History And Business**

The Pacific Bank Berhad (“PBB”) (formerly known as Batu Pahat Bank Ltd or “BPBL”) was incorporated in Federation of Malaya on 30 May 1963 by Oversea Chinese Banking Corporation Limited of Singapore to acquire and to carry on the undertakings of BPBL. PBB was listed on the Main Board of the KLSE on 23 August 1990. The PBB Group is principally engaged in the provision of wide range of financial services which include commercial banking, insurance, unit trust management, leasing, hire purchase, trustee and nominee services. Presently, PBB has 69 commercial bank branches located throughout Malaysia.

3. **Subsidiary And Associated Companies As At 30 November 2000**

<b>Name</b>	<b>Shareholdings %</b>	<b>Issued And Paid- Up Share Capital RM</b>	<b>Country of Incorporation</b>	<b>Activities</b>
<b>Subsidiary companies</b>				
The Pacific Insurance Berhad	100	65,000,000	Malaysia	Underwriting of general insurance risks
P.B. Holdings Sdn Bhd	100	1,000,000	Malaysia	Acquisition and letting out of properties
Pacific Mutual Fund Bhd	75	5,000,000	Malaysia	Establishment and management of unit trust funds
Pacific Nominees (Tempatan) Sdn Bhd	100	10,000	Malaysia	To act as nominees, trustees or agents on behalf of any person or corporate body
Pacific Nominees (Asing) Sdn Bhd	100	2	Malaysia	To act as nominees, trustees or agents on behalf of any person or corporate body
P.B. Pacific Sdn Bhd	100	10,000	Malaysia	Property investment and management
Pacific Futures Sdn Bhd	100	2	Malaysia	To become a member of any financial futures exchanges, security exchanges and clearing houses
Pac Lease Sdn Bhd	100	15,000,000	Malaysia	Leasing, hire purchase and other related financing services
<b>Associated Company</b>				
Malaysian Trustee Berhad	20	550,000	Malaysia	Provision of trustee services

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**4. Share Capital as at 30 November 2000**

<b>Type</b>	<b>No. of Shares</b>	<b>Par Value (RM)</b>	<b>Amount (RM)</b>
Authorised	2,000,000,000	1.00	2,000,000,000
Issued and paid-up	341,987,000	1.00	341,987,000

**5. Changes In The Issued And Paid-Up Share Capital**

<b>Date of allotment</b>	<b>No. of shares</b>	<b>Par Value (RM)</b>	<b>Consideration</b>	<b>Cumulative total</b>
30.05.63	7	Shares of RM100 each	Cash	700
17.08.63	495	Shares of RM100 each	Cash	50,200
01.11.63	21,363	Shares of RM100 each	Cash	2,186,500
16.12.63	7,500	Shares of RM100 each	The undertakings of The Batu Pahat Bank Ltd	2,936,500
26.12.63	635	Shares of RM100 each	Cash	3,000,000
18.10.76	3,000,000	Stock units of 1.00 each	Conversion of shares of RM100 each into stock units of RM1.00 each	3,000,000
18.10.76	1,500,000	Stock units of 1.00 each	Bonus Issue of 1 for 2	4,500,000
01.08.77	2,700,000	Stock units of 1.00 each	Rights Issue of 3 for 5 at RM1.15 per stock unit	7,200,000
11.12.78	1,800,000	Stock units of 1.00 each	Rights Issue of 1 for 4 at RM1.70 per stock unit	9,000,000
25.05.82	6,000,000	Stock units of 1.00 each	Rights Issue of 2 for 3 at RM1.50 per stock unit	15,000,000
22.05.84	5,000,000	Stock units of 1.00 each	Bonus Issue of 1 for 3	20,000,000
17.09.84	6,000,000	Stock units of 1.00 each	Rights Issue of 2 for 5 at RM1.50 per stock unit	26,000,000
24.05.90	26,000,000	Shares of 1.00 each	Conversion of stock units of RM1.00 each into shares of RM1.00 each	26,000,000
24.05.90	31,200,000	Shares of 1.00 each	Bonus Issue of 6 for 5	57,200,000
12.06.90	20,800,000	Shares of 1.00 each	Rights Issue of 4 for 5 each at RM1.00 per share	78,000,000

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<b>Date of allotment</b>	<b>No. of shares</b>	<b>Par Value (RM)</b>	<b>Consideration</b>	<b>Cumulative total</b>
26.07.90	22,234,000	Shares of 1.00 each	Public Issue at RM2.30 per share	100,234,000
12.08.93	5,000	Shares of 1.00 each	ESOS at RM2.92	100,239,000
16.08.93	161,000	Shares of 1.00 each	ESOS RM2.92 – 119,000 RM3.00 – 42,000	100,400,000
18.08.93	47,000	Shares of 1.00 each	ESOS RM2.92 – 33,000 RM3.00 – 14,000	100,447,000
01.09.93	11,000	Shares of 1.00 each	ESOS RM2.92 – 5,000 RM3.00 – 6,000	100,458,000
07.09.93	71,000	Shares of 1.00 each	ESOS RM2.92 – 26,000 RM3.00 – 45,000	100,529,000
10.09.93	50,000	Shares of 1.00 each	ESOS RM2.92 – 6,000 RM3.00 – 44,000	100,579,000
16.09.93	8,000	Shares of 1.00 each	ESOS at RM2.92	100,587,000
08.10.93	43,000	Shares of 1.00 each	ESOS RM2.92 – 9,000 RM3.00 – 34,000	100,630,000
12.10.93	36,000	Shares of 1.00 each	ESOS RM2.92 – 20,000 RM3.00 – 16,000	100,666,000
15.10.93	87,000	Shares of 1.00 each	ESOS RM2.92 – 34,000 RM3.00 – 53,000	100,753,000
20.10.93	45,000	Shares of 1.00 each	ESOS RM2.92 – 7,000 RM3.00 – 38,000	100,798,000
26.10.93	15,000	Shares of 1.00 each	ESOS RM2.92 – 6,000 RM3.00 – 9,000	100,813,000
29.10.93	32,000	Shares of 1.00 each	ESOS RM2.92 – 21,000 RM3.00 – 11,000	100,845,000

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<b>Date of allotment</b>	<b>No. of shares</b>	<b>Par Value (RM)</b>	<b>Consideration</b>	<b>Cumulative total</b>
05.11.93	14,000	Shares of 1.00 each	ESOS at RM3.00	100,859,000
15.11.93	20,000	Shares of 1.00 each	ESOS at RM3.00	100,879,000
22.11.93	15,000	Shares of 1.00 each	ESOS at RM2.92	100,894,000
08.12.93	22,000	Shares of 1.00 each	ESOS RM2.92 – 7,000 RM3.00 – 15,000	100,916,000
14.12.93	21,000	Shares of 1.00 each	ESOS RM2.92 – 2,000 RM3.00 – 19,000	100,937,000
17.12.93	24,000	Shares of 1.00 each	ESOS RM2.92 – 10,000 RM3.00 – 14,000	100,961,000
21.12.93	21,000	Shares of 1.00 each	RM2.92 – 7,000 RM3.00 – 14,000	100,982,000
06.01.94	15,000	Shares of 1.00 each	ESOS at RM3.00	100,997,000
20.01.94	7,000	Shares of 1.00 each	ESOS at RM3.00	101,004,000
22.02.94	1,000	Shares of 1.00 each	ESOS at RM3.00	100,005,000
10.03.94	6,000	Shares of 1.00 each	ESOS at RM3.00	101,011,000
03.05.94	12,000	Shares of 1.00 each	ESOS at RM3.00	101,023,000
16.05.94	5,000	Shares of 1.00 each	ESOS at RM3.00	101,028,000
30.05.94	7,000	Shares of 1.00 each	ESOS at RM3.00	101,035,000
01.09.94	20,207,000	Shares of 1.00 each	Bonus Issue of 1 for 5	121,242,000
29.09.94	210,800	Shares of 1.00 each	ESOS at RM2.26	121,452,800
10.10.94	40,414,000	Shares of 1.00 each	Rights Issue of 2 for 5 at RM3.10 per share	161,866,800
10.10.94	54,400	Shares of 1.00 each	ESOS RM2.26 – 51,400 RM2.65 – 3,000	161,921,200

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Date of allotment	No. of shares	Par Value (RM)	Consideration	Cumulative total
07.11.94	15,600	Shares of 1.00 each	ESOS at RM2.26	161,936,800
23.11.94	17,600	Shares of 1.00 each	ESOS at RM2.26	161,954,400
25.01.95	9,600	Shares of 1.00 each	ESOS at RM2.26	161,964,000
07.02.95	16,200	Shares of 1.00 each	ESOS at RM2.26	161,980,200
15.03.95	11,200	Shares of 1.00 each	ESOS at RM2.26	161,991,400
10.07.95	19,000	Shares of 1.00 each	ESOS at RM2.26	162,010,400
02.08.95	4,000	Shares of 1.00 each	ESOS at RM2.26	162,014,400
19.10.95	18,200	Shares of 1.00 each	ESOS at RM2.26	162,032,600
25.11.95	81,016,300	Shares of 1.00 each	Bonus Issue of 1 for 2	243,048,900
28.12.95	81,016,300	Shares of 1.00 each	Rights Issue of 1 for 2 at RM2.75 per share	324,065,200
05.01.96	29,000	Shares of 1.00 each	ESOS at RM1.82	324,094,200
24.01.96	207,600	Shares of 1.00 each	ESOS RM3.20 – 48,000 RM3.26 – 62,000 RM1.82 – 97,600	324,301,800
05.02.96	157,200	Shares of 1.00 each	ESOS RM3.20 – 80,000 RM3.26 – 14,000 RM1.82 – 63,200	324,459,000
26.02.96	99,000	Shares of 1.00 each	ESOS RM3.20 – 68,000 RM3.26 – 20,000 RM1.82 – 11,000	324,558,000
15.03.96	82,000	Shares of 1.00 each	ESOS RM3.20 – 71,000 RM3.26 – 6,000 RM1.82 – 5,000	324,640,000
28.03.96	103,600	Shares of 1.00 each	ESOS RM3.20 – 20,000	324,743,600

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Date of allotment	No. of shares	Par Value (RM)	Consideration	Cumulative total
			RM3.26 – 42,000 RM1.82 – 41,600	
11.04.96	403,000	Shares of 1.00 each	ESOS RM3.20 – 108,000 RM3.26 – 47,000 RM1.82 – 36,000 RM6.02 – 212,000	325,146,600
22.04.96	442,000	Shares of 1.00 each	ESOS RM3.20 – 115,000 RM3.26 – 5,000 RM1.82 – 15,000 RM6.02 – 307,000	325,588,600
06.05.96	1,976,400	Shares of 1.00 each	ESOS RM3.20 – 96,000 RM3.26 – 99,000 RM1.82 – 180,400 RM6.02 – 1,601,000	327,565,000
22.05.96	3,001,400	Shares of 1.00 each	ESOS RM3.20 – 87,000 RM3.26 – 57,000 RM1.82 – 84,400 RM6.02 – 2,773,000	330,566,400
05.06.96	1,954,600	Shares of 1.00 each	ESOS RM3.20 – 112,000 RM3.26 – 55,000 RM1.82 – 31,600 RM6.02 – 1,756,000	332,521,000
20.06.96	1,419,200	Shares of 1.00 each	ESOS RM1.82 – 27,200 RM3.20 – 126,000 RM3.26 – 103,000 RM6.02 – 1,163,000	333,940,200
02.07.96	964,000	Shares of 1.00 each	ESOS RM1.82 – 5,000 RM3.20 – 114,000 RM3.26 – 49,000 RM6.02 – 796,000	334,904,200
20.07.96	849,000	Shares of 1.00 each	ESOS RM1.82 – 4,000 RM3.20 – 28,000	335,753,200

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Date of allotment	No. of shares	Par Value (RM)	Consideration	Cumulative total
			RM3.26 – 24,000 RM6.02 – 793,000	
05.08.96	429,000	Shares of 1.00 each	ESOS RM3.20 – 34,000 RM3.26 – 9,000 RM6.02 – 386,000	336,182,200
17.08.96	258,000	Shares of 1.00 each	ESOS RM1.82 – 1,000 RM3.20 – 5,000 RM3.26 – 9,000 RM6.02 – 243,000	336,440,200
03.09.96	475,000	Shares of 1.00 each	ESOS RM3.20 – 56,000 RM3.26 – 34,000 RM6.02 – 385,000	336,915,200
17.09.96	277,600	Shares of 1.00 each	ESOS RM1.82 – 35,600 RM3.20 – 16,000 RM6.02 – 226,000	337,192,800
09.10.96	221,400	Shares of 1.00 each	ESOS RM1.82 – 400 RM3.26 – 25,000 RM6.02 – 196,000	337,414,200
22.10.96	428,800	Shares of 1.00 each	ESOS RM1.82 – 21,800 RM6.02 – 407,000	337,843,000
04.11.96	787,200	Shares of 1.00 each	ESOS RM1.82 – 12,200 RM3.20 – 34,000 RM3.26 – 45,000 RM6.02 – 696,000	338,630,200
21.11.96	661,000	Shares of 1.00 each	ESOS RM1.82 – 3,000 RM3.20 – 65,000 RM3.26 – 54,000 RM6.02 – 539,000	339,291,200
04.12.96	359,000	Shares of 1.00 each	ESOS at RM6.02	339,650,200

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<b>Date of allotment</b>	<b>No. of shares</b>	<b>Par Value (RM)</b>	<b>Consideration</b>	<b>Cumulative total</b>
18.12.96	165,000	Shares of 1.00 each	ESOS RM3.20 – 13,000 RM3.26 – 14,000 RM6.02 – 138,000	339,815,200
13.01.97	107,000	Shares of 1.00 each	ESOS RM3.20 – 16,000 RM6.02 – 91,000	339,922,200
18.01.97	168,000	Shares of 1.00 each	ESOS RM3.20 – 22,000 RM3.26 – 17,000 RM6.02 – 129,000	340,090,200
03.02.97	183,000	Shares of 1.00 each	ESOS RM3.20 – 20,000 RM3.26 – 14,000 RM6.02 – 149,000	340,273,200
17.02.97	44,000	Shares of 1.00 each	ESOS at RM6.02	340,317,200
03.03.97	47,000	Shares of 1.00 each	ESOS at RM6.02	340,364,200
17.03.97	42,000	Shares of 1.00 each	ESOS at RM6.02	340,406,200
02.04.97	84,000	Shares of 1.00 each	ESOS RM3.20 – 8,000 RM6.02 – 76,000	340,490,200
17.04.97	74,000	Shares of 1.00 each	ESOS at RM6.02	340,564,200
02.05.97	46,000	Shares of 1.00 each	ESOS at RM6.02	340,610,200
19.05.97	12,600	Shares of 1.00 each	ESOS RM1.82 – 5,600 RM6.02 – 7,000	340,622,800
02.06.97	15,000	Shares of 1.00 each	ESOS at RM6.02	340,637,800
18.06.97	21,000	Shares of 1.00 each	ESOS at RM6.02	340,658,800
02.07.97	2,000	Shares of 1.00 each	ESOS at RM6.02	340,660,800
03.09.97	10,000	Shares of 1.00 each	ESOS at RM3.26	340,670,800



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**INFORMATION ON THE PACIFIC BANK BERHAD**


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<b>Date of allotment</b>	<b>No. of shares</b>	<b>Par Value (RM)</b>	<b>Consideration</b>	<b>Cumulative total</b>
17.10.97	16,000	Shares of 1.00 each	ESOS RM3.26 – 6,000 RM6.02 – 10,000	340,686,800
11.11.97	42,000	Shares of 1.00 each	ESOS RM3.26 – 16,000 RM3.20 – 26,000	340,728,800
03.03.98	200,000	Shares of 1.00 each	ESOS at RM3.20	340,928,800
16.03.98	2,000	Shares of 1.00 each	ESOS at RM1.82	340,930,800
05.05.99	6,000	Shares of 1.00 each	ESOS at RM3.26	340,936,800
16.08.99	3,600	Shares of 1.00 each	ESOS at RM1.82	340,940,400
28.10.99	52,000	Shares of 1.00 each	ESOS RM1.82 – 32,000 RM3.26 – 20,000	340,992,400
19.11.99	30,000	Shares of 1.00 each	ESOS at RM3.20	341,022,400
03.01.2000	62,400	Shares of 1.00 each	ESOS RM1.82 – 22,400 RM3.20 – 26,000 RM3.26 – 14,000	341,084,800
17.01.2000	35,000	Shares of 1.00 each	ESOS at RM3.20	341,119,800
02.02.2000	190,800	Shares of 1.00 each	ESOS RM1.82 – 32,800 RM3.20 – 142,000 RM3.26 – 16,000	341,310,600
17.02.2000	70,600	Shares of 1.00 each	ESOS RM1.82 – 25,600 RM3.20 – 17,000 RM3.26 – 28,000	341,381,200
01.03.2000	24,000	Shares of 1.00 each	ESOS at RM3.20	341,405,200
07.04.2000	14,400	Shares of 1.00 each	ESOS RM1.82 – 5,400 RM3.20 – 6,000 RM3.26 – 3,000	341,419,600
17.04.2000	85,000	Shares of 1.00 each	ESOS	341,504,600

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**INFORMATION ON THE PACIFIC BANK BERHAD**


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<b>Date of allotment</b>	<b>No. of shares</b>	<b>Par Value (RM)</b>	<b>Consideration</b>	<b>Cumulative total</b>
			RM3.20 – 59,000 RM3.26 – 26,000	
02.05.2000	25,000	Shares of 1.00 each	ESOS RM3.20 – 6,000 RM3.26 – 19,000	341,529,600
16.05.2000	14,000	Shares of 1.00 each	ESOS at RM3.26	341,543,600
19.05.2000	80,400	Shares of 1.00 each	ESOS RM1.82 – 4,400 RM3.20 – 45,000 RM3.26 – 31,000	341,624,000
02.06.2000	64,000	Shares of 1.00 each	ESOS RM1.82 – 9,000 RM3.20 – 42,000 RM3.26 – 13,000	341,688,000
21.06.2000	160,000	Shares of 1.00 each	ESOS RM1.82 – 16,000 RM3.20 – 108,000 RM3.26 – 36,000	341,848,000
29.06.2000	139,000	Shares of 1.00 each	ESOS RM1.82 – 3,000 RM3.20 – 56,000 RM3.26 – 80,000	341,987,000

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**INFORMATION ON THE PACIFIC BANK BERHAD**


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**6. Board of Directors****Shareholdings As At 30 November 2000**

Name Of Directors	Nationality	No. Of Shares Held			
		Direct	%	Indirect	%
Choi Siew Hong	Malaysian	172,000	0.05	227,500 <sup>(a)</sup>	0.07
Tan Sri Dato' Wong Kum Choon	Malaysian	-	-	-	-
Dato' Murad Mohamed Hashim	Malaysian	8,442	*	-	-
Kol(B) Dato' Ir Cheng Wah	Malaysian	-	-	16,000 <sup>(b)</sup>	*
Sharifuddin Ahmad Taff	Malaysian	-	-	-	-
Wong Nang Jang	Singaporean	-	-	-	-
John Ng Kim Hoong	Malaysian	-	-	173,000 <sup>(c)</sup>	0.05
Michael Chua Ngoh Chuan	Malaysian	12,000	*	-	-
Lt Kol (B) Abdul Jalil Abdullah	Malaysian	-	-	-	-

*Notes :-**(a) Indirect interest held via his spouse.**(b) Indirect interest held via his spouse.**(c) Deemed interested in these shares registered in the name of Sinneo Sdn Bhd.**\* Negligible*

**INFORMATION ON THE PACIFIC BANK BERHAD**

**7. Financial Data**

A summary of the audited profit and loss accounts of The Pacific Bank Berhad for the past five (5) financial years ended 31 December 1995 to 1999 and the unaudited 6 months ended 30 June 2000 are as follows:

	Year ended 31 December					Unaudited 6 months ended 30.06.2000
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	
Net interest income	116,532	217,970	279,716	258,216	174,509	130,511
Profit/(Loss) before taxation but after Minority Interest ("MI") and zakat	60,125	142,489	101,821	24,428	69,731	68,689
Taxation	(24,289)	(54,352)	(38,226)	(9,400)	2,280	(18,728)
Profit/(loss) after taxation and MI	35,836	88,137	63,595	15,028	72,011	49,961
Effective tax rate (%) (Note 1)	40.40	38.14	37.54	38.48	-	27.26
Gross earnings/(loss) per share (sen)	18.55	41.93	29.88	7.17	20.45	20.09
NTA	572,326	738,313	798,156	811,364	849,518	901,912
NTA per share (RM)	1.77	2.17	2.34	2.38	2.49	2.64
Paid-up capital	324,065	339,815	340,729	340,931	341,022	341,848
Shareholders' funds	572,326	738,313	798,156	811,364	849,518	901,912
After tax return on Shareholders' funds (%)	6.26	11.94	7.97	1.85	8.48	5.54
Capital Adequacy Ratio (%)	14.79	11.82	11.36	11.28	12.81	12.42
-Risk-weighted capital ratio						
Gross Dividend (%)	3.00	3.50	3.50	1.00	10.00	N/A

**Note 1.:** Tax expense per Profit Before Tax.

**Notes:**

- (a) There were no exceptional or extraordinary items for the financial periods under review.
- (b) The financial performance of the PBB Group improved significantly in 1996 in line with the expansion of its business reflecting the continuing growth of the economy.
- (c) Despite improvement in net income in 1997, the decrease in profit was mainly attributable to the stringent loan loss provision policies adopted by The Pacific Bank Berhad to cushion against potential deterioration in asset quality.
- (d) The financial performance of the PBB Group in 1998 was affected by the economic and financial crisis since the middle of 1997.
- (e) The Group performance recovered significantly in 1999 on the back of the country's economic recovery.
- (f) For the unaudited six months period ended 30 June 2000, the Group continued to show improvement in profit compared with the corresponding period of the previous year due to better margins and lower loan loss provision.

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**INFORMATION ON THE PACIFIC BANK BERHAD**


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**8. Substantial Shareholders As At 30 November 2000**

Shareholders	Direct		Indirect	
	No. of Shares Held ('000)	%	No. of Shares Held ('000)	%
United Malacca Bhd <sup>(a)</sup>	71,304	20.85	-	-
Koperasi Angkatan Tentera Malaysia Bhd	56,235 <sup>(b)</sup>	16.44	-	-
Commerce Asset-Holding Bhd	13,709	4.01	-	-
Oversea-Chinese Banking Corporation Ltd ("OCBC")	39,072 <sup>(c)</sup>	11.43	57,179 <sup>(d)</sup>	16.72
Associated Investments & Securities Pte Ltd	46,309 <sup>(c)</sup>	13.54	-	-
Bathurst Enterprises Ltd	10,870 <sup>(c)</sup>	3.18	-	-
<b>TOTAL</b>	<b>237,499</b>	<b>69.45</b>	<b>57,179</b>	<b>16.72</b>

(a) Formerly known as The United Malacca Rubber Estates Bhd

(b) Inclusive of 7,000,000 ordinary shares registered in the name of MIMB Nominees (Tempatan) Sdn Bhd - Pledged securities account for Koperasi Angkatan Tentera Malaysia Bhd.

(c) Held via Malaysia Nominees (Asing) Sendirian Berhad

(d) Deemed interested by virtue of its shareholdings in Associated Investments & Securities Pte Ltd and Bathurst Enterprises Ltd.

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**9. High And Low Prices For The Past 12 Months For PBB**

<b>Date</b>	<b>Highest</b>	<b>Lowest</b>
December 1999	4.06	3.60
January 2000	6.00	3.98
February 2000	5.75	4.60
March 2000	5.00	4.10
April 2000	4.76	4.20
May 2000	4.44	4.08
June 2000	4.24	3.38
July 2000	3.88	3.52
August 2000	3.98	3.52
September 2000	3.68	3.16
October 2000	3.48	2.98
November 2000	3.20	3.04
	<b>Local Shares</b>	<b>Foreign Shares</b>
Last transacted market price on 23 August 2000 (the last market day immediately prior to announcement of the Proposed Acquisition)	3.60	3.80
Last transacted market price on 18 December 2000 (the latest practicable date prior to the printing of this Circular)	3.00	3.30

(Source :- Investor Digest)

**INFORMATION ON THE PACIFIC BANK BERHAD**

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**10. Audited Accounts**

Extracts of the audited accounts of PBB for the financial year ended 31 December 1999 together with the auditors' report and the accounts to be reproduced as follows:-

# BALANCE SHEETS

AS AT DECEMBER 31, 1999

	Note	The Bank		The Group	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
<b>ASSETS</b>					
Cash and short-term funds	3	1,588,898	1,351,306	1,610,628	1,363,109
Deposits and placements					
with financial institutions	4	158,000	651,000	219,717	666,096
Investment securities	5	1,239,255	1,316,636	1,292,776	1,358,600
Loans, advances and financing	6	5,869,690	6,252,840	5,838,801	6,221,648
Other assets	7	339,162	343,288	288,968	316,838
Statutory deposits with					
Bank Negara Malaysia	8	267,811	235,285	267,811	235,285
Investment in subsidiaries	9	88,232	88,232	-	-
Investment in an associated company	10	276	276	253	216
Fixed assets	11	80,946	91,950	219,063	197,419
<b>TOTAL ASSETS</b>		<b>9,632,270</b>	<b>10,330,813</b>	<b>9,738,017</b>	<b>10,359,211</b>
<b>LIABILITIES AND SHAREHOLDERS' FUND</b>					
Deposits from customers	12	7,394,232	7,543,358	7,381,546	7,467,649
Deposits and placements of banks and other					
financial institutions	13	692,896	1,304,075	692,896	1,304,075
Obligations on securities sold under repurchase					
agreements		-	1,000	-	1,000
Bills and acceptances payable		280,737	283,258	280,737	283,258
Other liabilities	14	414,887	387,758	508,662	494,574
<b>TOTAL LIABILITIES</b>		<b>8,782,752</b>	<b>9,519,449</b>	<b>8,863,841</b>	<b>9,550,556</b>
Share capital	16	341,022	340,931	341,022	340,931
Reserves	17	508,496	470,433	530,963	466,055
Shareholders' fund		849,518	811,364	871,985	806,986
Minority interest		-	-	2,191	1,669
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUND</b>		<b>9,632,270</b>	<b>10,330,813</b>	<b>9,738,017</b>	<b>10,359,211</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	27	<b>3,466,133</b>	<b>3,599,074</b>	<b>3,473,448</b>	<b>3,612,768</b>

The accompanying notes are an integral part of these balance sheets.



# PROFIT AND LOSS ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 1999

	Note	The Bank		The Group	
		1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Interest income	18	590,086	934,896	600,153	944,123
Interest expense	19	(415,577)	(676,680)	(412,247)	(673,049)
Net interest income		174,509	258,216	187,906	271,074
Islamic Banking income	32(g)	9,018	10,100	9,018	10,100
		183,527	268,316	196,924	281,174
Loan and financing loss and provision	20	(54,737)	(184,498)	(54,737)	(184,498)
		128,790	83,818	142,187	96,676
Non-interest income	21	75,097	73,986	115,201	91,085
Provision for commitments and contingencies		794	(1,863)	794	(1,863)
Net income		204,681	155,941	258,182	185,898
Non-interest expense	22	(134,950)	(131,513)	(161,751)	(158,477)
Operating profit		69,731	24,428	96,431	27,421
Share of profit in an associated company		-	-	37	13
Profit before taxation and zakat		69,731	24,428	96,468	27,434
Taxation	25	2,280	(9,400)	2,910	(10,739)
Zakat		-	-	-	-
Profit after taxation and zakat but before minority interest		72,011	15,028	99,378	16,695
Minority interest		-	-	(522)	(33)
		72,011	15,028	98,856	16,662
Transfer to statutory reserve	17	(36,010)	(7,520)	(36,010)	(7,520)
Net profit after transfer to statutory reserve		36,001	7,508	62,846	9,142
Retained profits brought forward		97,867	92,823	93,489	86,811
Profits available for appropriation		133,868	100,331	156,335	95,953
Underprovision of dividend in the prior year		-	(9)	-	(9)
Proposed dividend of 10% tax exempt (1998 : 1% less taxation)		(34,102)	(2,455)	(34,102)	(2,455)
Retained profits carried forward		99,766	97,867	122,233	93,489
Earnings per ordinary share of RM1.00 each	26	21 sen	4 sen	29 sen	5 sen

The accompanying notes are an integral part of these accounts.

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 1999

	1999 RM'000	1998 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation and zakat	96,468	27,434
Adjustments for items not involving the movement of cash and cash equivalents:		
Share of profit in an associated company	(37)	(13)
Depreciation	18,444	17,139
Loss on disposal of fixed assets	375	660
Gain on disposal of fixed assets	(48)	(196)
Fixed assets written off	-	11
Amortisation of goodwill arising from consolidation	246	257
Amortisation of intangible assets	-	169
Operating profit before working capital changes	115,448	45,461
Decrease in loans, advances and financing	382,847	487,486
Decrease in other assets	32,798	6,141
(Increase)/decrease in statutory deposits with Bank Negara Malaysia	(32,526)	840,159
(Decrease)/increase in deposits from customers	(86,103)	147,129
Decrease in deposits and placements of banks and other financial institutions	(611,179)	(626,391)
(Decrease)/increase in securities sold under repurchase agreements	(1,000)	1,000
Decrease in other liabilities	(10,437)	(30,253)
Decrease/(increase) in deposits and placement with financial institutions	446,379	(502,517)
Decrease in bills and acceptance payable	(2,521)	(128,111)
Cash generated from operations	233,706	240,104
Tax refund	18,150	-
Income taxes paid	(27,536)	(51,199)
Net cash generated from operating activities	224,320	188,905
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(41,336)	(61,678)
Proceeds from disposal of fixed assets	921	18,875
Proceeds from net sale of investment securities	65,824	357,084
Net cash generated from investing activities	25,409	314,281
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issuance of shares	245	644
Dividends paid to shareholders and minorities	(2,455)	(8,595)
Net cash used in financing activities	(2,210)	(7,951)
Net increase in cash and cash equivalents	247,519	495,235
Cash and cash equivalents at January 1	1,363,109	867,874
Cash and cash equivalents at December 31	1,610,628	1,363,109
Analysis of cash and cash equivalents:		
Cash and short-term funds	1,610,628	1,363,109

The accompanying notes are an integral part of this statement.

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# NOTES TO THE ACCOUNTS

DECEMBER 31, 1999

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## 1. BASIS OF PREPARATION OF THE ACCOUNTS

The accounts of the Bank and of the Group have been prepared in accordance with the provisions of the Companies Act, 1965, Bank Negara Malaysia guidelines and applicable approved accounting standards in Malaysia. The accounts incorporate those activities relating to Islamic Banking which have been undertaken by the Bank.

Islamic Banking refers generally to the acceptance of deposits and granting of financing under the Syariah principles.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Accounting

The accounts are prepared under the historical cost convention.

### (b) Basis of Consolidation

The consolidated accounts include the accounts of the Bank and all its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired during the financial year are included in the consolidated profit and loss account from the date of acquisition. Inter-company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

The excess of the purchase price over the fair value of the net assets of subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill arising on consolidation. Goodwill arising on consolidation is amortised on a straight line basis over 25 years from the acquisition date.

### (c) Investment in Subsidiary Companies

A subsidiary is a company in which the Bank controls the composition of its board of directors or holds more than half of its voting power, or holds more than half of its issued and paid-up ordinary share capital.

Investment in subsidiary companies are stated at cost less provision for any permanent diminution in value.

### (d) Investment in Associated Company

An associated company is a company in which the Bank has a long-term equity interest of between 20% to 50% and where the Bank can exercise significant influence through management participation.

Investment in an associated company is stated at cost less provision for any permanent diminution in value.

The Group's share of profit of the associated company is included in the consolidated profit and loss account and the Group's interest in the associated company is stated at cost plus adjustments to reflect changes in the Group's share of the net assets of the associated company.

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (e) Income Recognition on Banking Operation

Interest income is recognised on an accrual basis. Where an account becomes non-performing, interest is suspended, until it is realised on a cash basis. Customers' accounts are classified to be non-performing where repayments are overdue for more than three months for loans and overdraft and after one month from maturity date for trade bills, banker's acceptances and trust receipts. The policy on classification of accounts to non-performing and suspension of interest are more stringent than Bank Negara Malaysia's Guidelines on the Suspension of Interest on Non-Performing Loans and Provision for Bad and Doubtful Debts, BNM/GP3.

Income from Islamic Banking operation is recognised on an accrual basis.

Dividends from quoted and unquoted securities are recognised on a receipt basis.

Other fees and commissions on a variety of services and facilities extended to customers are recognised on inception of such transactions.

### (f) Significant Accounting Policies Relating to Underwriting of General Insurance Risks

#### (i) Underwriting Results

The general insurance underwriting results, other than those arising from inward treaty business, are determined for each class of business after taking into account, inter alia, reserves for unexpired risks, outstanding claims and additional reserves.

#### (ii) Premium Income

Premium income net of all reinsurances is recognised based on booking date and not on the inception date as recommended in Malaysian Accounting Standard No. 3 and as prescribed by the Director General of Insurance ("DGI") under guidelines JP1/GP13 and circular JP17. However, an adjustment is made to account for premiums by inception dates at the end of the financial year. Premium income on marine cargo, aviation cargo and inland transit business is recognised as being earned in equal instalments over a three month period from the inception date. Premium income on other general business is recognised as being earned on the time-apportionment method.

Premium income for treaty inwards business is recognised on the date of receipt of the accounts.

#### (iii) Acquisition Costs

Acquisition costs incurred vary with and are primarily related directly to the securing of premiums on issue and renewal of insurance policies, net of income derived from reinsurers in the course of ceding premiums to reinsurers. The acquisition costs are deferred and properly allocated to the periods in which they give rise to income.

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(iv) Reserves for Unexpired Risks

Reserves for unexpired risks ("RUR") represent the portion of premium income not yet earned at balance sheet date. RUR is computed with reference to the month of accounting for the premium on the following bases:

(i) 25% method for marine and aviation cargo and transit business

(ii) 1/24th method for all other classes of general business in respect of Malaysian policies, with the following deduction rates:

Motor and bonds	10%
Fire, engineering and marine hull	15%
Other classes	20%

(iii) 1/8th method for all other classes of overseas inward treaty business

(v) Provision for Claims

Provision is made for the estimated costs of all claims together with related expenses less reinsurance recoveries, in respect of claims notified but not settled at balance sheet date. Provision is also made for the probable cost of claims together with related expenses incurred but not reported ("IBNR") at balance sheet date using actual claims development pattern.

(vi) Provision for Bad and Doubtful Debts

Full provision is made in the accounts for outstanding premiums including agents, brokers and reinsurers balances in arrears for more than six months.

**(g) Significant Accounting Policies Relating to Pacific Mutual Fund Bhd. ("PMF")**

(i) Manager's Stocks

The manager's stocks represent units held by PMF in the unit trust funds managed by PMF and are stated at lower of cost and market value on an aggregate basis. Cost is determined using the weighted average method of valuation.

Market value of each unit trust fund is determined by PMF as manager of the unit trust fund based on the underlying value of the unit trust fund.

(ii) Income Recognition

Income on sale of units in unit trust funds is recognised upon allotment of units.

**(h) Significant Accounting Policies Relating to Pac Lease Sdn. Bhd. ("PL")**

(i) Income Recognition

Interest on hire purchase and leasing is recognised on the "sum of digits" method.

Interest income is recognised on an accrual basis. When an account becomes non-performing, interest is suspended until it is realised on a cash basis. Leasing and hire purchase accounts are deemed to be non-performing where repayments are in arrears for three months or more.

## **2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **(ii) Provision for doubtful debts**

Specific provisions are made for doubtful debts that have been individually reviewed and specifically identified as bad or doubtful.

A general provision for doubtful debts is made to cover possible losses which are not specifically identified.

### **(iii) Leasing**

PL adopts the financing method of accounting for leases.

### **(i) Provision for Bad and Doubtful Debts and Financing**

Specific provisions are made for doubtful debts and financing which have been individually reviewed and specifically identified as bad or doubtful.

A general provision for bad and doubtful debts and financing of not less than 2.0% of loans, advances and financing, net of specific provision for bad and doubtful accounts and interest in suspense/income-in-suspense is also made to cover possible losses which are not specifically identified. The policy to maintain a general provision account is more stringent than Bank Negara Malaysia's Guidelines on the Suspension of Interest on Non-Performing Loans and Provision for Bad and Doubtful Debts, BNM/GP3.

An uncollectible loan and financing or portion of a loan and financing classified as bad is written off after taking into consideration the realisable value of collateral, if any, when in the judgement of the management, there is no prospect of recovery.

### **(j) Investment Securities**

Investment securities are securities that are acquired and held for yield or capital growth or to meet minimum liquid assets requirement pursuant to Section 38 of the Banking and Financial Institutions Act, 1989 and are usually held to maturity.

Malaysian Government Securities, Cagamas bonds, Cagamas notes, Danaharta bonds, Danamodal bonds and Khazanah bonds are stated at cost adjusted for amortisation of premium and accretion of discounts to maturity date.

Malaysian Government Investment Certificates, other Government Securities, quoted and unquoted securities, private debt securities and unit trusts are stated at cost less provision for any permanent diminution in value.

### **(k) Fixed Assets and Depreciation**

Fixed assets are stated at cost less accumulated depreciation.

Freehold land and capital work-in-progress are not depreciated. Leasehold land and buildings are amortised over the period of the respective leases. Depreciation of other fixed assets is provided on a straight-line basis calculated to write off the cost of each asset over its estimated useful life.

**2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The principal annual rates of depreciation are:

Leasehold land and buildings	ranging from 50 to 99 years
Freehold buildings	2%
Renovations	10 years or remaining life of the lease, whichever is shorter
Office equipment, furniture and fittings	10%
Computer equipment and software	20%
Motor vehicles	20%

**(l) Currency Conversion and Translation**

Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange approximating those ruling at that date. All exchange gains or losses are dealt with in the profit and loss accounts.

**(m) Forward Exchange Contracts**

Unmatured forward exchange contracts are valued at forward rates at the balance sheet date, applicable to their respective dates of maturity and unrealised gains and losses are recognised in the profit and loss accounts for the year.

**(n) Repurchase Agreements**

Obligations on securities sold under repurchase agreements are securities which the Bank has sold from its portfolio, with a commitment to repurchase at future dates and is reflected as a liability on the balance sheet.

**(o) Bills and Acceptances Payable**

Bills and acceptances payable represent the Bank's own bills and acceptances rediscounted and outstanding in the market.

**(p) Deferred Taxation**

Deferred taxation is provided under the liability method for all material timing differences except where there is reasonable evidence that these timing differences will not reverse in the foreseeable future and where the timing differences give rise to deferred tax benefits, such benefits are not recognised.

**(q) Amounts recoverable from Danaharta**

This relates to the loans sold to Pengurusan Danaharta Nasional Berhad ("Danaharta") where the total consideration is received in two portions; upon the sale of the loans (initial consideration) and upon the recovery of the loans (final consideration). The final consideration amount represents the Bank's predetermined share of the surplus over the initial consideration upon recovery of the loans.

The difference between the carrying value of the loans and the initial consideration is recognised as "Amounts recoverable from Danaharta" within the "Other Assets" component of the balance sheet. Provisions against these amount are made to reflect the directors' assessment of the realisable value of the final consideration as at the balance sheet date.

NOTES TO THE ACCOUNTS

3. CASH AND SHORT-TERM FUNDS

	<i>The Bank</i>		<i>The Group</i>	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Cash and balances with banks and other financial institutions	272,298	277,850	273,432	278,857
Money at call and deposit placements maturing within one month	1,316,600	1,073,456	1,337,196	1,084,252
	<b>1,588,898</b>	<b>1,351,306</b>	<b>1,610,628</b>	<b>1,363,109</b>

4. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	<i>The Bank</i>		<i>The Group</i>	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Bank Negara Malaysia	53,000	501,000	53,000	501,000
Licensed banks	25,000	90,000	78,771	104,479
Licensed finance companies	50,000	60,000	57,946	60,617
Other financial institutions	30,000	-	30,000	-
	<b>158,000</b>	<b>651,000</b>	<b>219,717</b>	<b>666,096</b>

5. INVESTMENT SECURITIES

	<i>The Bank</i>		<i>The Group</i>	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Money market instruments:				
Malaysian Government Securities	277,783	211,589	294,598	230,944
Malaysian Government Investment Certificates	42,628	22,651	42,628	22,651
Cagamas bonds	81,238	310,417	84,135	313,314
Cagamas notes	119,480	-	119,480	1,379
Khazanah bonds	132,650	-	132,650	-
Danamodal bonds	73,607	150,098	78,202	150,098
Danaharta bonds	220,006	14,036	225,332	16,917
Negotiable instruments of deposit	125,000	467,000	125,000	467,000
Bankers acceptances and Islamic accepted bills	-	77,573	-	77,574
Private debt securities	139,307	51,449	141,250	51,448
	<b>1,211,699</b>	<b>1,304,813</b>	<b>1,243,275</b>	<b>1,331,325</b>
Amortisation of premium less accretion of discounts	18,708	1,986	18,893	1,689
	<b>1,230,407</b>	<b>1,306,799</b>	<b>1,262,168</b>	<b>1,333,014</b>



## 5. INVESTMENT SECURITIES (Cont'd)

	<i>The Bank</i>		<i>The Group</i>	
	<b>1999</b> <i>RM'000</i>	<b>1998</b> <i>RM'000</i>	<b>1999</b> <i>RM'000</i>	<b>1998</b> <i>RM'000</i>
Quoted securities in Malaysia, at cost:				
Shares	-	-	<b>17,978</b>	17,827
Warrants	-	-	<b>350</b>	350
Unit trusts	-	-	<b>4,000</b>	2,000
Loan stock	-	-	<b>247</b>	346
	-	-	<b>22,575</b>	20,523
Provision for diminution in value	-	-	<b>(815)</b>	(4,774)
	-	-	<b>21,760</b>	15,749
Unquoted shares in Malaysia	<b>8,848</b>	9,837	<b>8,848</b>	9,837
	<b>1,239,255</b>	1,316,636	<b>1,292,776</b>	1,358,600

## (i) Market value:

Malaysian Government Securities	<b>282,178</b>	216,014	<b>300,064</b>	235,561
Cagamas bonds	<b>84,579</b>	314,345	<b>87,580</b>	317,303
Quoted shares in Malaysia	-	-	<b>17,197</b>	13,897
Warrants	-	-	<b>325</b>	276
Unit trusts	-	-	<b>4,010</b>	1,272
Loan stock	-	-	<b>458</b>	387

## (ii) The maturity structure of money market instruments held for investment are as follows:

Maturing within one year	<b>330,903</b>	786,497	<b>335,344</b>	790,415
One year to three years	<b>177,885</b>	199,159	<b>183,292</b>	206,556
Three years to five years	<b>589,926</b>	213,781	<b>608,853</b>	223,296
Over five years	<b>112,985</b>	105,376	<b>115,786</b>	111,058
	<b>1,211,699</b>	1,304,813	<b>1,243,275</b>	1,331,325

NOTES TO THE ACCOUNTS

6. LOANS, ADVANCES AND FINANCING

	<i>The Bank</i>		<i>The Group</i>	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Overdrafts	2,085,975	2,299,269	2,081,496	2,293,907
Term loans - fixed rate	491,413	305,684	491,413	280,207
- floating rate	2,254,090	2,333,851	2,254,090	2,333,851
Revolving credit	939,465	1,057,976	908,465	1,057,976
Credit card receivables	24,063	20,686	24,063	20,686
Bills receivable	116,845	125,633	116,845	125,633
Trust receipts	147,743	110,768	147,743	110,415
Claims on customers under acceptance credits	297,398	298,643	297,398	298,643
Staff loans	86,813	76,303	91,403	76,303
Other loans	35,965	205,441	35,965	205,441
	6,479,770	6,834,254	6,448,881	6,803,062
Unearned interest and income	(87,039)	(42,502)	(87,039)	(42,502)
Gross loans, advances and financing	6,392,731	6,791,752	6,361,842	6,760,560
Provision for bad and doubtful debts and financing - specific	(223,732)	(277,466)	(223,732)	(277,466)
- general	(121,945)	(125,189)	(121,945)	(125,189)
Interest-in-suspense/income-in-suspense	(177,364)	(136,257)	(177,364)	(136,257)
Net loans, advances and financing	5,869,690	6,252,840	5,838,801	6,221,648

The maturity structure of loans, advances and financing are as follows:

	<i>The Bank</i>		<i>The Group</i>	
	1999 RM'000	1998 RM'000	1999 RM'000	1998 RM'000
Maturing within one year	3,830,421	4,283,261	3,795,865	4,252,069
One year to three years	136,189	257,093	137,212	257,093
Three years to five years	435,982	275,916	436,533	275,916
Over five years	1,990,139	1,975,482	1,992,232	1,975,482
	6,392,731	6,791,752	6,361,842	6,760,560

**6. LOANS, ADVANCES AND FINANCING (Cont'd)**

Movements in the non-performing loans, advances and financing (including interest and income receivable) are as follows:

	<i>The Bank and The Group</i>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance as at January 1	<b>1,109,969</b>	355,039
Non-performing during the year	<b>427,382</b>	1,040,918
Amount sold to Danaharta	<b>(261,745)</b>	(10,132)
Recoveries	<b>(243,015)</b>	(241,210)
Amount written off	<b>(21,417)</b>	(34,646)
<b>Balance as at December 31</b>	<b>1,011,174</b>	<b>1,109,969</b>
Ratio of non-performing loans, advances and financing to total loans, advances and financing (net of specific provision and interest-in-suspense)	<b>10.01%</b>	10.73%

The Bank adopts a more prudent policy in the classification of loans, advances and financing. If the Bank follows the classification criteria in conformity with the minimum requirements of BNM/GP3, the non-performing loans, advances and financing will be RM829,261,000 and the ratio of non-performing loans, advances and financing to total loans and advances will be 7.80%.

Non-performing loans sold to Danaharta during the year constituted 3.8% of the gross loans, advances and financing at the beginning of the year.

Loans, advances and financing according to economic sectors are as follows:

	<i>The Bank</i>		<i>The Group</i>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Agriculture	<b>168,572</b>	154,446	<b>168,572</b>	154,446
Mining and quarrying	<b>26,668</b>	9,254	<b>26,668</b>	9,254
Manufacturing	<b>1,191,482</b>	1,305,118	<b>1,191,482</b>	1,305,118
Electricity, gas and water	<b>127,328</b>	99,949	<b>127,328</b>	99,949
Construction	<b>676,876</b>	648,711	<b>676,876</b>	648,711
Real estate	<b>201,571</b>	202,250	<b>201,571</b>	202,250
Purchase of landed property:				
- residential	<b>896,331</b>	674,346	<b>899,816</b>	674,346
- non-residential	<b>914,224</b>	878,763	<b>914,224</b>	878,763
General commerce	<b>717,879</b>	763,643	<b>717,879</b>	763,643
Transport, storage and communication	<b>233,432</b>	342,946	<b>233,432</b>	342,946
Finance, insurance and business services	<b>428,205</b>	636,096	<b>392,726</b>	604,904
Purchase of securities	<b>164,760</b>	265,197	<b>164,760</b>	265,197
Purchase of transport vehicles	<b>11,232</b>	12,749	<b>12,268</b>	12,749
Consumption credit	<b>454,485</b>	427,698	<b>454,554</b>	427,698
Others	<b>179,686</b>	370,586	<b>179,686</b>	370,586
<b>Total</b>	<b>6,392,731</b>	<b>6,791,752</b>	<b>6,361,842</b>	<b>6,760,560</b>

NOTES TO THE ACCOUNTS

6. LOANS, ADVANCES AND FINANCING (Cont'd)

The movements in the provision for bad and doubtful debts and financing and interest-in-suspense are as follows:

	<i>The Bank and The Group</i>	
	<i>1999</i>	<i>1998</i>
	<i>RM'000</i>	<i>RM'000</i>
<b>General Provision</b>		
As at January 1	125,189	118,117
(Write-back)/provisions during the year	(3,244)	7,072
<b>As at December 31</b>	<b>121,945</b>	<b>125,189</b>
As a % of total loans, advances and financing less specific provision and interest-in-suspense	2.00%	1.93%
<b>Specific Provision</b>		
As at January 1	277,466	112,721
Provisions made during the year	144,872	208,081
Amount sold to Danaharta	(93,951)	(5,773)
Amount written back in respect of recoveries	(96,627)	(31,221)
Amount written off	(8,028)	(6,342)
<b>As at December 31</b>	<b>223,732</b>	<b>277,466</b>
<b>Interest-in-suspense</b>		
As at January 1	136,257	68,855
Provisions made during the year	129,466	122,014
Amount sold to Danaharta	(35,346)	(326)
Amount written back in respect of recoveries	(39,709)	(25,993)
Amount written off	(13,304)	(28,293)
<b>As at December 31</b>	<b>177,364</b>	<b>136,257</b>

**7. OTHER ASSETS**

	<i>The Bank</i>		<i>The Group</i>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax recoverable	5,174	-	5,174	-
Due from subsidiaries	130,093	98,636	-	-
Due from associated company	39	38	39	38
Amount due from agents, reinsurers and co-insurers, less provision for doubtful debts of RM4,931,143 (1998 : RM3,044,635)	-	-	10,258	6,472
Lease debtors, less provision for doubtful debts of RM2,806,950 (1998: RM2,305,016)	-	-	56,233	50,942
Goodwill arising on consolidation, less accumulated amortisation of RM1,720,964 (1998 : RM1,475,112)	-	-	4,425	4,671
Manager's stocks	-	-	4,578	2,733
Intangible assets, less accumulated amortisation of RMNil (1998 : RM812,052)	-	-	3	3
Amounts recoverable from Danaharta	48,560	-	48,560	-
Other debtors, deposits and prepayments	155,296	244,614	159,698	251,979
	<b>339,162</b>	<b>343,288</b>	<b>288,968</b>	<b>316,838</b>

The movements in amounts recoverable from Danaharta are as follows:

	<i>The Bank and The Group</i>	
	<b>1999</b>	<b>1998</b>
	<b>RM'000</b>	<b>RM'000</b>
Amounts recoverable from Danaharta		
As at January 1	-	-
Amount arising during the year	164,949	1,010
Provisions made at initial sale	(104,249)	-
	<b>60,700</b>	<b>1,010</b>
Provisions made during the year	(12,140)	(1,010)
As at December 31	<b>48,560</b>	<b>-</b>

**8. STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA**

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Ordinance, 1958 the amounts of which are determined as a set percentage of total eligible liabilities.