

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	Group		Company	
		30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
ASSETS					
Cash and short-term funds		829,963	937,733	661,002	889,001
Deposits and placements with licensed banks and other financial institutions		352,560	284,399	349,700	277,400
Securities held-for-trading	6	205,704	403,973	205,704	3,803
Securities available-for-sale	7	3,648,147	3,684,949	10,771	15,124
Securities held-to-maturity	8	805,705	603,189	-	-
Derivative assets		5,113	644	-	-
Loans, advances and financing	9	515,102	222,588	58,331	73,435
Other assets	10	181,141	226,162	29,759	38,639
Statutory deposits with Bank Negara Malaysia		147,203	134,028	-	-
Investment in associate		3,068	3,493	2,560	2,560
Investment in subsidiaries		-	-	759,363	759,363
Investment properties		3,717	3,784	-	-
Property, plant and equipment		4,495	4,955	3,726	3,675
Intangible assets		1,207	1,946	-	-
Deferred tax assets		16,284	7,553	7,106	7,179
Goodwill		86,713	86,713	-	-
TOTAL ASSETS		6,806,122	6,606,109	2,088,022	2,070,179
LIABILITIES					
Deposits from customers	11	1,994,357	1,716,415	-	-
Deposits and placements of banks and other financial institutions	12	2,383,545	2,439,619	-	-
Derivative liabilities		411	1,486	-	-
Other liabilities		190,277	231,118	38,775	50,090
Borrowings	13	393,514	423,479	383,514	413,479
Provision for taxation and zakat		17,593	12,896	6,006	5,494
Employee benefits		10,226	9,775	8,099	7,778
Deferred tax liabilities		142	110	-	-
TOTAL LIABILITIES		4,990,065	4,834,898	436,394	476,841
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		9,056	9,151	-	-
Securities available-for-sale reserve		(8,783)	17,306	3,474	3,253
Retained profits		871,261	800,231	818,223	760,154
		1,816,057	1,771,211	1,651,628	1,593,338
Non-controlling interests		-	-	-	-
TOTAL SHAREHOLDER'S EQUITY		1,816,057	1,771,211	1,651,628	1,593,338
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		6,806,122	6,606,109	2,088,022	2,070,179
COMMITMENTS AND CONTINGENCIES	22	1,810,449	1,041,305	31,878	-
NET ASSETS PER SHARE (RM)		3.90	3.80	3.54	3.42

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 30 SEPTEMBER 2013

<u>Group</u>	Note	Individual Quarter ended		Cumulative Quarter ended	
		30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Continuing operations					
Operating revenue		<u>84,218</u>	80,268	<u>252,581</u>	300,038
Interest income	14	<u>52,646</u>	53,931	<u>154,078</u>	162,451
Interest expense	15	<u>(27,738)</u>	(27,520)	<u>(81,789)</u>	(83,738)
Net interest income		<u>24,908</u>	26,411	<u>72,289</u>	78,713
Net income from Islamic banking operations	27(b)	<u>8,265</u>	872	<u>26,450</u>	30,614
Other operating income	16	<u>15,635</u>	12,096	<u>54,993</u>	75,408
		<u>48,808</u>	39,379	<u>153,732</u>	184,735
Operating expenses	17	<u>(23,507)</u>	(25,976)	<u>(76,085)</u>	(74,418)
Operating profit		25,301	13,403	77,647	110,317
Impairment losses written-back on loans, advances and financing	18	<u>2,547</u>	5,026	<u>14,673</u>	15,042
Impairment loss (made)/ written back on securities (net)	19	<u>389</u>	7,043	<u>915</u>	9,780
Profit before share of results in associates		<u>28,237</u>	25,472	<u>93,235</u>	135,139
Share of results in associates		<u>467</u>	541	<u>1,654</u>	1,722
Profit before taxation and zakat		28,704	26,013	94,889	136,861
Taxation		<u>(6,554)</u>	(5,934)	<u>(23,252)</u>	(30,612)
Zakat		<u>(136)</u>	(92)	<u>(702)</u>	(705)
Profit for the period		<u>22,014</u>	<u>19,987</u>	<u>70,935</u>	<u>105,544</u>
Attributable to:					
Shareholder of the Company		<u>22,014</u>	19,987	<u>70,935</u>	105,544
Non-controlling interests		<u>-</u>	-	<u>-</u>	-
Profit for the period		<u>22,014</u>	<u>19,987</u>	<u>70,935</u>	<u>105,544</u>
Earnings per share (sen)					
- Basic and diluted, for profit for the period		<u>4.72</u>	4.29	<u>15.22</u>	22.65

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 30 SEPTEMBER 2013

<u>Group</u>	Individual Quarter ended		Cumulative Quarter ended	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Profit for the period	22,014	19,987	70,935	105,544
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	1,401	(27,456)	(12,493)	(62,589)
Net unrealised (loss)/gain on revaluation of securities available-for-sale	(13,053)	23,523	(13,596)	37,955
Total other comprehensive gain for the period, net of tax	(11,652)	(3,933)	(26,089)	(24,634)
Total comprehensive income for the period	10,362	16,054	44,846	80,910
Total comprehensive income for the period attributable to:				
Shareholder of the Company	10,362	16,054	44,846	80,910
Non-controlling interests	-	-	-	-
	10,362	16,054	44,846	80,910

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 30 SEPTEMBER 2013

<u>Company</u>	Note	Individual Quarter ended		Cumulative Quarter ended	
		30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Operating revenue		<u>63,131</u>	67,997	<u>103,216</u>	110,575
Interest income	14	<u>12,546</u>	13,222	<u>38,633</u>	40,560
Interest expense	15	<u>(1,501)</u>	(1,734)	<u>(4,626)</u>	(5,307)
Net interest income		<u>11,045</u>	11,488	<u>34,007</u>	35,253
Net income from Islamic banking operations	27(b)	<u>3,474</u>	3,273	<u>10,367</u>	10,699
Other operating income	16	<u>49,919</u>	53,059	<u>60,871</u>	64,322
		<u>64,438</u>	67,820	<u>105,245</u>	110,274
Operating expenses	17	<u>(12,162)</u>	(13,229)	<u>(38,567)</u>	(40,819)
Operating profit		52,276	54,591	66,678	69,455
Impairment losses written-back on loans, advances and financing	18	<u>3,382</u>	1,807	<u>10,411</u>	24,907
Impairment loss made on securities (net)	19	<u>(168)</u>	323	<u>(527)</u>	34
Profit before taxation and zakat		55,490	56,721	76,562	94,396
Taxation		(13,229)	(13,412)	(18,400)	(20,595)
Zakat		(32)	(34)	(93)	(96)
Profit for the period		42,229	43,275	58,069	73,705

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 30 SEPTEMBER 2013

<u>Company</u>	Individual Quarter ended		Cumulative Quarter ended	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Net profit for the period	42,229	43,275	58,069	73,705
Other comprehensive income:				
Net unrealised (loss)/gain on revaluation of securities available-for-sale	240	308	221	1,500
Other comprehensive (loss)/gain for the period, net of tax	240	308	221	1,500
Total comprehensive income for the period	42,469	43,583	58,290	75,205

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 30 SEPTEMBER 2013

	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 *				
Group	-----RM'000-----								
At 1 January 2013	466,070	363,861	17,306	9,151	114,592	800,231	1,771,211	-	1,771,211
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	-	-	(12,493)	-	-	-	(12,493)	-	(12,493)
Net unrealised loss on revaluation of securities available-for-sale	-	-	(13,596)	-	-	-	(13,596)	-	(13,596)
Total other comprehensive income for the period	-	-	(26,089)	-	-	-	(26,089)	-	(26,089)
Profit for the period	-	-	-	-	-	70,935	70,935	-	70,935
Comprehensive income for the period	-	-	(26,089)	-	-	70,935	44,846	-	44,846
Transactions with owner of the Company									
Profit equalisation reserve	-	-	-	(95)	-	95	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Total transactions with owner of the Company	-	-	-	(95)	-	95	-	-	-
At 30 September 2013	466,070	363,861	(8,783)	9,056	114,592	871,261	1,816,057	-	1,816,057

* 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 30 SEPTEMBER 2012

	Attributable to shareholder of the Company					Total	Non-controlling interests	Total Equity	
	Non-Distributable		Distributable						
<u>Group</u>	Share Capital	Share Premium	Securities Available-For-Sale Reserve #	Profit Equalisation Reserve	Statutory Reserve *	Retained Profits			
	-----RM'000-----								
At 1 January 2012	466,070	363,861	41,470	7,391	93,592	797,690	1,770,074	5	1,770,079
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	-	-	(62,589)	-	-	-	(62,589)	-	(62,589)
Net unrealised gain on revaluation of securities available-for-sale	-	-	37,955	-	-	-	37,955	-	37,955
Total other comprehensive income for the period	-	-	(24,634)	-	-	-	(24,634)	-	(24,634)
Profit for the period	-	-	-	-	-	105,544	105,544	-	105,544
Comprehensive income for the period	-	-	(24,634)	-	-	105,544	80,910	-	80,910
Transactions with owner of the Company									
Profit equalisation reserve	-	-	-	2,233	-	(2,233)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Total transactions with owner of the Company	-	-	-	2,233	-	(2,233)	-	-	-
At 30 September 2012	466,070	363,861	16,836	9,624	93,592	901,001	1,850,984	5	1,850,989

* 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.

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CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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	760,154	1,593,338
Net unrealised gain on revaluation of securities available-for-sale	-	-	221	-	221
Total other comprehensive income for the period	-	-	221	-	221
Profit for the period	-	-	-	58,069	58,069
Comprehensive income for the period	-	-	221	58,069	58,290
Transaction with owner of the Company					
Dividends	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-
At 30 September 2013	466,070	363,861	3,474	818,223	1,651,628

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 30 SEPTEMBER 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	-	-	1,192	-	1,192
Total other comprehensive income for the period	-	-	1,192	-	1,192
Profit for the period	-	-	-	73,705	73,705
Comprehensive income for the period	-	-	1,192	73,705	74,897
Transaction with owner of the Company					
Dividends	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-
At 30 September 2012	466,070	363,861	3,154	850,265	1,683,350

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 30 SEPTEMBER 2013

	Group		Company	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Profit before taxation and zakat:				
Continuing operations	94,889	136,861	76,562	94,396
Adjustments for non-cash items	(52,731)	(100,333)	2,283	(59,507)
Operating profit before changes in working capital	42,158	36,528	78,845	34,889
Changes in working capital:				
Net changes in operating assets	(261,000)	167,787	(23,252)	82,094
Net changes in operating liabilities	181,742	143,531	(11,314)	(72,705)
Tax expense paid	(20,123)	(4,058)	(6,163)	(9,383)
Retirement benefits paid	(234)	(620)	(234)	(620)
Net cash generated from operating activities	(57,457)	343,168	37,882	34,275
Net cash generated from / (used in) investing activities	47,813	(63,142)	(167,397)	120,090
Net cash used in financing activities	(29,965)	(32,803)	(26,184)	(32,803)
Net increase in cash and cash equivalents	(39,609)	247,223	(155,699)	121,562
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	1,182,523	1,272,036	1,010,702	1,070,363

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

	Group		Company	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Continuing operations:				
Cash and short-term funds	829,963	867,987	661,002	859,063
Deposits and placements with banks and other financial institutions	352,560	404,049	349,700	211,300
	1,182,523	1,272,036	1,010,702	1,070,363

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, Interim Financial Reporting ("MFRS 134"), Guidelines on Financial Reporting and Guidelines on Financial Reporting for Islamic Banking Institutions 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"), IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), Bank Negara Malaysia ("BNM") Guidelines and the requirements of the 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 from 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, 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 10, *Consolidated Financial Statements - Investment Entities*
Amendments to MFRS 12, *Disclosure Of Interests In Other Entities - Investment Entities*
Amendments to MFRS 127, *Separate Financial Statements - Investment Entities*
Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*
Amendments to MFRS 136, *Recoverable Amount Disclosure for Non-Financial Assets*
Amendments to MFRS 139, *Novation of Derivatives and Continuation of Hedge Accounting*
IC Interpretation 21, *Levies*

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

MFRS 9, *Financial Instruments*
MFRS 9, *Financial Instruments (2010)*
Amendments to MFRS 7, *Financial Instruments: Disclosures - Mandatory Date of MFRS 9 and Transition Disclosure*

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 RM94.89 million for the period ended 30 September 2013, decreased by 31% as compared to the previous corresponding period's pre-tax profit of RM136.86 million. The better performance in previous period was mainly contributed by higher gains on disposal of securities available-for-sale amounting to RM48.6 million and net writeback in impairment of RM24.8 million.

5. Prospects for 2013

Malaysia's GDP growth in the first half of the year 2013 came to only 4.2%, trailing expectations. The shortfall is attributable to the prolonged weakness in the external environment.

The third quarter has again proven to be the most volatile 3 months of the year. The U.S Federal Reserve's Open Market Committee ("FOMC") initial announcement of its intent to start unwinding its quantitative easing program as early as September 2013 triggered a mini exodus of foreign portfolio capital from Emerging Markets, including Malaysia. A total amount of RM16.5 billion of foreign capital left the Malaysian debt securities market in the 2 months of July and August 2013. Meanwhile, in the equity market, a net RM6.0 billion exited Malaysian stock and shares in the third quarter, based on transactions in the open market.

The subsequent announcement in September 2013 by the same FOMC to delay the timing of that intent caused a mini rally in Emerging Markets, as equity prices jumped, bond yields fell and currencies appreciated against the US dollar. The focus has since shifted from monetary policy to the state of fiscal policy in the U.S. In early October 2013, the U.S Government was forced to shut down some of its services as it failed to obtain Congressional approval for continued funding.

Events in the U.S. have strong ramifications on the rest of the world because of the disequilibrium effect it has on the flow of funds. The volatility of global financial markets is expected to remain elevated until a clearer direction in the U.S. monetary and fiscal policies emerges.

Locally, capital market offerings and fund raising exercises have been slow to pick up momentum subsequent to the General Election. In the three months of June to August 2013, the net amount raised by the private sector in the Malaysian capital market amounted to only RM4.68billion, or 5.2% of the total amount raised in 2012. Nevertheless, two (2) back-to-back sizeable Initial Public Offerings, namely that of Westport Holdings Berhad and UMW Oil and Gas Corporation Berhad, have raised hopes that the level of activity in the Malaysian capital market will improve.

The Investment Bank Division continues with the execution of its plans to intensify efforts to enhance its fee-based revenue. It also takes cognisance of the volatility in bond yields in managing its balance sheet and the interest rate risks in its banking book.

The Development Finance Division will 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.

The improvement measures, with focus on fund performance, client acquisition, product and business development, undertaken by the Asset Management Division are in progress. The initial indicators of these efforts are encouraging.

6. Securities held-for-trading

	Group		Company	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
At fair value				
Money market instruments:				
Bank Negara Malaysia Notes	-	299,384	-	-
Other Acceptances Discounted	-	100,786	-	-
	-	400,170	-	-
Quoted securities in Malaysia:				
Shares	252	207	252	207
Unquoted securities in Malaysia:				
Fixed Income Investments	200,892	-	200,892	-
Shares	1	1	1	1
Redeemable Convertible Secured Notes	4,559	3,595	4,559	3,595
	205,452	3,596	205,452	3,596
	205,704	403,973	205,704	3,803

7. Securities available-for-sale

	Group		Company	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	3,364	3,436	-	-
Government Investment Issue	108,292	226,141	-	-
Bank Negara Malaysia Notes	871,751	78,138	-	-
Other Acceptances Discounted	211,608	68,001	-	-
Negotiable Instruments of Deposit	507,189	488,073	-	-
	1,702,204	863,789	-	-
Quoted securities in Malaysia:				
Shares and Warrants	2,800	21,679	1,728	1,836
Unquoted securities in Malaysia:				
Private Debt Securities	1,930,237	2,786,781	7,038	11,331
Shares	300	300	300	300
Loan Stocks	11,849	11,643	1,705	1,657
	1,942,386	2,798,724	9,043	13,288
At cost				
Unquoted securities in Malaysia:				
Shares	757	757	-	-
	3,648,147	3,684,949	10,771	15,124

8. Securities held-to-maturity

	Note	Group	
		30 September 2013 RM'000	31 December 2012 RM'000
At amortised cost			
Unquoted securities in Malaysia:			
Private Debt Securities		821,688	619,248
Loan Stocks		2,058	2,058
		<u>823,746</u>	<u>621,306</u>
Less: Individual impairment allowance	(a)	<u>(18,041)</u>	<u>(18,117)</u>
		<u>805,705</u>	<u>603,189</u>

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

	Group	
	30 September 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	(5)	(2,072)
Write off	-	1,031
Discount unwind	9	9
At 30 September / 31 December	<u>(18,041)</u>	<u>(18,117)</u>

9. Loans, advances and financing

	Group		Company	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Term loans				
- Syndicated term loan/financing	85,178	106,990	-	-
- Hire purchase receivables	20,933	22,329	11,909	13,085
- Lease receivables	1,568	1,568	-	-
- Other term loans/financing	465,656	182,863	105,842	124,506
	<u>573,335</u>	<u>313,750</u>	<u>117,751</u>	<u>137,591</u>
Staff loans	3,130	3,432	1,809	2,038
Margin accounts	98,627	70,604	-	-
	<u>675,092</u>	<u>387,786</u>	<u>119,560</u>	<u>139,629</u>
Less: Unearned interest and income	(439)	(974)	(439)	(974)
Gross loans, advances and financing	674,653	386,812	119,121	138,655
Less: Security deposits	(23)	(23)	-	-
Less: Impairment allowance				
- Collective impairment allowance	(7,742)	(4,353)	(6,651)	(3,607)
- Individual impairment allowance	(151,786)	(159,848)	(54,139)	(61,613)
Total net loans, advances and financing	<u>515,102</u>	<u>222,588</u>	<u>58,331</u>	<u>73,435</u>

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

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

a. By type of customer

	Group		Company	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Domestic business enterprises				
- Small medium enterprises	70,398	263,109	66,770	83,450
- Others	493,423	55,000	50,542	53,167
Individuals	110,832	68,703	1,809	2,038
Gross loans, advances and financing	<u>674,653</u>	<u>386,812</u>	<u>119,121</u>	<u>138,655</u>

b. By interest/profit rate sensitivity

	Group		Company	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Fixed rate				
- Staff loans	3,130	3,432	1,809	2,038
- Hire purchase receivables	20,875	22,136	11,852	12,894
- Other fixed rate loan/financing	169,826	158,793	69,144	85,834
Variable rate				
- BLR plus	36,316	37,889	36,316	37,889
- Cost plus	444,506	164,562	-	-
Gross loans, advances and financing	<u>674,653</u>	<u>386,812</u>	<u>119,121</u>	<u>138,655</u>

c. By economic sector

	Group		Company	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Mining and quarrying	7,718	13,233	-	-
Manufacturing	204,478	238,438	91,052	103,675
Construction	40,779	3,806	-	-
Purchase of landed property:				
- Residential	223	310	-	-
Wholesale & retail trade and restaurants & hotels	30,403	37,135	17,724	23,244
Transport, storage and communications	3,936	4,029	3,265	3,328
Finance, insurance and business services	173,583	22,829	4,522	5,346
Purchase of transport vehicles	7,738	7,927	-	-
Electricity, gas and water supply	100,179	-	-	-
Others	105,616	59,105	2,558	3,062
Gross loans, advances and financing	<u>674,653</u>	<u>386,812</u>	<u>119,121</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	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Manufacturing	162,990	164,796	73,516	71,957
Construction	3,525	3,795	-	-
Purchase of landed property - Residential	94	94	-	-
Wholesale & retail trade and restaurants & hotels	20,748	25,785	7,827	11,902
Transport, storage and communication	3,684	3,743	3,006	3,041
Finance, insurance and business services	2,878	3,014	833	1,184
Purchase of transport vehicles	7,738	7,933	-	-
Others	1,158	1,148	471	528
	<u>202,815</u>	<u>210,308</u>	<u>85,653</u>	<u>88,612</u>

(ii.) Movements in ILs

	Group		Company	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 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	6,214	1,043	9,073	856
Reclassified as unimpaired during the period/ year	(194)	(10,108)	-	(9,835)
Amount recovered	(9,105)	(82,929)	(7,623)	(69,957)
Amount written off	(4,408)	(9,233)	(4,409)	-
At 30 September / 31 December	<u>202,815</u>	<u>210,308</u>	<u>85,653</u>	<u>88,612</u>
Less: Individual impairment allowance	<u>(151,786)</u>	<u>(159,848)</u>	<u>(54,139)</u>	<u>(61,613)</u>
Net ILs	<u>51,029</u>	<u>50,460</u>	<u>31,514</u>	<u>26,999</u>
Net ILs as % of gross loans, advances and financing less individual impairment allowance	<u>9.76%</u>	<u>22.23%</u>	<u>48.50%</u>	<u>35.04%</u>

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

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

(iii.) Movements in impairment provision

	Group		Company	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Collective impairment allowance				
At 1 January	4,353	28,957	3,607	18,545
Impairment made during the period/year	3,828	-	3,044	-
Written back during the period/year	(439)	(24,604)	-	(14,938)
At 30 September / 31 December	<u>7,742</u>	<u>4,353</u>	<u>6,651</u>	<u>3,607</u>
As % of gross loans, advances and financing less individual impairment allowance	<u>1.48%</u>	<u>1.92%</u>	<u>10.24%</u>	<u>4.68%</u>

	Group		Company	
	30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Individual impairment allowance				
At 1 January	159,848	159,188	61,613	64,465
Impairment made during the period/year	4,927	28,253	3,504	12,375
Amount written-back	(6,162)	(15,764)	(5,457)	(13,217)
Amount written off	(4,408)	(9,233)	(4,408)	-
Discount unwind	(2,419)	(2,596)	(1,113)	(2,010)
At 30 September / 31 December	<u>151,786</u>	<u>159,848</u>	<u>54,139</u>	<u>61,613</u>

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
30 September 2013 Group							
Loans, advances and financing	<u>54,092</u>	<u>95,093</u>	<u>4,878</u>	<u>329,342</u>	<u>27,979</u>	<u>3,718</u>	<u>515,102</u>
Company							
Loans, advances and financing	<u>31,514</u>	<u>938</u>	<u>1,408</u>	<u>6,113</u>	<u>15,694</u>	<u>2,664</u>	<u>58,331</u>
31 December 2012 Group							
Loans, advances and financing	<u>50,411</u>	<u>90,709</u>	<u>2,370</u>	<u>13,504</u>	<u>60,147</u>	<u>5,447</u>	<u>222,588</u>
Company							
Loans, advances and financing	<u>26,999</u>	<u>4,703</u>	<u>2,355</u>	<u>9,267</u>	<u>25,749</u>	<u>4,362</u>	<u>73,435</u>

10. Other assets

	Note	Group		Company	
		30 September 2013 RM'000	31 December 2012 RM'000	30 September 2013 RM'000	31 December 2012 RM'000
Accrued interest, commitment charges, commissions, and fees receivable		34,302	33,519	6,798	4,826
Amount due from subsidiaries					
- current accounts	(a)	-	-	1,692	1,674
- loan accounts	(b)	-	-	1,041	1,007
Clients' and brokers' accounts	(c)	114,746	149,820	-	-
Less: Individual impairment allowance	(c)	(2,560)	(2,576)	-	-
		112,186	147,244	-	-
Trade receivables		5,215	5,792	-	-
Less: Individual impairment allowance		(217)	(187)	-	-
		4,998	5,605	-	-
Other receivables, deposits and prepayments		33,590	70,793	20,228	31,132
Less: Individual impairment allowance		(4,260)	(31,222)	-	-
		29,330	39,571	20,228	31,132
Tax recoverable		325	223	-	-
		<u>181,141</u>	<u>226,162</u>	<u>29,759</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.

(c) Clients' and brokers' accounts

Group	Note	30 September 2013 RM'000	31 December 2012 RM'000
Brokers		64,757	110,106
Clients		49,989	39,714
		<u>114,746</u>	<u>149,820</u>
Less: Individual impairment allowance	(i)	(2,560)	(2,576)
		<u>112,186</u>	<u>147,244</u>

This arising from the securities trading activities that is carried out through the investment bank subsidiary of the Group which are not yet due for settlement as at the reporting date under the Rules of Bursa Malaysia Securities Berhad.

Group	30 September 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	16	7
At 30 September / 31 December	<u>(2,560)</u>	<u>(2,576)</u>

11. Deposits from customers

	Group						
	30 September 2013 RM'000	31 December 2012 RM'000					
(i) By type of deposit							
- Call deposits	116,580	188,693					
- Fixed deposits	1,877,777	1,527,722					
	<u>1,994,357</u>	<u>1,716,415</u>					
(ii) By type of customer							
- Business enterprises	1,870,475	1,715,023					
- Government and statutory bodies	120,000	-					
- Individuals	3,882	1,392					
	<u>1,994,357</u>	<u>1,716,415</u>					
(iii) Maturity profile of deposits from customers as at reporting date based on the remaining contractual maturity							
Group	On demand	Under 1 month	>1 - 3 months	>3 - 12 months	1 to 5 years	>5 years	Total
30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits from customers	116,580	1,659,064	174,529	44,184	-	-	1,994,357
Group	On demand	Under 1 month	>1 - 3 months	>3 - 12 months	1 to 5 years	>5 years	Total
31 December 2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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						
	30 September 2013 RM'000	31 December 2012 RM'000					
(i) Call deposits							
- Other financial institutions	138,885	125,541					
(ii) Fixed deposits							
- Licensed Islamic banks	-	40,000					
- Licensed commercial banks	230,000	373,900					
- Other financial institutions	2,014,660	1,760,178					
	<u>2,383,545</u>	<u>2,299,619</u>					
(iii) Negotiable Instruments Notes Issued							
- Licensed banks	-	140,000					
	<u>2,383,545</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	Under 1 month	>1 - 3 months	>3 - 12 months	1 to 5 years	>5 years	Total
30 September 2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and financial institutions	138,885	1,452,468	466,921	325,271	-	-	2,383,545
Group	On demand	Under 1 month	>1 - 3 months	>3 - 12 months	1 to 5 years	>5 years	Total
31 December 2012	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and financial institutions	134,541	1,627,719	437,384	239,975	-	-	2,439,619

13. Borrowings

	Group		Company	
	30 September 2013	31 December 2012	30 September 2013	31 December 2012
	RM'000	RM'000	RM'000	RM'000
(a) Short Term Unsecured	25,406	37,352	25,406	37,352
	<u>25,406</u>	<u>37,352</u>	<u>25,406</u>	<u>37,352</u>
(b) Long Term Unsecured	207,258	223,427	197,258	213,427
Unsecured – Islamic operations	160,850	162,700	160,850	162,700
	<u>368,108</u>	<u>386,127</u>	<u>358,108</u>	<u>376,127</u>
Total borrowings	<u>393,514</u>	<u>423,479</u>	<u>383,514</u>	<u>413,479</u>

Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM41.988 million. The foreign exchange risk on the above loans is borne by the Government of Malaysia.

14. Interest income

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Group				
Loans, advances and financing				
- Interest income on non-impaired loans	5,985	7,232	14,675	17,306
- Interest income on impaired loans ("ILs")	770	967	2,410	2,530
Income from Government Scheme Funds	4,118	3,567	11,903	10,871
Money at call and deposit placements with financial institutions	8,198	9,141	25,755	27,395
Securities available-for-sale ("AFS")				
- Interest income on AFS	18,170	16,836	61,314	64,965
- Interest income on impaired AFS	551	188	1,416	1,584
Securities held-for-trading ("HFT")				
- Interest income on HFT	-	1	-	1
Discount unwind on HTM	9	-	9	-
Discount unwind on HFT	392	546	965	546
Securities held-to-maturity				
- Interest income on non-impaired securities	8,718	6,982	22,105	16,401
- Interest income on impaired securities	-	-	9	-
Hire purchase and leasing operations	13	27	31	137
Accretion of discounts (net of amortisation of premium)	5,635	8,425	13,354	20,687
Derivatives instruments	21	19	66	28
Other interest income	66	-	66	-
	<u>52,646</u>	<u>53,931</u>	<u>154,078</u>	<u>162,451</u>

Company

Loans, advances and financing				
- Interest income on non-impaired loans	439	799	1,838	3,467
- Interest income on impaired loans ("ILs")	353	791	1,104	2,098
Income from Government Scheme Funds	4,118	3,567	11,903	10,871
Money at call and deposit placements with financial institutions	7,086	7,855	22,609	21,899
Securities available-for-sale ("AFS")				
- Interest income on AFS	2	7	2	1,401
Discount unwind on AFS	146	-	194	-
Discount unwind on HFT	391	183	964	546
Discount unwind on HTM	-	20	-	86
Hire purchase and leasing operations	-	-	(14)	9
Loans to subsidiaries	11	-	33	183
	<u>12,546</u>	<u>13,222</u>	<u>38,633</u>	<u>40,560</u>

15. Interest expense	Individual Quarter Ended		Cumulative Quarter Ended	
	30 June 2013	30 June 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits and placements of banks and other financial institutions	13,734	13,809	40,004	41,582
Deposits from customers	12,007	11,664	35,876	36,203
Concessionary funds	1,500	1,734	4,625	5,307
Derivative instruments	385	200	951	503
Commercial loans	112	113	333	143
	<u>27,738</u>	<u>27,520</u>	<u>81,789</u>	<u>83,738</u>
Company				
Concessionary funds	1,501	1,734	4,626	5,307
	<u>1,501</u>	<u>1,734</u>	<u>4,626</u>	<u>5,307</u>
16. Other operating income	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Group				
(a) Revenue income:				
Fee income derived from:				
- Capital market activities	4,635	1,723	9,561	5,181
- Management fees	374	384	1,031	1,380
- Brokerage fees	6,110	5,479	19,475	16,804
Investment income derived from:				
- Net unrealised loss on revaluation of securities held-for-trading	14	(84)	46	24
- Net unrealised loss on revaluation of derivative assets	2,862	1,823	5,543	(1,029)
- Gain on sale of securities:				
- Available-for-sale	(924)	985	7,939	48,563
- Held-for-trading	1,034	8	1,192	37
- Held-to-maturity	-	51	-	51
- (Loss)/ gain on sale of trust units	1	-	(13)	-
Total dividends (gross) from:				
- Securities held-for-trading	300	540	300	540
- Securities available-for-sale	-	152	397	525
Income from factoring	164	168	515	505
Profit earned on Al-Bai Bithamin Ajil and Al-Ijarah	-	10	-	21
	<u>14,570</u>	<u>11,239</u>	<u>45,986</u>	<u>72,602</u>

16. Other operating income (cont'd)

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
(b) Other income:				
Interest income on:				
- promissory notes	109	117	450	462
Gain on disposal of:				
- Property, plant and equipment	116	4	575	201
Interest on staff loans	1	11	6	53
Commitment fee	17	-	58	5
Rental of premises	483	457	1,588	1,205
Others	339	268	6,330	880
	<u>1,065</u>	<u>857</u>	<u>9,007</u>	<u>2,806</u>
Total other operating income	<u>15,635</u>	<u>12,096</u>	<u>54,993</u>	<u>75,408</u>

Company

(a) Revenue income:				
Fee income derived from:				
- Management fees	2,297	2,237	6,600	6,324
Net unrealised gain on revaluation of securities held-for-trading	14	-	44	30
Gross dividend income:				
- Subsidiaries	44,500	48,725	44,500	48,725
- Associate	-	-	2,772	3,697
- Securities held-for-trading	300	-	300	-
- Securities available-for-sale	-	540	-	540
	<u>47,111</u>	<u>51,502</u>	<u>54,216</u>	<u>59,316</u>
(b) Other income:				
Interest income on:				
- promissory notes	108	117	450	462
Gain on disposal of:				
- Property, plant and equipment	117	5	375	130
Commitment fee	-	-	6	5
Rental of premises	1,136	1,147	3,455	3,226
Others	1,447	288	2,369	1,183
	<u>2,808</u>	<u>1,557</u>	<u>6,655</u>	<u>5,006</u>
Total other operating income	<u>49,919</u>	<u>53,059</u>	<u>60,871</u>	<u>64,322</u>

17. Operating expenses

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Staff costs				
- Wages, Salaries and bonuses	13,809	13,219	42,526	41,063
- Employee benefits	228	219	734	658
- Social security costs	70	73	213	215
- Defined contribution plan	2,106	2,314	6,633	6,671
- Other staff related expenses	557	1,792	3,512	4,717
	<u>16,770</u>	<u>17,617</u>	<u>53,618</u>	<u>53,324</u>
Establishment costs				
- Depreciation	930	1,758	3,024	4,081
- Office rental	1,701	1,724	5,085	5,167
- Equipment rental	30	32	81	96
- Others	1,868	1,529	5,070	4,576
	<u>4,529</u>	<u>5,043</u>	<u>13,260</u>	<u>13,920</u>
Promotion and marketing-related expenses				
- Advertisement & publicity	76	307	297	490
- Others	881	829	3,191	3,009
	<u>957</u>	<u>1,136</u>	<u>3,488</u>	<u>3,499</u>
General and administrative expenses				
- Communication expenses	144	154	436	517
- Audit fees	132	107	404	352
- Directors' fees and meeting allowances	418	720	1,297	1,668
- Management fees	3	4	12	14
- Securities Commission's levy	311	253	968	796
- Others	243	942	2,602	328
	<u>1,251</u>	<u>2,180</u>	<u>5,719</u>	<u>3,675</u>
	<u>23,507</u>	<u>25,976</u>	<u>76,085</u>	<u>74,418</u>
<u>Company</u>				
Personnel costs				
- Wages, Salaries and bonuses	6,110	6,071	18,683	19,500
- Employee benefits	305	320	965	836
- Social security costs	41	43	122	130
- Defined contribution plan	1,008	1,163	3,096	3,540
- Other staff related expenses	904	920	2,899	2,670
	<u>8,368</u>	<u>8,517</u>	<u>25,765</u>	<u>26,676</u>
Establishment costs				
- Depreciation	518	710	1,627	2,137
- Office rental	1,658	1,686	5,023	5,050
- Equipment rental	12	13	32	41
- Others establishment costs	687	696	1,928	1,996
	<u>2,875</u>	<u>3,105</u>	<u>8,610</u>	<u>9,224</u>
Promotion and marketing-related expenses				
- Advertisement & publicity	26	209	79	304
- Others marketing expenses	337	232	1,689	1,301
	<u>363</u>	<u>441</u>	<u>1,768</u>	<u>1,605</u>
General and administrative expenses				
- Communication expenses	87	80	249	300
- Audit fees	33	18	129	106
- Directors' fees and meeting allowances	208	251	670	705
- Others	228	817	1,376	2,203
	<u>556</u>	<u>1,166</u>	<u>2,424</u>	<u>3,314</u>
	<u>12,162</u>	<u>13,229</u>	<u>38,567</u>	<u>40,819</u>

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

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
(a) Individual impairment allowances				
- made in the financial period	436	(2,770)	(4,927)	(26,431)
- written-back	(1,402)	5,822	6,162	16,621
(b) Collective impairment allowances				
- made in the financial period	(2,704)	(112)	(3,828)	(112)
- written-back	304	(356)	439	9,400
(c) Recoveries from impaired loans	5,913	2,442	16,827	15,564
	<u>2,547</u>	<u>5,026</u>	<u>14,673</u>	<u>15,042</u>

Company

(a) Individual impairment allowances				
- made in the financial period	990	(2,472)	(3,504)	(10,925)
- written-back	(1,553)	4,370	5,457	14,362
(b) Collective impairment allowances				
- made in the financial period	(1,920)	-	(3,044)	-
- written-back	-	(289)	-	9,330
(c) Recoveries from impaired loans	5,865	198	11,502	12,140
	<u>3,382</u>	<u>1,807</u>	<u>10,411</u>	<u>24,907</u>

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

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
	RM'000	RM'000	RM'000	RM'000
Securities available-for-sale (net)	389	934	849	3,445
Securities held-to-maturity (net)	-	6,109	66	6,335
	<u>389</u>	<u>7,043</u>	<u>915</u>	<u>9,780</u>

Company

Securities available-for-sale (net)	<u>(168)</u>	<u>323</u>	<u>(527)</u>	<u>34</u>
	<u>(168)</u>	<u>323</u>	<u>(527)</u>	<u>34</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:

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
Segment Revenue	RM'000	RM'000	RM'000	RM'000
Investment banking	65,315	58,816	198,482	241,728
Development finance	10,887	10,455	33,060	33,170
Asset management	475	474	1,268	1,517
Investment holding	60,990	55,571	75,332	71,551
Others	861	3,677	1,521	4,494
	138,528	128,993	309,663	352,460
Inter-segment elimination	(54,310)	(48,725)	(57,082)	(52,422)
	84,218	80,268	252,581	300,038

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2013	30 September 2012	30 September 2013	30 September 2012
Segment Results	RM'000	RM'000	RM'000	RM'000
Investment banking	17,742	14,577	66,498	87,549
Development finance	8,102	15,381	23,409	37,463
Asset management	(801)	(767)	(2,269)	(2,275)
Investment holding	2,907	2,406	5,854	4,567
Others	287	4,062	(257)	7,835
	28,237	35,659	93,235	135,139
Share of results in associates	467	541	1,654	1,722
	28,704	36,200	94,889	136,861

Transfer prices between operating segments are at 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 30 September 2013 RM'000	As at 31 December 2012 RM'000
Authorised but not contracted for	3,471	2,265
	<u>3,471</u>	<u>2,265</u>
Company		
Authorised but not contracted for	363	1,970
	<u>363</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:

<u>Group</u>	← As at 30.09.2013 →			← 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
Obligations under underwriting agreement	107,879	53,940	48,940	92,620	46,310	13,405
Interest rate related contracts over one year to five years	1,570,000	33,195	6,639	920,000	37,443	7,489
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	132,570	36,077	36,077	28,676	5,735	5,735
- Maturity exceeding one year	-	-	-	9	4	2
Total	<u>1,810,449</u>	<u>123,212</u>	<u>91,656</u>	<u>1,041,305</u>	<u>89,492</u>	<u>26,631</u>
<u>Company</u>						
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	31,878	15,939	15,939	-	-	-
Total	<u>31,878</u>	<u>15,939</u>	<u>15,939</u>	<u>-</u>	<u>-</u>	<u>-</u>

* 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 30 September 2013 RM'000	As at 30 September 2012 RM'000	As at 30 September 2013 RM'000	As at 30 September 2012 RM'000
Penultimate holding company				
Income:				
Brokerage fees earned	9,580	8,811	-	-
Fee income	20	-	-	-
Expenditures:				
Interest expense on deposits	-	224	-	-
Rental expense	4,710	6,471	4,710	6,471
Subsidiaries				
Income:				
Interest on loans	-	-	33	183
Rental of premises	-	-	1,970	2,005
Interest on short term deposits	-	-	13	530
Management fees	-	-	6,462	6,144
Dividend from subsidiaries	-	-	44,500	48,725
Expenditures:				
Other expenses	-	-	66	14
Associates				
Income:				
Brokerage fees	81	99	-	-
Rental received	322	322	322	322
Dividend from associates	-	-	2,772	3,697
Expenditures:				
Interest expense on deposits	79	127	-	-
Other related companies				
Income:				
Brokerage fees	1,018	1,108	-	-
Interest income on securities	14,035	9,088	-	-
Interest income on loans and advances	-	3,975	-	-
Fee income	568	169	-	-
Management fees	37	71	37	71
Rental received	-	1	-	1
Expenditures:				
Interest expense on deposits	5,227	6,867	-	-

23. Related party disclosures (cont'd.)

Significant related party transactions and balance (cont'd)

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 30 September 2013 RM'000	As at 31 December 2012 RM'000	As at 30 September 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
Associates				
Amount due from:				
Trade receivables	-	34	-	34
Amount due to:				
Rental deposit received	107	107	107	107
Deposit placement	2,537	4,958	-	-
Other related companies				
Amount due from:				
Fee receivables	30	48	-	-
Trade receivables	67	79	67	79
Loans and advances	6,478	-	-	-
Securities	342,633	353,289	-	-
Amount due to:				
Deposits from placements of banks and other financial institutions	312,266	258,369	-	-
Other payables	445	288	-	-

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	
	30 September 2013 RM'000	31 December 2012 RM'000
(i) Total credit exposures with connected parties	385,928	360,000
(ii) Percentage of total credit exposures to connected parties as proportion of total credit exposures	10.41%	9.12%
(iii) Percentage of total credit exposures to connected parties which is impaired or in default	Nil	Nil

25. Capital adequacy

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

	As at 30 September 2013 RM'000	As at 31 December 2012 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	(16,910)	18,301
Profit equalisation reserve	9,056	9,151
Retained profits	84,858	118,231
Regulatory adjustments of CET1	743,635	812,314
Less: Deferred tax assets	(9,111)	(309)
55% of cumulative gains of securities available-for-sale	(2,456)	(17,877)
Profit equalisation reserve	(9,056)	(9,151)
Total Tier-I capital	<u>723,012</u>	<u>784,977</u>
Eligible collective impairment allowance	1,091	746
Total Tier-II capital	<u>1,091</u>	<u>746</u>
Total capital	724,103	785,723
Less:		
Investment in capital instrument of other banking institutions	(5,000)	(5,000)
CET1 Capital	<u>719,103</u>	<u>780,723</u>
CET1 Capital	31.449%	41.190%
Tier 1 Capital	31.449%	41.190%
Total Capital	31.449%	41.190%

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

Group	30 September 2013		31 December 2012	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount RM'000	Risk-weighted amount RM'000
0%	1,969,483	-	1,551,580	-
20%	1,958,766	391,753	2,255,791	451,158
35%	532	186	567	198
50%	346,191	173,096	241,339	120,670
75%	165	124	81	61
100%	1,112,640	1,112,640	692,629	692,629
150%	54,323	81,485	115,009	172,513
Total risk weighted assets for credit risk	<u>5,442,100</u>	<u>1,759,284</u>	<u>4,856,996</u>	<u>1,437,229</u>
Total risk weighted assets equivalent for market risk	-	328,200	-	263,152
Total risk weighted assets equivalent for operational risk	-	199,167	-	195,019
	<u>5,442,100</u>	<u>2,286,651</u>	<u>4,856,996</u>	<u>1,895,400</u>

26. Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30 September 2013				
Financial assets				
Securities held-for-trading				
Money market instruments				-
Quoted securities	252	-	-	252
Unquoted securities	-	-	205,452	205,452
Securities available-for-sale				
Money market instruments	-	1,702,204	-	1,702,204
Quoted securities	2,800	-	-	2,800
Unquoted securities	-	1,859,403	82,983	1,942,386
Derivative assets	-	5,113	-	5,113
	<u>3,052</u>	<u>3,566,720</u>	<u>288,435</u>	<u>3,858,207</u>
Financial liabilities				
Derivative liabilities	-	411	-	411
At 31 December 2012				
Financial assets				
Securities held-for-trading				
Money market instruments	-	400,170	-	400,170
Quoted securities	207	-	-	207
Unquoted securities	-	-	3,596	3,596
Securities available-for-sale				
Money market instruments	-	863,789	-	863,789
Quoted securities	21,679	-	-	21,679
Unquoted securities	-	2,648,784	149,940	2,798,724
Derivative assets	-	644	-	644
	<u>21,886</u>	<u>3,913,387</u>	<u>153,536</u>	<u>4,088,809</u>
Financial liabilities				
Derivative liabilities	-	1,486	-	1,486

26. Fair value hierarchy (cont'd)

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30 September 2013				
Financial assets				
Securities held-for-trading				
Quoted securities	252	-	-	252
Unquoted securities	-	-	205,452	205,452
Securities available-for-sale				
Quoted securities	1,728	-	-	1,728
Unquoted securities	-	-	9,043	9,043
	<u>1,980</u>	<u>-</u>	<u>214,495</u>	<u>216,475</u>
At 31 December 2012				
Financial assets				
Securities held-for-trading				
Quoted securities	207	-	-	207
Unquoted securities	-	-	3,596	3,596
Securities available-for-sale				
Quoted securities	1,836	-	-	1,836
Unquoted securities	-	-	13,288	13,288
	<u>2,043</u>	<u>-</u>	<u>16,884</u>	<u>18,927</u>

There was no transfer between Level 1 and Level 2 of the fair value hierarchy during the financial period.

The following table shows a reconciliation of the opening and closing amounts of Level 3 financial instruments which are recorded at fair value:

Group	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
30.9.2013			
Unquoted securities			
At 1 January	3,596	149,940	153,536
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	1,624	1,624
Included within net income from Islamic Banking operation	-	198	198
Included within impairment loss on securities	964	1,772	2,736
	964	3,594	4,558
Total gains/(losses) recognised in other comprehensive income	-	-	-
Transfers from Level 2	-	-	-
Additional investment	200,892	-	200,892
Settlements	-	(70,551)	(70,551)
At 30 September	<u>4,560</u>	<u>82,983</u>	<u>288,435</u>

26. Fair value hierarchy (cont'd)

Group (cont'd)	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
31.12.2012			
Unquoted securities			
At 1 January	4,724	185,914	190,638
Total gains/(losses) recognised in profit or loss:			
Included within interest income	545	1,956	2,501
Included within net income from Islamic Banking operation	-	292	292
Included within impairment loss on securities	(1,673)	5,382	3,709
	(1,128)	7,630	6,502
Total gains/(losses) recognised in other comprehensive income	-	(34,272)	(34,272)
Transfers from Level 2	-	-	-
Settlements	-	(9,332)	(9,332)
At 31 December	<u>3,596</u>	<u>149,940</u>	<u>153,536</u>
Company			
30.9.2013			
Unquoted securities			
At 1 January	3,596	13,288	16,884
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	403	403
Included within impairment loss on securities	964	305	1,269
	964	708	1,672
Total gains/(losses) recognised in other comprehensive income	-	-	-
Transfers from Level 2	-	-	-
Additional investment	200,892	-	200,892
Settlements	-	(4,953)	(4,953)
At 30 September	<u>205,452</u>	<u>9,043</u>	<u>214,495</u>
31.12.2012			
Unquoted securities			
At 1 January	4,724	45,267	49,991
Total gains/(losses) recognised in profit or loss:			
Included within interest income	545	7	552
Included within impairment loss on securities	(1,673)	1,586	(87)
	(1,128)	1,593	465
Total gains/(losses) recognised in other comprehensive income	-	(34,272)	(34,272)
Transfers from Level 2	-	-	-
Settlements	-	700	700
At 31 December	<u>3,596</u>	<u>13,288</u>	<u>16,884</u>

The above total gains/(losses) on Level 3 financial instruments recognised in profit or loss for the current financial period is attributable to those financial instruments held as at reporting date.

27. Operations of Islamic Banking Business

(a) CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	Group	
		30 September 2013 RM'000	31 December 2012 RM'000
ASSETS			
Cash and short-term funds		215,252	201,842
Deposits and placements with licensed banks and other financial institutions		87,800	1,100
Securities held-for-trading	26 (c)	-	199,530
Securities available-for-sale	26 (d)	1,261,738	1,150,600
Securities held-to-maturity	26 (e)	99,432	9,533
Financing and advances	26 (f)	5,249	8,229
Other assets		4,578	4,684
Deferred tax assets		4,292	1,674
TOTAL ASSETS		1,678,341	1,577,192
LIABILITIES			
Deposits from customers	26 (g)	489,990	449,530
Deposits and placements of banks and other financial institutions	26 (h)	522,479	643,039
Borrowings (unsecured)	13	160,850	162,700
Profit equalisation reserve		12,470	12,956
Other liabilities		33,079	15,147
Provision for taxation and zakat		2,949	1,831
Amount due to Head Office		7	5,007
TOTAL LIABILITIES		1,221,824	1,290,210
ISLAMIC BANKING CAPITAL FUNDS			
Funds allocated from Head Office		336,600	170,000
Reserves		119,917	116,982
TOTAL ISLAMIC BANKING CAPITAL FUNDS		456,517	286,982
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		1,678,341	1,577,192

27. Operations of Islamic Banking Business

(a) CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2013

	Note	Company	
		30 September 2013 RM'000	31 December 2012 RM'000
ASSETS			
Cash and short-term funds		112,676	192,971
Deposits and placements with licensed banks and other financial institutions		87,800	1,100
Financing and advances	26 (f)	5,249	8,229
Other assets		1,189	417
Deferred tax assets		96	96
TOTAL ASSETS		<u>207,010</u>	<u>202,813</u>
LIABILITIES			
Borrowings (unsecured)	13	160,850	162,700
Other liabilities		20,302	12,753
Provision for taxation and zakat		2,334	1,359
Amount due to Head Office		7	-
TOTAL LIABILITIES		<u>183,493</u>	<u>176,812</u>
ISLAMIC BANKING CAPITAL FUNDS			
Funds allocated from Head Office		20,000	20,000
Reserves		3,517	6,001
TOTAL ISLAMIC BANKING CAPITAL FUNDS		<u>23,517</u>	<u>26,001</u>
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		<u>207,010</u>	<u>202,813</u>

27. Operations of Islamic Banking Business (cont'd)

(b) CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2013 RM'000	30 September 2012 RM'000	30 September 2013 RM'000	30 September 2012 RM'000
Income derived from investment of depositors funds and others	14,054	12,494	43,348	56,474
Income derived from Government Scheme Funds	2,763	2,676	8,362	8,511
Transfer to profit equalisation reserve	(170)	(5,834)	(1,561)	(7,385)
Total attributable income	16,647	9,336	50,149	57,600
Income attributable to depositors	(8,382)	(8,464)	(23,699)	(26,986)
Net income attributable to the reporting institution	8,265	872	26,450	30,614
Other operating expenses	(2,583)	(2,494)	(7,924)	(7,939)
Operating profit	5,682	(1,622)	18,526	22,675
Impairment losses on securities	(63)	5,280	(129)	5,602
Impairment losses on financing and advances	58	1,293	329	1,296
Finance costs	(3)	(16)	(29)	(53)
Profit before taxation and zakat	5,674	4,935	18,697	29,520
Taxation	(410)	(442)	(1,203)	(1,244)
Zakat	(136)	(93)	(702)	(705)
Profit for the period	5,128	4,400	16,792	27,571
<u>Company</u>				
Income derived from investment of depositors funds and others	711	597	2,005	2,188
Income derived from Government Scheme Funds	2,763	2,676	8,362	8,511
Income attributable to the reporting institution	3,474	3,273	10,367	10,699
Other operating expenses	(1,885)	(1,867)	(5,854)	(6,051)
Operating profit	1,589	1,406	4,513	4,648
Impairment (losses) / writeback on financing and advances	58	1,293	329	1,296
Finance costs	(3)	(16)	(29)	(53)
Profit before taxation and zakat	1,644	2,683	4,813	5,891
Taxation	(410)	(442)	(1,203)	(1,244)
Zakat	(32)	(34)	(93)	(96)
Profit for the period	1,202	2,207	3,517	4,551

27. Operations of Islamic Banking Business (cont'd)

(c) Securities held-for-trading

	Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
At fair value		
Money market instruments:		
Bank Negara Monetary Notes	-	199,530

(d) Securities available-for-sale

	Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
At fair value		
Money market instruments:		
Government Investment Issue	100,424	151,426
Bank Negara Monetary Notes	349,424	78,137
Islamic Acceptance Bills	-	51,591
Islamic Negotiable Certificate of Deposits	507,189	488,073
	<u>957,037</u>	<u>769,227</u>
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	304,701	381,373
	<u>1,261,738</u>	<u>1,150,600</u>

(e) Securities held-to-maturity

	Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
At amortised cost		
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	99,432	9,533

(f) Financing and advances

	Group and Company	
	30 September 2013	31 December 2012
	RM'000	RM'000
Term financing		
- Islamic hire purchase/leasing	6,132	7,026
- Other term financing	2,873	5,764
	<u>9,005</u>	<u>12,790</u>
Less: Unearned income	(409)	(866)
Gross financing and advances	<u>8,596</u>	<u>11,924</u>
Less: Impairment provision		
- Collective impairment provision	(97)	(401)
- Individual impairment provision	(3,250)	(3,294)
Total net financing and advances	<u>5,249</u>	<u>8,229</u>

27. Operations of Islamic Banking Business (cont'd)

(f) Financing and advances (cont'd)

(i) By type

Group and Company

	Sale-based contract Bai Bithaman Ajil	Lease-based contract Al-Ijarah Thumma Al-	Total financing and advances
30 September 2013			
Hire purchase receivables	-	6,100	6,100
Other term financing	2,496	-	2,496
Total financing and advances	2,496	6,100	8,596

	Sale-based contract Bai Bithaman Ajil	Lease-based contract Al-Ijarah Thumma Al-	Total financing and advances
31 December 2012			
Hire purchase receivables	-	6,932	6,932
Other term financing	4,992	-	4,992
Total financing and advances	4,992	6,932	11,924

(ii) By contract

	Group and Company	
	30 September 2013 RM'000	31 December 2012 RM'000
Bai Bithaman Ajil (deferred payment sales)	2,496	4,992
Al-Ijarah Thumma Al-Bai (finance lease)	6,100	6,932
	8,596	11,924

(iii) By type of customer

	Group and Company	
	30 September 2013 RM'000	31 December 2012 RM'000
Domestic business enterprises	8,596	11,924

(iv) By profit rate sensitivity

	Group and Company	
	30 September 2013 RM'000	31 December 2012 RM'000
Fixed rate		
Hire purchase receivables	6,100	6,932
Other fixed rate financing	2,496	4,992
	8,596	11,924

(v) By economic sector

	Group and Company	
	30 September 2013 RM'000	31 December 2012 RM'000
Manufacturing	7,399	10,415
Wholesale & retail trade and restaurants & hotels	119	178
Transport, storage and communications	371	406
Others	707	925
	8,596	11,924

27. Operations of Islamic Banking Business (cont'd)

(f) Financing and advances (cont'd)

(vi) Impaired financing and advances by economic sector

	Group and Company	
	30 September 2013	31 December 2012
	RM'000	RM'000
Manufacturing	4,775	4,772
Wholesale & retail trade and restaurants & hotels	119	178
Transport, storage and communications	371	406
Others	430	430
	<u>5,695</u>	<u>5,786</u>

(vii) Movements in impaired financing and advances

	Group and Company	
	30 September 2013	31 December 2012
	RM'000	RM'000
At 1 January	5,786	7,697
Impaired during the period/year	414	-
Reclassified as unimpaired during the period/year	-	(491)
Amount recovered	(447)	(1,420)
Amount written off	(58)	-
At 30 September / 31 December	<u>5,695</u>	<u>5,786</u>
Less: Individual impairment provision	<u>(3,250)</u>	<u>(3,294)</u>
Net impaired financing and advances	<u>2,445</u>	<u>2,492</u>
Net impaired financing and advances as % of gross financing and advances less individual impairment provision	<u>45.74%</u>	<u>28.88%</u>

(viii) Movements in impairment allowance

	Group and Company	
	30 September 2013	31 December 2012
	RM'000	RM'000
Collective impairment allowance		
At 1 January	401	1,495
Amount written back	(304)	(1,094)
At 30 September / 31 December	<u>97</u>	<u>401</u>
As % of gross financing and advances less individual impairment allowance	<u>1.81%</u>	<u>4.65%</u>

	Group and Company	
	30 September 2013	31 December 2012
	RM'000	RM'000
Individual impairment allowance		
At 1 January	3,294	3,721
Impairment made during the period/year	389	756
Impairment allowance written back during the period/year	(366)	(1,164)
Amount written off	(58)	-
Discount unwind	(9)	(19)
At 30 September / 31 December	<u>3,250</u>	<u>3,294</u>

27. Operations of Islamic Banking Business (cont'd)

(g) Deposits from customers

	Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
(i) By type of deposits		
Mudharabah Fund		
- Fixed/Investment deposits	453,987	371,014
- Others	36,003	78,516
	<u>489,990</u>	<u>449,530</u>

(ii) By type of customers

Mudharabah Fund
 - Unrestricted investment accounts

	<u>489,990</u>	<u>449,530</u>
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(ii) By type of customers

Mudharabah Fund
 - Business enterprises

	<u>489,990</u>	<u>449,530</u>
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(h) Deposits and placements of banks and other financial institutions

	Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
(i) By type of deposits		
Mudharabah Fund		
- Fixed/Investment deposits	521,562	611,722
- Others	917	31,317
	<u>522,479</u>	<u>643,039</u>

(ii) By type of customers

Mudharabah Fund
 - Licensed Islamic banks
 - Other financial institutions

	Group	
	30 September 2013	31 December 2012
	RM'000	RM'000
	-	40,000
	522,479	603,039
	<u>522,479</u>	<u>643,039</u>

27. Operations of Islamic Banking Business (cont'd)

(i) Capital adequacy

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

	As at 30 September 2013 RM'000	As at 31 December 2012 RM'000
	RM'000	RM'000
Common Equity Tier 1 (CET1)		
Paid-up share capital	316,600	150,000
Unrealised gain and loss of securities available-for-sale	(3,830)	6,644
Profit equalisation reserve	9,055	9,151
Retained profits	96,848	96,848
Regulatory adjustments of CET1	418,673	262,643
Less: Deferred tax assets	(4,196)	(1,578)
55% of cumulative gains of securities available-for-sale	(390)	(4,230)
Profit equalisation reserve	(9,055)	(9,151)
Total Tier-I capital	405,032	247,684
Eligible collective impairment allowance	-	-
Total Tier-II capital	-	-
Total capital	405,032	247,684
Less:		
Investment in subsidiaries banking institutions	-	-
CET1 Capital	405,032	247,684
CET1 Capital	137.01%	126.53%
Tier 1 Capital	137.01%	126.53%
Total Capital	137.01%	126.53%

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

Group	30 September 2013		31 December 2012	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount RM'000	Risk-weighted amount RM'000
0%	557,986	-	390,657	-
20%	793,427	158,685	773,479	154,696
50%	22,333	11,167	4,868	2,434
100%	93,389	93,389	4,267	4,267
Total risk weighted assets for credit risk	1,467,135	263,241	1,173,271	161,397
Total risk weighted assets equivalent for market risk	-	-	-	2,493
Total risk weighted assets equivalent for operational risk	-	32,384	-	31,869
	1,467,135	295,625	1,173,271	195,759

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 nine months ended 30th September 2013, as set out on pages 1 to 41, 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 September 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

31 October 2013