

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
CONDENSED INTERIM FINANCIAL STATEMENTS**



UNAUDITED BALANCE SHEETS AS AT 30 JUNE 2008

	Note	Group		Company	
		30 June 2009 RM'000	31 December 2008 RM'000	30 June 2009 RM'000	31 December 2008 RM'000
ASSETS					
Cash and short-term funds		1,694,259	1,784,193	783,487	621,139
Deposits and placements with banks and other financial institutions		220,307	535,574	106,260	40,000
Asset of disposal group/classified as held for sale	5	633,558	625,944	2,353	2,353
Securities held-for-trading	6	410,892	275,659	8,380	8,365
Securities available-for-sale	7	2,630,757	3,250,362	51,309	55,933
Securities held-to-maturity	8	33,314	43,404	-	-
Loans, advances and financing	9	624,127	688,658	455,433	536,500
Other assets	10	281,634	86,437	393,399	430,314
Statutory deposits with Bank Negara Malaysia		19,177	96,871	-	-
Investment properties		7,822	7,060	-	-
Prepaid lease payments		448	454	-	-
Investment in associates		3,493	3,201	-	-
Investment in subsidiaries		-	-	870,541	870,541
Property, plant and equipment - others		16,205	18,700	11,084	13,295
Deferred tax assets		48,770	55,417	8,811	8,811
Goodwill		86,713	86,713	-	-
TOTAL ASSETS		6,711,476	7,558,647	2,691,057	2,587,251
LIABILITIES					
Deposits from customers	11	1,718,275	2,450,904	-	-
Deposits and placements of banks and financial institutions	12	1,639,524	2,021,784	-	-
Other payables		169,837	106,328	51,661	53,426
Borrowings	13	422,396	456,949	413,559	455,649
Government Scheme Funds	14	396,986	256,303	396,986	256,303
Liabilities directly associated with assets classified as held-for-sale	5	107,677	93,652	-	-
Taxation		3,373	2,392	-	-
Employee benefits		10,732	11,157	8,466	9,007
Deferred tax liabilities		4,010	4,043	-	-
TOTAL LIABILITIES		4,472,810	5,403,512	870,672	774,385
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share Capital		978,495	978,495	978,495	978,495
Reserves :					
Share Premium		363,861	363,861	363,861	363,861
Statutory Reserve		79,159	79,159	-	-
Capital Reserve		36,181	36,220	-	-
Exchange Fluctuation Reserve		(5,053)	(4,876)	-	-
Securities Available-For-Sale Reserve		(1,279)	1,478	-	-
Retained Profits		760,776	674,655	478,029	470,510
		2,212,140	2,128,992	1,820,385	1,812,866
Minority Interest		26,526	26,143	-	-
TOTAL EQUITY		2,238,666	2,155,135	1,820,385	1,812,866
TOTAL LIABILITIES AND EQUITY		6,711,476	7,558,647	2,691,057	2,587,251
CONTINGENCIES AND COMMITMENTS	23	780,401	991,044	287,507	359,508
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RM)		2.26	2.18	1.86	1.85

The Unaudited Condensed Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
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UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2009



GROUP	Note	Individual Quarter		Cumulative Quarter	
		30.6.2009	30.6.2008	30.6.2009	30.6.2008
		RM'000	RM'000	RM'000	RM'000
CONTINUING OPERATIONS					
REVENUE		111,670	106,344	195,799	206,401
INTEREST INCOME	15	44,845	77,250	98,783	147,111
INTEREST EXPENSE	16	(17,355)	(43,529)	(42,983)	(88,887)
NET INTEREST INCOME		27,490	33,721	55,800	58,224
NET INCOME FROM ISLAMIC BANKING BUSINESS	26b	7,693	8,580	15,093	17,970
OTHER OPERATING INCOME	17	75,228	32,855	92,827	69,236
		110,411	75,156	163,720	145,430
EXPENDITURE	18	(22,405)	(19,512)	(42,019)	(39,611)
PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES		88,006	55,644	121,701	105,819
(ALLOWANCES) / WRITEBACK FOR LOSSES ON LOANS, ADVANCES AND FINANCING	19	(7,359)	(2,223)	(7,396)	7,760
IMPAIRMENT WRITEBACK ON SECURITIES	20	(37,650)	491	(24,648)	8,080
PROFIT BEFORE SHARE OF RESULTS IN ASSOCIATES		42,997	53,912	89,657	121,659
SHARE OF RESULTS IN ASSOCIATES		341	497	714	1,027
PROFIT BEFORE TAXATION AND ZAKAT		43,338	54,409	90,371	122,686
TAX EXPENSE		(1,398)	(9,219)	(12,979)	(22,674)
ZAKAT		(44)	(51)	(195)	(169)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		41,896	45,139	77,197	99,843
DISCONTINUED OPERATIONS					
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	5	5,397	11,850	9,307	17,394
PROFIT FOR THE PERIOD		47,293	56,989	86,504	117,237
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY		46,900	56,567	86,121	116,553
MINORITY INTEREST		393	422	383	684
PROFIT FOR THE PERIOD		47,293	56,989	86,504	117,237
EARNINGS PER SHARE					
- BASIC, FOR PROFIT FROM CONTINUING OPERATIONS		4.24	4.57	7.85	10.13
- BASIC, FOR PROFIT FROM DISCONTINUED OPERATIONS		0.55	1.21	0.95	1.78
- BASIC, FOR PROFIT FOR THE PERIOD		4.79	5.78	8.80	11.91

The Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.

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UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2009



COMPANY	Note	Individual Quarter		Cumulative Quarter	
		30.6.2009	30.6.2008	30.6.2009	30.6.2008
		RM'000	RM'000	RM'000	RM'000
REVENUE		20,690	23,957	37,597	45,458
INTEREST INCOME	15	12,823	18,802	24,029	33,565
INTEREST EXPENSE	16	(2,792)	(3,460)	(5,654)	(9,039)
NET INTEREST INCOME		10,031	15,342	18,375	24,526
NET INCOME FROM ISLAMIC BANKING BUSINESS	26b	3,068	3,168	6,226	6,515
OTHER OPERATING INCOME	17	9,421	6,008	16,001	12,735
		22,520	24,518	40,602	43,776
EXPENDITURE	18	(12,385)	(10,910)	(23,274)	(15,370)
PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES		10,135	13,608	17,328	28,406
(ALLOWANCES) / WRITEBACK FOR LOSSES ON LOANS, ADVANCES AND FINANCING	19	(6,733)	(1,101)	(7,021)	(605)
PROFIT BEFORE TAXATION		3,402	12,507	10,307	27,801
TAX EXPENSE		(1,627)	(3,226)	(2,788)	(5,695)
ZAKAT		57	(5)	-	(45)
PROFIT FOR THE PERIOD		1,832	9,276	7,519	22,061

The Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2009

Group	Share Capital	Non-Distributable				Statutory Reserve	Distributable Retained Profits	Total	Minority Interest	Total Equity
		Share Premium	Securities Available-For-Sale Reserve	Capital Reserve	Exchange Fluctuation Reserve					
-----RM'000-----										
At 1 January 2009	978,495	363,861	1,478	36,220	(4,876)	79,159	674,655	2,128,992	26,143	2,155,135
Net profit for the financial period	-	-	-	-	-	-	86,121	86,121	383	86,504
Realised gain on disposal of securities available-for-sale	-	-	(11,581)	-	-	-	-	(11,581)	-	(11,581)
Unrealised gain on revaluation of securities available-for-sale	-	-	8,786	-	-	-	-	8,786	-	8,786
Deferred tax on revaluation of securities available-for-sale	-	-	38	-	-	-	-	38	-	38
Net gain not recognised in the income statement	-	-	(2,757)	-	-	-	-	(2,757)	-	(2,757)
Realisation of reserve arising from disposal of property	-	-	-	(39)	-	-	-	(39)	-	(39)
Currency translation differences	-	-	-	-	(177)	-	-	(177)	-	(177)
At 30 June 2009	978,495	363,861	(1,279)	36,181	(5,053)	79,159	760,776	2,212,140	26,526	2,238,666
At 1 January 2008	978,495	363,861	81	36,220	(5,090)	58,022	589,330	2,020,919	25,140	2,046,059
Net profit for the financial period	-	-	-	-	-	-	116,553	116,553	684	117,237
Realised gain on disposal of securities available-for-sale	-	-	(3,071)	-	-	-	-	(3,071)	-	(3,071)
Unrealised gain on revaluation of securities available-for-sale	-	-	6,038	-	-	-	-	6,038	-	6,038
Deferred tax on revaluation of securities available-for-sale	-	-	43	-	-	-	-	43	-	43
Net gain not recognised in the income statement	-	-	3,010	-	-	-	-	3,010	-	3,010
Currency translation differences	-	-	-	-	29	-	-	29	-	29
Deemed disposal of a subsidiary	-	-	-	-	-	-	-	-	(366)	(366)
At 30 June 2008	978,495	363,861	3,091	36,220	(5,061)	58,022	705,883	2,140,511	25,458	2,165,969

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2009

	Non-Distributable			Total Equity
	Share Capital	Share Premium	Distributable Retained Profits	
Company	-----RM'000-----			
At 1 January 2009	978,495	363,861	470,510	1,812,866
Net profit for the financial period	-	-	7,519	7,519
At 30 June 2009	978,495	363,861	478,029	1,820,385
At 1 January 2008	978,495	363,861	527,628	1,869,984
Net profit for the financial period	-	-	12,785	12,785
At 30 June 2008	978,495	363,861	540,413	1,882,769

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2009

	Group		Company	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
Profit before taxation:				
Continuing operations	90,371	122,686	10,307	27,801
Discontinued operations	11,385	19,983	-	-
Adjustments for non-cash items	50,075	(58,992)	9,684	1,103
Operating profit before changes in working capital	151,831	83,677	19,991	28,904
Changes in working capital				
Net changes in operating assets	(126,035)	81,119	165,038	8,893
Net changes in operating liabilities	(933,708)	(540,234)	49,116	(152,718)
Tax expense paid	(7,730)	(3,083)	(4,417)	-
Interest paid	-	-	-	(6,815)
Retirement benefits paid	(1,417)	(1,088)	(1,218)	(1,088)
Movements on exchange fluctuations	(177)	5	-	-
Net cash (used in) / generated from operating activities	(917,236)	(379,604)	228,510	(122,824)
Net cash generated from / (used in) investing activities	452,654	533,313	(502)	2,768
Net cash used in financing activities	-	(300)	-	(300)
Net (decrease) / increase in cash and cash equivalents	(464,582)	153,409	228,008	(120,356)
Cash and cash equivalents at beginning of the period	2,429,769	3,222,543	661,139	783,558
Cash and cash equivalents at end of the period	1,965,187	3,375,952	889,147	663,202

Cash and cash equivalents:

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

Continuing operations:

Cash and short term funds (note)	1,694,109	2,651,044	783,487	627,952
Deposits and placements with banks and other financial institutions	239,484	724,908	106,260	35,250
	1,933,593	3,375,952	889,747	663,202

Discontinued operations:

Cash and short term funds	29,170	-	-	-
Deposits and placements with banks and other financial institutions	2,425	-	-	-
	31,595	-	-	-
	1,965,188	3,375,952	889,747	663,202

Note :

- 1) Net of pledged deposits with a licensed bank for banking facilities granted to a subsidiary amounting to RM150,000.
- 2) Included in deposits and placement maturing within one month of the Group and the Company is an amount of RM396,986,000 (2008: RM308,674,000) which relates to cash available from Government Scheme Funds which has not been utilised.

The Unaudited Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.

Explanatory Notes Pursuant to Financial Reporting Standard 134 ("FRS 134") and Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) Issued by Bank Negara Malaysia

1. Basis of preparation

The unaudited condensed interim financial statements has been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: securities held-for-trading, securities available-for-sale and derivative financial instruments.

The unaudited condensed interim financial statement has been prepared in accordance with FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB").

The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Company since the financial year ended 31 December 2008.

The significant accounting policies and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2008.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

3. Performance review

The Group registered a pre-tax profit of RM101.756 million for the period ended 30 June 2009, a decrease of 29% as compared to the previous corresponding period's pre-tax profit of RM142.669 million. The decrease in earning is attributed to higher loan losses and higher impairment on securities.

4. Current year prospects

The ongoing measures to pump-prime the economy undertaken by the Government to boost domestic-oriented activities is expected to partially mitigate the weaknesses in the global economy. Nonetheless, the risks of slower earnings growth and deterioration in asset quality, which is in line with the trend elsewhere in the world, could undermine recovery efforts.

The Malaysian debt and capital market is undergoing its most challenging and trying period since the Asian Financial Crisis, as fund-raising exercises in both debt and equities by corporations had either been kept in abeyance or shelved, pending clearer business prospects and better valuation. Secondary trading in these capital market instruments had also taken a setback.

It is, therefore, to the credit of the authorities and our country's leadership that steps have been taken to preserve liquidity in the market through good governance of the banking system, to ensure that credit continues to flow from banks to businesses, as well as to engineer various economic initiatives and measures to make Malaysia more internationally attractive and to woo investments. The establishment of Danajamin Nasional Bhd is a masterstroke to ensure that viable business propositions which can assist pump-priming activities are given the required support. The expansion of sovereign fund 1Malaysia Development Bhd from a state entity to a federal entity on the other hand, with the aim of investing in energy, real estate and hospitality sectors in the country, will surely instil confidence and positivism to the future economic outlook.

The investment banking division opportunities lie in advisory activities for corporate actions, such as mergers and takeovers and delisting exercises. Treasury business is also expected to be buoyed by the general downtrend in interest rates. It is expected that there will be limited clients' involvement in the debt and equity capital markets, especially in private debt securities origination, as the hazy outlook overwhelms the low interest rate environment. Consequently, peripheral activities such as underwriting and advisory will inevitably be adversely affected.

With 2009 expected to be a challenging year and with the Government introducing financial stimulus packages for the economy, the Group, in its capacity as a development finance agency intends to fully engage and cooperate with the Government on its role for the onwards lending of new scheme funds under the new stimulus package, where credit risk is mitigated.

Remedial steps to enhance the fund performance, improve client relationship management and opportunities for potential tie up with established foreign partners for business and product development are in progress for the asset management business.

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4. Current year prospects (cont'd)

The property business division will continue to focus its efforts to realise the value of the properties held. The development of fee-based income from project management skills and services are also being pursued as an alternative revenue source.

To facilitate the streamlining of the businesses of the Group to achieve the overall objective in becoming a financial services provider, the property business division and related activities will be realigned and distributed to Pemodalan Nasional Berhad, the ultimate holding company under the proposed MIDF Group Restructuring.

The challenging operating environment re-affirms the need for the continued focus on customer relationships, operational efficiencies, credit and cost management to provide the base for sustainable and quality growth for the Group.

5. Assets of disposal group/classified as held for sale

An analysis of the results of discontinued operations of disposal group is as follows:

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
Revenue	19,109	29,050	36,046	47,201
Cost of Sales	(6,324)	(4,668)	(11,464)	(8,792)
	12,785	24,382	24,582	38,409
Operating income	798	448	1,536	722
	13,583	24,830	26,118	39,131
Staff cost	(2,515)	(2,485)	(4,930)	(4,613)
Depreciation	(440)	(2,718)	(1,823)	(3,596)
Operating expenses	(4,022)	(5,840)	(7,980)	(10,939)
Profit before tax of discontinued operation	6,606	13,787	11,385	19,983
Tax expense	(1,209)	(1,937)	(2,078)	(2,589)
Profit for the year from discontinued operation	5,397	11,850	9,307	17,394

The major classes of assets and liabilities classified as held-for-sale on the balance sheet are as follows:

	Group		Company	
	30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 RM'000
ASSETS				
Cash and short-term funds	29,170	11,057	-	-
Deposits and placements with banks and other financial institutions	2,425	2,224	-	-
Other assets	25,995	28,264	-	-
Loans, advances and financing	2,189	2,703	-	-
Investment properties	50,910	53,794	-	-
Prepaid lease payments	14,781	15,076	-	-
Industrial estates - developed properties held-for-sale	206,108	208,384	-	-
Land held for property development	79,370	80,915	-	-
Property, plant and equipment				
- serviced residence property	107,896	108,352	-	-
- others	114,415	115,175	2,353	2,353
Deferred tax assets	299	-	-	-
Assets of disposal group classified as held-for-sale	633,558	625,944	2,353	2,353
LIABILITIES				
Other payables	35,260	36,494	-	-
Borrowings	61,237	44,363	-	-
Taxation	653	1,982	-	-
Employee benefits	3,403	3,325	-	-
Deferred tax liabilities	7,124	7,488	-	-
Liabilities directly associated with assets classified as held-for-sale	107,677	93,652	-	-

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6. Securities held-for-trading

	Group		Company	
	30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 RM'000
At fair value				
Quoted:				
Malaysian Government Securities	-	10,645	-	-
Unit trusts	2	117	2	2
Shares	1,315	1,204	386	371
Loan stocks	1	1	1	1
Redeemable Convertible Secured Notes	7,991	7,991	7,991	7,991
	<u>9,309</u>	<u>19,958</u>	<u>8,380</u>	<u>8,365</u>
Unquoted:				
Private Debts Securities	190,031	144,066	-	-
Loan stocks	3,533	5,374	-	-
Other Acceptance Discounted	208,019	106,261	-	-
	<u>401,583</u>	<u>255,701</u>	<u>-</u>	<u>-</u>
	<u>410,892</u>	<u>275,659</u>	<u>8,380</u>	<u>8,365</u>

7. Securities available-for-sale

	Group		Company	
	30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 RM'000
At fair value				
Quoted:				
Malaysian Government Securities	10,261	229,074	-	-
Government Investment Issue	151,661	183,871	-	-
Malaysian Treasury Bills/Malaysian Islamic Treasury Bills	14,993	-	-	-
Bank Negara Malaysia Negotiable Notes	359,247	-	-	-
Private debt securities	8,010	-	-	-
Shares	6,828	7,147	1,234	1,234
	<u>551,000</u>	<u>420,092</u>	<u>1,234</u>	<u>1,234</u>
Unquoted:				
Khazanah Nasional Berhad bonds	71,152	126,915	-	-
Cagamas Berhad bonds	-	25,018	-	-
Negotiable instruments of deposit	-	59,590	-	-
Private debt securities	1,659,205	1,936,933	-	-
Corporate bonds	46,010	46,868	46,010	46,868
Shares	10,053	122,074	1,279	5,045
Others Acceptances Discounted	140,837	510,086	-	-
Loan stocks	2,786	2,786	2,786	2,786
Negotiable Instruments of Deposits	149,714	-	-	-
	<u>2,079,757</u>	<u>2,830,270</u>	<u>50,075</u>	<u>54,699</u>
	<u>2,630,757</u>	<u>3,250,362</u>	<u>51,309</u>	<u>55,933</u>

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8. Securities held-to-maturity

	Group	
	30.6.2009	31.12.2008
	RM'000	RM'000
At amortised cost		
Unquoted:		
Khazanah Nasional Berhad bonds	19,608	19,258
Shares	906	906
Private debt securities	90,124	140,564
	<u>110,638</u>	<u>160,728</u>
Less: Accumulated impairment losses	<u>(77,324)</u>	<u>(117,324)</u>
	<u>33,314</u>	<u>43,404</u>

9. Loans, advances and financing

	Group		Company	
	30.6.2009	31.12.2008	30.6.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Term loans				
- Syndicated term loan/financing	27,730	10,045	-	-
- Hire purchase receivables	121,827	144,404	87,019	101,881
- Lease receivables	7,813	9,618	5,955	7,759
- Other term loans/financing	575,775	639,682	523,186	582,819
Staff loans	10,781	12,955	3,606	4,472
Less: Staff loans classified as assets held-for-sale	(2,189)	(2,703)	-	-
	8,592	10,252	3,606	4,472
Revolving credits	19,528	21,881	215	409
Margin accounts	80,384	67,614	-	-
	<u>841,649</u>	<u>903,496</u>	<u>619,981</u>	<u>697,340</u>
Less: Unearned interest and income	<u>(12,161)</u>	<u>(16,719)</u>	<u>(10,412)</u>	<u>(13,725)</u>
	829,488	886,777	609,569	683,615
Less: Security deposits	(375)	(569)	-	-
Less: Allowance for bad and doubtful debts and financing:				
- General	(21,582)	(24,905)	(17,804)	(21,606)
- Specific	(183,404)	(172,645)	(136,332)	(125,509)
Total net loans, advances and financing	<u>624,127</u>	<u>688,658</u>	<u>455,433</u>	<u>536,500</u>

a. By type of customer

	Group		Company	
	30.6.2009	31.12.2008	30.6.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Domestic business enterprises				
- Small medium enterprises	492,158	510,963	350,476	393,826
- Others	248,423	276,572	240,093	266,852
Individuals	73,513	80,778	3,606	4,472
Foreign entities	15,394	18,464	15,394	18,465
Gross loans, advances and financing	<u>829,488</u>	<u>886,777</u>	<u>609,569</u>	<u>683,615</u>

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9. Loans, advances and financing (cont'd)

b. By interest/profit rate sensitivity

	Group		Company	
	30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 RM'000
Fixed rate				
- Staff loans	8,592	10,252	3,606	4,472
- Hire purchase receivables	120,458	141,585	87,360	101,970
- Other fixed rate loan/financing	367,815	385,013	283,734	313,058
Variable rate				
- BLR plus	173,332	197,282	173,332	197,282
- Cost-plus	-	3,641	-	3,641
- Other variable rates	159,291	149,004	61,536	63,192
Gross loans, advances and financing	<u>829,488</u>	<u>886,777</u>	<u>609,568</u>	<u>683,615</u>

c. By economic sector

	Group		Company	
	30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 RM'000
Agriculture, hunting, forestry & fishing	3,056	3,889	-	-
Mining and quarrying	1,595	2,387	1,595	2,135
Manufacturing	465,490	527,769	452,711	514,694
Construction	39,490	40,136	11,676	12,021
Purchase of landed property:				
- Residential	456	479	-	-
Wholesale & retail trade and restaurants & hotels	117,237	103,165	92,847	95,637
Transport, storage and communications	47,530	56,976	27,535	33,009
Finance, insurance and business services	30,316	31,599	10,833	11,885
Purchase of securities	80,384	67,614	-	-
Purchase of transport vehicles	27,033	33,235	-	-
Others	16,901	19,528	12,372	14,234
Gross loans, advances and financing	<u>829,488</u>	<u>886,777</u>	<u>609,569</u>	<u>683,615</u>

d. Movements in non-performing loans, advances and financing

	Group		Company	
	30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 RM'000
At beginning of period/year	264,904	286,029	207,751	226,298
Non-performing during the period/year	52,199	31,801	51,791	29,803
Reclassified as performing	(483)	(15,722)	(483)	(13,720)
Amount recovered	(4,850)	(21,828)	(4,378)	(19,667)
Amount written off	-	(15,376)	-	(14,963)
At end of period/year	<u>311,770</u>	<u>264,904</u>	<u>254,681</u>	<u>207,751</u>
Less: Specific allowance	<u>(180,374)</u>	<u>(169,974)</u>	<u>(133,302)</u>	<u>(122,838)</u>
Net non-performing loans, advances and financing	<u>131,396</u>	<u>94,930</u>	<u>121,379</u>	<u>84,913</u>
Net NPL as % of gross loans, advances and financing less specific allowances	<u>20.34%</u>	<u>13.29%</u>	<u>25.65%</u>	<u>15.21%</u>
Performing loans with specific allowance provided				
Gross loan	3,953	2,963	3,953	2,963
Less: Specific allowance	<u>(3,030)</u>	<u>(2,671)</u>	<u>(3,030)</u>	<u>(2,671)</u>
Net	<u>923</u>	<u>292</u>	<u>923</u>	<u>292</u>

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9. Loans, advances and financing (cont'd)

e. Movements in allowance for bad and doubtful debts

	Group		Company	
	30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 RM'000
General allowance				
At beginning of period/year	24,905	32,354	21,606	27,422
Allowance written back during the period/year	479	(1,633)	-	-
Amount transferred to specific allowance	(3,802)	(5,816)	(3,802)	(5,816)
At end of period/year	<u>21,582</u>	<u>24,905</u>	<u>17,804</u>	<u>21,606</u>
As % of gross loans, advances and financing less specific allowance	<u>3.34%</u>	<u>3.49%</u>	<u>3.76%</u>	<u>3.87%</u>
Specific allowance				
At beginning of period/year	172,645	185,987	125,509	136,666
Allowance made during the year	9,461	11,837	8,970	9,627
Amount written back in respect of recoveries	(2,504)	(15,619)	(1,949)	(11,637)
Allowance transfer from general allowance	3,802	5,816	3,802	5,816
Amount written off	-	(15,376)	-	(14,963)
At end of period/year	<u>183,404</u>	<u>172,645</u>	<u>136,332</u>	<u>125,509</u>

f. Non-Performing Loan by economic sector

	Group		Company	
	30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 RM'000
Manufacturing	186,962	147,205	174,183	134,426
Construction	23,734	24,134	10,521	10,521
Purchase of landed property - Residential	114	114	-	-
Wholesale & retail trade and restaurants & hotels	49,670	42,444	49,185	41,959
Transport, storage and communication	11,109	11,889	10,304	11,084
Finance, insurance and business services	20,145	20,187	5,608	5,639
Purchase of transport vehicles	14,468	14,133	-	-
Others	5,568	4,798	4,880	4,122
	<u>311,770</u>	<u>264,904</u>	<u>254,681</u>	<u>207,751</u>

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10. Other assets

	Group		Company	
	30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 RM'000
Accrued interest, commitment charges, commissions, and fees receivable	10,550	16,945	937	830
Amount due from subsidiaries				
- current accounts	-	-	2,021	7,940
- loan accounts	-	-	371,296	401,393
Clients' and brokers' accounts	90,697	24,333	-	-
Less: Allowance for doubtful debts	(2,508)	(2,507)	-	-
	88,189	21,826	-	-
Trade receivables	55,574	56,349	-	-
Less: Allowance for doubtful debts	(30,622)	(28,866)	-	-
	24,952	27,483	-	-
Less: Transfer to assets held-for-sale	(21,001)	(23,315)	-	-
	3,951	4,168	-	-
Other receivables, deposits and prepayments	199,411	49,259	15,335	15,648
Less: Allowance for doubtful debts	(24,765)	(24,529)	-	-
	174,646	24,730	15,335	15,648
Less: Transfer to assets held-for-sale	(1,719)	(1,610)	-	-
	172,927	23,120	15,335	15,648
Industrial Estates - developed properties held-for-sale	206,108	208,384	-	-
Less: Transfer to assets held-for-sale	(206,108)	(208,384)	-	-
	-	-	-	-
	275,617	66,059	389,589	425,811
Tax recoverable	9,292	23,717	3,810	4,503
Less: Transfer to assets held-for-sale	(3,275)	(3,339)	-	-
	6,017	20,378	3,810	4,503
	281,634	86,437	393,399	430,314

11. Deposits from customers

	Group	
	30.6.2009 RM'000	31.12.2008 RM'000
(i) By type of deposit		
Deposits from customers		
- Fixed deposits	1,527,270	1,993,222
- Call money	191,005	457,682
	1,718,275	2,450,904
(ii) By type of customer		
Government and statutory bodies	25,500	22,252
Business enterprises	1,692,275	2,428,652
Individuals	500	-
	1,718,275	2,450,904

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12. Deposits and placements of banks and financial institutions

	Group	
	30.6.2009	31.12.2008
	RM'000	RM'000
Call deposits		
- Other financial institutions	131,884	255,674
Fixed deposits		
- Licensed Islamic banks	46,600	50,000
- Licensed Investment banks	76,900	-
- Other financial institutions	1,384,140	1,716,110
	<u>1,639,524</u>	<u>2,021,784</u>

13. Borrowings

	Group		Company	
	30.6.2009	31.12.2008	30.6.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
(a) Short Term				
Secured	25,050	24,675	-	-
Unsecured	61,394	60,958	52,557	59,658
	86,444	85,633	52,557	59,658
Less: Transfer to assets held-for-sale	(25,050)	(24,675)	-	-
	<u>61,394</u>	<u>60,958</u>	<u>52,557</u>	<u>59,658</u>
(b) Long Term				
Secured	36,187	19,688	-	-
Unsecured	330,122	359,705	330,122	359,705
Unsecured – Islamic operation	30,880	36,286	30,880	36,286
	397,189	415,679	361,002	395,991
Less: Transfer to assets held-for-sale	(36,187)	(19,688)	-	-
	<u>361,002</u>	<u>395,991</u>	<u>361,002</u>	<u>395,991</u>
Total borrowings	<u>422,396</u>	<u>456,949</u>	<u>413,559</u>	<u>455,649</u>

(c) Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM101.930 million. The foreign exchange risk on the above loans is borne by the Government of Malaysia.

14. Government Scheme Funds

14.1 Government Scheme Funds

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
At 1 January	632,258	446,459
Add : Funds received during the year	226,631	185,799
	<u>858,889</u>	<u>632,258</u>
Less : Non-performing loans pending approval		
At 1 January	(18,291)	(11,882)
Addition	(3,045)	(6,409)
At 31 December	<u>(21,336)</u>	<u>(18,291)</u>
Gross available Funds at 30 June / 31 December	837,553	613,967
Less : Net loans disbursed under Government Scheme Funds	(440,567)	(357,664)
Net Government Scheme Funds Available	<u>396,986</u>	<u>256,303</u>

Gross available Government Scheme Funds comprises the following:

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
Non-current		
Funds from Ministry of International Trade and Industry ("MITI")	190,823	60,822
Soft loan for Small and Medium Scale Enterprises ("SME's")	236,710	229,365
Loan from Malaysian Industrial Energy Efficiency Improvement Project ("MIEEIP")	13,240	13,326
Loan from Progroam Pembiayaan Wang Ehsan ("PPWE")	9,757	9,757
Soft loan for Automation and Modernisation	152,399	154,466
Soft loan for Automotive Development	148,555	143,190
Loan from Malaysia External Trade Development Corporation ("MATRADE")	86,069	3,041
	<u>837,553</u>	<u>613,967</u>

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14. Government Scheme Funds (cont'd)

14.2 Loans, advances and financing under Government Scheme Funds

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
Term loans		
- Hire purchase receivables	120,566	93,052
- Other term loans/financing	238,798	188,586
Other loans/financing	124,259	114,784
	<u>483,623</u>	<u>396,422</u>
Less : Unearned interest income	(21,720)	(20,467)
	<u>461,903</u>	<u>375,955</u>
Less: Allowance for bad and doubtful debts and financing:		
- Specific	(21,336)	(18,291)
Total net loans, advances and financing	<u>440,567</u>	<u>357,664</u>

14.2 (a) Loans, advances and financing under Government Scheme Funds

(i) By type of customer

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
Domestic business enterprises		
- Small medium enterprises	289,424	251,196
- Others	170,796	122,676
Foreign entities	1,683	2,083
Gross loans, advances and financing	<u>461,903</u>	<u>375,955</u>

(ii) By interest/profit rate sensitivity

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	112,186	98,261
Other fixed rate loan/financing	349,717	277,694
Gross loans, advances and financing	<u>461,903</u>	<u>375,955</u>

(iii) By economic sector

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
Mining and quarrying	1,009	1,276
Manufacturing	404,179	329,099
Construction	8,504	5,632
Wholesale & retail trade and restaurants & hotels	30,127	20,196
Transport, storage and communications	4,185	4,443
Finance, insurance and business services	5,903	6,759
Others	7,996	8,550
Gross loans, advances and financing	<u>461,903</u>	<u>375,955</u>

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14. Government Scheme Funds (cont'd)

14.2 (b) Non-Performing Loans ("NPLs")

(i) Movements in non-performing loans, advances and financing

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
At 1 January	18,228	13,645
Non-performing during the year	9,011	9,447
Reclassified as performing	(281)	(1,410)
Amount recovered	(514)	(1,240)
Amount written off	-	(2,214)
At 31 December	26,444	18,228
Less: Specific allowance	(20,869)	(17,511)
Net non-performing loans, advances and financing	5,575	717
Net NPL as % of gross loans, advances and financing less specific allowances	1.27%	0.20%
Performing loans with specific allowance provided	467	985
Less: Specific allowance	(467)	(780)
Net	-	205

(ii) Movements in allowance for bad and doubtful debts

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
Specific allowance		
At 1 January	18,291	11,882
Allowance made during the year	3,045	10,033
Amount write back in respect of recoveries	-	(1,406)
Amount written off	-	(2,218)
At 31 December	21,336	18,291

(iii) Non-Performing Loan by economic sector

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
Agriculture, hunting, forestry & fishing	236	236
Manufacturing	22,909	15,804
Wholesale & retail trade and restaurants & hotels	1,125	-
Finance, insurance and business services	1,937	1,951
Others	237	237
	26,444	18,228

15. Interest income

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
Loans, advances and financing				
- Interest income other than recoveries from NPL	5,002	9,892	10,996	22,594
- Recoveries from NPL	2,945	6,302	3,439	6,572
Income from Government Scheme Funds	4,150	2,841	8,066	4,890
Money at call and deposit placements with financial institutions	6,846	27,434	17,759	51,782
Securities available-for-sale	13,031	15,568	26,840	31,909
Securities held-for-trading	16	6	36	47
Securities held-to-maturity	61	662	1,499	819
Hire purchase and leasing operations	1,178	1,812	2,459	3,672
Accretion of discounts (net of amortisation of premium)	11,616	12,733	28,229	25,761
Interest suspended	-	-	(540)	(935)
	44,845	77,250	98,783	147,111

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15. Interest income (cont'd)

<u>Company</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPL	2,366	5,262	5,981	13,588
- Recoveries from NPL	2,883	6,214	3,273	6,241
Income from Government Scheme Funds	4,150	2,841	8,066	4,890
Leasing operations	690	811	1,361	1,643
Loans to subsidiaries	2,734	3,674	5,348	7,203
	<u>12,823</u>	<u>18,802</u>	<u>24,029</u>	<u>33,565</u>

16. Interest expense

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	6,132	18,233	15,057	37,310
Deposits from customers	8,367	21,810	22,195	42,354
Short-term funds and bank overdrafts	89	44	127	231
Concessional funds	2,656	3,027	5,275	6,125
Commercial loans	107	406	325	1,150
Income securities	-	-	-	1,708
Miscellaneous	4	9	4	9
	<u>17,355</u>	<u>43,529</u>	<u>42,983</u>	<u>88,887</u>

<u>Company</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
Short-term funds and bank overdrafts	25	27	50	56
Concessional funds	2,660	3,027	5,279	6,125
Commercial loans	107	406	325	1,150
Income securities	-	-	-	1,708
	<u>2,792</u>	<u>3,460</u>	<u>5,654</u>	<u>9,039</u>

17. Other operating income

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
(a) Revenue income:				
Fee income derived from:				
- Capital market activities	5,103	3,627	7,731	6,831
- Management fees	702	1,438	1,521	3,281
- Net brokerage fees	3,009	3,380	4,746	7,036
Investment income derived from:				
- Net unrealised gain / (losses) on revaluation of securities held-for-trading	33	(182)	(16)	217
- Gain on sale of securities:				
- Available-for-sale	46,002	680	52,938	3,549
- Held-for-trading	137	2,693	1,172	2,891
- (Loss) / Gain on sale of trust units	111	(3)	124	(215)
Rental income on buildings	78	85	150	194
Income from factoring	260	288	459	549
Profit earned on Al-Bai Bithamin Ajil and Al-Ijarah	15	65	51	142
	<u>55,450</u>	<u>12,071</u>	<u>68,876</u>	<u>24,475</u>

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17. Other operating income (cont'd)

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
(b) Other income:				
Total interest income on:				
- short-term placements, fixed deposits and share issue account	2,888	2,060	5,732	4,293
- promissory notes	153	153	269	269
Gain on disposal of:				
- Property, plant and equipment	76	6	235	213
Total dividends (gross) from:				
- Securities held-for-trading	153	369	153	377
- Securities available-for-sale	14,455	17,150	14,490	17,150
- Securities held-to-maturity	88	99	88	199
Interest on staff loans	51	91	110	206
Guarantee fee	204	172	271	309
Commitment fee	2	4	6	4
Rental of office premises	13	12	22	24
Recoveries from non performing loans	-	-	-	2,984
Proceed from surrendering of the discount houses licenses	-	-	-	17,500
Others	1,695	668	2,575	1,233
	<u>19,778</u>	<u>20,784</u>	<u>23,951</u>	<u>44,761</u>
Total non-interest income	<u>75,228</u>	<u>32,855</u>	<u>92,827</u>	<u>69,236</u>

Company

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
(a) Revenue income:				
Fee income:				
- Management fees	2,760	2,164	5,347	5,053
Net unrealised gain / (loss) on revaluation of securities held-for-trading	59	(177)	15	325
Gain on sale of securities:				
- Available-for-sale	1,980	-	1,980	-
	<u>4,799</u>	<u>1,987</u>	<u>7,342</u>	<u>5,378</u>
(b) Other income:				
Interest income on:				
- short-term placements, fixed deposits and share issue account	2,812	3,278	5,874	6,076
- promissory notes	153	153	269	269
Gain on disposal of:				
- Property, plant and equipment	(23)	1	88	38
Dividends (gross):				
- Securities held-for-trading	-	9	-	17
Interest on staff loans	38	55	84	119
Guarantee fee	204	172	271	309
Commitment fee	2	4	6	4
Rental of:				
- parking space	14	20	23	33
- office premises	13	126	22	251
Others	1,409	203	2,022	241
	<u>4,622</u>	<u>4,021</u>	<u>8,659</u>	<u>7,357</u>
Total non-interest income	<u>9,421</u>	<u>6,008</u>	<u>16,001</u>	<u>12,735</u>

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18. Operating Expenses

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
Group				
Personnel costs				
- Salaries and wages	9,002	8,843	17,368	16,856
- Allowance and bonuses	2,977	2,732	6,163	5,421
- Staff training	132	85	454	157
- Others	2,676	2,930	5,479	5,552
	<u>14,788</u>	<u>14,590</u>	<u>29,464</u>	<u>27,986</u>
Establishment costs				
- Depreciation	1,720	575	3,536	2,874
- Office rental	122	5	209	124
- Equipment rental	443	344	600	495
- Others	1,228	908	1,836	1,839
	<u>3,513</u>	<u>1,832</u>	<u>6,181</u>	<u>5,332</u>
Promotion and marketing-related expenses				
- Business promotion and advertisement	1,192	1,059	1,428	1,252
- Entertainment	56	50	105	73
	<u>1,248</u>	<u>1,109</u>	<u>1,533</u>	<u>1,325</u>
Administration and general expenses				
- Communication expenses	378	448	841	873
- Audit fees	181	(94)	255	153
- Directors fees and meeting allowances	224	241	424	521
- Management fees	40	(104)	93	7
- Securities Commission's Levy	112	128	182	286
- Others	1,922	1,362	3,045	3,128
	<u>2,857</u>	<u>1,981</u>	<u>4,840</u>	<u>4,968</u>
	<u>22,405</u>	<u>19,512</u>	<u>42,019</u>	<u>39,611</u>
Company				
Personnel costs				
- Salaries and wages	4,643	4,975	9,045	9,463
- Allowance and bonuses	1,735	1,591	3,439	3,163
- Staff training	91	29	270	64
- Others	1,564	1,729	3,205	3,210
	<u>8,033</u>	<u>8,324</u>	<u>15,959</u>	<u>15,900</u>
Establishment costs				
- Depreciation	1,081	878	2,267	1,750
- Office rental	691	523	1,364	1,035
- Equipment rental	20	13	33	34
- Others	875	469	1,225	1,123
	<u>2,667</u>	<u>1,883</u>	<u>4,889</u>	<u>3,942</u>
Promotion and marketing-related expenses				
- Business promotion and advertisement	1,041	792	1,199	864
- Entertainment	1	6	6	5
	<u>1,042</u>	<u>798</u>	<u>1,205</u>	<u>869</u>
Administration and general expenses				
- Communication expenses	62	122	115	205
- Audit fees	38	27	62	51
- Directors fees and meeting allowances	140	149	274	297
- Others	403	(393)	770	(5,894)
	<u>643</u>	<u>(95)</u>	<u>1,221</u>	<u>(5,341)</u>
	<u>12,385</u>	<u>10,910</u>	<u>23,274</u>	<u>15,370</u>

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19. Allowance for losses on loans and financing

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
Group				
Allowance for bad and doubtful debts				
(a) Specific allowance				
- made in the financial period	(9,109)	(446)	(9,461)	(5,321)
- written back	2,308	533	2,504	7,082
(b) General allowance				
- made in the financial period	(557)	(1,379)	(479)	(2,118)
Bad debts on loans and financing recovered	(1)	(931)	40	8,117
	<u>(7,359)</u>	<u>(2,223)</u>	<u>(7,396)</u>	<u>7,760</u>

Company

Allowance for bad and doubtful debts				
Specific allowance				
- made in the financial period	(8,682)	(106)	(8,970)	(4,739)
- written back	1,949	-	1,949	5,129
Bad debts on loans and financing written off	-	(995)	-	(995)
	<u>(6,733)</u>	<u>(1,101)</u>	<u>(7,021)</u>	<u>(605)</u>

20. Impairment writeback/(losses) on securities (net)

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
Group				
Securities available-for-sale	(38,533)	(4,585)	(41,195)	(10,701)
Securities held-to-maturity	883	5,076	16,547	18,781
	<u>(37,650)</u>	<u>491</u>	<u>(24,648)</u>	<u>8,080</u>

21. Segmental information

Segmental information is presented in respect of the Group's business segments. No geographical segmental information is presented as the Group operates principally in Malaysia.

Inter-segment pricing is determined based on terms mutually agreed between the respective companies.

	Segment Revenue		Segment Revenue	
	Individual Quarter Ended 30.6.2009 RM'000	30.6.2008 RM'000	Cumulative Quarter Ended 30.6.2009 RM'000	30.6.2008 RM'000
Investment banking	50,673	85,138	120,660	166,492
Asset management	440	1,145	942	2,518
Development finance	13,152	18,296	24,902	32,877
Others	1,542	1,982	2,972	4,188
Investment holding	48,304	144	48,829	910
	<u>114,111</u>	<u>106,705</u>	<u>198,305</u>	<u>206,985</u>
Inter-segment elimination	(2,441)	(361)	(2,506)	(584)
	<u>111,670</u>	<u>106,344</u>	<u>195,799</u>	<u>206,401</u>
Discontinued operations	19,109	29,050	36,046	47,201
	<u>130,779</u>	<u>135,394</u>	<u>231,845</u>	<u>253,602</u>

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21. Segmental information (cont'd)

	Segment Results		Segment Results	
	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
Investment banking	(15,490)	25,115	26,195	65,696
Asset management	(832)	191	(1,316)	528
Development finance	3,168	11,884	10,620	20,988
Others	(275)	605	(454)	18,728
Investment holding	58,965	16,858	59,070	16,877
Consolidation adjustments	(2,538)	(741)	(4,457)	(1,158)
	<u>42,998</u>	<u>53,912</u>	<u>89,658</u>	<u>121,659</u>
Share of profit of associated companies	340	497	713	1,027
	<u>43,338</u>	<u>54,409</u>	<u>90,371</u>	<u>122,686</u>
Discontinued operations	6,606	13,787	11,385	19,983
	<u>49,944</u>	<u>68,196</u>	<u>101,756</u>	<u>142,669</u>

22. Capital commitments

	As at 30.6.2009 RM'000	As at 30.6.2008 RM'000
Authorised and contracted for	-	12,250
Authorised but not contracted for	14,961	13,408
	<u>14,961</u>	<u>25,658</u>

23. Contingencies and commitments

In the normal course of business, the Group and the Company made various commitments and incurred certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies and the related risk-weighted exposures of the Group and the Company as at the end of financial year are as follows:

Group	As at 30.6.2009			As at 31.12.2008		
	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount* RM'000	Risk weighted amount RM'000
Guarantee facilities	22,143	22,143	22,143	34,803	34,803	34,803
Obligations under underwriting agreement	338,585	169,292	47,999	425,929	212,965	63,308
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year #	354,947	70,989	70,944	424,938	84,988	84,931
- Maturity exceeding one year	30	15	7	34	17	7
- Miscellaneous commitments and contingencies	64,563	12,913	2,583	105,207	21,041	4,208
Direct credit substitutes	133	133	133	133	133	133
Total	<u>780,401</u>	<u>275,485</u>	<u>143,809</u>	<u>991,044</u>	<u>353,947</u>	<u>187,390</u>
Company						
Guarantee facilities	22,143	22,143	22,143	34,803	34,803	34,803
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year #	265,364	53,073	53,073	324,705	64,941	64,941
Total	<u>287,507</u>	<u>75,216</u>	<u>75,216</u>	<u>359,508</u>	<u>99,744</u>	<u>99,744</u>

* The credit equivalent amount is arrived at using the credit conversion factors as per Bank Negara Malaysia guidelines.

Included in the irrevocable commitments to extend credit for maturity not exceeding one year for the Group and the Company is an amount of RM265,078,000 (2008: RM304,907,000) undisbursed loan commitments in respect of Government Scheme Funds.

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24. Interest rate risk

Group	Non trading book					Non- interest sensitive RM'000	Trading book RM'000	Effective interest	
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 to 5 years RM'000	> 5 years RM'000			Total RM'000	rate %
30.6.2009									
Assets									
Loans, advances and financing									
- performing	64,145	52,971	12,516	208,331	176,350	(21,582) *	-	492,731	7.27
- non-performing	-	-	-	-	-	131,396	-	131,396	-
Securities held-for-trading	-	-	-	-	-	-	410,892	410,892	-
Securities available-for-sale	381,754	788,552	320,913	843,415	210,437	85,686	-	2,630,757	4.27
Securities held-to-maturity	3,964	-	19,609	8,408	-	1,333	-	33,314	2.46
Deposits and placements with banks and other financial institutions	-	116,843	98,594	-	-	4,870	-	220,307	2.17
Cash and short term funds	1,670,380	-	-	-	-	23,879	-	1,694,259	2.05
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	19,177	-	19,177	-
Other non-interest sensitive balances	-	-	-	-	-	1,078,643	-	1,078,643	-
Total assets	2,120,243	958,366	451,632	1,060,154	386,787	1,323,402	410,892	6,711,476	
Liabilities									
Borrowings									
Government Scheme Funds	10,769	4,938	45,687	180,501	180,501	-	-	422,396	2.42
Deposits from customers	-	-	-	-	-	396,986	-	396,986	-
Deposits and placements of banks and financial institutions	1,209,851	314,872	193,552	-	-	-	-	1,718,275	1.98
Other non-interest sensitive balances	1,485,311	33,690	120,523	-	-	-	-	1,639,524	1.92
Total liabilities	2,705,931	353,500	359,762	180,501	180,501	692,615	-	4,472,810	
Shareholders' funds	-	-	-	-	-	2,212,140	-	2,212,140	
Minority interests	-	-	-	-	-	26,526	-	26,526	
Total interest sensitivity gap	(585,688)	604,866	91,870	879,653	206,286	(1,607,879)	410,892		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	(22,500)	-	-	-	-	-		
Total interest sensitivity gap	(585,688)	582,366	91,870	879,653	206,286	(1,607,879)	410,892		

* General allowance for bad and doubtful debts and financing

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24. Interest rate risk (cont'd)

Group	Non trading book					Non- interest sensitive RM'000	Trading book RM'000	Effective interest	
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 to 5 years RM'000	> 5 years RM'000			Total RM'000	rate %
31.12.2008									
Assets									
Loans, advances and financing									
- performing	72,211	36,529	16,713	282,273	210,907	(24,905) *	-	593,728	7.35
- non-performing	-	-	-	-	-	94,930	-	94,930	-
Securities held-for-trading	-	-	-	-	-	-	275,659	275,659	-
Securities available-for-sale	292,749	651,773	756,989	1,195,027	224,602	129,222	-	3,250,362	5.36
Securities held-to-maturity	-	-	3,931	27,580	-	11,893	-	43,404	3.08
Deposits and placements with banks and other financial institutions	2,580	525,236	2,905	-	-	4,853	-	535,574	3.32
Cash and short term funds	1,770,655	-	-	-	-	13,538	-	1,784,193	3.16
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	96,871	-	96,871	-
Other non-interest sensitive balances	-	-	-	-	-	883,926	-	883,926	-
Total assets, restated	2,138,195	1,213,538	780,538	1,504,880	435,509	1,210,328	275,659	7,558,647	
Liabilities									
Borrowings									
Government Scheme Funds	3,232	4,938	45,931	194,199	208,649	-	-	456,949	2.40
Deposits from customers	-	-	-	-	-	256,303	-	256,303	-
Deposits and placements of banks and financial institutions	2,025,066	401,664	24,174	-	-	-	-	2,450,904	3.24
Other non-interest sensitive balances	1,889,051	107,396	25,337	-	-	-	-	2,021,784	3.20
Total liabilities	3,917,349	513,998	95,442	194,199	208,649	473,875	-	5,403,512	
Shareholders' funds	-	-	-	-	-	2,128,992	-	2,128,992	
Minority interests	-	-	-	-	-	26,143	-	26,143	
Total interest sensitivity gap	(1,779,154)	699,540	685,096	1,310,681	226,860	(1,418,682)	275,659		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	(25,313)	-	-	-	-	-		
Total interest sensitivity gap	(1,779,154)	674,227	685,096	1,310,681	226,860	(1,418,682)	275,659		

* General allowance for bad and doubtful debts and financing

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24. Interest rate risk (cont'd)

Company	Non trading book					Non-interest sensitive	Trading book	Effective interest	
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 to 5 years	> 5 years			Total	rate
30.6.2009	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Loans, advances and financing									
- performing	175	1,400	10,398	185,381	154,504	(17,804) *	-	334,054	6.81
- non-performing	-	-	-	-	-	121,379	-	121,379	-
Deposits and placements with banks and other financial institutions									
	-	11,600	94,660	-	-	-	-	106,260	2.00
Cash and short term funds									
	767,249	-	-	-	-	16,238	-	783,487	2.06
Securities held-for-trading									
	-	-	-	-	-	-	8,380	8,380	-
Securities available-for-sale									
	-	-	2,786	46,010	-	2,513	-	51,309	0.70
Other non-interest sensitive balances									
	-	-	-	-	-	1,286,188	-	1,286,188	-
Total assets	767,424	13,000	107,844	231,391	154,504	1,408,514	8,380	2,691,057	
Liabilities									
Borrowings									
Government Scheme Funds	1,932	4,938	45,687	180,501	180,501	-	-	413,559	2.39
Other non-interest sensitive balances	-	-	-	-	-	60,127	-	60,127	-
Total liabilities	1,932	4,938	45,687	180,501	180,501	457,113	-	870,672	
Shareholders' funds									
	-	-	-	-	-	1,820,385	-	1,820,385	
	1,932	4,938	45,687	180,501	180,501	2,277,498	-	2,691,057	
On-balance sheet interest sensitivity gap									
	765,492	8,062	62,157	50,890	(25,997)	(868,984)	8,380		
Off-balance sheet interest sensitivity gap (interest rate swaps)									
	-	-	-	-	-	-	-		
Total interest sensitivity gap	765,492	8,062	62,157	50,890	(25,997)	(868,984)	8,380		

* General allowance for bad and doubtful debts and financing

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24. Interest rate risk (cont'd)

Company	← Non trading book →					Non-interest sensitive RM'000	Trading book RM'000	Effective interest	
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 to 5 years RM'000	> 5 years RM'000			Total RM'000	rate %
31.12.2008									
Assets									
Loans, advances and financing									
- performing	246	1,947	14,038	250,525	206,437	(21,606) *	-	451,587	6.95
- non-performing	-	-	-	-	-	84,913	-	84,913	-
Deposits and placements with banks and other financial institutions									
	-	40,000	-	-	-	-	-	40,000	3.44
Cash and short term funds									
	612,111	-	-	-	-	9,028	-	621,139	3.25
Securities held-for-trading									
	-	-	-	-	-	-	8,365	8,365	-
Securities available-for-sale									
	-	-	3,631	46,022	-	6,280	-	55,933	2.12
Other non-interest sensitive balances									
	-	-	-	-	-	1,325,314	-	1,325,314	-
Total assets	612,357	41,947	17,669	296,547	206,437	1,403,929	8,365	2,587,251	
Liabilities									
Borrowings									
Government Scheme Funds	1,932	4,938	45,931	194,199	208,649	-	-	455,649	2.39
Other non-interest sensitive balances	-	-	-	-	-	62,433	-	62,433	-
Total liabilities	1,932	4,938	45,931	194,199	208,649	318,736	-	774,385	
Shareholders' funds									
	-	-	-	-	-	1,812,866	-	1,812,866	
	1,932	4,938	45,931	194,199	208,649	2,131,602	-	2,587,251	
On-balance sheet interest sensitivity gap									
	610,425	37,009	(28,262)	102,348	(2,212)	(727,673)	8,365		
Off-balance sheet interest sensitivity gap (interest rate swaps)									
	-	-	-	-	-	-	-		
Total interest sensitivity gap	610,425	37,009	(28,262)	102,348	(2,212)	(727,673)	8,365		

* General allowance for bad and doubtful debts and financing

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25. Capital Adequacy

The capital adequacy ratios in respect of the investment bank subsidiary are as follows:-

	30.6.2009 RM'000	31.12.2008 RM'000
Tier-I capital		
Paid-up share capital	155,000	155,000
Paid-up non-cumulative perpetual preference share	1,500	1,500
Share premium	362,611	362,611
Statutory reserve	112,087	112,087
Retained profit	95,871	95,871
	<u>727,069</u>	<u>727,069</u>
Less: Deferred tax assets	(35,710)	(42,314)
Total Tier-I capital	<u>691,359</u>	<u>684,755</u>
Tier-II capital		
General allowance for bad and doubtful debts	3,067	2,588
Total Tier-II capital	<u>3,067</u>	<u>2,588</u>
Capital base	<u>694,426</u>	<u>687,343</u>
Core capital ratio	46.20%	47.84%
Risk-weighted capital ratio	46.40%	48.02%

Breakdown of gross risk-weighted assets of the investment bank subsidiary in the various categories of risk-weights are as follows:

	30.6.2009		31.12.2008	
	Notional amount RM'000	Risk- weighted amount RM'000	Notional amount RM'000	Risk- weighted amount RM'000
0%	1,246,250	-	1,876,438	-
20%	1,805,027	361,005	2,363,128	472,626
35%	1,023	358	1,239	434
50%	660,426	330,213	915,141	457,569
75%	325	243	373	280
100%	332,448	332,448	217,853	217,853
150%	156,061	234,092	29,099	43,649
Total Risk	<u>4,201,560</u>	<u>1,258,359</u>	<u>5,403,271</u>	<u>1,192,411</u>
Risk Weighted Assets Equivalent for Market Risk	-	16,192	-	15,865
Risk Weighted Assets Equivalent for Operational Risk	-	221,979	-	223,034
	<u>4,201,560</u>	<u>1,496,530</u>	<u>5,403,271</u>	<u>1,431,310</u>

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26. **Operations of Islamic Banking**

26a. **Unaudited Balance Sheets as at 30 June 2009**

	Note	Group		Company	
		30.6.2009 RM'000	31.12.2008 RM'000	30.6.2009 RM'000	31.12.2008 RM'000
ASSETS					
Cash and short-term funds		16,417	94,326	16,262	8,672
Securities available-for-sale	26c	783,918	869,715	-	-
Securities held-to-maturity	26d	19,608	19,258	-	-
Loans, advances and financing	26e	71,599	94,115	71,599	94,115
Other assets		2,073	2,616	199	-
Deferred tax asset		922	922	922	922
TOTAL ASSETS		894,537	1,080,952	88,982	103,709
LIABILITIES					
Deposits from customers	26f	382,377	403,495	-	-
Deposits and placement of banks and other financial institutions		302,947	462,646	-	-
Borrowings (unsecured)	13	30,880	36,286	30,880	36,286
Government Scheme Funds	26g(a)	10,877	8,645	10,877	8,645
Other liabilities		23,962	15,316	15,567	10,059
Taxation		6,061	6,061	6,061	6,061
Deferred tax liabilities		274	274	-	-
Amount due to Head Office		143	204	-	-
		757,521	932,927	63,385	61,051
ISLAMIC BANKING CAPITAL FUNDS					
Funds allocated from Head Office		98,665	114,625	18,665	34,625
Reserves		38,351	33,400	6,932	8,033
TOTAL ISLAMIC BANKING CAPITAL FUNDS		137,016	148,025	25,597	42,658
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		894,537	1,080,952	88,982	103,709

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

26b. **Unaudited Income Statement for the period ended 30 June 2009**

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.6.2009 RM'000	30.6.2008 RM'000	30.6.2009 RM'000	30.6.2008 RM'000
Income derived from investment of depositors funds and others	11,186	16,823	27,901	33,692
Writeback/(Provision) for profit equalisation reserve (PER)	226	2,135	(3,872)	4,820
Total attributable income	11,412	18,958	24,029	38,512
Income attributable to depositors	(3,719)	(10,378)	(8,936)	(20,542)
Net income attributable to the reporting institutions	7,693	8,580	15,093	17,970
Other operating expenses	(583)	(1,063)	(1,095)	(1,428)
Operating profit	7,110	7,517	13,998	16,542
Allowance for impairment losses on securities	-	(2,441)	-	(4,955)
Allowance for losses on loans, advances and financing	(4,078)	(3,176)	(7,072)	(3,635)
Finance costs	(114)	(234)	(244)	(486)
Profit before taxation and zakat	2,918	1,666	6,682	7,466
Tax expenses	8	(83)	-	(668)
Zakat	(44)	(51)	(195)	(169)
Profit after taxation and zakat	<u>2,882</u>	<u>1,532</u>	<u>6,487</u>	<u>6,629</u>
 <u>Company</u>				
Income derived from investment of depositors funds and others	<u>3,068</u>	<u>3,168</u>	<u>6,226</u>	<u>6,515</u>
Income attributable to the reporting institutions	3,068	3,168	6,226	6,515
Other operating expenses	(9)	(1)	(11)	(2)
Operating profit	3,059	3,167	6,215	6,513
Allowance for losses on loans, advances and financing	(4,078)	(3,176)	(7,072)	(3,635)
Finance costs	(114)	(234)	(244)	(486)
Profit before taxation	(1,133)	(243)	(1,101)	2,392
Tax expenses	8	(83)	-	(668)
Zakat	57	(5)	-	(45)
Profit after taxation and zakat	<u>(1,068)</u>	<u>(331)</u>	<u>(1,101)</u>	<u>1,679</u>

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26. Operations of Islamic Banking (cont'd)

26c. Securities available-for-sale

	Group	
	30.6.2009	31.12.2008
	RM'000	RM'000
At fair value, or amortised cost less impairment losses for certain unquoted equity instruments		
Quoted:		
Government Investment Issue	151,661	158,490
	<u>151,661</u>	<u>158,490</u>
Unquoted:		
Islamic Acceptances Bills	109,210	107,509
Khazanah Nasional Berhad bonds	66,173	126,915
Islamic Negotiable Certificate of Deposit	99,718	59,590
Cagamas Mudharabah Bonds	-	20,014
Islamic Private Debt Securities	357,156	397,197
	<u>632,257</u>	<u>711,225</u>
	<u><u>783,918</u></u>	<u><u>869,715</u></u>

26d. Securities held-to-maturity

	Group	
	30.6.2009	31.12.2008
	RM'000	RM'000
At amortised cost		
Unquoted:		
Khazanah Nasional Berhad bonds	19,608	19,258
Islamic Private Debt Securities	4,998	4,998
	<u>24,606</u>	<u>24,256</u>
Less: Accumulated impairment losses	(4,998)	(4,998)
	<u><u>19,608</u></u>	<u><u>19,258</u></u>

26e. Loans, advances and financing

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
Term loan		
- Term financing	44,004	53,179
- Islamic hire purchase/leasing	62,439	72,185
	<u>106,443</u>	<u>125,364</u>
Less: Unearned income	(9,217)	(11,695)
	<u>97,226</u>	<u>113,669</u>
Less: Allowance for bad and doubtful debts and financing		
- General	(2,600)	(3,314)
- Specific	(24,026)	(16,240)
Total net loans, advances and financing	<u><u>70,600</u></u>	<u><u>94,115</u></u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

26e. **Loans, advances and financing (cont'd)**

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
(i) By contract		
Bai Bithaman Ajil (deferred payment sales)	38,091	43,887
Murabahah Working Capital (cost plus)	1,115	3,646
Al-Ijarah Thumma Al-Bai (finance lease)	55,698	62,714
Al-Ijarah (operating lease)	2,322	3,422
	<u>97,226</u>	<u>113,669</u>

(ii) By type of customer

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
Domestic business enterprises	<u>97,226</u>	<u>113,669</u>

(iii) By profit rate sensitivity

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	58,020	66,137
Other fixed rate loan/financing	39,206	47,532
	<u>97,226</u>	<u>113,669</u>

(iv) By economic sector

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
Mining and quarrying	1,400	1,869
Manufacturing	74,373	86,525
Construction	948	1,205
Wholesale & retail trade and restaurants & hotels	3,220	3,840
Transport, storage and communication	15,238	17,878
Finance, insurance and business services	9	24
Others	2,038	2,328
	<u>97,226</u>	<u>113,669</u>

Movements in non-performing loans, advances and financing

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
At beginning of period/year	17,418	15,534
Non-performing during the period/year	23,064	7,266
Reclassified as performing	(243)	(4,094)
Amount recovered	<u>(1,236)</u>	<u>(1,288)</u>
At end of period/year	39,003	17,418
Less: Specific allowance	<u>(23,008)</u>	<u>(15,584)</u>
Net non-performing loans, advances and financing	<u>15,995</u>	<u>1,834</u>

Net NPL as % of gross loans, advances and financing less specific allowances

	<u>21.85%</u>	<u>1.88%</u>
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Performing loans with specific allowance provided

Performing loans	1,948	953
Less: Specific allowance	<u>(1,018)</u>	<u>(656)</u>
Net	<u>930</u>	<u>297</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
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26. **Operations of Islamic Banking (cont'd)**

26e. **Loans, advances and financing (cont'd)**

Movements in allowance for bad and doubtful debts and financing

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
General allowance		
At beginning of period/year	3,314	3,200
Allowance made during the year	1,554	6,900
Amount transferred to specific allowance	(2,268)	(6,786)
At end of period/year	<u>2,600</u>	<u>3,314</u>
As % of gross loans, advances and financing less specific allowance	<u>3.55%</u>	<u>3.40%</u>

Specific allowance

At beginning of period/year	16,240	11,232
Allowance made during the period/year	5,518	1,304
Allowance written back in respect of recoveries	-	(3,164)
Amount transferred from general allowance	2,268	6,786
Reclassified to Government Scheme Funds	-	82
At end of period/year	<u>24,026</u>	<u>16,240</u>

Non-Performing Loan by economic sector

	Group and Company	
	30.6.2009	31.12.2008
	RM'000	RM'000
Manufacturing	29,362	7,213
Wholesale & retail trade and restaurants & hotels	534	301
Transport, storage and communication	8,482	9,249
Others	625	655
	<u>39,003</u>	<u>17,418</u>

26f. **Deposits from customers**

(i) By type of deposit

	Group	
	30.6.2009	31.12.2008
	RM'000	RM'000
Mudharabah Fund		
- Fixed/investment deposits	380,152	389,249
- Others	2,225	14,246
	<u>382,377</u>	<u>403,495</u>

(ii) By type of customer

	Group	
	30.6.2009	31.12.2008
	RM'000	RM'000
Business enterprises	<u>382,377</u>	<u>403,495</u>

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

26g. **Government Scheme Funds**

(a) Government Scheme Funds	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
Soft loan from SME*:		
At beginning of period/year	170,854	58,407
Add : Funds received during the year	33,197	112,447
	<u>204,051</u>	<u>170,854</u>
Less : Non-Performing loans pending approval		
At beginning of period/year	(4,682)	(1,341)
Addition	(2,372)	(3,341)
At end of period/year	<u>(7,054)</u>	<u>(4,682)</u>
Gross Available funds at end of period/year	196,997	166,172
Less: Net loan disbursed under Government Scheme Funds (Note 26g (b))	(186,120)	(157,527)
Net Government Scheme Funds available	<u>10,877</u>	<u>8,645</u>

Advances are made to the Group and Company by Small Medium Industries Development Economic Corporation ("SMIDEC") under the soft loan for financing to eligible Small and Medium Scale Enterprises ("SME's"). The advances are profit free with no fixed repayment terms.

(b) Loans, advances and financing under Government Scheme Funds

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
Term loan		
- Term financing	113,979	101,953
- Islamic hire purchase/leasing	100,139	80,037
	214,118	181,990
Less: Unearned income	(20,944)	(19,781)
	193,174	162,209
Less: Allowance for bad and doubtful debts and financing loss		
- Specific	(7,054)	(4,682)
Total net loans, advances and financing	<u>186,120</u>	<u>157,527</u>

(i) By contract

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
Bai Bithaman Ajil (deferred payment sales)	99,639	88,015
Murabahah Working Capital (cost plus)	999	1,522
Al-Ijarah Thumma Al-Bai (finance lease)	92,536	72,672
	<u>193,174</u>	<u>162,209</u>

(ii) By type of customer

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
Domestic business enterprises	<u>193,174</u>	<u>162,209</u>

(iii) By profit rate sensitivity

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
Fixed rate		
Hire purchase receivables	92,536	73,101
Other fixed rate loan/financing	100,638	89,108
	<u>193,174</u>	<u>162,209</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

26g. **Government Scheme Funds (cont'd)**

(iv) By economic sector

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
Manufacturing	176,561	148,541
Construction	3,628	3,773
Wholesale & retail trade and restaurants & hotels	8,477	5,759
Transport, storage and communication	1,540	1,600
Finance, insurance and business services	629	466
Others	2,339	2,070
	<u>193,174</u>	<u>162,209</u>

(v) Movements in non-performing loans, advances and financing

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
At 1 January	5,201	1,395
Non-performing during the year	5,638	4,545
Reclassified as performing	-	(492)
Amount recovered	(771)	(247)
At 31 December	<u>10,068</u>	<u>5,201</u>
Less: Specific allowance	<u>(7,054)</u>	<u>(4,364)</u>
Net non-performing loans, advances and financing	<u>3,014</u>	<u>837</u>
Net NPL as % of gross loans, advances and financing less specific allowances	<u>1.62%</u>	<u>0.53%</u>
Performing loans with specific allowance provided		
Gross loan	-	408
Less: Specific allowance	-	(318)
Net	<u>-</u>	<u>90</u>

(vi) Movements in allowance for bad and doubtful debts

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
Specific allowance		
At 1 January	4,682	1,341
Allowance made during the year	2,372	4,248
Amount write back in respect of recoveries	-	(907)
At 31 December	<u>7,054</u>	<u>4,682</u>

(vii) Non-Performing Loan by economic sector

	Group and Company	
	30.6.2009 RM'000	31.12.2008 RM'000
Manufacturing	9,006	4,728
Others	1,062	473
	<u>10,068</u>	<u>5,201</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
CONDENSED INTERIM FINANCIAL STATEMENTS**

I, Foo Wei Hoong, the officer primarily responsible for the financial management of Malaysian Industrial Development Finance Berhad, do hereby state that, the unaudited interim financial statements for the six months ended 30th June 2009, as set out on pages 1 to 33, have been prepared from the Group and the Company's accounting and other records and that to the best of my knowledge and belief, are drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 30th June 2009. The results and cash flows of the Group and the Company for the period ended on that date are in accordance with the applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board as modified by Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965.

FOO WEI HOONG
CHIEF FINANCIAL OFFICER

30 July 2009