



**UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	Note	Group		Company	
		30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
<b>ASSETS</b>					
Cash and short-term funds		801,244	911,543	668,684	674,178
Deposits and placements with licensed banks and other financial institutions		278,180	313,000	253,000	208,152
Assets of disposal group/ assets classified as held-for-sale		-	3,006	-	-
Securities held-for-trading	7	188,904	328,626	4,721	4,520
Securities available-for-sale	8	2,030,047	2,135,741	45,279	45,063
Securities held-to-maturity	9	2,095,809	293,513	-	-
Derivative assets		494	1,384	-	-
Loans, advances and financing	10	624,797	462,684	203,971	260,342
Other assets	11	310,969	241,942	87,965	91,002
Statutory deposits with Bank Negara Malaysia		97,213	19,083	-	-
Investment properties		5,738	6,870	-	-
Land use rights		377	431	-	-
Investment in associates		2,771	3,853	2,560	2,560
Investment in subsidiaries		-	-	791,693	791,693
Property, plant and equipment		9,436	10,921	5,737	7,010
Deferred tax assets		47,192	54,684	11,020	11,079
Goodwill		86,713	86,713	-	-
<b>TOTAL ASSETS</b>		<b>6,579,884</b>	<b>4,873,994</b>	<b>2,074,630</b>	<b>2,095,599</b>
<b>LIABILITIES</b>					
Deposits from customers	12	1,996,923	1,438,946	-	-
Deposits and placements of banks and other financial institutions	13	2,214,969	1,127,892	-	-
Other liabilities		287,542	232,928	103,642	110,586
Borrowings	14	326,049	356,081	326,049	356,081
Liabilities directly associated with assets classified as held-for-sale		-	1,166	-	-
Provision for taxation and zakat		3,466	3,927	1,405	2,068
Employee benefits		9,849	9,535	8,841	8,593
Deferred tax liabilities		5,938	5,938	-	-
<b>TOTAL LIABILITIES</b>		<b>4,844,736</b>	<b>3,176,413</b>	<b>439,937</b>	<b>477,328</b>
<b>SHAREHOLDER'S EQUITY</b>					
Capital and reserves attributable to shareholder of the Company					
Share Capital		466,070	466,070	466,070	466,070
Reserves :					
Share Premium		363,861	363,861	363,861	363,861
Statutory Reserve		82,592	82,592	-	-
Capital Reserve		649	649	-	-
Securities Available-For-Sale Reserve		11,916	9,954	(232)	(409)
Retained Profits		808,743	771,972	804,994	788,749
		1,733,831	1,695,098	1,634,693	1,618,271
Minority Interest		1,317	2,483	-	-
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>1,735,148</b>	<b>1,697,581</b>	<b>1,634,693</b>	<b>1,618,271</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>6,579,884</b>	<b>4,873,994</b>	<b>2,074,630</b>	<b>2,095,599</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	23	<b>295,994</b>	<b>312,917</b>	<b>19</b>	<b>8,550</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>3.72</b>	<b>3.64</b>	<b>3.51</b>	<b>3.47</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2010.



**UNAUDITED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011**

<u>Group</u>	Note	Individual Quarter ended		Cumulative Quarter ended	
		30 June 2011 Note	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
<b>Continuing operations</b>					
Operating revenue		<u>88,329</u>	<u>71,685</u>	<u>159,934</u>	<u>141,759</u>
Interest income	15	<u>59,993</u>	48,625	<u>109,488</u>	101,156
Interest expense	16	<u>(20,630)</u>	<u>(17,486)</u>	<u>(38,183)</u>	<u>(33,389)</u>
Net interest income		<u>39,363</u>	31,139	<u>71,305</u>	67,767
Net income from Islamic banking operations	26b	<u>8,240</u>	7,244	<u>15,200</u>	15,912
Other operating income	17	<u>13,791</u>	8,919	<u>25,145</u>	18,535
		<u>61,394</u>	47,302	<u>111,650</u>	102,214
Operating expenses	18	<u>(16,071)</u>	<u>(19,957)</u>	<u>(34,617)</u>	<u>(38,393)</u>
<b>Operating profit</b>		<u>45,323</u>	27,345	<u>77,033</u>	63,821
Impairment losses (made)/ written-back on loans, advances and financing	19	<u>(24,997)</u>	1,272	<u>(29,514)</u>	4,324
Impairment loss made on securities (net)	20	<u>(1,016)</u>	(20,260)	<u>(2,246)</u>	(23,352)
Profit before share of results in associates		<u>19,310</u>	8,357	<u>45,273</u>	44,793
Share of results in associates		<u>593</u>	284	<u>1,240</u>	567
<b>Profit before taxation and zakat</b>		<u>19,903</u>	8,641	<u>46,513</u>	45,360
Taxation		<u>(3,713)</u>	(2,146)	<u>(9,486)</u>	(11,210)
Zakat		<u>(175)</u>	(104)	<u>(291)</u>	(214)
Profit for the period from continuing operations		<u>16,015</u>	6,391	<u>36,736</u>	33,936
<b>Discontinued operations</b>					
Profit for the period from discontinued operations	6	<u>-</u>	<u>(129)</u>	<u>(64)</u>	<u>(415)</u>
<b>Profit for the period</b>		<u>16,015</u>	6,262	<u>36,672</u>	33,521
Attributable to:					
Shareholder of the Company		<u>16,015</u>	6,419	<u>36,771</u>	33,906
Minority interest		<u>-</u>	<u>(157)</u>	<u>(99)</u>	<u>(385)</u>
<b>Profit for the period</b>		<u>16,015</u>	6,262	<u>36,672</u>	33,521
<b>Earnings per share</b>					
- Basic and diluted, for profit from continuing operations		<u>3.44</u>	1.40	<u>7.90</u>	7.36
- Basic and diluted, for profit from discontinued operations		<u>-</u>	<u>(0.03)</u>	<u>(0.01)</u>	<u>(0.09)</u>
- Basic and diluted, for profit for the period		<u>3.44</u>	1.38	<u>7.89</u>	7.27

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2010.



UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2011

<u>Group</u>	Cumulative Quarter ended	
	30 June 2011 RM'000	30 June 2010 RM'000
<b>Net profit for the period</b>	<b>36,672</b>	<b>33,521</b>
Other comprehensive gain / (loss):		
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	(1,766)	(1,077)
Net unrealised gain / (loss) on revaluation of securities available-for-sale	4,377	2,858
Deferred tax on revaluation of securities available-for-sale	(649)	(36)
Other comprehensive gain / (loss) for the period, net of tax	<u>1,962</u>	<u>1,745</u>
Total comprehensive income for the period	<u><b>38,634</b></u>	<u>35,266</u>
Total comprehensive income for the period attributable to:		
Shareholder of the Company	38,733	35,651
Minority interest	(99)	(385)
	<u><b>38,634</b></u>	<u>35,266</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2010.



UNAUDITED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011

<u>Company</u>	Note	Individual Quarter ended		Cumulative Quarter ended	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Operating revenue		<u>33,391</u>	36,946	<u>58,824</u>	59,641
Interest income	15	<u>23,850</u>	17,083	<u>42,961</u>	33,535
Interest expense	16	<u>(2,019)</u>	(2,522)	<u>(4,058)</u>	(4,885)
Net interest income		<u>21,831</u>	14,561	<u>38,903</u>	28,650
Net income from Islamic banking operations	26b	<u>3,709</u>	4,209	<u>7,432</u>	8,455
Other operating income	17	<u>7,234</u>	18,125	<u>11,001</u>	20,697
		<u>32,774</u>	36,895	<u>57,336</u>	57,802
Operating expenses	18	<u>(8,268)</u>	(11,051)	<u>(18,820)</u>	(23,042)
<b>Operating profit</b>		<u>24,506</u>	25,844	<u>38,516</u>	34,760
Impairment losses (made) / written-back on loans, advances and financing	19	<u>(14,514)</u>	(453)	<u>(19,131)</u>	2,470
Impairment loss made on securities (net)	20	-	(532)	-	(532)
<b>Profit before taxation and zakat</b>		<u>9,992</u>	24,859	<u>19,385</u>	36,698
Taxation		<u>(1,276)</u>	(4,197)	<u>(3,029)</u>	(7,695)
Zakat		<u>(66)</u>	(66)	<u>(111)</u>	(66)
<b>Profit for the period</b>		<u>8,650</u>	20,596	<u>16,245</u>	28,937

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2010.



UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2011

<u>Company</u>	Cumulative Quarter ended	
	30 June 2011 RM'000	30 June 2010 RM'000
<b>Net profit for the period</b>	<b>16,245</b>	28,937
Other comprehensive gain/ (loss):		
Net unrealised gain on revaluation of securities available-for-sale	<b>235</b>	185
Deferred tax on revaluation of securities available-for-sale	<b>(58)</b>	(46)
Other comprehensive gain for the period, net of tax	<b>177</b>	139
Total comprehensive income for the period	<b>16,422</b>	29,076

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2010.



UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2011

	Attributable to shareholder of the Company					Distributable Retained Profits	Total	Minority Interest	Total Equity
	Share Capital	Share Premium	Securities Available-For-Sale Reserve	Capital Reserve	Statutory Reserve				
	-----RM'000-----								
<b>Group</b>									
<b>At 1 January 2010, as previously stated</b>	466,070	363,861	4,960	688	79,337	772,341	1,687,257	2,897	1,690,154
Effect of adopting FRS 139	-	-	(3,004)	-	-	(12,671)	(15,675)	-	(15,675)
<b>At 1 January 2010, as restated</b>	466,070	363,861	1,956	688	79,337	759,670	1,671,582	2,897	1,674,479
Total comprehensive income for the period	-	-	1,745	-	-	33,906	35,651	(385)	35,266
<b>At 30 June 2010</b>	466,070	363,861	3,701	688	79,337	793,576	1,707,233	2,512	1,709,745
Total comprehensive income for the period	-	-	6,253	-	-	2,585	8,838	(29)	8,809
<b>Transactions with owner</b>									
Transfer within reserves	-	-	-	-	3,255	(3,255)	-	-	-
Dividend paid	-	-	-	-	-	(20,973)	(20,973)	-	(20,973)
Realisation of reserve arising from disposal of properties	-	-	-	(39)	-	39	-	-	-
Total transactions with owner	-	-	-	(39)	3,255	(24,189)	(20,973)	-	(20,973)
<b>At 31 December 2010</b>	466,070	363,861	9,954	649	82,592	771,972	1,695,098	2,483	1,697,581
<b>At 1 January 2011</b>	466,070	363,861	9,954	649	82,592	771,972	1,695,098	2,483	1,697,581
Total comprehensive income for the period	-	-	1,962	-	-	36,771	38,733	(99)	38,634
<b>Transactions with owner</b>									
Disposal of a subsidiary	-	-	-	-	-	-	-	(1,067)	(1,067)
Total transactions with owner	-	-	-	-	-	-	-	(1,067)	(1,067)
<b>At 30 June 2011</b>	466,070	363,861	11,916	649	82,592	808,743	1,733,831	1,317	1,735,148

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2010.

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



**UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2011**

<u>Company</u>	Share Capital	← Non-Distributable →		Distributable Retained Profits	Total Equity
		Share Premium	Securities Available-For- Sale Reserve		
	-----RM'000-----				
<b>At 1 January 2010, as previously stated</b>	466,070	363,861	(139)	649,307	1,479,099
Effect of adopting FRS 139	-	-	(1,122)	(7,088)	(8,210)
<b>At 1 January 2010, as restated</b>	466,070	363,861	(1,261)	642,219	1,470,889
Total comprehensive income for the period	-	-	139	28,937	29,076
<b>At 30 June 2010</b>	<b>466,070</b>	<b>363,861</b>	<b>(1,122)</b>	<b>671,156</b>	<b>1,499,965</b>
Total comprehensive income for the period	-	-	713	138,566	139,279
<b>Transactions with owner</b>					
Dividend paid	-	-	-	(20,973)	(20,973)
Total transactions with owner	-	-	-	(20,973)	(20,973)
<b>At 31 December 2010</b>	<b>466,070</b>	<b>363,861</b>	<b>(409)</b>	<b>788,749</b>	<b>1,618,271</b>
At 1 January 2011	466,070	363,861	(409)	788,749	1,618,271
Total comprehensive income for the period	-	-	177	16,245	16,422
<b>At 30 June 2011</b>	<b>466,070</b>	<b>363,861</b>	<b>(232)</b>	<b>804,994</b>	<b>1,634,693</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2010.



UNAUDITED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2011

	Group		Company	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
<b>Profit before taxation and zakat:</b>				
<b>Continuing operations</b>	<b>46,513</b>	45,360	<b>19,385</b>	36,698
<b>Discontinued operations</b>	<b>(64)</b>	(415)	-	-
Adjustments for non-cash items	<b>13,900</b>	(660)	<b>20,735</b>	(134)
Operating profit / (loss) before changes in working capital	<b>60,349</b>	44,285	<b>40,120</b>	36,564
Changes in working capital:				
Net changes in operating assets	<b>(258,513)</b>	320,727	<b>62,966</b>	(208,702)
Net changes in operating liabilities	<b>1,668,971</b>	(734,389)	<b>(60,492)</b>	2,563
Tax expense paid	<b>(2,663)</b>	(3,719)	<b>(3,000)</b>	(4,304)
Retirement benefits paid	<b>(187)</b>	(880)	<b>(66)</b>	(397)
<b>Net cash generated from / (used in) operating activities</b>	<b>1,467,957</b>	(373,976)	<b>39,528</b>	(174,276)
<b>Net cash generated from / (used in) investing activities</b>	<b>(1,534,946)</b>	367,571	<b>(174)</b>	(2,741)
Net increase in cash and cash equivalents	<b>(66,989)</b>	(6,405)	<b>39,354</b>	(177,017)
Cash and cash equivalents at beginning of the period	<b>1,243,626</b>	1,676,847	<b>882,330</b>	1,058,913
<b>Cash and cash equivalents at end of the period</b>	<b>1,176,637</b>	<b>1,670,442</b>	<b>921,684</b>	<b>881,896</b>

Cash and cash equivalents comprise:

	Group		Company	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Continuing operations:				
Cash and short-term funds	<b>801,244</b>	1,263,431	<b>668,684</b>	576,296
Deposits and placements with licensed banks and other financial institutions	<b>278,180</b>	389,599	<b>253,000</b>	305,600
Statutory deposits with Bank Negara Malaysia	<b>97,213</b>	17,412	-	-
	<b>1,176,637</b>	<b>1,670,442</b>	<b>921,684</b>	<b>881,896</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2010.



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

**1. Basis of preparation**

The unaudited condensed interim financial statements have been prepared in accordance with Financial Reporting Standards (“FRSs”) as modified by Bank Negara Malaysia (“BNM”) Guidelines and the provisions of the Companies Act, 1965 in Malaysia.

The unaudited condensed interim financial statements have been prepared in accordance with FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”).

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 December 2010. The explanatory notes attached to the unaudited condensed 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 2010.

**2. Significant accounting policies**

The significant accounting policies and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited annual financial statements for the year ended 31 December 2010 except for the adoption of the new and revised FRSs, Amendments to FRSs, IC Interpretations, Amendments to IC Interpretation and Technical Release issued by the MASB that are effective for financial period beginning on or after 1 March 2010.

The Directors are of the view that the adoption of new and revised standards and interpretations above does not have any effect on the financial performance or financial position of the Group and the Company.

**3. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the audited annual financial statements for the financial year ended 31 December 2010 was not qualified.

**4. Performance review**

The Group registered a pre-tax profit of RM46.45 million for the six months period ended 30 June 2011, an increase of 3% as compared to the previous corresponding period’s pre-tax profit of RM44.95 million (as analysed in Note 21, including the discontinued operations). The higher pre-tax profit is attributable to higher income in the current financial period.

## **5. Prospects for 2011**

GDP in the second half of the year 2011 is expected to expand between 6.3% to 6.7% benefitting from firmer domestic demand, as the implementation of projects under the Government's Economic Transformation Program moves into high gear. This will be aided by the cyclical demand with firmer commodity prices as well as from Japan's rebuilding effects.

The investment banking division maintains its cautious optimism that its business performance will be better in 2011.

The investment banking division will continue to invest in greater capabilities in its dealing and research team to tap the opportunities in the equity market. With the buoyant market reflected by rising equity prices and a strong net inflow of portfolio capital into the country, there will also be opportunities for origination and distribution activities, two areas that the division is concentrating on.

The investment banking division executed its maiden Initial Public Offering in the second quarter 2011. The division will continue with its efforts to secure the mandates in the advisory activities for corporate actions, such as mergers and takeovers and initial public offerings, as it builds up its resources and capacity in these areas.

In fund-based activities, the investment banking division has started to build up its treasury assets taking into cognisance Bank Negara Malaysia's interest rate and future monetary policy. The division is of the view that there is room for the Overnight Policy Rate to be increased to 3.25% by the end of the year.

The development finance division intends to continue to work closely with the Government in providing financial assistance to the targeted sectors, especially the services sector, to build up the country's SMEs' capacity in line with its mandated role, and to sustain the recovery in the economy under the financial stimulus package.

Efforts to sustain the improved fund performance will be continued for the asset management division. The other areas of focus for the division will be to accelerate efforts for clients' acquisition as well as business and products development.

In addition to the above efforts to establish a stronger franchise in each of the business divisions, the focus will be on new income opportunities to enlarge the revenue base, in addition to the continued emphasis on operational efficiencies, credit, cost and capital management.

**6. Assets of disposal group/assets 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 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Revenue	-	335	156	461
Operating income	-	12	2	22
	-	347	158	483
Staff cost	-	(366)	(167)	(663)
Depreciation	-	(32)	(17)	(64)
Operating expenses	-	(78)	(38)	(171)
Loss before tax of discontinued operations	-	(129)	(64)	(415)
Loss for the period from discontinued operations	-	(129)	(64)	(415)

Amanah Equities Sdn Bhd, a wholly-owned subsidiary of the Company, has entered into a Share Sale Agreement ("SSA") for the disposal of its 51% shareholding in the MIDF Consultancy and Corporate Services Sendirian Berhad ("MIDFCCS"). The application for the change in the shareholders/shareholding was approved by the Securities Commission on 2 November 2010. The disposal was completed on 10 March 2011.

**7. Securities held-for-trading**

	Group		Company	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
<b>At fair value</b>				
Money market instruments:				
Bank Negara Malaysia Notes	-	164,940	-	-
Other Acceptances Discounted	96,935	64,068	-	-
	96,935	229,008	-	-
Quoted securities in Malaysia:				
Shares	296	356	296	356
Unquoted securities in Malaysia:				
Unit Trusts	2	4	-	2
Shares	1	1	1	1
Redeemable Convertible Secured Notes	4,424	4,161	4,424	4,161
Private Debt Securities	87,246	95,096	-	-
	91,673	99,262	4,425	4,164
	188,904	328,626	4,721	4,520

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single issuer or to group of issuers.

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

**8. Securities available-for-sale**

	Group		Company	
	30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
<b>At fair value</b>				
Money market instruments:				
Malaysian Government Securities	8,929	207,683	-	-
Government Investment Issue	419,079	257,993	-	-
Other Acceptances Discounted	225,173	429,199	-	-
Negotiable Instruments of Deposit	249,566	79,380	-	-
	<u>902,747</u>	<u>974,255</u>	<u>-</u>	<u>-</u>
Quoted securities in Malaysia:				
Shares and Warrants	14,676	13,020	1,107	870
Loan Stocks	4,379	8,010	-	-
	<u>19,055</u>	<u>21,030</u>	<u>1,107</u>	<u>870</u>
Unquoted securities in Malaysia:				
Private Debt Securities	1,075,029	1,106,039	42,215	42,236
Shares	1,400	1,400	300	300
Loan Stocks	31,059	32,260	1,657	1,657
	<u>1,107,488</u>	<u>1,139,699</u>	<u>44,172</u>	<u>44,193</u>
<b>At cost</b>				
Unquoted securities in Malaysia:				
Shares	<u>757</u>	<u>757</u>	<u>-</u>	<u>-</u>
	<u>2,030,047</u>	<u>2,135,741</u>	<u>45,279</u>	<u>45,063</u>

The Group has no significant concentration of credit risk that may arise from exposures to a single issuer or to group of issuers.

A significant concentration credit risk arises from 1 (2010: 1) investment in unquoted private debt securities amounting to RM30,503,000 (2010: RM30,503,000) representing 67.37% (2010: 67.69%) of the Company's total securities available-for-sale.

9. Securities held-to-maturity

	Note	Group	
		30 June 2011 RM'000	31 December 2010 RM'000
<b>At amortised cost</b>			
Money market instruments:			
Malaysian Government Securities		623,905	92,163
Government Investment Issues		987,552	90,554
		<u>1,611,457</u>	<u>182,717</u>
Unquoted securities in Malaysia:			
Private Debt Securities		507,913	133,975
Loan Stocks		3,466	4,201
		<u>511,379</u>	<u>138,176</u>
Less: Individual impairment provision	(a)	<u>(27,027)</u>	<u>(27,380)</u>
		<u>2,095,809</u>	<u>293,513</u>

(a) Movements in individual impairment provision- Unquoted securities in Malaysia

	Group	
	30 June 2011 RM'000	31 December 2010 RM'000
At 1 January, as previously stated	27,380	76,722
Effects of adopting FRS 139	-	(149)
At 1 January, as restated	<u>27,380</u>	<u>76,573</u>
Amount written back	(353)	(50,598)
Impairment made during the period/year	-	1,405
At 31 December	<u>27,027</u>	<u>27,380</u>

The Group has no significant concentration of credit risk that may arise from exposures to a single issuer or to group of issuers.

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

**10. Loans, advances and financing**

	Group		Company	
	30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
Term loans				
- Syndicated term loan/financing	74,410	75,394	-	-
- Hire purchase receivables	62,980	75,792	42,457	52,957
- Lease receivables	5,841	6,015	3,529	3,701
- Other term loans/financing	461,857	530,983	359,429	417,728
	<u>605,088</u>	<u>688,184</u>	<u>405,415</u>	<u>474,386</u>
Staff loans	4,678	5,793	2,589	2,928
Less: Staff loans classified as assets held-for-sale	-	(289)	-	-
	4,678	5,504	2,589	2,928
Revolving credits	255,415	14,586	-	-
Margin accounts	61,264	58,738	-	-
	<u>926,445</u>	<u>767,012</u>	<u>408,004</u>	<u>477,314</u>
Less: Unearned interest and income	(3,061)	(4,427)	(2,942)	(4,143)
Gross loans, advances and financing	<u>923,384</u>	<u>762,585</u>	<u>405,062</u>	<u>473,171</u>
Less: Security deposits	(56)	(80)	-	-
Less: Impairment provision				
- Collective impairment provision	(31,436)	(26,934)	(22,638)	(22,638)
- Individual impairment provision	(267,095)	(272,887)	(178,453)	(190,191)
Total net loans, advances and financing	<u>624,797</u>	<u>462,684</u>	<u>203,971</u>	<u>260,342</u>

The Group and the Company operate principally in Malaysia and hence, disclosure of information by geographical area is not presented.

**a. By type of customer**

	Group		Company	
	30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
Domestic business enterprises				
- Small medium enterprises	688,112	497,367	210,987	258,908
- Others	194,426	210,591	191,293	207,304
Individuals	40,653	50,596	2,589	2,928
Foreign entities	193	4,031	193	4,031
Gross loans, advances and financing	<u>923,384</u>	<u>762,585</u>	<u>405,062</u>	<u>473,171</u>

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

b. By interest/profit rate sensitivity

	Group		Company	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Staff loans	4,678	5,124	2,589	2,928
- Hire purchase receivables	65,837	73,859	44,987	51,269
- Other fixed rate loan/financing	248,568	283,694	184,171	220,982
Variable rate				
- BLR plus	171,923	188,968	171,923	188,968
- Cost plus	430,986	201,916	-	-
- Other variable rates	1,392	9,024	1,392	9,024
Gross loans, advances and financing	<u>923,384</u>	<u>762,585</u>	<u>405,062</u>	<u>473,171</u>

c. By economic sector

	Group		Company	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry & fishing	-	556	-	-
Mining and quarrying	22,449	24,956	-	98
Manufacturing	488,303	434,607	257,350	319,563
Construction	23,018	23,760	-	227
Purchase of landed property:				
- Residential	-	381	-	-
Wholesale & retail trade and restaurants & hotels	141,109	140,942	120,732	119,392
Transport, storage and communications	11,096	18,979	9,832	15,565
Finance, insurance and business services	190,275	61,206	11,268	11,706
Purchase of transport vehicles	17,270	19,041	-	-
Others	29,864	38,157	5,880	6,620
Gross loans, advances and financing	<u>923,384</u>	<u>762,585</u>	<u>405,062</u>	<u>473,171</u>

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

d. Impaired loans ("ILs"), advances and financing

(i.) ILs by economic sector

	Group		Company	
	30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
Manufacturing	257,577	286,016	175,739	201,359
Construction	23,007	23,521	-	-
Purchase of landed property - Residential	-	113	-	-
Wholesale & retail trade and restaurants & hotels	106,279	109,409	86,671	89,118
Transport, storage and communication	9,183	11,316	8,329	10,401
Finance, insurance and business services	17,969	21,006	2,112	5,029
Purchase of transport vehicles	15,408	15,678	-	-
Others	5,389	4,545	4,692	3,897
	<u>434,812</u>	<u>471,604</u>	<u>277,543</u>	<u>309,804</u>

(ii.) Movements in ILs

	Group		Company	
	30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
At 1 January, as previously stated	471,604	281,407	309,804	216,902
Effects of adopting FRS 139	-	84,759	-	73,069
At 1 January, as restated	<u>471,604</u>	<u>366,166</u>	<u>309,804</u>	<u>289,971</u>
Classified as impaired during the period/ year	19,591	155,090	15,226	60,194
Reclassified as unimpaired during the period/ year	(539)	(22,912)	(539)	(22,303)
Amount recovered	(29,656)	(26,740)	(20,760)	(18,058)
Amount written off	<u>(26,188)</u>	<u>-</u>	<u>(26,188)</u>	<u>-</u>
At 30 June/ 31 December	434,812	471,604	277,543	309,804
Less: Individual impairment provision	<u>(267,095)</u>	<u>(272,887)</u>	<u>(178,453)</u>	<u>(190,191)</u>
Net ILs	<u>167,717</u>	<u>198,717</u>	<u>99,090</u>	<u>119,613</u>
Net ILs as % of gross loans, advances and financing less individual impairment provision	<u>25.55%</u>	<u>40.58%</u>	<u>43.73%</u>	<u>42.27%</u>



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

d. Impaired loans ("ILs"), advances and financing (cont'd)

(iii.) Movements in impairment provision

	Group		Company	
	30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
<b>Collective impairment provision</b>				
At 1 January, as previously stated	26,934	-	22,638	-
Effect of adopting FRS 139	-	27,776	-	23,483
At 1 January, as restated	26,934	27,776	22,638	23,483
Impairment made during the period/year	4,502	-	-	-
Written back during the period/year	-	(842)	-	(845)
At 30 June/ 31 December	<u>31,436</u>	<u>26,934</u>	<u>22,638</u>	<u>22,638</u>
As % of gross loans, advances and financing less individual impairment provision	<u>4.79%</u>	<u>5.50%</u>	<u>9.99%</u>	<u>8.00%</u>

Included in collective impairment provision of the Group is RM1,373,000 (2010: RM1,583,000) relating to impaired loans of the investment bank subsidiary in which individual impairment provision are not required due to sufficient security cover.

	Group		Company	
	30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
<b>Individual impairment provision</b>				
At 1 January, as previously stated	272,887	-	190,191	-
Effect of adopting FRS 139	-	230,910	-	176,798
At 1 January, as restated	272,887	230,910	190,191	176,798
Impairment made during the period/year	44,588	104,944	32,123	62,088
Amount written-back	(16,278)	(58,462)	(10,327)	(45,163)
Amount written off	(30,670)	-	(30,670)	-
Discount unwind	(3,432)	(4,505)	(2,864)	(3,532)
At 30 June/ 31 December	<u>267,095</u>	<u>272,887</u>	<u>178,453</u>	<u>190,191</u>

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

e. Maturity profile of loans, advances and financing as at reporting date based on the remaining contractual maturity

	On demand RM'000	Under 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
<b>30 June 2011</b>							
<b>Group</b>							
Loans, advances and financing	<u>143,633</u>	<u>63,546</u>	<u>7,357</u>	<u>263,700</u>	<u>88,088</u>	<u>58,473</u>	<u>624,797</u>
<b>Company</b>							
Loans, advances and financing	<u>76,452</u>	<u>3,638</u>	<u>7,141</u>	<u>26,927</u>	<u>33,241</u>	<u>56,572</u>	<u>203,971</u>
<b>31 December 2010</b>							
<b>Group</b>							
Loans, advances and financing	<u>174,447</u>	<u>68,622</u>	<u>12,638</u>	<u>42,898</u>	<u>115,123</u>	<u>48,956</u>	<u>462,684</u>
<b>Company</b>							
Loans, advances and financing	<u>96,975</u>	<u>11,355</u>	<u>10,592</u>	<u>41,118</u>	<u>82,611</u>	<u>17,691</u>	<u>260,342</u>

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

**11. Other assets**

	Note	Group		Company	
		30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
Accrued interest, commitment charges, commissions, and fees receivable		66,496	45,988	19,355	18,350
Less: Transfer to assets held-for-sale		-	(14)	-	-
		<u>66,496</u>	<u>45,974</u>	<u>19,355</u>	<u>18,350</u>
Amount due from subsidiaries					
- current accounts	(a)	-	-	4,828	1,807
- loan accounts	(b)	-	-	9,462	9,425
Amount due from related company	(c)	94	844	-	-
Clients' and brokers' accounts	(d)	179,948	117,248	-	-
Less: Individual impairment provision	(d)	(4,276)	(4,119)	-	-
		<u>175,672</u>	<u>113,129</u>	<u>-</u>	<u>-</u>
Trade receivables		4,623	6,540	-	-
Less: Individual impairment provision		(1,154)	(1,670)	-	-
		<u>3,469</u>	<u>4,870</u>	<u>-</u>	<u>-</u>
Other receivables, deposits and prepayments		92,870	105,056	54,320	61,420
Less: Individual impairment provision		(27,871)	(27,980)	-	-
Less: Transfer to assets held-for-sale		-	(139)	-	-
		<u>64,999</u>	<u>76,937</u>	<u>54,320</u>	<u>61,420</u>
Tax recoverable		239	188	-	-
		<u>310,969</u>	<u>241,942</u>	<u>87,965</u>	<u>91,002</u>

(a) Amount due from subsidiaries - current accounts

These amounts are unsecured, interest free and repayable on demand.

(b) Amount due from subsidiaries - loan account

The loan due from a subsidiary is unsecured, bear interest at 4.00% (2010: 4.00%) per annum and are repayable on demand.

(c) Amount due from related company

These amounts are unsecured, interest free and repayable on demand.

**11. Other assets (cont'd)**

(d) Clients' and brokers' accounts		<b>30 June 2011 RM'000</b>	<b>31 December 2010 RM'000</b>
<b>Group</b>	<b>Note</b>		
Brokers		150,058	51,610
Clients		29,890	65,638
		<u>179,948</u>	<u>117,248</u>
Less: Individual impairment provision	(i)	<u>(4,276)</u>	<u>(4,119)</u>
		<u>175,672</u>	<u>113,129</u>

This arose from trading of securities, through the investment bank subsidiary, which are not yet due for settlement as at financial period end under the Malaysia Securities Berhad ("Rules of Bursa").

<b>Group</b>	<b>30 June 2011 RM'000</b>	<b>31 December 2010 RM'000</b>
(i) Movements in individual impairment provision		
At 1 January, as previously stated	(4,119)	-
Effects of adopting FRS 139	-	(3,901)
At 1 January, as restated	<u>(4,119)</u>	<u>(3,901)</u>
Impairment made during the period / year	(157)	(285)
Amount written back	-	67
At 30 June/ 31 December	<u>(4,276)</u>	<u>(4,119)</u>

Included in individual impairment provision above is the provision relating to interest portion of the amount due from clients, in which the movement is as follows:

<b>Group</b>	<b>30 June 2011 RM'000</b>	<b>31 December 2010 RM'000</b>
At 1 January, as previously stated	(1,655)	-
Effects of adopting FRS 139	-	(1,370)
At 1 January, as restated	<u>(1,655)</u>	<u>(1,370)</u>
Net interest suspended during the period/year	(134)	(285)
At 30 June/ 31 December	<u>(1,789)</u>	<u>(1,655)</u>

The classification of impaired accounts in accordance with Rule 1104.1, Schedule 7A of the Rules of Bursa is as follows:

<b>Group</b>	<b>30 June 2011 RM'000</b>	<b>31 December 2010 RM'000</b>
Impaired accounts classified as doubtful	15	-
Impaired accounts classified as bad	2,943	2,594
Total impaired accounts	<u>2,958</u>	<u>2,594</u>

12. Deposits from customers

	Group	
	30 June 2011	31 December 2010
	RM'000	RM'000
<b>(i) By type of deposit</b>		
- Call deposits	109,277	83,034
- Fixed deposits	1,887,646	1,355,912
	<u>1,996,923</u>	<u>1,438,946</u>
<b>(ii) By type of customer</b>		
- Business enterprises	1,984,923	1,421,946
- Government and statutory bodies	12,000	17,000
	<u>1,996,923</u>	<u>1,438,946</u>

**(iii) Maturity profile of deposits from customers as at reporting date based on the remaining contractual maturity**

	On demand	Under 1 month	>1 - 3 months	>3 - 12 months	1 to 5 years	>5 years	Total
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2011							
Deposits from customers	<u>109,277</u>	<u>1,553,267</u>	<u>331,245</u>	<u>3,134</u>	<u>-</u>	<u>-</u>	<u>1,996,923</u>
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2010							
Deposits from customers	<u>83,034</u>	<u>1,109,110</u>	<u>236,778</u>	<u>10,024</u>	<u>-</u>	<u>-</u>	<u>1,438,946</u>

13. Deposits and placements of banks and other financial institutions

	Group	
	30 June 2011 RM'000	31 December 2010 RM'000
(i) <b>Call deposits</b>		
- Other financial institutions	142,532	119,025
(ii) <b>Fixed deposits</b>		
- Licensed Islamic banks	40,100	92,400
- Licensed Commercial banks	100,000	179,800
- Licensed Investment banks	120,000	-
- Other financial institutions	1,422,337	666,667
	<u>1,682,437</u>	<u>938,867</u>
(iii) <b>Negotiable instruments deposits issued</b>		
- Licensed banks	390,000	70,000
	<u>2,214,969</u>	<u>1,127,892</u>

(iv) Maturity profile of deposits and placements of banks and other financial institutions as at reporting date based on the remaining contractual maturity

	On demand	Under 1 month	>1 - 3 months	>3 - 12 months	1 to 5 years	>5 years	Total
Group 30 June 2011	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	142,532	1,482,441	588,496	1,500	-	-	2,214,969
Group 31 December 2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	119,025	666,767	272,100	70,000	-	-	1,127,892

14. Borrowings

	Group and Company	
	30 June 2011 RM'000	31 December 2010 RM'000
(a) Short Term Unsecured	32,381	46,999
	<u>32,381</u>	<u>46,999</u>
(b) Long Term Unsecured	284,376	293,616
Unsecured – Islamic operations	9,292	15,466
	<u>293,668</u>	<u>309,082</u>
Total borrowings	<u>326,049</u>	<u>356,081</u>

Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM106.156 million as at 30 June 2011. The foreign exchange risk on the above loans is borne by the Government of Malaysia.

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

**15. Interest income**

	Individual		Cumulative	
	Quarter Ended		Quarter Ended	
	30 June	30 June	30 June	30 June
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Loans, advances and financing				
- Interest income on non-impaired loans	7,206	7,064	11,561	12,389
- Interest income on ILs	12,921	7,137	21,511	13,510
Income from Government Scheme Funds	3,187	1,969	6,469	4,782
Money at call and deposit placements with financial institutions	7,666	8,032	17,718	17,900
Securities available-for-sale ("AFS")				
- Interest income on AFS	9,097	10,291	17,894	25,710
- Interest income on impaired AFS	7	2,536	487	5,028
Securities held-for-trading ("HFT")				
- Interest income on HFT	525	372	717	1,084
Securities held-to-maturity	12,161	260	17,743	657
Hire purchase and leasing operations	463	1,283	1,017	2,191
Accretion of discounts (net of amortisation of premium)	6,694	9,599	14,237	17,756
Others	66	82	134	149
	<u>59,993</u>	<u>48,625</u>	<u>109,488</u>	<u>101,156</u>

	Individual		Cumulative	
	Quarter Ended		Quarter Ended	
	30 June	30 June	30 June	30 June
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<b><u>Company</u></b>				
Loans, advances and financing				
- Interest income on non-impaired loans	2,710	3,305	4,485	5,986
- Interest income on ILs	10,572	7,119	16,821	12,070
Income from Government Scheme Funds	3,187	1,969	6,469	4,782
Money at call and deposit placements with financial institutions	6,134	3,074	12,545	7,807
Securities available-for-sale ("AFS")				
- Interest income on AFS	623	194	1,247	476
- Interest income on impaired AFS	45	(75)	93	193
Securities held-for-trading ("HFT")				
- Interest income on HFT	86	445	263	445
Hire purchase and leasing operations	394	956	840	1,582
Loans to subsidiaries	99	96	198	194
	<u>23,850</u>	<u>17,083</u>	<u>42,961</u>	<u>33,535</u>

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

16. Interest expense	Individual		Cumulative	
	Quarter Ended		Quarter Ended	
	30 June	30 June	30 June	30 June
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
Deposits and placements of banks and other financial institutions	8,937	6,268	15,336	11,583
Deposits from customers	9,674	8,660	18,789	16,830
Short-term funds and bank overdrafts	-	36	-	91
Concessional funds	2,012	2,343	4,038	4,481
Commercial loans	7	179	20	404
	<u>20,630</u>	<u>17,486</u>	<u>38,183</u>	<u>33,389</u>
<b><u>Company</u></b>				
Concessional funds	2,012	2,343	4,038	4,481
Commercial loans	7	179	20	404
	<u>2,019</u>	<u>2,522</u>	<u>4,058</u>	<u>4,885</u>
17. Other operating income	Individual		Cumulative	
	Quarter Ended		Quarter Ended	
	30 June	30 June	30 June	30 June
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
<b><u>Group</u></b>				
(a) Revenue income:				
Fee income derived from:				
- Capital market activities	3,095	1,991	4,612	4,167
- Management fees	1,124	1,246	2,084	1,974
- Net brokerage fees	6,821	5,151	14,010	9,719
Investment income derived from:				
- Net unrealised gain/ (loss) on revaluation of securities held-for-trading	60	208	9	(444)
- Net unrealised loss on revaluation of derivative assets	(576)	(1,489)	(891)	(1,489)
- Gain on sale of securities:				
- Available-for-sale	480	304	1,265	1,070
- Held-for-trading	501	241	571	251
- Loss on sale of trust units	(1)	(19)	(4)	(1)
Total dividends (gross) from:				
- Securities available-for-sale	147	344	302	489
Income from factoring	304	42	407	230
Profit earned on Al-Bai Bithamin Ajil and Al-Ijarah	70	-	145	-
	<u>12,025</u>	<u>8,019</u>	<u>22,510</u>	<u>15,966</u>



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

**17. Other operating income (cont'd)**

<u>Group</u>	Individual		Cumulative	
	Quarter Ended		Quarter Ended	
	30 June	30 June	30 June	30 June
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
(b) Other income:				
Interest income on:				
- promissory notes	227	227	343	343
Gain on disposal of:				
- Property, plant and equipment	635	20	635	26
Interest on staff loans	6	18	17	28
Commitment fee	18	34	50	34
Rental income on buildings	437	416	816	831
Gain on disposal of subsidiaries	-	-	43	-
Others	443	185	731	1,307
	<u>1,766</u>	<u>900</u>	<u>2,635</u>	<u>2,569</u>
Total other operating income	<u>13,791</u>	<u>8,919</u>	<u>25,145</u>	<u>18,535</u>

**Company**

(a) Revenue income:				
Fee income derived from:				
- Management fees	2,736	2,739	5,394	5,103
Net unrealised loss on revaluation of securities held-for-trading	-	(89)	(59)	(456)
Gross dividend income:				
- Subsidiaries	-	13,004	-	13,004
- Associate	3,096	-	3,096	-
	<u>5,832</u>	<u>15,654</u>	<u>8,431</u>	<u>17,651</u>
(b) Other income:				
Interest income on:				
- promissory notes	227	227	343	343
Gain on disposal of:				
- Property, plant and equipment	-	23	-	25
Commitment fee	-	1	15	1
Rental of premises	1,042	1,875	1,992	1,877
Others	133	345	220	800
	<u>1,402</u>	<u>2,471</u>	<u>2,570</u>	<u>3,046</u>
Total other operating income	<u>7,234</u>	<u>18,125</u>	<u>11,001</u>	<u>20,697</u>

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

**18. Operating expenses**

<u>Group</u>	Individual		Cumulative	
	Quarter Ended		Quarter Ended	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Personnel costs				
- Salaries and wages	8,244	8,278	15,969	16,462
- Allowance and bonuses	(1,974)	833	608	2,596
- Staff training	150	139	204	168
- Others	2,857	2,473	5,300	4,733
	<u>9,277</u>	<u>11,723</u>	<u>22,081</u>	<u>23,959</u>
Establishment costs				
- Depreciation	1,217	1,209	2,539	2,733
- Office rental	1,641	2,148	3,338	3,392
- Equipment rental	267	636	537	933
- Others	1,175	1,215	2,017	2,649
	<u>4,300</u>	<u>5,208</u>	<u>8,431</u>	<u>9,707</u>
Promotion and marketing-related expenses				
- Business promotion and advertisement	982	896	1,383	1,348
- Entertainment	108	85	157	120
	<u>1,090</u>	<u>981</u>	<u>1,540</u>	<u>1,468</u>
General and administrative expenses				
- Communication expenses	143	278	346	504
- Audit fees	134	86	260	176
- Directors' fees and meeting allowances	294	233	608	465
- Management fees	301	47	301	94
- Securities Commission's levy	324	267	644	393
- Others	208	1,134	406	1,627
	<u>1,404</u>	<u>2,045</u>	<u>2,565</u>	<u>3,259</u>
	<u>16,071</u>	<u>19,957</u>	<u>34,617</u>	<u>38,393</u>

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

**18. Operating expenses (cont'd)**

<b>Company</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Personnel costs				
- Salaries and wages	4,166	4,206	8,037	8,488
- Allowance and bonuses	(1,841)	529	(576)	2,393
- Staff training	64	10	111	23
- Others	1,442	1,470	2,729	2,731
	<u>3,831</u>	<u>6,215</u>	<u>10,301</u>	<u>13,635</u>
Establishment costs				
- Depreciation	679	722	1,427	1,764
- Office rental	1,655	1,263	3,320	3,375
- Equipment rental	14	30	28	54
- Others	743	1,165	1,423	1,562
	<u>3,091</u>	<u>3,180</u>	<u>6,198</u>	<u>6,755</u>
Promotion and marketing-related expenses				
- Business promotion and advertisement	662	543	824	814
- Entertainment	1	4	3	5
	<u>663</u>	<u>547</u>	<u>827</u>	<u>819</u>
General and administrative expenses				
- Communication expenses	105	165	207	276
- Audit fees	62	32	113	63
- Directors' fees and meeting allowances	167	124	426	253
- Management fees	-	21	-	42
- Others	349	767	748	1,199
	<u>683</u>	<u>1,109</u>	<u>1,494</u>	<u>1,833</u>
	<u>8,268</u>	<u>11,051</u>	<u>18,820</u>	<u>23,042</u>

**19. Impairment losses (made)/ written-back on loans, advances and financing**

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(a) Individual impairment provision				
- made in the financial period	(25,818)	(13,971)	(44,588)	(27,627)
- written-back	4,276	13,173	16,278	29,102
(b) Collective impairment provision				
- made in the financial period	(4,468)	(620)	(4,721)	(818)
- written-back	169	305	219	452
(c) Recoveries from impaired loans	844	2,385	3,298	3,215
	<u>(24,997)</u>	<u>1,272</u>	<u>(29,514)</u>	<u>4,324</u>

19. Impairment losses (made)/ written-back on loans, advances and financing (cont'd)

<u>Company</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
(a) Individual impairment provision				
- made in the financial period	(16,871)	(13,172)	(32,123)	(25,685)
- written-back	1,819	10,351	10,327	24,957
(b) Collective impairment provision				
- made in the financial period	-	-	-	-
- written-back	-	-	-	-
(c) Recoveries from impaired loans	538	2,368	2,665	3,198
	<u>(14,514)</u>	<u>(453)</u>	<u>(19,131)</u>	<u>2,470</u>

20. Impairment losses on securities

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Securities available-for-sale (net)	(1,369)	(20,613)	(2,599)	(23,705)
Securities held-to-maturity (net)	353	353	353	353
	<u>(1,016)</u>	<u>(20,260)</u>	<u>(2,246)</u>	<u>(23,352)</u>

Company

Securities available-for-sale (net)	-	(532)	-	(532)
	<u>-</u>	<u>(532)</u>	<u>-</u>	<u>(532)</u>

21. Segment information

For management purposes, the Group is organised into business units based on their products and services, has five reportable operating segments as follows:

Segment Revenue	Individual Quarter Ended		Cumulative Quarter Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Investment banking	59,078	44,741	106,220	95,422
Asset management	703	809	1,390	1,595
Development finance	21,726	21,930	39,175	35,781
Investment holding	6,881	20,773	14,998	27,028
Others	638	1,066	1,091	1,656
	<u>89,026</u>	<u>89,319</u>	<u>162,874</u>	<u>161,482</u>
Inter-segment elimination	(697)	(17,969)	(3,096)	(20,184)
	<u>88,329</u>	<u>71,350</u>	<u>159,778</u>	<u>141,298</u>
Discontinued operations	-	335	156	461
	<u>88,329</u>	<u>71,685</u>	<u>159,934</u>	<u>141,759</u>

21. Segment information (cont'd)

Segment Results	Individual Quarter Ended		Cumulative Quarter Ended	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
	RM'000	RM'000	RM'000	RM'000
Investment banking	11,280	(2,697)	27,371	17,555
Asset management	(507)	(657)	(1,098)	(1,158)
Development finance	2,008	11,284	9,022	25,275
Investment holding	8,602	14,047	10,991	15,995
Others	881	778	2,025	1,250
Consolidation adjustments	(2,954)	(14,398)	(3,038)	(14,124)
	19,310	8,357	45,273	44,793
Share of results in associates	593	284	1,240	567
	19,903	8,641	46,513	45,360
Discontinued operations	-	(129)	(64)	(415)
	19,903	8,512	46,449	44,945

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Group operates principally in Malaysia and hence, disclosure of information by geographical area is not presented.

22. Capital commitments

Group	As at 30 June 2011	As at 31 December 2010
	RM'000	RM'000
Authorised but not contracted for	6,149	6,251
	6,149	6,251
<b>Company</b>		
Authorised but not contracted for	704	877
	704	877

**23. Commitments and contingencies**

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 period/year are as follows:

<b>Group</b>	<b>← As at 30.06.2011 →</b>			<b>← As at 31.12.2010 →</b>		
	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	-	-	-	8,504	8,504	8,504
Obligations under underwriting agreement	189,991	94,995	21,904	257,864	128,932	31,426
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	105,986	21,197	12,326	46,527	9,305	9,041
- Maturity exceeding one year	17	9	5	22	11	6
<b>Total</b>	<b>295,994</b>	<b>116,201</b>	<b>34,235</b>	<b>312,917</b>	<b>146,752</b>	<b>48,977</b>
<b>Company</b>						
Guarantee facilities	-	-	-	8,504	8,504	8,504
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	19	4	4	46	9	9
<b>Total</b>	<b>19</b>	<b>4</b>	<b>4</b>	<b>8,550</b>	<b>8,513</b>	<b>8,513</b>

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

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

**24. Interest rate risk**

The Group and the Company are exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The following table indicates the effective interest rates at the reporting date and the periods in which they reprice or mature, whichever is earlier.

Group	Non-trading book					Non- interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 to 5 years	> 5 years				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
<b>30.06.2011</b>									
Assets									
Cash and short-term funds	766,968	-	-	-	-	34,276	-	801,244	2.92
Deposits and placements with licensed banks and other financial institutions	-	253,000	15,670	-	-	9,510	-	278,180	3.06
Securities held-for-trading	-	-	-	-	-	-	188,904	188,904	3.62
Securities available-for-sale	278,293	276,719	327,023	677,332	281,065	188,508	1,107	2,030,047	4.87
Securities held-to-maturity	-	-	-	191,402	1,903,916	491	-	2,095,809	4.03
Loans, advances and financing									
- Non-impaired	40,342	272,840	27,693	61,049	86,592	(31,436) *	-	457,080	5.83
- Impaired	-	-	-	-	-	167,717	-	167,717	-
Derivative assets	-	-	-	-	-	-	494	494	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	97,213	-	97,213	-
Other non-interest sensitive balances	-	-	-	-	-	463,196	-	463,196	-
<b>Total assets</b>	<b>1,085,603</b>	<b>802,559</b>	<b>370,386</b>	<b>929,783</b>	<b>2,271,573</b>	<b>929,475</b>	<b>190,505</b>	<b>6,579,884</b>	

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

**24. Interest rate risk (cont'd)**

Group	Non-trading book					Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	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				
<b>30.06.2011 (cont'd)</b>									
Liabilities									
Deposits from customers	1,554,800	331,245	109,227	1,651	-	-	-	1,996,923	2.97
Deposits and placements of banks and financial institutions	1,602,441	468,496	144,032	-	-	-	-	2,214,969	3.08
Borrowings	655	2,100	44,244	99,095	179,955	-	-	326,049	2.79
Other non-interest sensitive balances	-	-	-	-	-	306,795	-	306,795	
<b>Total liabilities</b>	<b>3,157,896</b>	<b>801,841</b>	<b>297,503</b>	<b>100,746</b>	<b>179,955</b>	<b>306,795</b>	<b>-</b>	<b>4,844,736</b>	
Shareholder's funds	-	-	-	-	-	1,733,831	-	1,733,831	
Minority interests	-	-	-	-	-	1,317	-	1,317	
	<b>3,157,896</b>	<b>801,841</b>	<b>297,503</b>	<b>100,746</b>	<b>179,955</b>	<b>2,041,943</b>	<b>-</b>	<b>6,579,884</b>	
On-balance sheet interest sensitivity gap	(2,072,293)	718	72,883	829,037	2,091,618	(1,112,468)	190,505		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	-	-	-	-	-	-		
<b>Total interest sensitivity gap</b>	<b>(2,072,293)</b>	<b>718</b>	<b>72,883</b>	<b>829,037</b>	<b>2,091,618</b>	<b>(1,112,468)</b>	<b>190,505</b>		

\* Collective impairment provision on loans, advances and financing



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

**24. Interest rate risk (cont'd)**

Group	Non-trading book					Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	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				
<b>31.12.2010</b>									
Assets									
Cash and short-term funds	911,543	-	-	-	-	-	-	911,543	2.82
Deposits and placements with licensed banks and other financial institutions	-	313,000	-	-	-	-	-	313,000	2.94
Securities held-for-trading	-	-	-	-	-	2	328,624	328,626	3.62
Securities available-for-sale	175,766	327,778	477,792	774,641	185,943	192,951	870	2,135,741	4.69
Securities held-to-maturity	-	-	-	82,892	210,075	546	-	293,513	4.20
Loans, advances and financing									
- Non-impaired	16,639	66,289	42,761	115,631	49,581	(26,934) *	-	263,967	6.47
- Impaired	-	-	-	-	-	198,717	-	198,717	-
Derivative assets	-	-	-	-	-	1,384	-	1,384	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	19,083	-	19,083	-
Other non-interest sensitive balances	-	-	-	-	-	408,420	-	408,420	-
<b>Total assets</b>	<b>1,103,948</b>	<b>707,067</b>	<b>520,553</b>	<b>973,164</b>	<b>445,599</b>	<b>794,169</b>	<b>329,494</b>	<b>4,873,994</b>	

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

**24. Interest rate risk (cont'd)**

Group	Non-trading book					Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	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				
<b>31.12.2010 (cont'd)</b>									
Liabilities									
Deposits from customers	1,104,697	240,877	93,372	-	-	-	-	1,438,946	2.74
Deposits and placements of banks and other financial institutions	666,768	272,100	189,024	-	-	-	-	1,127,892	2.77
Borrowings	655	2,100	34,528	140,497	178,301	-	-	356,081	2.79
Other non-interest sensitive balances	-	-	-	-	-	253,494	-	253,494	-
<b>Total liabilities</b>	<b>1,772,120</b>	<b>515,077</b>	<b>316,924</b>	<b>140,497</b>	<b>178,301</b>	<b>253,494</b>	<b>-</b>	<b>3,176,413</b>	
Shareholder's funds	-	-	-	-	-	1,695,098	-	1,695,098	
Minority interests	-	-	-	-	-	2,483	-	2,483	
	<b>1,772,120</b>	<b>515,077</b>	<b>316,924</b>	<b>140,497</b>	<b>178,301</b>	<b>1,951,075</b>	<b>-</b>	<b>4,873,994</b>	
On-balance sheet interest sensitivity gap	(668,172)	191,990	203,629	832,667	267,298	(1,156,906)	329,494		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	-	-	-	-	-	-		
<b>Total interest sensitivity gap</b>	<b>(668,172)</b>	<b>191,990</b>	<b>203,629</b>	<b>832,667</b>	<b>267,298</b>	<b>(1,156,906)</b>	<b>329,494</b>		

\* Collective impairment provision on loans, advances and financing

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

**24. Interest rate risk (cont'd)**

Company	Non-trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	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				
<b>30.06.2011</b>									
Assets									
Cash and short-term funds	661,784	-	-	-	-	6,900	-	668,684	2.97
Deposits and placements with licensed bank and other financial institutions	-	253,000	-	-	-	-	-	253,000	3.06
Securities held-for-trading	-	-	-	-	-	-	4,721	4,721	-
Securities available-for-sale	-	-	-	35,503	2,198	6,471	1,107	45,279	8.02
Loans, advances and financing									
- Non-impaired	3,638	7,141	26,927	33,241	56,572	(22,638) *	-	104,881	6.68
- Impaired	-	-	-	-	-	99,090	-	99,090	-
Other non-interest sensitive balances	-	-	-	-	-	898,975	-	898,975	-
<b>Total assets</b>	<b>665,422</b>	<b>260,141</b>	<b>26,927</b>	<b>68,744</b>	<b>58,770</b>	<b>988,798</b>	<b>5,828</b>	<b>2,074,630</b>	

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

**24. Interest rate risk (cont'd)**

Company	Non-trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	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				
<b>30.06.2011 (cont'd)</b>									
Liabilities									
Borrowings	655	2,100	44,244	99,095	179,955	-	-	326,049	2.81
Other non-interest sensitive balances	-	-	-	-	-	113,888	-	113,888	-
Total liabilities	655	2,100	44,244	99,095	179,955	113,888	-	439,937	
Shareholder's funds	-	-	-	-	-	1,634,693	-	1,634,693	
	655	2,100	44,244	99,095	179,955	1,748,581	-	2,074,630	
On-balance sheet interest sensitivity gap	664,767	258,041	(17,317)	(30,351)	(121,185)	(759,783)	5,828		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	-	-	-	-	-	-		
Total interest sensitivity gap	664,767	258,041	(17,317)	(30,351)	(121,185)	(759,783)	5,828		

\* Collective impairment provision on loans, advances and financing

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

**24. Interest rate risk (cont'd)**

Company	Non-trading book					Non-interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 to 5 years	> 5 years				
31.12.2010	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Assets									
Cash and short-term funds	674,178	-	-	-	-	-	-	674,178	2.86
Deposits and placements with licensed banks and other financial institutions	-	208,152	-	-	-	-	-	208,152	2.92
Securities held-for-trading	-	-	-	-	-	-	4,520	4,520	-
Securities available-for-sale	-	-	-	35,524	2,198	6,471	870	45,063	8.02
Loans, advances and financing									
- Non-impaired	11,355	10,592	41,118	82,611	17,691	(22,638) *	-	140,729	5.29
- Impaired	-	-	-	-	-	119,613	-	119,613	-
Other non-interest sensitive balances	-	-	-	-	-	903,344	-	903,344	-
<b>Total assets</b>	<b>685,533</b>	<b>218,744</b>	<b>41,118</b>	<b>118,135</b>	<b>19,889</b>	<b>1,006,790</b>	<b>5,390</b>	<b>2,095,599</b>	

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

**24. Interest rate risk (cont'd)**

Company	Non-trading book					Non-interest sensitive	Trading book	Total	Effective interest rate
	Up to 1 month	> 1 - 3 months	> 3 - 12 months	1 to 5 years	> 5 years				
31.12.2010 (cont'd)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	%
Liabilities									
Borrowings	655	2,100	34,528	140,497	178,301	-	-	356,081	2.79
Other non-interest sensitive balances	-	-	-	-	-	121,247	-	121,247	-
Total liabilities	655	2,100	34,528	140,497	178,301	121,247	-	477,328	
Shareholder's funds	-	-	-	-	-	1,618,271	-	1,618,271	
	655	2,100	34,528	140,497	178,301	1,739,518	-	2,095,599	
On-balance sheet interest sensitivity gap	684,878	216,644	6,590	(22,362)	(158,412)	(732,728)	5,390		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	-	-	-	-	-	-		
Total interest sensitivity gap	684,878	216,644	6,590	(22,362)	(158,412)	(732,728)	5,390		

\* Collective impairment provision on loans, advances and financing

**25. Capital adequacy**

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

	<b>As at 30 June 2011 RM'000</b>	<b>As at 31 December 2010 RM'000</b>
<b>Tier-I capital</b>		
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	115,520	115,520
Retained profits	64,722	64,722
	<u>699,353</u>	<u>699,353</u>
Less: Deferred tax assets	(30,287)	(37,600)
<b>Total Tier-I capital</b>	<u>669,066</u>	<u>661,753</u>
<b>Tier-II capital</b>		
Collective impairment provision	7,155	2,443
Total Tier-II capital	7,155	2,443
Investment in capital instrument of other banking institutions	(5,000)	(5,000)
<b>Capital base</b>	<u>671,221</u>	<u>659,196</u>
Core capital ratio	42.71%	48.59%
Risk-weighted capital ratio	42.84%	48.59%

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

	<b>30 June 2011</b>		<b>31 December 2010</b>	
	<b>Notional amount RM'000</b>	<b>Risk- weighted amount RM'000</b>	<b>Notional amount RM'000</b>	<b>Risk- weighted amount RM'000</b>
0%	2,438,683	-	667,636	-
20%	1,602,064	320,413	1,765,741	353,148
35%	742	260	735	257
50%	180,886	90,443	204,187	102,093
75%	159	119	147	110
100%	612,698	612,698	310,897	310,897
150%	230,230	345,345	258,919	388,379
Total Risk Weighted Assets for Credit Risk	<u>5,065,462</u>	<u>1,369,278</u>	<u>3,208,262</u>	<u>1,154,884</u>
Total Risk Weighted Assets Equivalent for Market Risk	-	8,595	-	9,184
Total Risk Weighted Assets Equivalent for Operational Risk	-	188,761	-	192,568
	<u>5,065,462</u>	<u>1,566,634</u>	<u>3,208,262</u>	<u>1,356,636</u>

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

26. **Operations of Islamic Banking**

(a) **UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2011**

	Note	Group		Company	
		30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
<b>ASSETS</b>					
Cash and short-term funds		48,799	31,301	48,475	31,031
Deposits and placements with licensed banks and other financial institutions		-	42,050	-	42,050
Securities available-for-sale	26 (c)	820,825	588,462	-	-
Securities held-to-maturity	26 (d)	520,794	4,969	-	-
Financing and advances	26 (e)	19,220	31,239	19,220	31,239
Trade receivables	26 (f)	4,583	4,420	-	-
Other assets		20,791	27,238	594	621
Deferred tax assets		2,966	2,995	772	818
<b>TOTAL ASSETS</b>		<b>1,437,978</b>	<b>732,674</b>	<b>69,061</b>	<b>105,759</b>
<b>LIABILITIES</b>					
Deposits from customers	26 (g)	687,664	332,333	-	-
Deposits and placements of banks and other financial institutions	26 (h)	517,487	141,527	-	-
Borrowings (unsecured)	14	9,292	15,466	9,292	15,466
Amount due to clients		1,167	1,422	-	-
Other liabilities		28,313	59,313	13,193	48,097
Provision for taxation and zakat		11,563	11,615	11,129	11,111
Amount due to Head Office		9,481	9,576	-	-
<b>TOTAL LIABILITIES</b>		<b>1,264,967</b>	<b>571,252</b>	<b>33,614</b>	<b>74,674</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>					
Funds allocated from Head Office		105,000	105,000	20,000	20,000
Reserves		68,011	56,422	15,447	11,085
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>173,011</b>	<b>161,422</b>	<b>35,447</b>	<b>31,085</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>1,437,978</b>	<b>732,674</b>	<b>69,061</b>	<b>105,759</b>



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

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

(b) **UNAUDITED INCOME STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2011**

<b>Group</b>	<b>Individual Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30 June 2011 RM'000</b>	<b>30 June 2010 RM'000</b>	<b>30 June 2011 RM'000</b>	<b>30 June 2010 RM'000</b>
Income derived from investment of depositors' funds and others	13,852	9,373	22,562	19,178
Income derived from Government Scheme Funds	2,670	2,301	5,067	4,552
Transfer to profit equalisation reserve	(290)	(1,001)	(665)	(1,041)
<b>Total attributable income</b>	<b>16,232</b>	<b>10,673</b>	<b>26,964</b>	<b>22,689</b>
Income attributable to depositors	(7,992)	(3,429)	(11,764)	(6,777)
<b>Net income attributable to the reporting institution</b>	<b>8,240</b>	<b>7,244</b>	<b>15,200</b>	<b>15,912</b>
Income from factoring	206	42	319	230
Other income	88	112	180	202
Other operating expenses	(587)	(664)	(1,323)	(1,297)
<b>Operating profit</b>	<b>7,947</b>	<b>6,734</b>	<b>14,376</b>	<b>15,047</b>
Impairment losses on securities	58	-	(4)	(755)
Impairment losses on financing and advances	(124)	(310)	(1,271)	(4,728)
Impairment written back on trade receivables	399	545	381	545
Finance costs	(41)	(79)	(96)	(159)
<b>Profit before taxation and zakat</b>	<b>8,239</b>	<b>6,890</b>	<b>13,386</b>	<b>9,950</b>
Taxation	(888)	(886)	(1,482)	(886)
Zakat	(175)	(104)	(291)	(214)
<b>Profit for the period</b>	<b>7,176</b>	<b>5,900</b>	<b>11,613</b>	<b>8,850</b>
<b>Company</b>				
Income derived from investment of depositors' funds and others	1,039	1,908	2,365	3,903
Income derived from Government Scheme Funds	2,670	2,301	5,067	4,552
<b>Net income attributable to the reporting institution</b>	<b>3,709</b>	<b>4,209</b>	<b>7,432</b>	<b>8,455</b>
Other operating expenses	5	(19)	(139)	(26)
<b>Operating profit</b>	<b>3,714</b>	<b>4,190</b>	<b>7,293</b>	<b>8,429</b>
Impairment losses on financing and advances	(124)	(72)	(1,271)	(4,728)
Finance costs	(41)	(79)	(96)	(159)
<b>Profit before taxation and zakat</b>	<b>3,549</b>	<b>4,039</b>	<b>5,926</b>	<b>3,542</b>
Taxation	(888)	(886)	(1,482)	(886)
Zakat	(66)	(66)	(111)	(66)
<b>Profit for the period</b>	<b>2,595</b>	<b>3,087</b>	<b>4,333</b>	<b>2,590</b>

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

(c) **Securities available-for-sale**

	<b>Group</b>	
	<b>30 June 2011</b>	<b>31 December 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>		
Money market instruments:		
Government Investment Issues	326,977	257,993
Islamic Acceptance Bills	1,073	54,538
Islamic Negotiable Certificate of Deposits	249,566	79,380
	<u>577,616</u>	<u>391,911</u>
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	243,209	196,551
	<u>820,825</u>	<u>588,462</u>

(d) **Securities held-to-maturity**

	Note	<b>Group</b>	
		<b>30 June 2011</b>	<b>31 December 2010</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost</b>			
Money market instruments:			
Government Investment Issues		490,310	4,969
		<u>490,310</u>	<u>4,969</u>
Unquoted securities in Malaysia:			
Islamic Private Debt Securities		35,482	4,998
		<u>35,482</u>	<u>4,998</u>
Less: Individual impairment provision	(i)	(4,998)	(4,998)
		<u>520,794</u>	<u>4,969</u>
(i) Movements in individual impairment provision - Unquoted securities in Malaysia			
At 30 June / 31 December		<u>(4,998)</u>	<u>(4,998)</u>

(e) **Financing and advances**

	<b>Group and Company</b>	
	<b>30 June 2011</b>	<b>31 December 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Term financing		
- Islamic hire purchase/leasing	30,955	36,038
- Other term financing	15,037	23,219
	<u>45,992</u>	<u>59,257</u>
Less: Unearned income	(2,462)	(3,405)
Gross financing and advances	43,530	55,852
Less: Impairment provision		
- Collective impairment provision	(2,430)	(2,430)
- Individual impairment provision	(21,880)	(22,183)
Total net financing and advances	<u>19,220</u>	<u>31,239</u>

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

(e) **Financing and advances (cont'd)**

(i) **By contract**

	<b>Group and Company</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Bai Bithaman Ajil (deferred payment sales)	13,089	20,775
Murabahah Working Capital (cost plus)	6	21
Al-Ijarah Thumma Al-Bai (finance lease)	30,435	35,056
	<u>43,530</u>	<u>55,852</u>

(ii) **By type of customer**

	<b>Group and Company</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Domestic business enterprises	<u>43,530</u>	<u>55,852</u>

(iii) **By profit rate sensitivity**

	<b>Group and Company</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Fixed rate		
Hire purchase receivables	30,436	35,056
Other fixed rate financing	13,094	20,796
	<u>43,530</u>	<u>55,852</u>

(iv) **By economic sector**

	<b>Group and Company</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Mining and quarrying	-	78
Manufacturing	38,977	45,663
Construction	-	70
Wholesale & retail trade and restaurants & hotels	706	1,154
Transport, storage and communications	2,332	7,243
Finance, insurance and business services	59	59
Others	1,456	1,585
	<u>43,530</u>	<u>55,852</u>

26. Operations of Islamic Banking (cont'd)

(e) Financing and advances (cont'd)

(v) Impaired financing and advances by economic sector

	<b>Group and Company</b>	
	<b>30 June 2011</b>	<b>31 December 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Manufacturing	24,338	23,592
Wholesale & retail trade and restaurants & hotels	348	181
Transport, storage and communications	2,336	7,324
Others	549	547
	<u>27,571</u>	<u>31,644</u>

(vi) Movements in impaired financing and advances

	<b>Group and Company</b>	
	<b>30 June 2011</b>	<b>31 December 2010</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January, as previously stated	31,644	33,672
Effects of adopting FRS 139	-	2,228
At 1 January, as restated	<u>31,644</u>	<u>35,900</u>
Impaired during the period/year	1,806	3,001
Reclassified as unimpaired during the period/year	(539)	(3,488)
Amount recovered	(3,981)	(3,769)
Amount written off	(1,359)	-
At 30 June/ 31 December	<u>27,571</u>	<u>31,644</u>
Less: Individual impairment provision	<u>(21,880)</u>	<u>(22,183)</u>
Net impaired financing and advances	<u>5,691</u>	<u>9,461</u>
Net impaired financing and advances as % of gross financing and advances less individual impairment provision	<u>26.29%</u>	<u>28.10%</u>

26. Operations of Islamic Banking (cont'd)

(e) Financing and advances (cont'd)

(vii) Movements in impairment provision

	Group and Company	
	30 June 2011 RM'000	31 December 2010 RM'000
<b>Collective impairment provision</b>		
At 1 January, as previously stated	2,430	-
Effects of adopting FRS 139	-	1,600
At 1 January, as restated	2,430	1,600
Impairment made during the period/year	-	830
At 30 June/ 31 December	<u>2,430</u>	<u>2,430</u>
As % of gross financing and advances less individual impairment provision	<u>120.84%</u>	<u>120.90%</u>
	Group and Company	
	30 June 2011 RM'000	31 December 2010 RM'000
<b>Individual impairment provision</b>		
At 1 January, as previously stated	22,183	-
Effects of adopting FRS 139	-	20,579
At 1 January, as restated	22,183	20,579
Impairment made during the period/year	2,658	8,837
Written-back during the period/year	(1,387)	(7,087)
Amount written off	(1,540)	-
Discount unwind	(34)	(146)
At 30 June/ 31 December	<u>21,880</u>	<u>22,183</u>

26. Operations of Islamic Banking (cont'd)

(f) Trade receivables

	Group	
	30 June 2011 RM'000	31 December 2010 RM'000
Factoring receivables	8,625	8,843
Less: Impairment provision		
- Collective impairment provision	(52)	(46)
- Individual impairment provision	(3,990)	(4,377)
	4,583	4,420

	Group	
	30 June 2011 RM'000	31 December 2010 RM'000
<b>Collective impairment provision</b>		
At 1 January, as previously stated	46	2,128
Transferred to individual impairment provision	-	(1,624)
Impairment made/written back during the period/year	6	(458)
At 30 June/ 31 December	52	46

	Group	
	30 June 2011 RM'000	31 December 2010 RM'000
<b>Individual impairment provision</b>		
At 1 January, as previously stated	4,377	17,009
Effects of adopting FRS 139	-	8,838
At 1 January, as restated	4,377	25,847
Impairment written off during the period/year	-	(23,233)
Transferred from collective impairment provision	-	1,624
Impairment written back during the period/year	(470)	(100)
Impairment made during the period/year	83	239
At 30 June/ 31 December	3,990	4,377

26. Operations of Islamic Banking (cont'd)

(g) Deposits from customers

	Group	
	30 June 2011	31 December 2010
	RM'000	RM'000
(i) <b>By type of deposits</b>		
Mudharabah Fund		
- Fixed/Investment deposits	658,040	328,277
- Others	29,624	4,056
	<u>687,664</u>	<u>332,333</u>
(ii) <b>By type of customers</b>		
Mudharabah Fund		
- Business enterprises	<u>687,664</u>	<u>332,333</u>

(h) Deposits and placements of banks and other financial institutions

	Group	
	30 June 2011	31 December 2010
	RM'000	RM'000
(i) <b>By type of deposits</b>		
Mudharabah Fund		
- Fixed/Investment deposits	512,017	140,087
- Others	5,470	1,440
	<u>517,487</u>	<u>141,527</u>
(ii) <b>By type of customers</b>		
Mudharabah Fund		
- Licensed Islamic banks	40,100	92,400
- Other financial institutions	477,387	49,127
	<u>517,487</u>	<u>141,527</u>

I, Foo Wei Hoong, being 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 2011, as set out on pages 1 to 47, 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 2011. 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 Financial Reporting Standards 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

25 July 2011