

CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	Note	Group		Company	
		30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
ASSETS					
Cash and short-term funds	6	765,834	785,126	654,688	726,293
Deposits and placements with licensed banks and other financial institutions	7	156,481	346,741	119,500	327,100
Securities held-for-trading	8	137,892	146,951	137,892	146,951
Securities available-for-sale	9	2,267,132	3,183,015	5,548	9,910
Securities held-to-maturity	10	1,080,041	732,795	-	-
Derivative assets		9,945	9,743	-	-
Loans, advances and financing	11	958,021	708,687	69,363	64,422
Other assets	12	153,415	206,928	184,192	21,163
Statutory deposits with Bank Negara Malaysia		113,371	144,239	-	-
Investment in associate		2,990	3,457	2,560	2,560
Investment in subsidiaries		-	-	766,029	785,252
Investment properties		3,629	3,695	-	-
Property, plant and equipment		3,756	4,434	2,897	3,642
Intangible assets		367	958	-	-
Deferred tax assets		20,700	21,480	6,951	6,409
Goodwill		86,713	86,713	-	-
TOTAL ASSETS		5,760,287	6,384,962	1,949,620	2,093,702
LIABILITIES					
Deposits from customers	13	1,223,809	1,342,950	-	-
Deposits and placements of banks and other financial institutions	14	2,238,157	2,601,236	-	-
Other liabilities		194,098	244,050	31,911	39,540
Borrowings	15	353,412	365,736	353,412	365,736
Provision for taxation and zakat		5,705	2,903	4,113	1,781
Employee benefits		11,134	11,039	8,949	8,869
Deferred tax liabilities		245	109	-	-
TOTAL LIABILITIES		4,026,560	4,568,023	398,385	415,926
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		131,324	131,324	-	-
Profit equalisation reserve		8,757	8,723	-	-
Securities available-for-sale reserve		(19,738)	(22,485)	2,050	3,676
Retained profits		783,213	861,216	719,254	844,169
		1,733,487	1,808,709	1,551,235	1,677,776
Non-controlling interests		240	8,230	-	-
TOTAL SHAREHOLDER'S EQUITY		1,733,727	1,816,939	1,551,235	1,677,776
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		5,760,287	6,384,962	1,949,620	2,093,702
COMMITMENTS AND CONTINGENCIES	24	1,963,126	1,936,437	29,840	21,137
NET ASSETS PER SHARE (RM)		3.72	3.88	3.33	3.60

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 2013.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

Group	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Continuing operations					
Operating revenue		82,039	84,218	254,016	252,581
Interest income	16	41,968	48,528	136,869	142,175
Interest expense	17	(24,058)	(27,738)	(75,321)	(81,789)
Net interest income		17,910	20,790	61,548	60,386
Net income from Islamic banking operations	30(b)	13,735	8,265	36,883	26,450
Other operating income	18	22,185	20,626	64,191	67,769
		53,830	49,681	162,622	154,605
Operating expenses	19	(26,764)	(24,812)	(80,776)	(77,500)
Operating profit		27,066	24,869	81,846	77,105
Impairment losses written-back on loans, advances and financing	20	3,033	2,547	806	14,673
Impairment loss written back on securities (net)	21	7,006	389	8,548	915
Impairment loss written-back on other assets		658	432	710	542
Profit before share of results in associates		37,763	28,237	91,910	93,235
Share of results in associates		532	467	1,381	1,654
Profit before taxation and zakat		38,295	28,704	93,291	94,889
Taxation		(7,008)	(6,554)	(20,484)	(23,252)
Zakat		(274)	(136)	(730)	(702)
Profit for the period		31,013	22,014	72,077	70,935
Attributable to:					
Shareholder of the Company		31,101	22,014	72,031	70,935
Non-controlling interests		-	-	46	-
Profit for the period		31,101	22,014	72,077	70,935
Earnings per share (sen)					
- Basic and diluted, for profit for the period		6.65	4.72	15.45	15.22

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 2013.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2014

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Profit for the period	31,101	22,014	72,077	70,935
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	(9)	1,401	(3,301)	(12,493)
Net unrealised gain/(loss) on revaluation of securities available-for-sale	8,930	(13,053)	6,048	(13,596)
Total other comprehensive income/(loss) for the period, net of tax	8,921	(11,652)	2,747	(26,089)
Total comprehensive income for the period	40,022	10,362	74,824	44,846
Total comprehensive income for the period attributable to:				
Shareholder of the Company	40,022	10,362	74,778	44,846
Non-controlling interests	-	-	46	-
	40,022	10,362	74,824	44,846

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 2013.

CONDENSED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

<u>Company</u>	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Operating revenue		<u>19,931</u>	61,997	<u>83,524</u>	97,785
Interest income	16	<u>5,438</u>	8,428	<u>19,557</u>	26,730
Interest expense	17	<u>(1,346)</u>	(1,501)	<u>(4,051)</u>	(4,626)
Net interest income		<u>4,092</u>	6,927	<u>15,506</u>	22,104
Net income from Islamic banking operations	30(b)	<u>5,955</u>	3,474	<u>15,721</u>	10,367
Other operating income	18	<u>12,315</u>	54,037	<u>59,603</u>	72,774
		<u>22,362</u>	64,438	<u>90,830</u>	105,245
Operating expenses	19	<u>(13,941)</u>	(12,162)	<u>(41,541)</u>	(38,567)
Operating profit		8,421	52,276	49,289	66,678
Impairment losses written-back on loans, advances and financing	20	<u>3,598</u>	3,382	<u>7,601</u>	10,411
Impairment loss made on securities (net)	21	<u>354</u>	(168)	<u>1,325</u>	(527)
Impairment loss made on subsidiary		-	-	<u>(24,222)</u>	-
Profit before taxation and zakat		12,373	55,490	33,993	76,562
Taxation		(3,309)	(13,229)	(8,701)	(18,400)
Zakat		(79)	(32)	(207)	(93)
Profit for the period		8,985	42,229	25,085	58,069

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 2013.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2014

<u>Company</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Profit for the period	8,985	42,229	25,085	58,069
Other comprehensive income:				
Net (loss)/gain on securities available-for-sale	(241)	240	(1,626)	221
Other comprehensive (loss)/gain for the period, net of tax	(241)	240	(1,626)	221
Total comprehensive income for the period	8,744	42,469	23,459	58,290

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 2013.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	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 *				
Group	-----RM'000-----								
At 1 January 2014	466,070	363,861	(22,485)	8,723	131,324	861,216	1,808,709	8,230	1,816,939
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	-	-	(3,301)	-	-	-	(3,301)	-	(3,301)
Net unrealised loss on revaluation of securities available-for-sale	-	-	6,048	-	-	-	6,048	-	6,048
Total other comprehensive income for the period	-	-	2,747	-	-	-	2,747	-	2,747
Profit for the period	-	-	-	-	-	72,031	72,031	46	72,077
Total comprehensive income for the period	-	-	2,747	-	-	72,031	74,778	46	74,824
Dividend paid to minority Transactions with owner of the Company	-	-	-	-	-	-	-	(8,036)	(8,036)
Profit equalisation reserve	-	-	-	34	-	(34)	-	-	-
Dividends	-	-	-	-	-	(150,000)	(150,000)	-	(150,000)
Total transactions with owner of the Company	-	-	-	34	-	(150,034)	(150,000)	-	(150,000)
At 30 September 2014	466,070	363,861	(19,738)	8,757	131,324	783,213	1,733,487	240	1,733,727

* The statutory reserve is maintained in compliance with the provisions of the Financial Service Act, 2013 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 2013.

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	Non-Distributable 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	754,626	1,725,606	-	1,725,606
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	-	-	(12,493)	-	-	-	(12,493)	-	(12,493)
Net unrealised gain 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
Total 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	1,770,452	-	1,770,452

* The statutory reserve is maintained in compliance with the provisions of the Financial Service Act, 2013 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 2013.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	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 2014	466,070	363,861	3,676	844,169	1,677,776
Net unrealised loss on revaluation of securities available-for-sale	-	-	(1,626)	-	(1,626)
Total other comprehensive income for the period	-	-	(1,626)	-	(1,626)
Profit for the period	-	-	-	25,085	25,085
Total comprehensive income for the period	-	-	(1,626)	25,085	23,459
Transaction with owner of the Company					
Dividends	-	-	-	(150,000)	(150,000)
Total transactions with owners of the Company	-	-	-	(150,000)	(150,000)
At 30 September 2014	466,070	363,861	2,050	719,254	1,551,235

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 2013.

UNAUDITED 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	
Company	-----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
Total 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 2013.

CONDENSED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	Group		Company	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Profit before taxation and zakat:				
Continuing operations	93,291	94,889	33,993	76,562
Adjustments for non-cash items	(35,787)	(52,731)	(14,416)	2,283
Operating profit before changes in working capital	57,504	42,158	19,577	78,845
Changes in working capital:				
Net changes in operating assets	455,969	(261,000)	(142,650)	(23,252)
Net changes in operating liabilities	(532,172)	181,742	(7,629)	(11,314)
Tax expense paid	(17,632)	(20,123)	(6,719)	(6,163)
Retirement benefits paid	(516)	(234)	(516)	(234)
Net cash (used in) / generated from operating activities	(36,847)	(57,457)	(137,937)	37,882
Net cash (used in) / generated from investing activities	(2,345)	47,813	21,056	(167,397)
Net cash used in financing activities	(170,360)	(29,965)	(162,324)	(26,184)
Net decreased in cash and cash equivalents	(209,552)	(39,609)	(279,205)	(155,699)
Cash and cash equivalents at beginning of the period	1,131,867	1,222,132	1,053,393	1,166,401
Cash and cash equivalents at end of the period	922,315	1,182,523	774,188	1,010,702

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

	Group		Company	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Cash and short-term funds	765,834	829,963	654,688	661,002
Deposits and placements with banks and other financial institutions	156,481	352,560	119,500	349,700
	922,315	1,182,523	774,188	1,010,702

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 2013.

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 2013.

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 2013.

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 2013 except for the adoption of the following Malaysian Financial Reporting Standards ("MFRS"), Amendments to MFRSs and IC Interpretations which are effective from 1 January 2014.

Adoption of Amendments to Standards and IC Interpretations

The Group and the Company have adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2014

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interest 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	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

The adoption of the above pronouncement did not have any impact on the financial statements of the Group and the Company

Defined Benefit Plans: Employee Contributions (Amendments to MFRS 119)
Amendments to MFRSs contained in the document entitled "Annual Improvements 2010-2012 Cycle"
Amendments to MFRSs contained in the document entitled "Annual Improvements 2011-2013 Cycle"

Standards issued but not yet effective

At the date of authorisation of the condensed interim financial statements, the following Standards were issued but not yet effective and have not been adopted by the Group and the Company.

At the date of authorisation of the condensed interim financial statements, the following Standards were issued but not yet effective and have not been adopted by the Group and the Company.

Description	Effective for financial periods beginning on or after
MFRS 9 Financial Instruments (IFRS 9 issued by International Accounting Standards Board (IASB) in November 2009)	To be announced by Malaysian Accounting Standards Board (MASB)
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced by MASB
MFRS 9 Financial Instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 and MFRS 7)	To be announced by MASB
MFRS 9 Financial Instruments (Hedge Accounting and amendment to MFRS 9, MFRS7 and MFRS 139)	To be announced by MASB
Defined Benefits Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRS 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRS 2011 - 2013 Cycle	1 July 2014

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2013 was not qualified.

4. Performance review

The Group registered a pre-tax profit of RM93.29 million for the period ended 30 September 2014, a slight decrease of 2% as compared to the previous corresponding period's pre-tax profit of RM94.89 million (as analysed in Note 22). The lower pre-tax profit is attributable to higher operating expenses for the reporting period.

5. Prospects for 2014

Malaysia's GDP growth accelerated to 6.4% in the second quarter, from 6.2% in the first quarter. Given the relatively robust first half growth, the country's GDP growth for 2014 is likely to exceed Bank Negara's forecast range of 4.5%-5.5%. The economy continues to benefit from a turnaround in external trade.

Inflation rate peaked for the year at 3.5% in March 2014 and eased slightly thereafter. In October 2014, the Malaysian Government had increased the price of fuel and diesel by 20 cents and 30 cents respectively. This is expected to keep inflation rate at an "elevated" level for the rest of the year and throughout 2015 as the Goods and Services Tax will take effect in April 2015. Inflation is expected to average at 3.2% in 2014, accelerating to 3.5-4.0% next year.

Despite Malaysia's commendable economic performance, the Financial Times Stock Exchange Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI") fell by -1.1% in the year to 30 September 2014. Global funds were drawn more to the markets in Indonesia, Philippines and Thailand, where a return of political stability and the implementation of economic reforms boosted investors' sentiment and confidence.

In the capital market, fund raising activities have been vibrant this year, after a lacklustre 2013. The net amount of fund raised by the private sector already amounted to RM35.4 billion in the first eight months of the year, and is set to surpass the RM38.3 billion raised in the entire 2013. Although the Initial Public Offering segment is still sluggish, rights issuance in 2014 had already hit RM10.2 billion in the year to August 2014, exceeding the annual amount recorded in 2011-2013. This indicates shareholders' confidence in the economy and the business climate. Premised on the above, the Investment Banking Division continues to see opportunities for fee-based activities in the equity capital market, corporate finance and corporate advisory.

The fund-based activities of the Investment Banking Division remained subdued in Quarter 3, 2014, following the hike in the Overnight Policy Rate ("OPR") by 25 basis point ("b.p") in July 2014. The hike was discounted, and bond prices subsequently traded higher, although this was largely due to carry trade activities by foreign investors positioning for stronger Ringgit. The Investment Banking Division was cautious in its position-taking, especially as the yield gap between 3 months and 10 year government bonds was at only 20 b.p. Fund-based activities is expected to remain subdued in Quarter 4, 2014, in line with the slowing-down of activities towards year-end.

The Malaysian Budget 2015 is still a continuation of the Government's strive to balance between the fiscal consolidation stance and the well-being of rakyat. The Federal Government's fiscal deficit for 2014 is projected to be 3.5% of GDP, in line with target. For next year, the deficit is expected to decline further to 3.0% of GDP.

The Development Finance Division will continue to work closely with the Government in providing financial assistance to the targeted sectors, especially the manufacturing and services sector, to enhance the capacity of Malaysian Small and Medium Enterprises ("SMEs"). The Division will continue to participate in the Government initiatives/programmes in supporting the SMEs sector as one of the major contributors to Malaysia's economy.

The Asset Management Division will continue to face increased competition in the fund management industry, despite some consolidation efforts among the asset management companies arising from mergers and acquisitions in the banking industry. We envisage a further reduction in management fees as competition intensifies. Our efforts will continue to focus on clients acquisition, customised products offerings and delivering top quartile performance to our clients.

The Mezzanine Financing Division is positioned to provide an alternative funding source, with focus on real estate development and equity financing. The Division also supports its clients through an advisory role and support in addition to the fundings capacity. This value-add approach adopted has resulted in an encouraging business portfolio.

The Group will focus on new income opportunities to enlarge the revenue base, in addition to the emphasis on operational efficiencies, credit, cost and capital management.

6. Cash and short-term funds

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Cash and short term funds	95,451	14,196	13,913	7,127
Deposits and placements maturing within one month	670,383	770,930	640,775	719,166
	<u>765,834</u>	<u>785,126</u>	<u>654,688</u>	<u>726,293</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to approximately RM1,789,000 and RM236,000 respectively (31 December 2013: RM3,054,000 and RM1,734,000 respectively). These amounts are excluded from the cash and short-term funds of the Group.

7. Deposits and placements with licensed banks and other financial institutions

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Deposits with licensed banks	97,281	277,441	70,300	267,800
Deposits with other financial institutions	59,200	69,300	49,200	59,300
	<u>156,481</u>	<u>346,741</u>	<u>119,500</u>	<u>327,100</u>

8. Securities held-for-trading

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
At fair value				
Money market instruments:				
Government Investment Issues	110,822	119,855	110,822	119,855
	<u>110,822</u>	<u>119,855</u>	<u>110,822</u>	<u>119,855</u>
Quoted securities in Malaysia:				
Shares	252	222	252	222
Unquoted securities in Malaysia:				
Private Debt Securities	26,817	19,809	26,817	19,809
Shares	1	1	1	1
Redeemable Convertible Secured Notes	-	7,064	-	7,064
	<u>26,818</u>	<u>26,874</u>	<u>26,818</u>	<u>26,874</u>
	<u>137,892</u>	<u>146,951</u>	<u>137,892</u>	<u>146,951</u>

9. Securities available-for-sale

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	3,338	3,295	-	-
Government Investment Issue	5,826	318,459	-	-
Bank Negara Monetary Notes	437,956	401,666	-	-
Malaysian Treasury Bills	49,928	9,947	-	-
Other Acceptances Discounted	-	147,598	-	-
Negotiable Instruments of Deposit	80,000	496,418	-	-
	<u>577,048</u>	<u>1,377,383</u>	<u>-</u>	<u>-</u>
Quoted securities in Malaysia:				
Shares and Warrants	4,882	2,834	-	1,944
Unquoted securities in Malaysia:				
Private Debt Securities	1,675,934	1,789,882	3,452	5,916
Loan Stocks	8,211	11,859	1,796	1,750
	<u>1,684,145</u>	<u>1,801,741</u>	<u>5,248</u>	<u>7,666</u>
At cost				
Unquoted securities in Malaysia:				
Shares	1,057	1,057	300	300
	<u>2,267,132</u>	<u>3,183,015</u>	<u>5,548</u>	<u>9,910</u>

10. Securities held-to-maturity

	Note	Group	
		30 September 2014 RM'000	31 December 2013 RM'000
At amortised cost			
Money market instruments:			
Bank Negara Monetary Notes		49,818	-
Negotiable Instruments of Deposit		298,211	-
		<u>348,029</u>	<u>-</u>
Unquoted securities in Malaysia:			
Private Debt Securities		797,917	798,778
Loan Stocks		2,058	2,058
		<u>799,975</u>	<u>800,836</u>
Less: Individual impairment allowance	(a)	<u>(67,963)</u>	<u>(68,041)</u>
		<u>1,080,041</u>	<u>732,795</u>

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

	Group	
	30 September 2014 RM'000	31 December 2013 RM'000
At 1 January	(68,041)	(68,117)
Amount written back	-	72
Impairment made during the year	-	(5)
Write off	78	-
Discount unwind	-	9
At 30 September/December	<u>(67,963)</u>	<u>(68,041)</u>

11. Loans, advances and financing

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Term loans				
- Syndicated term loan/financing	369,629	167,515	-	-
- Hire purchase receivables	10,404	14,768	1,422	5,707
- Lease receivables	1,568	1,568	-	-
- Other term loans/financing	509,973	519,360	121,090	108,899
	<u>891,574</u>	<u>703,211</u>	<u>122,512</u>	<u>114,606</u>
Staff loans	2,751	3,010	1,909	1,822
Margin accounts	225,703	155,762	-	-
	1,120,028	861,983	124,421	116,428
Less: Unearned interest and income	(9,671)	(3,490)	(9,671)	(3,490)
Gross loans, advances and financing	<u>1,110,357</u>	<u>858,493</u>	<u>114,750</u>	<u>112,938</u>
Less: Security deposits	(23)	(23)	-	-
Less: Impairment allowance				
- Collective impairment allowance	(6,180)	(6,997)	(2,214)	(3,412)
- Individual impairment allowance	(146,133)	(142,786)	(43,173)	(45,104)
Total net loans, advances and financing	<u>958,021</u>	<u>708,687</u>	<u>69,363</u>	<u>64,422</u>

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

a. By type of customer

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Domestic business enterprises				
- Small medium enterprises	772,248	706,126	65,618	64,321
- Others	184,980	48,602	47,223	46,795
Individuals	<u>153,129</u>	<u>103,765</u>	<u>1,909</u>	<u>1,822</u>
Gross loans, advances and financing	<u>1,110,357</u>	<u>858,493</u>	<u>114,750</u>	<u>112,938</u>

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

b. By interest/profit rate sensitivity

	Group		Company	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Staff loans	2,632	3,010	1,909	1,822
- Hire purchase receivables	13,907	14,733	4,925	5,673
- Other fixed rate loan/financing	343,488	227,772	76,101	69,656
Variable rate				
- BLR plus	31,815	35,787	31,815	35,787
- Cost plus	718,515	577,191	-	-
Gross loans, advances and financing	<u>1,110,357</u>	<u>858,493</u>	<u>114,750</u>	<u>112,938</u>

c. By economic sector

	Group		Company	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
	RM'000	RM'000	RM'000	RM'000
Mining and quarrying	60,166	5,614	-	-
Manufacturing	168,052	189,564	68,684	77,639
Construction	217,263	33,649	-	-
Purchase of residential property	89	189	-	-
Wholesale & retail trade and restaurants & hotels	35,493	31,452	23,521	18,899
Transport, storage and communications	88,768	56,204	3,179	3,245
Finance, insurance and business services	219,614	298,248	15,484	10,693
Purchase of transport vehicles	7,697	7,777	-	-
Electricity, gas and water supply	-	100,194	-	-
Education & health	35,097	-	-	-
Others	278,118	135,602	3,882	2,462
Gross loans, advances and financing	<u>1,110,357</u>	<u>858,493</u>	<u>114,750</u>	<u>112,938</u>

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

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

(i.) ILs by economic sector

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Manufacturing	149,597	155,667	56,759	62,814
Construction	3,465	3,464	-	-
Purchase of residential property	-	94	-	-
Wholesale & retail trade and restaurants & hotels	20,721	20,280	8,757	7,735
Transport, storage and communication	3,628	3,665	2,959	2,996
Finance, insurance and business services	4,070	2,810	2,100	855
Purchase of transport vehicles	7,618	7,821	-	-
Others	1,176	1,122	428	437
	<u>190,275</u>	<u>194,923</u>	<u>71,003</u>	<u>74,837</u>

(ii.) Movements in ILs

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
At 1 January	194,923	210,308	74,837	88,612
Classified as impaired during the period/ year	7,184	3,851	7,119	3,557
Reclassified as unimpaired during the period/ year	-	(862)	-	(768)
Amount recovered	(11,737)	(4,899)	(10,953)	(3,075)
Amount written off	(95)	(13,475)	-	(13,489)
At 30 September / 31 December	<u>190,275</u>	<u>194,923</u>	<u>71,003</u>	<u>74,837</u>
Less: Individual impairment allowance	<u>(146,133)</u>	<u>(142,786)</u>	<u>(43,173)</u>	<u>(45,104)</u>
Net ILs	<u>44,142</u>	<u>52,137</u>	<u>27,830</u>	<u>29,733</u>
Net ILs as % of gross loans, advances and financing less individual impairment allowance	<u>4.58%</u>	<u>7.28%</u>	<u>38.88%</u>	<u>43.83%</u>

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

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

(iii.) Movements in impairment provision

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Collective impairment allowance				
At 1 January	6,997	4,353	3,412	3,607
(Written back)/impairment made during the period/year	(817)	2,644	(1,198)	(195)
At 30 September/ 31 December	<u>6,180</u>	<u>6,997</u>	<u>2,214</u>	<u>3,412</u>
 As % of gross loans, advances and financing less individual impairment allowance	 <u>0.64%</u>	 <u>0.98%</u>	 <u>3.09%</u>	 <u>5.03%</u>

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Individual impairment allowance				
At 1 January	142,786	159,848	45,104	61,613
Impairment made during the period/year	9,489	5,898	1,774	3,922
Amount written-back	(3,869)	(6,264)	(2,652)	(5,442)
Amount written off	(95)	(13,489)	-	(13,489)
Discount unwind	(2,178)	(3,207)	(1,053)	(1,500)
At 30 September/ 31 December	<u>146,133</u>	<u>142,786</u>	<u>43,173</u>	<u>45,104</u>

12. Other assets

	Note	Group		Company	
		30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Accrued interest, commitment charges, commissions, and fees receivable		29,382	31,412	4,593	4,888
Amount due from subsidiaries					
- current accounts	(a)	-	-	2,044	1,943
- advances	(b)	-	-	170,183	1,052
Clients' and brokers' accounts	(c)	99,791	111,509	-	-
Less: Individual impairment allowance	(c)	(2,558)	(2,558)	-	-
		97,233	108,951	-	-
Trade receivables		324	3,163	-	-
Less: Individual impairment allowance		(153)	(88)	-	-
		171	3,075	-	-
Other receivables, deposits and prepayments		18,185	59,584	7,628	13,572
Less: Individual impairment allowance		(5,035)	(5,704)	(256)	(292)
		13,150	53,880	7,372	13,280
Tax recoverable		13,479	9,610	-	-
		<u>153,415</u>	<u>206,928</u>	<u>184,192</u>	<u>21,163</u>

(a) Amount due from subsidiaries - current accounts

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

(b) Amount due from subsidiaries - advances

The advances due from subsidiaries are unsecured, bear interest at 4.35% (2013: 4.45%) per annum and are repayable on demand.

12. Other assets (cont'd)

Group	Note	30 September	31 December
		2014	2013
		RM'000	RM'000
(c) Clients' and brokers' accounts			
Brokers		30,889	23,779
Clients		68,902	87,730
		<u>99,791</u>	<u>111,509</u>
Less: Individual impairment allowance	(i)	<u>(2,558)</u>	<u>(2,558)</u>
		<u>97,233</u>	<u>108,951</u>

Clients' and brokers' debit balances 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	30 September	31 December
	2014	2013
	RM'000	RM'000
(i) Movements in individual impairment allowance on amount from clients:		
At 1 January	(2,558)	(2,576)
Amount written back	-	18
At 30 September/ 31 December	<u>(2,558)</u>	<u>(2,558)</u>

13. Deposits from customers

Group	30 September	31 December
	2014	2013
	RM'000	RM'000
(i) By type of deposit		
- Call deposits	96,939	119,976
- Fixed deposits	1,126,870	1,222,974
	<u>1,223,809</u>	<u>1,342,950</u>
(ii) By type of customer		
- Business enterprises	1,054,953	1,219,053
- Government and statutory bodies	165,000	120,000
- Individuals	3,856	3,897
	<u>1,223,809</u>	<u>1,342,950</u>
(iii) The maturity structure of term deposits is as follows:		
Due within six months	1,196,357	1,340,247
Six months to one year	27,452	2,703
	<u>1,223,809</u>	<u>1,342,950</u>

14. Deposits and placements of banks and other financial institutions

	Group	
	30 September 2014	31 December 2013
	RM'000	RM'000
(i) Call deposits		
- Other financial institutions	119,996	119,231
(ii) Fixed deposits		
- Licensed banks	266,000	60,400
- Licensed Islamic banks	-	322,200
- Licensed investment banks	-	155,000
- Other financial institutions	1,852,161	1,944,405
	<u>2,118,161</u>	<u>2,482,005</u>
	<u>2,238,157</u>	<u>2,601,236</u>

15. Borrowings

	Group and Company	
	30 September 2014	31 December 2013
	RM'000	RM'000
(a) Short Term		
Unsecured	13,095	13,467
	<u>13,095</u>	<u>13,467</u>
(b) Long Term		
Unsecured	180,317	191,898
Unsecured – Islamic operations	160,000	160,371
	<u>340,317</u>	<u>352,269</u>
Total borrowings	<u>353,412</u>	<u>365,736</u>

Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM22.292 million. The foreign exchange risk on these loans are borne by the Government of Malaysia.

16. Interest income

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
<u>Group</u>				
Loans, advances and financing				
- Interest income on non-impaired loans	11,522	5,985	31,453	14,675
- Interest income on impaired loans ("ILs")	675	770	2,163	2,410
Money at call and deposit placements with financial institutions	4,052	8,198	17,344	25,755
Securities available-for-sale ("AFS")				
- Interest income on non-impaired securities	15,079	18,170	46,896	61,314
- Interest income on impaired securities	174	551	6,061	1,416
Securities held-for-trading ("HFT")				
- Interest income on impaired securities	173	401	343	974
Securities held-to-maturity ("HTM")				
- Interest income on non-impaired securities	8,187	8,718	24,263	22,105
- Interest income on impaired securities	-	-	-	9
Hire purchase and leasing operations	14	13	15	31
Accretion of discounts (net of amortisation of premium)	1,343	5,635	7,303	13,354
Derivative instruments	749	21	1,028	66
Other interest income	-	66	-	66
	<u>41,968</u>	<u>48,528</u>	<u>136,869</u>	<u>142,175</u>
<u>Company</u>				
Loans, advances and financing				
- Interest income on non-impaired loans	360	439	1,113	1,838
- Interest income on impaired loans ("ILs")	368	353	1,048	1,104
Money at call and deposit placements with financial institutions	3,020	7,086	14,239	22,609
Securities available-for-sale ("AFS")				
- Interest income on AFS	2	2	18	2
- Interest income on impaired AFS	-	146	-	194
Securities held-for-trading ("HFT")				
- Interest income on HFT	-	391	170	964
Hire purchase and leasing operations	-	-	(20)	(14)
Loans to subsidiaries	1,688	11	2,989	33
	<u>5,438</u>	<u>8,428</u>	<u>19,557</u>	<u>26,730</u>

17. Interest expense

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Group				
Deposits and placements of banks and other financial institutions	20,480	13,734	24,745	40,004
Deposits from customers	2,210	12,007	46,127	35,876
Concessionary funds	1,345	1,500	4,051	4,625
Derivative instruments	23	385	398	951
Commercial loans	-	112	-	333
	<u>24,058</u>	<u>27,738</u>	<u>75,321</u>	<u>81,789</u>
Company				
Concessionary funds	<u>1,346</u>	<u>1,501</u>	<u>4,051</u>	<u>4,626</u>
	<u>1,346</u>	<u>1,501</u>	<u>4,051</u>	<u>4,626</u>

18. Other operating income

	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Group				
Fee income:				
Capital market activities	5,342	4,635	15,866	9,561
Service fees	-	-	1	-
Management fees	590	374	1,545	1,031
Brokerage fees	5,010	6,983	15,324	20,348
Other fee income	-	-	1	-
Commitment fee	126	17	190	58
Income from Government Scheme Funds	4,260	4,118	12,217	11,903
	<u>15,328</u>	<u>16,127</u>	<u>45,144</u>	<u>42,901</u>
Investment income/(loss):				
Gain on sale of securities:				
- Available-for-sale	2,901	(924)	8,023	7,939
- Held-for-trading	4,537	1,034	8,191	1,192
Net unrealised loss on revaluation of securities held-for-trading	-	14	-	46
Net unrealised loss on revaluation of derivative assets	(1,367)	2,862	202	5,543
(Loss)/ gain on sale of trust units	(2)	1	-	(13)
Total dividends (gross) from:				
- Securities held-for-trading	-	300	-	300
- Securities available-for-sale	-	-	98	397
Income from factoring	14	164	217	515
	<u>6,083</u>	<u>3,451</u>	<u>16,731</u>	<u>15,919</u>

18. Other operating income (cont'd)

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Other income:				
Interest income on:				
- promissory notes	35	109	177	450
Gain on disposal of:				
- Property, plant and equipment	-	116	3	575
Interest on staff loans	1	1	4	6
Rental income on buildings	431	483	1,305	1,588
Insurance commissions	201	107	510	395
Others	106	232	317	5,935
	<u>774</u>	<u>1,048</u>	<u>2,316</u>	<u>8,949</u>
Total other operating income	<u>22,185</u>	<u>20,626</u>	<u>64,191</u>	<u>67,769</u>
Company				
Fee income:				
- Management fees	<u>2,167</u>	<u>2,297</u>	<u>6,671</u>	<u>6,600</u>
Investment income/(loss):				
Gain on sale of securities:				
- Available-for-sale	-	688	1,871	688
- Held-for-trading	4,278	475	7,921	475
Net unrealised gain on revaluation of securities held-for-trading	-	14	30	44
Commitment fee	-	-	-	6
Income from Government Scheme Funds	4,260	4,118	12,217	11,903
Gross dividend income:				
- Associate	-	-	1,848	2,772
- Subsidiary	-	44,500	24,359	44,500
- Securities held-for-trading	-	300	-	300
	<u>8,538</u>	<u>50,095</u>	<u>48,246</u>	<u>60,688</u>
Other income:				
Interest income on:				
- promissory notes	35	108	177	450
Gain on disposal of:				
- Property, plant and equipment	-	117	3	375
Rental of premises	1,050	1,136	3,081	3,455
Insurance commissions	201	107	510	395
Others	324	177	915	811
	<u>1,610</u>	<u>1,645</u>	<u>4,686</u>	<u>5,486</u>
Total other operating income	<u>12,315</u>	<u>54,037</u>	<u>59,603</u>	<u>72,774</u>

19. Operating expenses

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Staff costs				
- Wages, Salaries and bonuses	15,916	13,809	47,398	42,526
- Employee benefits:				
Current period	246	228	612	734
- Social security costs	69	70	207	213
- Defined contribution plan	2,285	2,106	7,341	6,633
- Other staff related expenses	1,530	557	3,955	3,512
	<u>20,046</u>	<u>16,770</u>	<u>59,513</u>	<u>53,618</u>
Establishment costs				
- Depreciation	608	930	1,869	3,024
- Office rental	1,670	1,701	5,085	5,085
- Equipment rental	9	30	46	81
- Others	2,017	1,868	5,721	5,070
	<u>4,304</u>	<u>4,529</u>	<u>12,721</u>	<u>13,260</u>
Promotion and marketing-related expenses				
- Advertisement & publicity	216	76	420	297
- Others	578	881	3,107	3,191
	<u>794</u>	<u>957</u>	<u>3,527</u>	<u>3,488</u>
General and administrative expenses				
- Communication expenses	105	144	341	436
- Audit fees	141	132	398	404
- Directors' fees and meeting allowances	431	418	1,360	1,297
- Securities Commission's levy	390	1,184	917	1,841
- Others	553	678	1,999	3,156
	<u>1,620</u>	<u>2,556</u>	<u>5,015</u>	<u>7,134</u>
	<u>26,764</u>	<u>24,812</u>	<u>80,776</u>	<u>77,500</u>

19. Operating expenses (cont'd)

<u>Company</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Personnel costs				
- Wages, Salaries and bonuses	7,928	6,110	22,836	18,683
- Employee benefits:				
Current period	198	305	595	965
- Social security costs	42	41	123	122
- Defined contribution plan	1,077	1,008	3,488	3,096
- Other staff related expenses	1,067	904	2,805	2,899
	<u>10,312</u>	<u>8,368</u>	<u>29,847</u>	<u>25,765</u>
Establishment costs				
- Depreciation	283	518	888	1,627
- Office rental	1,656	1,658	5,008	5,023
- Equipment rental	2	12	14	32
- Other establishment costs	635	687	1,833	1,928
	<u>2,576</u>	<u>2,875</u>	<u>7,743</u>	<u>8,610</u>
Promotion and marketing-related expenses				
- Advertisement & publicity	126	26	195	79
- Other marketing expenses	197	337	1,742	1,689
	<u>323</u>	<u>363</u>	<u>1,937</u>	<u>1,768</u>
General and administrative expenses				
- Communication expenses	80	87	216	249
- Audit fees	47	33	143	129
- Directors' fees and meeting allowances	220	208	706	670
- Others	383	228	949	1,376
	<u>730</u>	<u>556</u>	<u>2,014</u>	<u>2,424</u>
	<u>13,941</u>	<u>12,162</u>	<u>41,541</u>	<u>38,567</u>

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

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
(a) Individual impairment allowances				
- made in the financial period	(245)	436	(9,489)	(4,927)
- written-back	1,062	(1,402)	3,869	6,162
(b) Collective impairment allowances				
- made in the financial period	(857)	(2,704)	(4,802)	(3,828)
- written-back	1,846	304	5,619	439
(c) Recoveries from impaired loans	1,227	5,913	5,609	16,827
	<u>3,033</u>	<u>2,547</u>	<u>806</u>	<u>14,673</u>

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

<u>Company</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
(a) Individual impairment allowances				
- made in the financial period	226	990	(1,774)	(3,504)
- written-back	660	(1,553)	2,652	5,457
(b) Collective impairment allowances				
- made in the financial period	(35)	(1,920)	(1,096)	(3,044)
- written-back	1,531	-	2,294	-
(c) Recoveries from impaired loans	1,216	5,865	5,525	11,502
	<u>3,598</u>	<u>3,382</u>	<u>7,601</u>	<u>10,411</u>

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

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Securities available-for-sale (net)	7,006	389	8,519	849
Securities held-to-maturity (net)	-	-	29	66
	<u>7,006</u>	<u>389</u>	<u>8,548</u>	<u>915</u>
<u>Company</u>				
Securities available-for-sale (net)	354	(168)	1,325	(527)
	<u>354</u>	<u>(168)</u>	<u>1,325</u>	<u>(527)</u>

22. Segment information

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

Segment Revenue	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Investment banking	54,117	65,315	181,677	198,482
Development finance	14,192	10,887	40,290	33,060
Asset management	698	475	1,835	1,268
Mezzanine financing	5,657	137	11,763	372
Investment holding	9,292	54,622	53,873	75,332
Others	2,962	724	3,458	1,149
	<u>86,918</u>	<u>132,160</u>	<u>292,896</u>	<u>309,663</u>
Inter-segment elimination	(4,879)	(47,942)	(38,880)	(57,082)
	<u>82,039</u>	<u>84,218</u>	<u>254,016</u>	<u>252,581</u>

22. Segment information (cont'd)

Segment Results	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Investment banking	14,675	17,742	46,843	66,498
Development finance	11,883	8,102	29,211	23,409
Asset management	(430)	(801)	(1,781)	(2,269)
Mezzanine financing	3,266	(48)	6,683	(448)
Investment holding	531	2,907	2,989	5,854
Others	7,838	335	7,965	191
	<u>37,763</u>	<u>28,237</u>	<u>91,910</u>	<u>93,235</u>
Share of results in associates	532	467	1,381	1,654
	<u>38,295</u>	<u>28,704</u>	<u>93,291</u>	<u>94,889</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.

23. Capital commitments

Group	As at 30 September 2014	As at 31 December 2013
	RM'000	RM'000
Authorised but not contracted for	<u>6,503</u>	<u>7,042</u>
Company		
Authorised but not contracted for	<u>4,085</u>	<u>4,239</u>

24. **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 30.09.2014 →			← As at 31.12.2013 →		
	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	-	-	-	12,500	6,250	1,250
Interest rate related contracts over one year to five years	1,370,000	27,298	5,460	1,720,000	37,537	7,507
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	263,861	22,140	22,137	86,093	17,218	17,218
- Maturity exceeding one year	329,265	21,091	21,091	117,844	58,922	58,922
Total	1,963,126	70,529	48,688	1,936,437	119,927	84,897
Company						
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	29,840	5,968	5,968	21,137	4,227	4,227
Total	29,840	5,968	5,968	21,137	4,227	4,227

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

25. **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 2014 RM'000	As at 30 September 2013 RM'000	As at 30 September 2014 RM'000	As at 30 September 2013 RM'000
Penultimate holding company				
Income:				
Brokerage fees earned	5,716	9,580	-	-
Fee income	-	20	-	-
<hr/>				
Expenditures:				
Interest expense on deposits	-	-	-	-
Rental expense	4,708	4,314	4,708	4,314
<hr/>				
Subsidiaries				
Income:				
Interest on loans	-	-	6	22
Rental of premises	-	-	1,905	1,330
Interest on short term deposits	-	-	-	13
Management fees	-	-	6,561	4,252
Dividend from subsidiaries	-	-	24,359	-
Expenditures:				
Other expenses	-	-	5	5
<hr/>				

25. Related party disclosures (cont'd.)

Significant related party transactions and balance (cont'd)

	Group		Company	
	As at 30 September 2014 RM'000	As at 30 September 2013 RM'000	As at 30 September 2014 RM'000	As at 30 September 2013 RM'000
Associates				
Income:				
Management fees	1	-	1	-
Rental received	173	116	322	215
Dividend from associates	-	-	1,848	2,772
Other related companies				
Income:				
Interest income on securities	13,156	14,035	-	-
Fee income	386	568	-	-
Management fees	29	31	29	31
Brokerage fees earned	1,010	1,392	-	-
Expenditures:				
Interest expense on deposits	4,359	5,306	-	-
Car park charges	-	-	-	-

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 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Penultimate holding company				
Amount due from:				
Sundry deposit received	1,564	1,564	1,564	1,564

25. Related party disclosures (cont'd.)

Significant related party transactions and balance (cont'd)

	Group		Company	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Associates				
Amount due from:				
Trade receivables	1	20	1	20
Amount due to:				
Rental deposit received	107	107	107	107
Deposit placement	2,345	4,463	-	-
Other related companies				
Amount due from:				
Fee receivables	225	90	-	-
Sundry deposits	362	362	-	-
Trade receivables	416	16	416	16
Loans and advances	120,000	-	-	-
Securities	324,477	323,551	-	-
Amount due to:				
Deposits from placements of bank and other financial institutions	266,149	58,807	-	-
Other payables	31	20	31	20

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

26. Credit exposures arising from credit transactions with connected parties

	Group	
	30 September 2014 RM'000	31 December 2013 RM'000
(i) Total credit exposures with connected parties	465,607	330,000
(ii) Percentage of total credit exposures to connected parties as proportion of total credit exposures	12.41%	9.10%
(iii) Percentage of total credit exposures to connected parties which is impaired or in default	Nil	Nil

27. Capital adequacy

(i) The capital adequacy ratio of the Group and of the Company are as follows:

	Group		Company	
	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Tier 1 Capital				
Common Equity Tier 1 ("CET1") Capital				
Ordinary shares	466,070	466,070	466,070	466,070
Share premium	363,861	363,861	363,861	363,861
Statutory reserve	131,324	131,324	-	-
Securities available-for-sale reserve	(19,738)	(22,485)	2,050	3,676
Profit equalisation reserve	8,757	8,723	-	-
Retained profits	783,213	861,216	719,254	844,169
	<u>1,733,487</u>	<u>1,808,709</u>	<u>1,551,235</u>	<u>1,677,776</u>
Less: Regulatory adjustments	(119,527)	(121,331)	(777,493)	(796,243)
Total CET1 Capital / Tier 1 Capital	<u>1,613,960</u>	<u>1,687,378</u>	<u>773,742</u>	<u>881,533</u>
Tier 2 Capital				
Collective impairment allowance	6,180	6,997	2,214	3,412
Less: Regulatory adjustments	(1,849)	(2,456)	(1,849)	(2,456)
Total Tier 2 capital	<u>4,331</u>	<u>4,541</u>	<u>365</u>	<u>956</u>
Total Capital	<u>1,618,291</u>	<u>1,691,919</u>	<u>774,107</u>	<u>882,489</u>
CET 1 Capital	53.976%	50.454%	115.931%	133.157%
Tier 1 Capital	53.976%	50.454%	115.931%	133.157%
Total Capital	54.121%	50.603%	115.986%	133.331%

27. Capital adequacy (cont'd.)

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

Group	30 September 2014		31 December 2013	
	Notional amount	Risk-weighted amount	Notional amount	Risk-weighted amount
	RM'000	RM'000	RM'000	RM'000
0%	1,568,504	-	1,811,965	-
20%	2,335,463	467,093	2,923,247	584,649
35%	467	163	520	182
50%	141,894	70,947	149,764	74,882
75%	131	98	164	123
100%	1,612,527	1,612,527	1,474,121	1,474,121
150%	62,706	94,059	61,794	92,691
Total risk weighted assets for credit risk	5,721,692	2,244,887	6,421,575	2,226,648
Total risk weighted assets equivalent for market risk	-	287,811	-	394,718
Total risk weighted assets equivalent for operational risk	-	457,458	-	425,699
	<u>5,721,692</u>	<u>2,990,156</u>	<u>6,421,575</u>	<u>3,047,065</u>

Company	30 September 2014		31 December 2013	
	Notional amount	Risk-weighted amount	Notional amount	Risk-weighted amount
	RM'000	RM'000	RM'000	RM'000
0%	99,048	-	119,855	-
20%	773,919	154,784	1,053,393	210,679
35%	-	-	-	-
50%	18,679	9,340	13,366	6,683
75%	-	-	-	-
100%	265,091	265,091	108,808	108,808
150%	7,549	11,324	7,471	11,207
Total risk weighted assets for credit risk	1,164,286	440,538	1,302,893	337,377
Total risk weighted assets equivalent for market risk	-	59,111	-	65,018
Total risk weighted assets equivalent for operational risk	-	167,765	-	146,982
	<u>1,164,286</u>	<u>667,414</u>	<u>1,302,893</u>	<u>549,377</u>

28. 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 2014				
Financial assets				
Asset measured at fair value:				
Securities held-for-trading				
Money market instruments	-	110,822	-	110,822
Quoted securities	252	-	-	252
Unquoted securities	-	26,817	1	26,818
Securities available-for-sale				
Money market instruments	-	577,048	-	577,048
Quoted securities	4,882	-	-	4,882
Unquoted securities	-	1,620,776	66,820	1,687,596
Derivative assets	-	9,945	-	9,945
	<u>5,134</u>	<u>2,345,408</u>	<u>66,821</u>	<u>2,417,363</u>
Asset for which fair value are disclosed:				
Securities held-to-maturity				
Unquoted securities	-	1,079,344	-	1,079,344
Loans, advances and financing	-	948,089	-	948,089
Investment properties				
Residential properties	-	7,093	-	7,093
Office property	-	-	472	472
	<u>-</u>	<u>-</u>	<u>472</u>	<u>472</u>
Liabilities for which fair values are disclosed:				
Borrowings	-	353,412	-	353,412
	<u>-</u>	<u>353,412</u>	<u>-</u>	<u>353,412</u>

28. Fair value hierarchy (cont'd.)

At 31 December 2013

Financial assets	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Asset measured at fair value:				
Securities held-for-trading				
Money market instruments	-	119,855	-	119,855
Quoted securities	222	-	-	222
Unquoted securities	-	19,809	7,065	26,874
Securities available-for-sale				
Money market instruments	-	1,377,383	-	1,377,383
Quoted securities	2,834	-	-	2,834
Unquoted securities	-	1,721,516	80,225	1,801,741
Derivative assets	-	9,743	-	9,743
	<u>3,056</u>	<u>3,248,306</u>	<u>87,290</u>	<u>3,338,652</u>
Asset for which fair value are disclosed:				
Securities held-to-maturity				
Unquoted securities	-	748,778	-	748,778
Loans, advances and financing	-	707,829	-	707,829
Investment properties				
Residential properties	-	7,093	-	7,093
Office property	-	-	472	472
Liabilities for which fair values are disclosed:				
Borrowings	-	365,736	-	365,736

28. Fair value hierarchy (cont'd)

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30 September 2014				
Financial assets				
Securities held-for-trading				
Money market securities	-	110,822	-	110,822
Quoted securities	252	-	-	252
Unquoted securities	-	26,818	1	26,819
Securities available-for-sale				
Unquoted securities	-	-	5,248	5,248
	<u>252</u>	<u>137,640</u>	<u>5,249</u>	<u>143,141</u>
Asset for which fair value are disclosed:				
Loans, advances and financing	<u>-</u>	<u>59,665</u>	<u>-</u>	<u>59,665</u>
Liabilities for which fair values are disclosed:				
Borrowings	<u>-</u>	<u>353,412</u>	<u>-</u>	<u>353,412</u>
At 31 December 2013				
Financial assets				
Securities held-for-trading				
Money market securities	-	119,855	-	119,855
Quoted securities	222	-	-	222
Unquoted securities	-	19,809	7,065	26,874
Securities available-for-sale				
Quoted securities	1,944	-	-	1,944
Unquoted securities	-	-	7,666	7,666
	<u>2,166</u>	<u>139,664</u>	<u>14,731</u>	<u>36,706</u>
Asset for which fair value are disclosed:				
Loans, advances and financing	<u>-</u>	<u>68,914</u>	<u>-</u>	<u>68,914</u>
Liabilities for which fair values are disclosed:				
Borrowings	<u>-</u>	<u>365,736</u>	<u>-</u>	<u>365,736</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:

28. Fair value hierarchy (cont'd)

Group 30.9.2014	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
Unquoted securities			
At 1 January	7,065	80,225	87,290
Total gains recognised in profit or loss:			
Included within interest income	-	722	722
Included within net income from Islamic Banking operation	-	101	101
Included within impairment loss on securities	-	2,280	2,280
	-	3,103	3,103
Total losses recognised in other comprehensive income	-	(926)	(926)
Additional investment	-	-	-
Settlements	(7,064)	(15,582)	(22,646)
At 30 September	<u>1</u>	<u>66,820</u>	<u>66,821</u>
31.12.2013			
Unquoted securities			
At 1 January	3,596	149,940	153,536
Total gains recognised in profit or loss:			
Included within interest income	964	1,464	2,428
Included within net income from Islamic Banking operation	-	261	261
Included within non-interest income	2,505	-	2,505
Included within impairment loss on securities	-	3,703	3,703
	3,469	5,428	8,897
Total gains/(losses) recognised in other comprehensive income	-	456	456
Settlements	-	(75,599)	(75,599)
At 31 December	<u>7,065</u>	<u>80,225</u>	<u>87,290</u>

28. Fair value hierarchy (cont'd)

Company 30.9.2014	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
Unquoted securities			
At 1 January	7,065	7,666	14,731
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	-	-
Included within impairment loss on securities	-	85	85
	-	85	85
Total gains/(losses) recognised in other comprehensive income	-	(926)	(926)
Settlements	(7,064)	(1,577)	(8,641)
At 30 September	<u>1</u>	<u>5,248</u>	<u>5,249</u>

31.12.2013	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
Unquoted securities			
At 1 January	3,596	12,988	16,584
Total gains/(losses) recognised in profit or loss:			
Included within interest income	964	194	1,158
Included within non-interest income	2,505	-	2,505
Included within impairment loss on securities	-	(404)	(404)
	3,469	(210)	3,259
Total gains/(losses) recognised in other comprehensive income	-	456	456
Settlements	-	(5,568)	(5,568)
At 31 December	<u>7,065</u>	<u>7,666</u>	<u>14,731</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.

29. Dividends

	Group and Company	
	30 September 2014 RM'000	31 December 2013 RM'000
In respect of financial year ended 31 December 2013: Single tier interim dividend of 32.18401% on 466,069,913 ordinary shares of RM1.00 each, paid on 12 May 2014	<u>150,000</u>	<u>-</u>

30. **Operations of Islamic Banking Business**

(a) **CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014**

	Note	Group	
		30 September 2014 RM'000	31 December 2013 RM'000
ASSETS			
Cash and short-term funds		149,293	98,681
Deposits and placements with licensed banks and other financial institutions		41,700	87,800
Securities available-for-sale	30 (c)	460,611	1,170,275
Securities held-to-maturity	30 (d)	443,046	95,072
Financing and advances	30 (e)	185,373	95,459
Other assets		12,617	9,371
Deferred tax assets		4,544	4,752
TOTAL ASSETS		1,297,184	1,561,410
LIABILITIES			
Deposits from customers	30 (h)	285,155	441,966
Deposits and placements of banks and other financial institutions	30 (i)	254,011	456,239
Borrowings	15	160,000	160,371
Profit equalisation reserve		11,414	11,372
Other liabilities		14,530	20,573
Provision for taxation and zakat		2,387	926
Amount due to Head Office		4	8,530
TOTAL LIABILITIES		727,501	1,099,977
ISLAMIC BANKING CAPITAL FUNDS			
Funds allocated from Head Office		416,600	336,600
Reserves		153,083	124,833
TOTAL ISLAMIC BANKING CAPITAL FUNDS		569,683	461,433
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		1,297,184	1,561,410

30. **Operations of Islamic Banking Business**

(a) **CONDENSED STATEMENTS OF PROFIT & LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

		Company	
		30 September 2014 RM'000	31 December 2013 RM'000
	Note		
ASSETS			
Cash and short-term funds		119,456	98,348
Deposits and placements with licensed banks and other financial institutions		41,700	87,800
Financing and advances	30 (e)	27,195	12,995
Other assets		9,987	1,902
Deferred tax assets		96	96
TOTAL ASSETS		<u>198,434</u>	<u>201,141</u>
LIABILITIES			
Borrowings	15	160,000	160,371
Other liabilities		4,626	14,769
Provision for taxation and zakat		1,149	137
Amount due to Head Office		4	1,051
TOTAL LIABILITIES		<u>165,779</u>	<u>176,328</u>
ISLAMIC BANKING CAPITAL FUNDS			
Funds allocated from Head Office		20,000	20,000
Reserves		12,655	4,813
TOTAL ISLAMIC BANKING CAPITAL FUNDS		<u>32,655</u>	<u>24,813</u>
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		<u>198,434</u>	<u>201,141</u>

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

(b) CONDENSED STATEMENTS OF PROFIT & LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014 RM'000	30 September 2013 RM'000	30 September 2014 RM'000	30 September 2013 RM'000
Income derived from investment of depositors funds and others	13,679	14,054	41,902	43,348
Income derived from Government Scheme Funds	5,178	2,763	13,560	8,362
Transfer to profit equalisation reserve	(112)	(170)	(719)	(1,561)
Total attributable income	18,745	16,647	54,743	50,149
Income attributable to depositors	(5,010)	(8,382)	(17,860)	(23,699)
Net income attributable to the reporting institution	13,735	8,265	36,883	26,450
Other operating expenses	(2,674)	(2,583)	(8,210)	(7,924)
Operating profit	11,061	5,682	28,673	18,526
Impairment losses on securities	498	(63)	1,836	(129)
Impairment losses on financing and advances	141	58	531	329
Finance costs	-	(3)	(1)	(29)
Profit before taxation and zakat	11,700	5,674	31,039	18,697
Taxation	(1,032)	(410)	(2,683)	(1,203)
Zakat	(274)	(136)	(730)	(702)
Profit for the period	10,394	5,128	27,626	16,792
<u>Company</u>				
Income derived from investment of depositors funds and others	776	711	2,160	2,005
Income derived from Government Scheme Funds	5,179	2,763	13,561	8,362
Income attributable to the reporting institution	5,955	3,474	15,721	10,367
Other operating expenses	(1,968)	(1,885)	(6,078)	(5,854)
Operating profit	3,987	1,589	9,643	4,513
Impairment (losses) / writeback on financing and advances	141	58	1,091	329
Finance costs	-	(3)	(1)	(29)
Profit before taxation and zakat	4,128	1,644	10,733	4,813
Taxation	(1,032)	(410)	(2,683)	(1,203)
Zakat	(80)	(32)	(208)	(93)
Profit for the period	3,016	1,202	7,842	3,517

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

(c) Securities available-for-sale

	Group	
	30 September 2014 RM'000	31 December 2013 RM'000
At fair value		
Money market instruments:		
Government Investment Issue	-	200,546
Bank Negara Monetary Notes	108,350	199,543
Islamic Negotiable Certificate of Deposits	80,000	496,417
	<u>188,350</u>	<u>896,506</u>
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	272,261	273,769
	<u>460,611</u>	<u>1,170,275</u>

(d) Securities held-to-maturity

	Group	
	30 September 2014 RM'000	31 December 2013 RM'000
At amortised cost		
Money market instruments:		
Bank Negara Monetary Notes	49,818	-
Islamic Negotiable Certificate of Deposits	298,211	-
	<u>348,029</u>	<u>-</u>
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	95,017	95,072
	<u>95,017</u>	<u>95,072</u>
	<u>443,046</u>	<u>95,072</u>

(e) Financing and advances

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Term financing				
- Islamic hire purchase/leasing	4,148	4,865	4,148	4,865
- Syndicated term financing	158,738	82,464	-	-
- Other term financing	34,999	14,070	34,999	14,070
	<u>197,885</u>	<u>101,399</u>	<u>39,147</u>	<u>18,935</u>
Less: Unearned income	(9,631)	(3,468)	(9,631)	(3,468)
Gross financing and advances	188,254	97,931	29,516	15,467
Less: Impairment provision				
- Collective impairment provision	(718)	(287)	(158)	(287)
- Individual impairment provision	(2,163)	(2,185)	(2,163)	(2,185)
Total net financing and advances	<u>185,373</u>	<u>95,459</u>	<u>27,195</u>	<u>12,995</u>

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

(e) Financing and advances (cont'd)

(i) By contract

Group

	Sale-based contract		Lease-based contract	Total financing and advances RM'000
	Commodity Murabahah RM'000	Bai Bithaman Ajil RM'000	Al-Ijarah Thumma Al-Bai RM'000	
30 September 2014				
Syndicated term financing	158,738	-	-	158,738
Deferred payment sales	-	25,368	-	25,368
Finance lease	-	-	4,148	4,148
	<u>158,738</u>	<u>25,368</u>	<u>4,148</u>	<u>188,254</u>

31 December 2013

Syndicated term financing	82,464	-	-	82,464
Deferred payment sales	-	10,620	-	10,620
Finance lease	-	-	4,847	4,847
	<u>82,464</u>	<u>10,620</u>	<u>4,847</u>	<u>97,931</u>

Company

	Sale-based contract	Lease-based contract	Total financing and advances RM'000
	Bai Bithaman Ajil RM'000	Al-Ijarah Thumma Al-Bai RM'000	
30 September 2014			
Deferred payment sales	25,368	-	25,368
Finance lease	-	4,148	4,148
	<u>25,368</u>	<u>4,148</u>	<u>29,516</u>

31 December 2013

Deferred payment sales	10,620	-	10,620
Finance lease	-	4,847	4,847
	<u>10,620</u>	<u>4,847</u>	<u>15,467</u>

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

(e) Financing and advances (cont'd)

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
(ii) By profit rate sensitivity				
Variable rate				
Cost-plus	158,738	82,464	-	-
Fixed rate				
Hire purchase receivables	4,148	4,847	4,148	4,847
Other fixed rate financing	25,368	10,620	25,368	10,620
	<u>188,254</u>	<u>97,931</u>	<u>29,516</u>	<u>15,467</u>
(iii) By economic sector				
Manufacturing	5,221	6,065	5,221	6,065
Wholesale & retail trade and restaurants & hotels	10,012	1,908	10,012	1,908
Transport, storage and communications	85,245	52,652	324	361
Construction	73,817	30,173	-	-
Finance, insurance and business services/Takaful	12,019	6,526	12,019	6,526
Others	1,940	607	1,940	607
	<u>188,254</u>	<u>97,931</u>	<u>29,516</u>	<u>15,467</u>

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

(e) Financing and advances (cont'd)

(iv) Impaired financing and advances by economic sector

	Group and Company	
	30 September 2014 RM'000	31 December 2013 RM'000
Manufacturing	3,750	3,716
Wholesale & retail trade and restaurants & hotels	-	116
Transport, storage and communications	324	361
Others	395	404
	<u>4,469</u>	<u>4,597</u>

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

(e) Financing and advances (cont'd)

(v) Movements in impaired financing and advances

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
At 1 January	4,597	5,786	4,597	5,786
Impaired during the period/year	99	413	99	413
Amount recovered	(227)	(518)	(227)	(518)
Amount written off	-	(1,084)	-	(1,084)
At 30 September/ 31 December	4,469	4,597	4,469	4,597
Less: Individual impairment provision	(2,163)	(2,185)	(2,163)	(2,185)
Net impaired financing and advances	2,306	2,412	2,306	2,412
As % of gross financing and advances less individual impairment allowance	1.24%	2.52%	8.43%	18.16%

(vi) Movements in impairment allowance

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
Collective impairment allowance				
At 1 January	287	401	287	401
Amount written back	431	(114)	(129)	(114)
At 30 September/ 31 December	718	287	158	287
As % of gross financing and advances less individual impairment allowance	0.39%	0.30%	0.58%	2.16%

	Group and Company	
	30 September 2014 RM'000	31 December 2013 RM'000
Individual impairment allowance		
At 1 January	2,185	3,294
Impairment made during the period/year	206	273
Impairment allowance written back during the period/year	(223)	(272)
Amount written off	-	(1,098)
Discount unwind	(5)	(12)
At 30 September/ 31 December	2,163	2,185

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

(f) Deposits from customers

Group	
30 September 2014	31 December 2013
RM'000	RM'000

(i) By type of deposits

Mudharabah Fund

- Fixed/Investment deposits	200,863	383,230
- Call deposits	10,150	58,736
	<u>211,013</u>	<u>441,966</u>

Commodity Murabahah fund

-Term deposits	74,142	-
	<u>74,142</u>	<u>-</u>
	<u>285,155</u>	<u>441,966</u>

(ii) By type of customers

Mudharabah Fund

- Business enterprises	211,013	441,966
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Commodity Murabahah fund

- Business enterprises	74,142	-
	<u>74,142</u>	<u>-</u>
	<u>285,155</u>	<u>441,966</u>

(iii) The maturity structure of term deposits is as follows:

Due within six months	<u>285,155</u>	<u>441,966</u>
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(g) Deposits and placements of banks and other financial institutions

Group	
30 September 2014	31 December 2013
RM'000	RM'000

(i) By type of deposits

Mudharabah Fund

- Fixed/Investment deposits	202,209	455,297
- Call deposits	962	942
	<u>203,171</u>	<u>456,239</u>

Commodity Murabahah fund

-Term deposits	50,840	-
	<u>50,840</u>	<u>-</u>
	<u>254,011</u>	<u>456,239</u>

Group	
30 September 2014	31 December 2013
RM'000	RM'000

(ii) By type of customers

Mudharabah Fund

- Licensed Islamic banks	-	60,400
- Other financial institutions	203,171	395,839
	<u>203,171</u>	<u>456,239</u>

Commodity Murabahah fund

- Other financial institutions	50,840	-
	<u>50,840</u>	<u>-</u>
	<u>254,011</u>	<u>456,239</u>

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

(h) Income derived from investment of depositors funds and others

Income derived from investment of general investment deposits:

	Group			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) General investment deposits	10,140	13,343	32,766	41,326
(ii) Other deposits	8,717	3,474	22,696	10,384
	<u>18,857</u>	<u>16,817</u>	<u>55,462</u>	<u>51,710</u>

	Company			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(ii) Other deposits	5,955	3,474	15,721	10,367
	<u>5,955</u>	<u>3,474</u>	<u>15,721</u>	<u>10,367</u>

(i) General investment deposits

	Group			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Money at call and deposit placements with financial institutions	122	476	452	1,277
Securities held-for-trading	-	-	-	-
Securities available-for-sale				
- Profit on non-impaired securities	3,743	4,352	11,631	13,207
- Profit from impaired securities	23	64	101	198
Securities held-to-maturity	1,651	667	4,926	926
	<u>5,539</u>	<u>5,559</u>	<u>17,110</u>	<u>15,608</u>
Accretion of discounts less amortisation of premiums	4,601	7,784	15,656	20,508
Total finance income and hibah	<u>10,140</u>	<u>13,343</u>	<u>32,766</u>	<u>36,116</u>
Other operating income				
Net gain on sale of securities available-for-				
- Held-for-trading	-	-	-	5,208
- Held-to-maturity	-	-	-	2
Net unrealised loss on revaluation of securities held-for-trading	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,210</u>
	<u>10,140</u>	<u>13,343</u>	<u>32,766</u>	<u>41,326</u>

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

(h) Income derived from investment of depositors funds and others (cont'd)

(ii) Other deposits

	Group			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances	2,762	-	21,734	9,496
Other operating income				
Fee income	-	-	520	363
Other income	-	-	442	525
	-	-	962	888
	2,762	-	22,696	10,384

	Company			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances	5,233	2,887	14,730	9,496
Other operating income				
Fee income	438	263	550	347
Other income	284	324	441	524
	722	587	991	871
	5,955	3,474	15,721	10,367

(i) Income attributable to depositors

	Group and Company			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
	RM'000	RM'000	RM'000	RM'000
Mudharabah Fund				
Deposits from customers	2,320	4,030	8,398	10,014
Deposits and placements of banks and financial institutions	2,690	4,352	9,462	13,685
	5,010	8,382	17,860	23,699

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

(j) Capital adequacy

(i) The capital adequacy ratio of the Group and of the Company are as follows:

	Group		Company	
	30 September 2014 RM'000	31 December 2013 RM'000	30 September 2014 RM'000	31 December 2013 RM'000
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier 1 (CET1)				
Paid-up share capital	416,600	336,600	20,000	20,000
Available-for-sale reserve	(4,815)	(5,440)	-	-
Profit equalisation reserve	8,757	8,723	-	-
Retained profits	129,357	121,550	12,655	4,813
Regulatory adjustments of CET1	549,899	461,433	32,655	24,813
Less:Regulatory adjustment	(13,301)	(13,475)	(96)	(96)
Total Tier-I capital	536,598	447,958	32,559	24,717
Eligible collective impairment allowance	718	-	158	-
Total Tier-II capital	718	-	158	-
Total capital	537,316	447,958	32,717	24,717
CET1 Capital	101.566%	92.213%	32.700%	31.786%
Tier 1 Capital	101.566%	92.213%	32.700%	31.786%
Total Capital	101.702%	92.213%	32.859%	31.786%

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

	Group			
	30 September 2014		31 December 2013	
	Notional amount RM'000	Risk- weighted amount RM'000	Notional amount RM'000	Risk- weighted amount RM'000
0%	264,731	-	506,086	-
20%	739,919	147,984	853,528	170,706
50%	-	-	4,625	2,313
100%	309,641	309,641	250,917	250,917
Total risk weighted assets for credit risk	1,314,291	457,625	1,615,156	423,936
Total risk weighted assets equivalent for market risk	-	-	-	-
Total risk weighted assets equivalent for operational risk	-	70,699	-	61,851
	1,314,291	528,324	1,615,156	485,787

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

(j) Capital adequacy (cont'd)

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

	Company			
	30 September 2014		31 December 2013	
	Notional amount RM'000	Risk- weighed amount RM'000	Notional amount RM'000	Risk- weighed amount RM'000
0%	-	-	-	-
20%	161,156	32,231	186,148	37,230
50%	-	-	2,412	1,206
100%	37,182	37,182	12,772	12,772
Total risk-weighted assets for credit risk	198,338	69,413	201,332	51,208
Total risk-weighted assets equivalent for market risk	-	-	-	-
Total risk-weighted assets equivalent for operational risk	-	30,156	-	26,552
	<u>198,338</u>	<u>99,569</u>	<u>201,332</u>	<u>77,760</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)
UNAUDITED INTERIM FINANCIAL REPORT**

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 2014, as set out on pages 1 to 51, 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 2014. 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

30 October 2014