

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Note	Group		Company	
		31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
ASSETS					
Cash and short-term funds		939,118	937,733	894,635	889,001
Deposits and placements with licensed banks and other financial institutions		462,199	284,399	277,400	277,400
Securities held-for-trading	6	213,740	403,973	3,999	3,803
Securities available-for-sale	7	3,876,792	3,684,949	15,041	15,124
Securities held-to-maturity	8	602,585	603,189	-	-
Derivative assets		664	644	-	-
Loans, advances and financing	9	275,282	219,056	61,897	69,903
Other assets	10	244,544	226,162	34,492	38,639
Statutory deposits with Bank Negara Malaysia		133,150	134,028	-	-
Investment in associate		4,004	3,493	2,560	2,560
Investment in subsidiaries		-	-	759,363	759,363
Investment properties		3,762	3,784	-	-
Property, plant and equipment		4,524	4,955	3,518	3,675
Intangible assets		1,712	1,946	-	-
Deferred tax assets		9,592	7,553	7,192	7,179
Goodwill		86,713	86,713	-	-
TOTAL ASSETS		6,858,381	6,602,577	2,060,097	2,066,647
LIABILITIES					
Deposits from customers	11	2,270,465	1,716,415	-	-
Deposits and placements of banks and other financial institutions	12	2,122,248	2,439,619	-	-
Derivative liabilities		1,214	1,486	-	-
Other liabilities		245,925	231,118	48,037	50,090
Borrowings	13	414,867	423,479	404,867	413,479
Provision for taxation and zakat		9,343	12,013	2,523	4,611
Employee benefits		10,003	9,775	7,963	7,778
Deferred tax liabilities		113	110	-	-
TOTAL LIABILITIES		5,074,178	4,834,015	463,390	475,958
SHAREHOLDER'S EQUITY					
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		114,592	114,592	-	-
Profit equalisation reserve		9,022	9,151	-	-
Securities available-for-sale reserve		11,204	17,306	3,216	3,253
Retained profits		819,454	797,582	763,560	757,505
		1,784,203	1,768,562	1,596,707	1,590,689
Non-controlling interests		-	-	-	-
TOTAL SHAREHOLDER'S EQUITY		1,784,203	1,768,562	1,596,707	1,590,689
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		6,858,381	6,602,577	2,060,097	2,066,647
COMMITMENTS AND CONTINGENCIES	22	1,269,376	1,041,305	-	-
NET ASSETS PER SHARE (RM)		3.83	3.79	3.43	3.41

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 2012.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2013

Group	Note	Individual/ Cumulative Quarter ended	
		31 March 2013 RM'000	31 March 2012 RM'000
Continuing operations			
Operating revenue		<u>83,676</u>	<u>119,309</u>
Interest income	14	50,693	55,183
Interest expense	15	<u>(26,615)</u>	<u>(29,454)</u>
Net interest income		24,078	25,729
Net income from Islamic banking operations	26(b)	10,586	9,592
Other operating income	16	<u>15,648</u>	<u>43,984</u>
		50,312	79,305
Operating expenses	17	<u>(24,816)</u>	<u>(24,206)</u>
Operating profit		25,496	55,099
Impairment losses written-back on loans, advances and financing	18	3,460	24,430
Impairment loss (made)/ written back on securities (net)	19	<u>(656)</u>	<u>1,306</u>
Profit before share of results in associates		28,300	80,835
Share of results in associates		<u>511</u>	<u>632</u>
Profit before taxation and zakat		28,811	81,467
Taxation		(6,867)	(18,635)
Zakat		<u>(201)</u>	<u>(206)</u>
Profit for the period		<u>21,743</u>	<u>62,626</u>
Attributable to:			
Shareholder of the Company		21,743	62,626
Non-controlling interests		-	-
Profit for the period		<u>21,743</u>	<u>62,626</u>
Earnings per share (sen)			
- Basic and diluted, for profit for the period		<u>4.67</u>	<u>13.44</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 2012.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2013

<u>Group</u>	Individual/ Cumulative Quarter ended	
	31 March 2013 RM'000	31 March 2012 RM'000
Profit for the period	21,743	62,626
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to profit or loss:		
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	(6,970)	(6,515)
Net unrealised (loss)/gain on revaluation of securities available-for-sale	868	(1,978)
Total other comprehensive gain for the period, net of tax	(6,102)	(8,493)
Total comprehensive income for the period	15,641	54,133
Total comprehensive income for the period attributable to:		
Shareholder of the Company	15,641	54,133
Non-controlling interests	-	-
	15,641	54,133

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 2012.

CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2013

<u>Company</u>	Note	Individual/ Cumulative Quarter ended	
		31 March 2013 RM'000	31 March 2012 RM'000
Operating revenue		<u>18,140</u>	<u>19,396</u>
Interest income	14	<u>12,796</u>	13,471
Interest expense	15	<u>(1,572)</u>	<u>(1,786)</u>
Net interest income		11,224	11,685
Net income from Islamic banking operations	26(b)	3,253	3,809
Other operating income	16	<u>3,800</u>	<u>3,734</u>
		18,277	19,228
Operating expenses	17	<u>(12,385)</u>	<u>(12,862)</u>
Operating profit		5,892	6,366
Impairment losses written-back on loans, advances and financing	18	1,681	15,422
Impairment loss made on securities (net)	19	(81)	(324)
Profit before taxation and zakat		7,492	21,464
Taxation		(1,409)	(3,701)
Zakat		<u>(28)</u>	<u>(73)</u>
Profit for the period		<u>6,055</u>	<u>17,690</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 2012.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2013

<u>Company</u>	Individual/ Cumulative Quarter ended	
	31 March 2013 RM'000	31 March 2012 RM'000
Net profit for the period	6,055	17,690
Other comprehensive income:		
Net unrealised (loss)/gain on revaluation of securities available-for-sale	(37)	486
Other comprehensive (loss)/gain for the period, net of tax	(37)	486
Total comprehensive income for the period	6,018	18,176

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 2012.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013

	Attributable to shareholder of the Company					Distributable Retained Profits	Total	Non- controlling interests	Total Equity
	Share Capital	Share Premium	Non-Distributable Securities Available-For- Sale Reserve #	Profit Equalisation Reserve	Statutory Reserve *				
<u>Group</u>	-----RM'000-----								
At 1 January 2013	466,070	363,861	17,306	9,151	114,592	797,582	1,768,562	-	1,768,562
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	-	-	(6,970)	-	-	-	(6,970)	-	(6,970)
Net unrealised loss on revaluation of securities available-for-sale	-	-	868	-	-	-	868	-	868
Total other comprehensive income for the period	-	-	(6,102)	-	-	-	(6,102)	-	(6,102)
Profit for the period	-	-	-	-	-	21,743	21,743	-	21,743
Comprehensive income for the period	-	-	(6,102)	-	-	21,743	15,641	-	15,641
Transactions with owner of the Company									
Profit equalisation reserve	-	-	-	(129)	-	129	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Total transactions with owner of the Company	-	-	-	(129)	-	129	-	-	-
At 31 March 2013	466,070	363,861	11,204	9,022	114,592	819,454	1,784,203	-	1,784,203

* The statutory reserve is maintained in compliance with Section 36 of the Banking and Financial Institution Act, 1989 and is not distributable as cash dividends.

The securities available-for-sale reserve arises from the change in the fair value of the securities available-for-sale and it is not distributable as cash dividends.

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 2012.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012

	Attributable to shareholder of the Company					Distributable Retained Profits	Total	Non- controlling interests	Total Equity
	Share Capital	Share Premium	Securities Available-For- Sale Reserve #	Profit Equalisation Reserve	Statutory Reserve *				
<u>Group</u>	-----RM'000-----								
At 1 January 2012	466,070	363,861	41,470	7,391	93,592	795,041	1,767,425	5	1,767,430
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	-	-	(6,515)	-	-	-	(6,515)	-	(6,515)
Net unrealised gain on revaluation of securities available-for-sale	-	-	(1,978)	-	-	-	(1,978)	-	(1,978)
Total other comprehensive income for the period	-	-	(8,493)	-	-	-	(8,493)	-	(8,493)
Profit for the period	-	-	-	-	-	62,626	62,626	-	62,626
Comprehensive income for the period	-	-	(8,493)	-	-	62,626	54,133	-	54,133
Transactions with owner of the Company									
Profit equalisation reserve	-	-	-	125	-	(125)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Total transactions with owner of the Company	-	-	-	125	-	(125)	-	-	-
At 31 March 2012	466,070	363,861	32,977	7,516	93,592	857,542	1,821,558	5	1,821,563

* The statutory reserve is maintained in compliance with Section 36 of the Banking and Financial Institution Act, 1989 and is not distributable as cash dividends.

The securities available-for-sale reserve arises from the change in the fair value of the securities available-for-sale and it is not distributable as cash dividends.

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 2012.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013

	Attributable to shareholder of the Company				Total Equity
	Share Capital	Share Premium	Securities Available-For- Sale Reserve #	Distributable Retained Profits	
<u>Company</u>	-----RM'000-----				
At 1 January 2013	466,070	363,861	3,253	757,505	1,590,689
Net unrealised loss on revaluation of securities available-for-sale	-	-	(37)	-	(37)
Total other comprehensive income for the period	-	-	(37)	-	(37)
Profit for the period	-	-	-	6,055	6,055
Comprehensive income for the period	-	-	(37)	6,055	6,018
Transaction with owner of the Company					
Dividends	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-
At 31 March 2013	466,070	363,861	3,216	763,560	1,596,707

The securities available-for-sale reserve arises from the change in the fair value of the securities available-for-sale and it is not distributable as cash dividends.

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 2012.

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012

	Attributable to shareholder of the Company				Total Equity
	Share Capital	Share Premium	Securities Available-For- Sale Reserve #	Distributable Retained Profits	
<u>Company</u>	-----RM'000-----				
At 1 January 2012	466,070	363,861	1,962	776,560	1,608,453
Net unrealised gain on revaluation of securities available-for-sale	-	-	486	-	486
Total other comprehensive income for the period	-	-	486	-	486
Profit for the period	-	-	-	17,690	17,690
Comprehensive income for the period	-	-	486	17,690	18,176
Transaction with owner of the Company					
Dividends	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-
At 31 March 2012	466,070	363,861	2,448	794,250	1,626,629

The securities available-for-sale reserve arises from the change in the fair value of the securities available-for-sale and it is not distributable as cash dividends.

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 2012.

CONDENSED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2013

	Group		Company	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Profit before taxation and zakat:				
Continuing operations	28,811	81,467	7,492	21,464
Adjustments for non-cash items	(12,983)	(24,972)	1,565	(2,583)
Operating profit before changes in working capital	15,828	56,495	9,057	18,881
Changes in working capital:				
Net changes in operating assets	(75,041)	15,289	14,590	17,477
Net changes in operating liabilities	251,929	84,511	(5,545)	(155)
Tax expense paid	(10,189)	(1,388)	(3,524)	(949)
Net cash generated from operating activities	182,527	154,907	14,578	35,254
Net cash generated from / (used in) investing activities	5,270	248,323	(332)	(107)
Net cash used in financing activities	(8,612)	(13,057)	(8,612)	(13,057)
Net increase in cash and cash equivalents	179,185	390,173	5,634	22,090
Cash and cash equivalents at beginning of the period	1,222,132	1,024,813	1,166,401	948,801
Cash and cash equivalents at end of the period	1,401,317	1,414,986	1,172,035	970,891

Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:

	Group		Company	
	31 March 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
Continuing operations:				
Cash and short-term funds	939,118	1,103,087	894,635	680,191
Deposits and placements with banks and other financial institutions	462,199	311,899	277,400	290,700
	1,401,317	1,414,986	1,172,035	970,891

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 2012.

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 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 MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Bank Negara Malaysia ("BNM") Guidelines and the requirements of Companies Act, 1965 in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited annual financial statements of the Group and the Company for the financial year ended 31 December 2012.

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 2012.

2. Significant accounting policies

The accounting policies applied by the Group and the Company in these condensed interim financial statements are the same as those applied by the Group and the Company in their financial statements for the year ended 31 December 2012 except for the adoption of the following Malaysian Financial Reporting Standards ("MFRS"), Amendments to MFRSs and IC Interpretations which are effective for the financial year ended 31 December 2013.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

MFRS 3, *Business Combination* (IFRS 3 Business Combinations issued by International Accounting Standards Board ("IASB") in March 2004)

MFRS 10, *Consolidated Financial Statements*

MFRS 11, *Joint Arrangements*

MFRS 12, *Disclosure of Interests in Other Entities*

MFRS 13, *Fair Value Measurement*

MFRS 119, *Employee Benefits* (2011)

MFRS 127, *Separate Financial Statements* (2011)

MFRS 128, *Investments in Associates and Joint Ventures* (2011)

Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards - Government Loans*

Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards Annual Improvements 2009 - 2011 Cycle*

Amendments to MFRS 7, *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*

Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009 - 2011 Cycle)*

Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009 - 2011 Cycle)*

Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009 - 2011 Cycle)*

Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009 - 2011 Cycle)*

Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*

Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*

Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*

IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*

2. Significant accounting policies (cont'd.)

MFRS 11, MFRS 128, Amendments to MFRS 1, Amendments to MFRS 11, and IC Interpretation 20 are not applicable to the Group and the Company. The adoption of the other MFRSs and Amendments to MFRSs above did not have any material impact on the financial results of the Group and the Company.

The following MFRS and Amendments to MFRS have been issued by the MASB but are not yet effective, and have yet to be adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 127, *Separate Financial Statements - Investment Entities*
Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

MFRS 9, *Financial Instruments*

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2012 was not qualified.

4. Performance review

The Group registered a pre-tax profit of RM28.81 million for the period ended 31 March 2013, decreased by 64% as compared to the previous corresponding period's pre-tax profit of RM81.47 million (as analysed in Note 20). The lower pre-tax profit is attributable to bigger gains on disposal of securities available-for-sale amounting to RM32.1 million and impairment written back on loans, advances and financing of RM24.4 million in the previous period under review.

5. Prospects for 2013

2013 started on a positive note as the U.S averted its “fiscal cliff”, a situation which could have caused the global economic recovery to suffer a relapse. With a major uncertainty removed, the momentum of economic recovery picked up in the U.S as evidenced by strong job creations. Unemployment rate in the U.S fell to 7.7% in February, the lowest since the financial crisis.

The steady progress in the U.S buoys hope that global demand will improve this year after a weak 2012 when international trade grew by only an estimated 2.8%. Other than the U.S, China is also proving to be resilient with its manufacturing sector growing since 4Q12. However, Europe remains in the backdrop as its economic quagmire takes a fresh turn with the crisis in Cyprus.

Despite challenges on the international front, Malaysia’s GDP grew by a robust 6.4% in 4Q12, lifting the 2012 numbers to 5.6%. Consequently, Bank Negara Malaysia has kept the Overnight Policy Rate (OPR) unchanged, reiterating its view that the prevailing stance of monetary policy is accommodative and supportive of the economy.

There has been a significant shift in the exchange rate parity during the first quarter. The yen dropped significantly against the dollar after the Bank of Japan announced its commitment to undertake monetary stimulus to revive the economy. British pound sterling also lost ground on similar prospect. With major global currencies depreciating in value, a new wave of liquidity flow hit Asian shores, especially the developing countries. In particular, the equity markets of Thailand, Indonesia, Philippines and Malaysia have been strong net beneficiaries of portfolio capital during the quarter. In Malaysia, heavy foreign buying of debt instruments has also been recorded.

Unfortunately, the heavy inflow of foreign liquidity into Malaysia has not translated into price gains on Bursa Malaysia, as compared to other markets in the region. The benchmark FBM KLCI index lost -3.6% in 1Q13 (until March 28), the worst among the benchmark indices in Asia. There has been apprehension over the uncertainty caused by the General Election. Local institutional funds have also been selling, partly to realize profits after the market gained significantly in December 2012.

The Investment Banking Division continues to intensify its efforts to enhance its fee-based revenue channels, in line with its strategic plans.

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.

The improvement measures, with focus on fund performance, client acquisition, product and business development, for the asset management division will need to be executed on an accelerated pace to ensure improved operating results.

6. Securities held-for-trading

	Group		Company	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At fair value				
Money market instruments:				
Bank Negara Malaysia Notes	169,706	299,384	-	-
Other Acceptances Discounted	31,080	100,786	-	-
	<u>200,786</u>	<u>400,170</u>	<u>-</u>	<u>-</u>
Quoted securities in Malaysia:				
Shares	<u>222</u>	<u>207</u>	<u>222</u>	<u>207</u>
Unquoted securities in Malaysia:				
Shares	1	1	1	1
Redeemable Convertible Secured Notes	3,776	3,595	3,776	3,595
Private Debt Securities	8,955	-	-	-
	<u>12,732</u>	<u>3,596</u>	<u>3,777</u>	<u>3,596</u>
	<u>213,740</u>	<u>403,973</u>	<u>3,999</u>	<u>3,803</u>

7. Securities available-for-sale

	Group		Company	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	3,441	3,436	-	-
Government Investment Issue	34,510	226,141	-	-
Bank Negara Malaysia Notes	518,700	78,138	-	-
Other Acceptances Discounted	180,241	68,001	-	-
Negotiable Instruments of Deposit	467,825	488,073	-	-
	<u>1,204,717</u>	<u>863,789</u>	<u>-</u>	<u>-</u>
Quoted securities in Malaysia:				
Shares and Warrants	15,715	21,679	1,836	1,836
Unquoted securities in Malaysia:				
Private Debt Securities	2,643,831	2,786,781	11,329	11,331
Shares	300	300	300	300
Loan Stocks	11,472	11,643	1,576	1,657
	<u>2,655,603</u>	<u>2,798,724</u>	<u>13,205</u>	<u>13,288</u>
At cost				
Unquoted securities in Malaysia:				
Shares	757	757	-	-
	<u>3,876,792</u>	<u>3,684,949</u>	<u>15,041</u>	<u>15,124</u>

8. Securities held-to-maturity

	Note	Group	
		31 March 2013 RM'000	31 December 2012 RM'000
At amortised cost			
Unquoted securities in Malaysia:			
Private Debt Securities		618,563	619,248
Loan Stocks		2,058	2,058
		<u>620,621</u>	<u>621,306</u>
Less: Individual impairment allowance	(a)	<u>(18,036)</u>	<u>(18,117)</u>
		<u>602,585</u>	<u>603,189</u>

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

	Group	
	31 March 2013 RM'000	31 December 2012 RM'000
At 1 January	(18,117)	(23,574)
Amount written back	72	6,489
Impairment made during the year	-	(2,072)
Write off	-	1,031
Discount unwind	9	9
At 31 March/December	<u>(18,036)</u>	<u>(18,117)</u>

9. Loans, advances and financing

	Group		Company	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Term loans				
- Syndicated term loan/financing	176,250	106,990	-	-
- Hire purchase receivables	21,564	22,329	12,476	13,085
- Lease receivables	1,568	1,568	-	-
- Other term loans/financing	168,356	182,863	113,284	124,506
	<u>367,738</u>	<u>313,750</u>	<u>125,760</u>	<u>137,591</u>
Staff loans	3,285	3,432	1,981	2,038
Margin accounts	68,837	70,604	-	-
	<u>439,860</u>	<u>387,786</u>	<u>127,741</u>	<u>139,629</u>
Less: Unearned interest and income	(818)	(974)	(818)	(974)
Gross loans, advances and financing	439,042	386,812	126,923	138,655
Less: Security deposits	(23)	(23)	-	-
Less: Impairment allowance				
- Collective impairment allowance	(3,273)	(4,353)	(2,595)	(3,607)
- Individual impairment allowance	(160,464)	(163,380)	(62,431)	(65,145)
Total net loans, advances and financing	<u>275,282</u>	<u>219,056</u>	<u>61,897</u>	<u>69,903</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	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Domestic business enterprises				
- Small medium enterprises	77,395	263,109	73,755	83,450
- Others	253,448	55,000	51,187	53,167
Individuals	108,199	68,703	1,981	2,038
Gross loans, advances and financing	<u>439,042</u>	<u>386,812</u>	<u>126,923</u>	<u>138,655</u>

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

b. By interest/profit rate sensitivity

	Group		Company	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Fixed rate				
- Staff loans	3,285	3,432	1,981	2,038
- Hire purchase receivables	21,417	22,136	12,331	12,894
- Other fixed rate loan/financing	150,529	158,793	79,337	85,834
Variable rate				
- BLR plus	33,274	37,889	33,274	37,889
- Cost plus	230,537	164,562	-	-
Gross loans, advances and financing	<u>439,042</u>	<u>386,812</u>	<u>126,923</u>	<u>138,655</u>

c. By economic sector

	Group		Company	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Mining and quarrying	11,428	13,233	-	-
Manufacturing	228,569	238,438	95,297	103,675
Construction	3,717	3,806	-	-
Purchase of landed property:				
- Residential	231	310	-	-
Wholesale & retail trade and restaurants & hotels	33,084	37,135	20,404	23,244
Transport, storage and communications	3,991	4,029	3,308	3,328
Finance, insurance and business services	51,032	22,829	5,000	5,346
Purchase of transport vehicles	7,788	7,927	-	-
Others	99,202	59,105	2,914	3,062
Gross loans, advances and financing	<u>439,042</u>	<u>386,812</u>	<u>126,923</u>	<u>138,655</u>

9. Loans, advances and financing (cont'd)
 d. Impaired loans ("ILs"), advances and financing
 (i.) ILs by economic sector

	Group		Company	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Manufacturing	160,536	164,796	67,697	71,957
Construction	3,705	3,795	-	-
Purchase of landed property - Residential	94	94	-	-
Wholesale & retail trade and restaurants & hotels	22,226	25,785	9,555	11,902
Transport, storage and communication	3,712	3,743	3,029	3,041
Finance, insurance and business services	2,964	3,014	1,049	1,184
Purchase of transport vehicles	7,788	7,933	-	-
Others	1,140	1,148	507	528
	<u>202,165</u>	<u>210,308</u>	<u>81,837</u>	<u>88,612</u>

(ii.) Movements in ILs

	Group		Company	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
At 1 January	210,308	311,535	88,612	167,548
Classified as impaired during the period/ year	441	1,043	413	856
Reclassified as unimpaired during the period/ year	-	(10,108)	-	(9,835)
Amount recovered	(4,175)	(82,929)	(2,779)	(69,957)
Amount written off	(4,409)	(9,233)	(4,409)	-
At 31 March / 31 December	<u>202,165</u>	<u>210,308</u>	<u>81,837</u>	<u>88,612</u>
Less: Individual impairment allowance	<u>(160,464)</u>	<u>(163,380)</u>	<u>(62,431)</u>	<u>(65,145)</u>
Net ILs	<u>41,701</u>	<u>46,928</u>	<u>19,406</u>	<u>23,467</u>
Net ILs as % of gross loans, advances and financing less individual impairment allowance	<u>14.97%</u>	<u>21.00%</u>	<u>30.09%</u>	<u>31.92%</u>

9. Loans, advances and financing (cont'd)
 d. Impaired loans ("ILs"), advances and financing (cont'd)
 (iii.) Movements in impairment provision

	Group		Company	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Collective impairment allowance				
At 1 January	4,353	28,957	3,607	18,545
Written back during the period/year	(1,080)	(24,604)	(1,012)	(14,938)
At 31 March/ 31 December	<u>3,273</u>	<u>4,353</u>	<u>2,595</u>	<u>3,607</u>
As % of gross loans, advances and financing less individual impairment allowance	<u>1.17%</u>	<u>1.95%</u>	<u>4.02%</u>	<u>4.91%</u>

	Group		Company	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Individual impairment allowance				
At 1 January	163,380	162,720	65,145	67,997
Impairment made during the period/year	4,243	28,253	3,644	12,375
Amount written-back	(1,928)	(15,764)	(1,572)	(13,217)
Amount written off	(4,409)	(9,233)	(4,409)	-
Discount unwind	(822)	(2,596)	(377)	(2,010)
At 31 March/ 31 December	<u>160,464</u>	<u>163,380</u>	<u>62,431</u>	<u>65,145</u>

9. 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
31 March 2013							
Group							
Loans, advances and financing	41,651	68,623	21,998	82,728	55,323	4,959	275,282
Company							
Loans, advances and financing	19,406	4,066	1,995	8,416	24,102	3,912	61,897
31 December 2012							
Group							
Loans, advances and financing	46,879	90,709	2,370	13,504	60,147	5,447	219,056
Company							
Loans, advances and financing	23,467	4,703	2,355	9,267	25,749	4,362	69,903

10. Other assets

	Note	Group		Company	
		31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
Accrued interest, commitment charges, commissions, and fees receivable		41,917	33,519	5,390	4,826
Amount due from subsidiaries					
- current accounts	(a)	-	-	1,397	1,674
- loan accounts	(b)	-	-	1,018	1,007
Clients' and brokers' accounts	(c)	165,325	149,820	-	-
Less: Individual impairment allowance	(c)	(2,564)	(2,576)	-	-
		162,761	147,244	-	-
Trade receivables		4,998	5,792	-	-
Less: Individual impairment allowance		(187)	(187)	-	-
		4,811	5,605	-	-
Other receivables, deposits and prepayments		65,998	70,793	26,687	31,132
Less: Individual impairment allowance		(31,173)	(31,222)	-	-
		34,825	39,571	26,687	31,132
Tax recoverable		230	223	-	-
		<u>244,544</u>	<u>226,162</u>	<u>34,492</u>	<u>38,639</u>

(a) Amount due from subsidiaries - current accounts

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

(b) Amount due from subsidiaries - loan accounts

The loans due from subsidiaries are unsecured, bear interest at 4.51% (2012: 4.51%) per annum and are repayable on demand.

10. Other assets (cont'd)

(c) Clients' and brokers' accounts		31 March 2013 RM'000	31 December 2012 RM'000
Group	Note		
Brokers		66,278	110,106
Clients		99,047	39,714
		<u>165,325</u>	<u>149,820</u>
Less: Individual impairment allowance	(i)	<u>(2,564)</u>	<u>(2,576)</u>
		<u>162,761</u>	<u>147,244</u>

This arose from trading of securities, through the investment bank subsidiary, which are not yet due for settlement as at the reporting date under the Rules of Bursa Malaysia Securities Berhad.

Group		31 March 2013 RM'000	31 December 2012 RM'000
(i) Movements in individual impairment allowance on amount from clients:			
At 1 January		(2,576)	(2,564)
Impairment made during the period / year		-	(19)
Amount written back		12	7
At 31 March/ 31 December		<u>(2,564)</u>	<u>(2,576)</u>

11. Deposits from customers

	Group	
	31 March 2013 RM'000	31 December 2012 RM'000
(i) By type of deposit		
- Call deposits	209,081	188,693
- Fixed deposits	2,061,384	1,527,722
	2,270,465	1,716,415
(ii) By type of customer		
- Business enterprises	2,147,076	1,715,023
- Government and statutory bodies	120,000	-
- Individuals	3,389	1,392
	2,270,465	1,716,415

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

Group	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
31 March 2013							
Deposits from customers	209,081	1,848,316	188,352	24,716	-	-	2,270,465
31 December 2012							
Deposits from customers	188,693	1,235,087	252,680	39,955	-	-	1,716,415

12. Deposits and placements of banks and other financial institutions

	Group	
	31 March 2013 RM'000	31 December 2012 RM'000
(i) Call deposits		
- Other financial institutions	104,578	125,541
(ii) Fixed deposits		
- Licensed Islamic banks	-	40,000
- Licensed commercial banks	40,000	373,900
- Other financial institutions	1,822,670	1,760,178
	<u>1,967,248</u>	<u>2,299,619</u>
(iii) Negotiable Instruments Notes Issued		
- Licensed banks	155,000	140,000
	<u>2,122,248</u>	<u>2,439,619</u>

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

Group	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
31 March 2013							
Deposits and placements of banks and financial institutions	104,578	1,482,039	304,695	230,936	-	-	2,122,248
31 December 2012							
Deposits and placements of banks and financial institutions	134,541	1,627,719	437,384	239,975	-	-	2,439,619

13. Borrowings

	Group		Company	
	31 March 2013 RM'000	31 December 2012 RM'000	31 March 2013 RM'000	31 December 2012 RM'000
(a) Short Term Unsecured				
	35,836	37,352	35,836	37,352
(b) Long Term Unsecured				
Unsecured – Islamic operations	216,653	223,427	206,653	213,427
	162,378	162,700	162,378	162,700
	<u>379,031</u>	<u>386,127</u>	<u>369,031</u>	<u>376,127</u>
Total borrowings	<u>414,867</u>	<u>423,479</u>	<u>404,867</u>	<u>413,479</u>

Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM54.312 million. The foreign exchange risk on the above loans is borne by the Government of Malaysia.

14. Interest income

	Individual/ Cumulative Quarter Ended	
	31 March 2013 RM'000	31 March 2012 RM'000
Group		
Loans, advances and financing		
- Interest income on non-impaired loans	4,026	5,002
- Interest income on impaired loans ("ILs")	820	909
Income from Government Scheme Funds	3,688	3,561
Money at call and deposit placements with financial institutions	8,602	9,750
Securities available-for-sale ("AFS")		
- Interest income on AFS	24,079	25,182
- Interest income on impaired AFS	457	652
Discount unwind on HFT	181	-
Securities held-to-maturity		
- Interest income on non-impaired securities	6,830	7,277
- Interest income on impaired securities	8	-
Hire purchase and leasing operations	1	58
Accretion of discounts (net of amortisation of premium)	1,979	2,792
Derivatives instruments	22	-
	<u>50,693</u>	<u>55,183</u>
Company		
Loans, advances and financing		
- Interest income on non-impaired loans	822	1,309
- Interest income on impaired loans ("ILs")	375	781
Income from Government Scheme Funds	3,688	3,561
Money at call and deposit placements with financial institutions	7,685	6,940
Securities available-for-sale ("AFS")		
- Interest income on AFS	48	600
- Interest income on impaired AFS	181	177
Hire purchase and leasing operations	(14)	4
Loans to subsidiaries	11	99
	<u>12,796</u>	<u>13,471</u>

15. Interest expense	Individual/ Cumulative Quarter Ended	
	31 March 2013 RM'000	31 March 2012 RM'000
Group		
Deposits and placements of banks and other financial institutions	5,667	14,821
Deposits from customers	19,037	12,740
Concessionary funds	1,572	1,787
Derivative instruments	229	106
Commercial loans	110	-
	26,615	29,454
Company		
Concessionary funds	1,572	1,786
	1,572	1,786
16. Other operating income	Individual/ Cumulative Quarter Ended	
	31 March 2013 RM'000	31 March 2012 RM'000
Group		
(a) Revenue income:		
Fee income derived from:		
- Capital market activities	3,229	1,658
- Management fees	347	527
- Brokerage fees	6,598	5,479
Investment income derived from:		
- Net unrealised loss on revaluation of securities held-for-trading	19	41
- Net unrealised loss on revaluation of derivative assets	291	3,028
- Gain on sale of securities:		
- Available-for-sale	3,616	32,080
- Held-for-trading	11	2
Total dividends (gross) from:		
- Securities available-for-sale	161	160
Income from factoring	189	166
Profit earned on Al-Bai Bithamin Ajil and Al-Ijarah	-	9
	14,461	43,150

16. Other operating income (cont'd)

<u>Group</u>	Individual/ Cumulative Quarter Ended	
	31 March 2013 RM'000	31 March 2012 RM'000
(b) Other income:		
Interest income on:		
- promissory notes	116	116
Gain on disposal of:		
- Property, plant and equipment	254	3
Interest on staff loans	3	4
Commitment fee	24	5
Rental income on buildings	551	344
Others	239	362
	<u>1,187</u>	<u>834</u>
Total other operating income	<u>15,648</u>	<u>43,984</u>
<u>Company</u>		
(a) Revenue income:		
Fee income derived from:		
- Management fees	2,076	1,983
Net unrealised gain on revaluation of securities held-for-trading	15	133
	<u>2,091</u>	<u>2,116</u>
(b) Other income:		
Interest income on:		
- promissory notes	116	116
Gain on disposal of:		
- Property, plant and equipment	52	3
Commitment fee	6	5
Rental of premises	1,143	1,017
Others	392	477
	<u>1,709</u>	<u>1,618</u>
Total other operating income	<u>3,800</u>	<u>3,734</u>

17. Operating expenses

<u>Group</u>	Individual/ Cumulative Quarter Ended	
	31 March 2013 RM'000	31 March 2012 RM'000
Staff costs		
- Wages, Salaries and bonuses	13,408	13,032
- Employee benefits:		
Current period	229	292
- Social security costs	70	69
- Defined contribution plan	2,137	1,998
- Other staff related expenses	1,199	1,744
	<u>17,043</u>	<u>17,135</u>
Establishment costs		
- Depreciation	1,074	1,158
- Office rental	1,677	1,757
- Equipment rental	23	35
- Others	1,650	1,411
	<u>4,424</u>	<u>4,361</u>
Promotion and marketing-related expenses		
- Advertisement & publicity	117	96
- Others	1,145	1,087
	<u>1,262</u>	<u>1,183</u>
General and administrative expenses		
- Communication expenses	144	201
- Audit fees	127	126
- Directors' fees and meeting allowances	436	506
- Management fees	6	-
- Securities Commission's levy	314	269
- Others	1,060	425
	<u>2,087</u>	<u>1,527</u>
	<u>24,816</u>	<u>24,206</u>

17. Operating expenses (cont'd)

<u>Company</u>	Individual/ Cumulative Quarter Ended	
	31 March 2013	31 March 2012
	RM'000	RM'000
Personnel costs		
- Wages, Salaries and bonuses	5,885	6,358
- Employee benefits:		
Current period	292	265
- Social security costs	40	42
- Defined contribution plan	989	816
- Other staff related expenses	751	929
	<u>7,957</u>	<u>8,410</u>
Establishment costs		
- Depreciation	545	714
- Office rental	1,659	1,689
- Equipment rental	9	13
- Others establishment costs	606	562
	<u>2,819</u>	<u>2,978</u>
Promotion and marketing-related expenses		
- Advertisement & publicity	12	49
- Others marketing expenses	704	582
	<u>716</u>	<u>631</u>
General and administrative expenses		
- Communication expenses	77	118
- Audit fees	43	46
- Directors' fees and meeting allowances	228	283
- Others	545	396
	<u>893</u>	<u>843</u>
	<u>12,385</u>	<u>12,862</u>

18. Impairment losses written-back on loans, advances and financing

<u>Group</u>	Individual/ Cumulative Quarter Ended	
	31 March 2013	31 March 2012
	RM'000	RM'000
(a) Individual impairment allowances		
- made in the financial period	(4,243)	(917)
- written-back	1,928	4,505
(b) Collective impairment allowances		
- written-back	1,080	16,908
(c) Recoveries from impaired loans	4,695	3,934
	<u>3,460</u>	<u>24,430</u>

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

<u>Company</u>	Individual/ Cumulative Quarter Ended	
	31 March 2013 RM'000	31 March 2012 RM'000
(a) Individual impairment allowances		
- made in the financial period	(3,644)	(800)
- written-back	1,572	4,146
(b) Collective impairment allowances		
- made in the financial period	-	-
- written-back	1,012	8,690
(c) Recoveries from impaired loans	2,741	3,386
	<u>1,681</u>	<u>15,422</u>

19. Impairment losses (made)/written back on securities

<u>Group</u>	Individual/ Cumulative Quarter Ended	
	31 March 2013 RM'000	31 March 2012 RM'000
Securities available-for-sale (net)	(728)	1,306
Securities held-to-maturity (net)	72	-
	<u>(656)</u>	<u>1,306</u>
 <u>Company</u>		
Securities available-for-sale (net)	<u>(81)</u>	<u>(324)</u>
	<u>(81)</u>	<u>(324)</u>

20. 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/ Cumulative Quarter Ended	
	31 March 2013 RM'000	31 March 2012 RM'000
Investment banking	66,610	98,234
Development finance	10,649	14,125
Asset management	390	526
Investment holding	8,834	9,075
Others	340	424
	<u>86,823</u>	<u>122,384</u>
Inter-segment elimination	<u>(3,147)</u>	<u>(3,075)</u>
	<u>83,676</u>	<u>119,309</u>

20. Segment information (cont'd)

	Individual/ Cumulative Quarter Ended	
	31 March 2013 RM'000	31 March 2012 RM'000
Segment Results		
Investment banking	21,775	59,636
Development finance	5,637	20,544
Asset management	(637)	(828)
Investment holding	1,775	818
Others	(250)	665
	<u>28,300</u>	<u>80,835</u>
Share of results in associates	511	632
	<u>28,811</u>	<u>81,467</u>

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.

21. Capital commitments

Group	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000
	Authorised but not contracted for	<u>1,585</u>
	<u>1,585</u>	<u>2,265</u>
Company		
Authorised but not contracted for	<u>1,585</u>	<u>1,970</u>
	<u>1,585</u>	<u>1,970</u>

22. 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:

Group	← As at 31.03.2013 →			← As at 31.12.2012 →		
	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	-	-	-	-	-	-
Obligations under underwriting agreement	72,620	36,310	8,405	92,620	46,310	13,405
Interest rate related contracts over one year to five years	1,170,000	22,962	4,592	920,000	37,443	7,489
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	26,756	5,351	5,351	28,676	5,735	5,735
- Maturity exceeding one year	-	-	-	9	4	2
Total	1,269,376	64,623	18,348	1,041,305	89,492	26,631

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

23. Related party disclosures

Significant related party transactions and balances

The following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period / year.

	Group		Company	
	As at 31 March 2013 RM'000	As at 31 March 2012 RM'000	As at 31 March 2013 RM'000	As at 31 March 2012 RM'000
Penultimate holding company				
Income:				
Brokerage fees earned	66	79	-	-
Expenditures:				
Interest expense on deposits	-	175	-	-
Rental expense	2,157	2,157	2,157	2,157
Subsidiaries				
Income:				
Interest on loans	-	-	11	99
Rental of premises	-	-	656	680
Interest on short term deposits	-	-	13	166
Management fees	-	-	2,091	1,996
Expenditures:				
Other expenses	-	-	1	7

23. Related party disclosures (cont'd.)

Significant related party transactions and balance (cont'd)

	Group		Company	
	As at 31 March 2013 RM'000	As at 31 March 2012 RM'000	As at 31 March 2013 RM'000	As at 31 March 2012 RM'000
Associates				
Income:				
Brokerage fees	21	26	-	-
Rental received	107	107	107	107
Other related companies				
Income:				
Interest income on securities	4,483	3,024	-	-
Interest income on loans and advances	-	433	-	-
Fee income	20	25	-	-
Management fees	20	51	20	51
Rental received	-	1	-	1
Expenditures:				
Interest expense on deposits	74	29	-	-
Car park charges	4	4	-	-

In addition to the related party information disclosed elsewhere in the financial statements, the significant outstanding balances of the Group and of the Company with their related parties are as follows:

	Group		Company	
	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000
Penultimate holding company				
Amount due from:				
Sundry deposit received	1,564	1,564	1,564	1,564
Other receivables	-	50	-	50
Amount due to:				
Deposits from placements of banks and other financial institutions	-	558	-	-
Other payables	-	1	-	-

23. Related party disclosures (cont'd.)

Significant related party transactions and balance (cont'd)

	Group		Company	
	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000
Associates				
Amount due from:				
Trade receivables	34	34	34	34
Amount due to:				
Rental deposit received	107	107	107	107
Deposit placement	4,993	4,958	-	-
Other related companies				
Amount due from:				
Fee receivables	28	48	-	-
Sundry deposits	362	362	-	-
Trade receivables	89	79	89	79
Securities	334,835	333,314	-	-
Amount due to:				
Deposits from placements of banks and other financial institutions	-	3,293	-	-

Other related companies include companies within the PNB Group and companies related to the Directors of the Group and of the Company.

24. Credit exposures arising from credit transactions with connected parties

	Group	
	31 March 2013 RM'000	31 December 2012 RM'000
(i) Total credit exposures with connected parties	360,000	360,000
(ii) Percentage of total credit exposures to connected parties as proportion of total credit exposures	9.12%	9.12%
(iii) Percentage of total credit exposures to connected parties which is impaired or in default	Nil	Nil

25. Capital adequacy

i) (i) The capital adequacy ratio of the investment bank subsidiary are as follows:

	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000
	RM'000	RM'000
Common Equity Tier 1 (CET1)		
Paid-up share capital	155,000	155,000
Share premium	214,111	214,111
Paid-up non-cumulative perpetual preference share	1,500	1,500
Preference share premium	148,500	148,500
Statutory reserve	147,520	147,520
Unrealised gain and loss of securities available-for-sale	10,197	18,301
Profit equalisation reserve	9,022	9,151
Retained profits	118,231	118,231
Regulatory adjustments of CET1	804,081	812,314
Less: Deferred tax assets	(2,335)	(309)
55% of cumulative gains of securities available-for-sale	(13,709)	(17,877)
Profit equalisation reserve	(9,022)	(9,151)
Total Tier-I capital	<u>779,015</u>	<u>784,977</u>
Eligible collective impairment allowance	678	746
Total Tier-II capital	<u>678</u>	<u>746</u>
Total capital	779,693	785,723
Less:		
Investment in capital instrument of other banking institutions	(5,000)	(5,000)
CET1 Capital	<u>774,693</u>	<u>780,723</u>
CET1 Capital	39.68%	41.19%
Tier 1 Capital	39.68%	41.19%
Total Capital	39.68%	41.19%

25. Capital adequacy (cont'd.)

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

Group	31 March 2013		31 December 2012	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount RM'000	Risk-weighted amount RM'000
0%	1,933,632	-	1,551,580	-
20%	2,330,065	466,013	2,255,791	451,158
35%	556	195	567	198
50%	170,240	85,120	241,339	120,670
75%	168	126	81	61
100%	724,238	724,238	692,629	692,629
150%	114,372	171,558	115,009	172,513
Total risk weighted assets for credit risk	5,273,271	1,447,250	4,856,996	1,437,229
Total risk weighted assets equivalent for market risk	-	311,946	-	263,152
Total risk weighted assets equivalent for operational risk	-	192,719	-	195,019
	<u>5,273,271</u>	<u>1,951,915</u>	<u>4,856,996</u>	<u>1,895,400</u>

26. **Operations of Islamic Banking**

(a) **CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013**

		Group	
		31 March 2013 RM'000	31 December 2012 RM'000
	Note		
ASSETS			
Cash and short-term funds		234,430	201,842
Deposits and placements with licensed banks and other financial institutions		-	1,100
Securities held-for-trading	26 (c)	69,962	199,530
Securities available-for-sale	26 (d)	1,130,704	1,150,600
Securities held-to-maturity	26 (e)	9,500	9,533
Financing and advances	26 (f)	7,415	8,229
Other assets		4,912	4,684
Deferred tax assets		2,607	1,674
TOTAL ASSETS		<u>1,459,530</u>	<u>1,577,192</u>
LIABILITIES			
Deposits from customers	26 (g)	502,790	449,530
Deposits and placements of banks and other financial institutions	26 (h)	467,375	643,039
Borrowings (unsecured)	13	162,378	162,700
Profit equalisation reserve		12,551	-
Other liabilities		20,371	28,103
Provision for taxation and zakat		2,195	1,831
Amount due to Head Office		-	5,007
TOTAL LIABILITIES		<u>1,167,660</u>	<u>1,290,210</u>
ISLAMIC BANKING CAPITAL FUNDS			
Funds allocated from Head Office		170,000	170,000
Reserves		121,870	116,982
TOTAL ISLAMIC BANKING CAPITAL FUNDS		<u>291,870</u>	<u>286,982</u>
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		<u>1,459,530</u>	<u>1,577,192</u>

26. **Operations of Islamic Banking**

(a) **CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013**

		Company	
		31 March 2013 RM'000	31 December 2012 RM'000
	Note		
ASSETS			
Cash and short-term funds		194,878	192,971
Deposits and placements with licensed banks and other financial institutions		-	1,100
Financing and advances	26 (f)	7,415	8,229
Other assets		637	417
Deferred tax assets		96	96
TOTAL ASSETS		<u>203,026</u>	<u>202,813</u>
LIABILITIES			
Borrowings (unsecured)	13	162,378	162,700
Other liabilities		11,965	12,753
Provision for taxation and zakat		1,550	1,359
TOTAL LIABILITIES		<u>175,893</u>	<u>176,812</u>
ISLAMIC BANKING CAPITAL FUNDS			
Funds allocated from Head Office		20,000	20,000
Reserves		7,133	6,001
TOTAL ISLAMIC BANKING CAPITAL FUNDS		<u>27,133</u>	<u>26,001</u>
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		<u>203,026</u>	<u>202,813</u>

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

(b) **CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2013**

<u>Group</u>	Individual/ Cumulative Quarter Ended	
	31 March 2013 RM'000	31 March 2012 RM'000
Income derived from investment of depositors funds and others	15,934	15,442
Income derived from Government Scheme Funds	2,588	2,918
Transfer to profit equalisation reserve	-	(398)
Total attributable income	18,522	17,962
Income attributable to depositors	(7,936)	(8,370)
Net income attributable to the reporting institution	10,586	9,592
Other operating expenses	(2,420)	(648)
Operating profit	8,166	8,944
Impairment losses on securities	(67)	(39)
Impairment losses on financing and advances	59	528
Finance costs	(6)	(14)
Profit before taxation and zakat	8,152	9,419
Taxation	(355)	1,030
Zakat	(201)	(206)
Profit for the period	7,596	10,243

Company

Income derived from investment of depositors funds and others	665	891
Income derived from Government Scheme Funds	2,588	2,918
Income attributable to the reporting institution	3,253	3,809
Other operating expenses	(1,882)	(75)
Operating profit	1,371	3,734
Impairment (losses) / writeback on financing and advances	59	528
Finance costs	(6)	(14)
Profit before taxation and zakat	1,424	4,248
Taxation	(355)	1,030
Zakat	(28)	(73)
Profit for the period	1,041	5,205

26. Operations of Islamic Banking (cont'd)

(c) Securities held-for-trading

	Group	
	31 March 2013 RM'000	31 December 2012 RM'000
At fair value		
Money market instruments:		
Bank Negara Monetary Notes	69,962	199,530

(d) Securities available-for-sale

	Group	
	31 March 2013 RM'000	31 December 2012 RM'000
At fair value		
Money market instruments:		
Government Investment Issue	26,543	151,426
Bank Negara Monetary Notes	219,192	78,137
Islamic Acceptance Bills	36,212	51,591
Islamic Negotiable Certificate of Deposits	467,825	488,073
	<u>749,772</u>	<u>769,227</u>
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	380,932	381,373
	<u>1,130,704</u>	<u>1,150,600</u>

(e) Securities held-to-maturity

	Group	
	31 March 2013 RM'000	31 December 2012 RM'000
At amortised cost		
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	9,500	9,533

(f) Financing and advances

	Group and Company	
	31 March 2013 RM'000	31 December 2012 RM'000
Term financing		
- Islamic hire purchase/leasing	6,600	7,026
- Other term financing	5,132	5,764
	<u>11,732</u>	<u>12,790</u>
Less: Unearned income	(731)	(866)
Gross financing and advances	11,001	11,924
Less: Impairment provision		
- Collective impairment provision	(287)	(401)
- Individual impairment provision	(3,299)	(3,294)
Total net financing and advances	<u>7,415</u>	<u>8,229</u>

26. Operations of Islamic Banking (cont'd)

(f) Financing and advances (cont'd)

(i) By contract

	Group and Company	
	31 March 2013	31 December 2012
	RM'000	RM'000
Bai Bithaman Ajil (deferred payment sales)	4,471	4,992
Al-Ijarah Thumma Al-Bai (finance lease)	6,530	6,932
	<u>11,001</u>	<u>11,924</u>

(ii) By type of customer

	Group and Company	
	31 March 2013	31 December 2012
	RM'000	RM'000
Domestic business enterprises	11,001	11,924

(iii) By profit rate sensitivity

	Group and Company	
	31 March 2013	31 December 2012
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	6,530	6,932
Other fixed rate financing	4,471	4,992
	<u>11,001</u>	<u>11,924</u>

(iv) By economic sector

	Group and Company	
	31 March 2013	31 December 2012
	RM'000	RM'000
Manufacturing	9,634	10,415
Wholesale & retail trade and restaurants & hotels	120	178
Transport, storage and communications	394	406
Others	853	925
	<u>11,001</u>	<u>11,924</u>

26. Operations of Islamic Banking (cont'd)

(f) Financing and advances (cont'd)

(v) Impaired financing and advances by economic sector

	Group and Company	
	31 March	31 December
	2013	2012
	RM'000	RM'000
Manufacturing	5,048	4,772
Wholesale & retail trade and restaurants & hotels	120	178
Transport, storage and communications	394	406
Others	430	430
	<u>5,992</u>	<u>5,786</u>

(vi) Movements in impaired financing and advances

	Group and Company	
	31 March	31 December
	2013	2012
	RM'000	RM'000
At 1 January	5,786	7,697
Impaired during the period/year	413	-
Reclassified as unimpaired during the period/year	-	(491)
Amount recovered	(149)	(1,420)
Amount written off	(58)	-
At 31 March/ 31 December	<u>5,992</u>	<u>5,786</u>
Less: Individual impairment provision	<u>(3,299)</u>	<u>(3,294)</u>
Net impaired financing and advances	<u>2,693</u>	<u>2,492</u>
Net impaired financing and advances as % of gross financing and advances less individual impairment provision	<u>34.96%</u>	<u>28.88%</u>

26. Operations of Islamic Banking (cont'd)

(f) Financing and advances (cont'd)

(vii) Movements in impairment allowance

	Group and Company	
	31 March 2013 RM'000	31 December 2012 RM'000
Collective impairment allowance		
At 1 January	401	1,495
Amount written back	(114)	(1,094)
At 31 March/ 31 December	<u>287</u>	<u>401</u>
As % of gross financing and advances less individual impairment allowance	<u>3.73%</u>	<u>4.65%</u>

	Group and Company	
	31 March 2013 RM'000	31 December 2012 RM'000
Individual impairment allowance		
At 1 January	3,294	3,721
Impairment made during the period/year	193	756
Impairment allowance written back during the period/year	(128)	(1,164)
Amount written off	(58)	-
Discount unwind	(2)	(19)
At 31 March/ 31 December	<u>3,299</u>	<u>3,294</u>

26. Operations of Islamic Banking (cont'd)

(g) Deposits from customers

(i) By type of deposits

- Mudharabah Fund
 - Fixed/Investment deposits
 - Others

Group	
31 March 2013 RM'000	31 December 2012 RM'000
424,199	371,014
78,591	78,516
<u>502,790</u>	<u>449,530</u>

(ii) By type of customers

- Mudharabah Fund
 - Business enterprises

<u>502,790</u>	<u>449,530</u>
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(h) Deposits and placements of banks and other financial institutions

(i) By type of deposits

- Mudharabah Fund
 - Fixed/Investment deposits
 - Others

Group	
31 March 2013 RM'000	31 December 2012 RM'000
466,458	611,722
917	31,317
<u>467,375</u>	<u>643,039</u>

(ii) By type of customers

- Mudharabah Fund
 - Licensed Islamic banks
 - Other financial institutions

Group	
31 March 2013 RM'000	31 December 2012 RM'000
-	40,000
467,375	603,039
<u>467,375</u>	<u>643,039</u>

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 three months ended 31st March 2013, as set out on pages 1 to 46, 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 31st March 2013. The results and cash flows of the Group and the Company for the period ended on that date are prepared in accordance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards and the requirement of the Companies Act, 1965.



FOO WEI HOONG
CHIEF FINANCIAL OFFICER

18 April 2013