

CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	Group		Company	
		31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
ASSETS					
Cash and short-term funds	5	831,684	692,654	660,256	599,714
Deposits and placements with licensed banks and other financial institutions	6	80,810	136,809	63,400	122,600
Securities held-for-trading	7	154,879	150,567	154,879	150,567
Securities available-for-sale	8	2,392,417	1,861,341	4,674	4,700
Securities held-to-maturity	9	847,779	946,201	-	-
Derivative assets	10	5,111	9,780	-	-
Loans, advances and financing	11	1,275,340	1,072,923	297,429	280,836
Other assets	12	206,276	311,536	17,101	27,739
Statutory deposits with Bank Negara Malaysia		123,214	107,643	-	-
Investment in associate		4,122	3,499	2,560	2,560
Investment in subsidiaries		-	-	763,126	763,126
Investment properties		3,050	3,072	-	-
Property, plant and equipment		3,904	3,795	2,816	2,974
Intangible assets		347	120	-	-
Deferred tax assets		17,025	19,764	4,252	3,980
Goodwill		86,713	86,713	-	-
TOTAL ASSETS		6,032,671	5,406,417	1,970,493	1,958,796
LIABILITIES					
Deposits from customers	13	1,354,551	999,649	-	-
Deposits and placements of banks and other financial institutions	14	2,191,498	1,882,779	-	-
Other liabilities		215,375	322,997	38,916	41,292
Borrowings	15	445,924	411,740	346,816	349,288
Provision for taxation and zakat		5,277	3,469	3,476	1,841
Employee benefits		10,456	10,264	8,197	8,032
Deferred tax liabilities		219	177	-	-
TOTAL LIABILITIES		4,223,300	3,631,075	397,405	400,453
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		-	8,858	-	-
Securities available-for-sale reserve		(16,607)	(26,290)	-	-
Retained profits		864,517	831,313	743,157	728,412
		1,809,165	1,775,136	1,573,088	1,558,343
Non-controlling interests		206	206	-	-
TOTAL SHAREHOLDER'S EQUITY		1,809,371	1,775,342	1,573,088	1,558,343
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		6,032,671	5,406,417	1,970,493	1,958,796
COMMITMENTS AND CONTINGENCIES	24	1,746,222	1,960,874	27,736	36,425
NET ASSETS PER SHARE (RM)		3.88	3.81	3.38	3.34

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 2014.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31 MARCH 2015

Group	Note	Individual/Cumulative Quarter 3 Months Ended	
		31 March 2015 RM'000	31 March 2014 RM'000
Continuing operations			
Operating revenue		82,600	92,697
Interest income	16	44,967	52,649
Interest expense	17	(25,903)	(27,478)
Net interest income		19,064	25,171
Net income from Islamic banking operations	29(b)	16,128	11,350
Other operating income	18	16,928	21,132
		52,120	57,653
Operating expenses	19	(25,520)	(23,283)
Operating profit		26,600	34,370
Impairment losses (made)/written-back on loans, advances and financing	20	(253)	1,534
Impairment loss written back on securities (net)	21	4,994	4,727
Impairment loss written back/(made) on other assets		884	(53)
Profit before share of results in associates		32,225	40,578
Share of results in associates		623	370
Profit before taxation and zakat		32,848	40,948
Taxation		(8,177)	(9,567)
Zakat		(325)	(265)
Profit for the period		24,346	31,116
Attributable to:			
Shareholder of the Company		24,346	31,116
Non-controlling interests		-	-
Profit for the period		24,346	31,116
Earnings per share (sen)			
- Basic and diluted, for profit for the period		5.22	6.68

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 2014.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2015

Group	Individual/Cumulative Quarter	
	31 March 2015 RM'000	31 March 2014 RM'000
Profit for the period	24,346	31,116
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	(12)	-
Net unrealised gain on revaluation of securities available-for-sale	9,695	-
Total other comprehensive gain for the period, net of tax	9,683	-
Total comprehensive income for the period	34,029	31,116
Total comprehensive income for the period attributable to:		
Shareholder of the Company	34,029	31,116
Non-controlling interests	-	-
	34,029	31,116

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 2014.

CONDENSED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31 MARCH 2015

Company	Note	Individual/Cumulative Quarter 3 Months Ended	
		31 March 2015 RM'000	31 March 2014 RM'000
Operating revenue		<u>12,302</u>	<u>12,193</u>
Interest income	16	4,641	7,604
Interest expense	17	<u>(1,270)</u>	<u>(1,363)</u>
Net interest income		3,371	6,241
Net income from Islamic banking operations	29(b)	7,661	4,589
Other operating income	18	<u>18,328</u>	<u>10,096</u>
		29,360	20,926
Operating expenses	19	<u>(12,534)</u>	<u>(12,070)</u>
Operating profit		16,826	8,856
Impairment losses written-back on loans, advances and financing	20	1,688	1,029
Impairment loss written back on securities (net)	21	-	617
Profit before taxation and zakat		18,514	10,502
Taxation		(3,674)	(1,971)
Zakat		(95)	(74)
Profit for the period		<u>14,745</u>	<u>8,457</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the year ended 31 December 2014.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2014

	Individual/Cumulative Quarter	
	31 March 2015 RM'000	31 March 2014 RM'000
<u>Company</u>		
Net profit for the period	14,745	8,457
Other comprehensive income:		
Net loss on securities available-for-sale	-	(37)
Other comprehensive loss for the period, net of tax	-	(37)
Total comprehensive income for the period	14,745	8,420

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 2014.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015

	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 2015	466,070	363,861	(26,290)	8,858	131,324	831,313	1,775,136	206	1,775,342
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	-	-	(12)	-	-	-	(12)	-	(12)
Net unrealised loss on revaluation of securities available-for-sale	-	-	9,695	-	-	-	9,695	-	9,695
Total other comprehensive income for the period	-	-	9,683	-	-	-	9,683	-	9,683
Profit for the period	-	-	-	-	-	24,346	24,346	-	24,346
Comprehensive income for the period	-	-	9,683	-	-	24,346	34,029	-	34,029
Transactions with owner of the Company									
Profit equalisation reserve	-	-	-	(8,858)	-	8,858	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Total transactions with owner of the Company	-	-	-	(8,858)	-	8,858	-	-	-
At 31 March 2015	466,070	363,861	(16,607)	-	131,324	864,517	1,809,165	206	1,809,371

* 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 2014.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2014

	Attributable to shareholder of the Company					Total	Non-controlling interests	Total Equity	
	Share Capital	Share Premium	Non-Distributable Securities Available-For-Sale Reserve #	Profit Equalisation Reserve	Distributable Statutory Reserve *				Distributable Retained Profits
<u>Group</u>	-----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	-	-	-	-	-	-	-	-	-
Net unrealised gain on revaluation of securities available-for-sale	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	31,116	31,116	-	31,116
Comprehensive income for the period	-	-	-	-	-	31,116	31,116	-	31,116
Transactions with owner of the Company									
Profit equalisation reserve	-	-	-	90	-	(90)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Total transactions with owner of the Company	-	-	-	90	-	(90)	-	-	-
At 31 March 2014	466,070	363,861	(22,485)	8,813	131,324	892,242	1,839,825	8,230	1,848,055

* 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 2014.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015

	Attributable to shareholder of the Company				Total Equity
	Share Capital	Share Premium	Securities Available-For- Sale Reserve #	Distributable Retained Profits	
	-----RM'000-----				
At 1 January 2015	466,070	363,861	-	728,412	1,558,343
Net unrealised loss on revaluation of securities available-for-sale	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	-	-
Profit for the period	-	-	-	14,745	14,745
Comprehensive income for the period	-	-	-	14,745	14,745
Transaction with owner of the Company					
Dividends	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-
At 31 March 2015	466,070	363,861	-	743,157	1,573,088

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 2014.

UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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 gain on revaluation of securities available-for-sale	-	-	(1,241)	-	(1,241)
Total other comprehensive income for the period	-	-	(1,241)	-	(1,241)
Profit for the period	-	-	-	8,457	8,457
Comprehensive income for the period	-	-	(1,241)	8,457	7,216
Transaction with owner of the Company					
Dividends	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-
At 31 March 2014	466,070	363,861	2,435	852,626	1,684,992

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 2014.

CONDENSED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2015

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Profit before taxation and zakat:				
Continuing operations	32,848	40,948	18,514	10,502
Adjustments for non-cash items	(7,349)	(19,739)	(10,715)	(1,620)
Operating profit before changes in working capital	25,499	21,209	7,799	8,882
Changes in working capital:				
Net changes in operating assets	(524,794)	(21,050)	(5,169)	(69,286)
Net changes in operating liabilities	555,999	27,235	(2,376)	6,044
Tax expense paid	(7,141)	(2,341)	(2,406)	(1,119)
Retirement benefits paid	(26)	(396)	-	(396)
Net cash generated from operating activities	49,537	24,657	(2,152)	(55,875)
Net cash (used in) / generated from investing activities	(690)	(6,465)	4,966	(5,020)
Net cash generated from / (used in) financing activities	34,184	(3,501)	(2,472)	(3,501)
Net increase / (decrease) in cash and cash equivalents	83,031	14,691	342	(64,396)
Cash and cash equivalents at beginning of the period	829,463	1,131,867	723,314	1,053,393
Cash and cash equivalents at end of the period	912,494	1,146,558	723,656	988,997

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

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Continuing operations:				
Cash and short-term funds	831,684	763,006	660,256	630,775
Deposits and placements with banks and other financial institutions	80,810	383,552	63,400	358,222
	912,494	1,146,558	723,656	988,997

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 2014.

**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 2014.

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 2014.

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 2014.

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.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 119 : <i>Defined Benefits</i>	1 July 2014
Annual Improvements to MFRS 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRS 2011 - 2013 Cycle	1 July 2014
Amendments to MFRS 10 and MFRS 128 : <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to MFRS 11 : <i>Joint Operations</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 : <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
MFRS 14 : <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 : <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 : <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Annual Improvements to MFRS 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 101 : <i>Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 28 : <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
MFRS 15 : <i>Revenue from Contracts with Customers</i>	1 January 2017
MFRS 9 : <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018

3. Comments about seasonal or cyclical factors

The Group's and the Company's performance is not affected by any seasonal or cyclical factors but is affected by the level of activities in the securities and derivatives markets.

4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 March 2015.

5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 31 March 2015.

6. Debt and equity securities

There were no changes in equity securities during the quarter ended 31 March 2015.

7. Dividend paid/payable

There were no dividends declared or paid during the quarter ended 31 March 2015.

8. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2014 was not qualified.

4. Performance review

The Group registered a pre-tax profit of RM32.8 million for the period ended 31 March 2015, decreased by 20% as compared to the previous corresponding period's pre-tax profit of RM40.9 million. The lower pre-tax profit is attributable to lower interest income and higher operating expenses.

5. Cash and short-term funds

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	85,523	78,793	7,977	12,178
Deposits and placements maturing within one month	746,161	613,861	652,279	587,536
	<u>831,684</u>	<u>692,654</u>	<u>660,256</u>	<u>599,714</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to RM1,906,000 and RM1,597,000 (2014: RM2,704,000 and RM1,198,00) respectively. These amounts are excluded from the cash and short-term funds of the Group.

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks	41,310	94,209	23,900	80,000
Deposits with other financial institutions	39,500	42,600	39,500	42,600
	<u>80,810</u>	<u>136,809</u>	<u>63,400</u>	<u>122,600</u>

7. Securities held-for-trading

	Group and Company	
	31 March 2015 RM'000	31 December 2014 RM'000
At fair value		
Money market instruments:		
Government Investment Issues	89,935	108,578
	<u>89,935</u>	<u>108,578</u>
Unquoted securities in Malaysia:		
Private Debt Securities	64,691	41,736
Shares	253	253
	<u>64,944</u>	<u>41,989</u>
	<u>154,879</u>	<u>150,567</u>

8. Securities available-for-sale

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	5,555	5,484	-	-
Government Investment Issue	5,901	5,797	-	-
Bank Negara Malaysia Notes	513,643	199,422	-	-
Malaysian Treasury Bills	29,873	-	-	-
Other Acceptances Discounted	-	-	-	-
Negotiable Instruments of Deposit	169,330	-	-	-
	<u>724,302</u>	<u>210,703</u>	<u>-</u>	<u>-</u>
Quoted securities in Malaysia:				
Shares and Warrants	1,328	1,158	-	-
Unquoted securities in Malaysia:				
Private Debt Securities	1,657,226	1,639,744	2,578	2,604
Loan Stocks	8,504	8,679	1,796	1,796
	<u>1,665,730</u>	<u>1,648,423</u>	<u>4,374</u>	<u>4,400</u>
At cost				
Unquoted securities in Malaysia:				
Shares	1,057	1,057	300	300
	<u>2,392,417</u>	<u>1,861,341</u>	<u>4,674</u>	<u>4,700</u>

9. Securities held-to-maturity

	Note	Group	
		31 March 2015 RM'000	31 December 2014 RM'000
At amortised cost			
Money market instruments:			
Negotiable Instruments of Deposits		-	259,329
Unquoted securities in Malaysia:			
Private Debt Securities		886,540	725,633
Loan Stocks		2,058	2,058
		<u>888,598</u>	<u>727,691</u>
Less: Individual impairment allowance	(a)	<u>(40,819)</u>	<u>(40,819)</u>
		<u>847,779</u>	<u>946,201</u>

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

	Group	
	31 March 2015 RM'000	31 December 2014 RM'000
At 1 January	(40,819)	(68,041)
Amount written back	-	27,144
Write off	-	78
At 31 March/December	<u>(40,819)</u>	<u>(40,819)</u>

10. Derivative assets

Group	Contract or underlying principal amount RM'000	Derivative assets RM'000
2015		
Interest rate related derivatives:		
- Interest rate swaps	1,170,000	5,111
2014		
Interest rate related derivatives:		
- Interest rate swaps	1,370,000	9,780

11. Loans, advances and financing

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Term loans				
Syndicated term loan/financing	336,673	297,563	-	-
Hire purchase receivables	12,128	14,004	3,168	5,045
Real estate financing	188,885	137,445	-	-
Murabahah financing	65,869	63,677	-	-
Lease receivables	1,568	1,568	-	-
Other term loans/financing	539,171	439,251	348,335	330,689
	<u>1,144,294</u>	<u>953,508</u>	<u>351,503</u>	<u>335,734</u>
Margin accounts	294,423	281,962	-	-
Staff loans	2,525	2,610	1,791	1,802
	<u>1,441,242</u>	<u>1,238,080</u>	<u>353,294</u>	<u>337,536</u>
Less: Unearned interest and income	(10,031)	(9,957)	(10,031)	(9,957)
Gross loans, advances and financing	<u>1,431,211</u>	<u>1,228,123</u>	<u>343,263</u>	<u>327,579</u>
Less: Impairment allowance				
- Collective impairment allowance	(12,221)	(9,616)	(2,639)	(2,660)
- Individual impairment allowance	(143,650)	(145,584)	(43,195)	(44,083)
Total net loans, advances and financing	<u>1,275,340</u>	<u>1,072,923</u>	<u>297,429</u>	<u>280,836</u>

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

a. By type of customer

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Domestic business enterprises				
- Small medium enterprises	932,625	786,307	294,738	278,780
- Others	237,427	186,249	46,734	46,997
Individuals	261,159	255,567	1,791	1,802
Gross loans, advances and financing	<u>1,431,211</u>	<u>1,228,123</u>	<u>343,263</u>	<u>327,579</u>

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

b. By interest/profit rate sensitivity

	Group		Company	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Fixed rate				
- Staff loans	2,525	2,610	1,791	1,802
- Hire purchase receivables	13,739	14,004	4,779	5,045
- Other fixed rate loan/financing	450,511	283,445	87,867	81,212
Variable rate				
- BLR plus	32,040	32,348	32,040	32,348
- Cost plus	932,396	895,716	216,786	207,172
Gross loans, advances and financing	<u>1,431,211</u>	<u>1,228,123</u>	<u>343,263</u>	<u>327,579</u>

c. By economic sector

	Group		Company	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Mining and quarrying	79,618	47,031	-	-
Manufacturing	160,209	165,061	66,192	67,784
Construction	244,229	234,087	-	-
Purchase of residential property	77	79	-	-
Wholesale & retail trade and restaurants & hotels	43,269	38,539	31,361	26,631
Transport, storage and communications	87,007	90,678	4,968	5,015
Finance, insurance and business services	412,025	308,451	234,927	223,182
Purchase of transport vehicles	7,675	7,674	-	-
Education, health and others	40,086	-	-	-
Others	357,016	336,523	5,815	4,967
Gross loans, advances and financing	<u>1,431,211</u>	<u>1,228,123</u>	<u>343,263</u>	<u>327,579</u>

d. By residual contractual maturity

	Group		Company	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
	RM'000	RM'000	RM'000	RM'000
Within one year	775,035	809,941	67,607	77,379
One year to five years	479,778	128,142	260,903	230,352
Aft five years	176,398	290,040	14,753	19,848
	<u>1,431,211</u>	<u>1,228,123</u>	<u>343,263</u>	<u>327,579</u>

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

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

(i.) ILs by economic sector

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Manufacturing	146,695	149,194	56,196	56,940
Construction	3,464	3,464	-	-
Wholesale & retail trade and restaurants & hotels	20,342	20,474	8,442	8,574
Transport, storage and communication	3,592	3,607	2,923	2,938
Finance, insurance and business services	4,040	4,029	2,063	2,056
Purchase of transport vehicles	7,559	7,576	-	-
Others	1,118	1,201	395	437
	<u>186,810</u>	<u>189,545</u>	<u>70,019</u>	<u>70,945</u>

(ii.) Movements in ILs

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At 1 January	189,545	194,923	70,945	74,837
Classified as impaired during the period/ year	19	7,187	70	7,103
Amount recovered	(2,698)	(12,471)	(996)	(10,995)
Amount written off	(56)	(94)	-	-
At 31 March / 31 December	<u>186,810</u>	<u>189,545</u>	<u>70,019</u>	<u>70,945</u>
Less: Individual impairment allowance	<u>(143,650)</u>	<u>(145,584)</u>	<u>(43,195)</u>	<u>(44,083)</u>
Net ILs	<u>43,160</u>	<u>43,961</u>	<u>26,824</u>	<u>26,862</u>
Net ILs as % of gross loans, advances and financing less individual impairment allowance	<u>3.35%</u>	<u>4.06%</u>	<u>8.94%</u>	<u>9.48%</u>

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

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

(iii.) Movements in impairment provision

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Collective impairment allowance				
At 1 January	9,616	6,997	2,660	3,412
Impairment made/(written back) during the period/year	2,605	2,619	(21)	(752)
At 31 March/ 31 December	<u>12,221</u>	<u>9,616</u>	<u>2,639</u>	<u>2,660</u>
 Ratio of collective impairment allowance to gross loans, advances and financing less individual impairment allowance	 0.95%	 0.89%	 0.88%	 0.94%

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Individual impairment allowance				
At 1 January	145,584	142,786	44,083	45,104
Impairment made during the period/year	1,293	10,991	181	3,178
Amount written-back	(2,351)	(5,276)	(550)	(2,803)
Amount written off	(273)	(94)	(217)	-
Discount unwind	(603)	(2,823)	(302)	(1,396)
At 31 March/ 31 December	<u>143,650</u>	<u>145,584</u>	<u>43,195</u>	<u>44,083</u>

12. Other assets

	Note	Group		Company	
		31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Interest/profit receivables		29,565	28,896	4,843	6,588
Amount due from brokers and clients	(c)	134,003	247,434	-	-
Less: Impairment allowance		(2,567)	(2,566)	-	-
		131,436	244,868	-	-
Deposits, prepayments and other receivables		18,457	16,206	6,265	6,878
Less: Individual impairment allowance		(6,291)	(6,836)	-	-
		12,166	9,370	6,265	6,878
Amount receivables from Danaharta		132,168	133,568	-	-
Less: Individual impairment allowance		(132,168)	(133,568)	-	-
		-	-	-	-
Amount due from subsidiaries					
- Current Accounts	(a)	-	-	3,734	10,632
- Advances	(b)	-	-	-	-
Less: Individual impairment allowance		-	-	-	(82)
		-	-	3,734	10,550
Amount due from related companies		-	18	-	18
Amount due from penultimate holding company		-	66	-	66
Amount due from Government Scheme Fund		2,259	3,639	2,259	3,639
Tax recoverable		30,850	24,679	-	-
		<u>206,276</u>	<u>311,536</u>	<u>17,101</u>	<u>27,739</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 4.56% (2014: 4.45%) per annum and are repayable on demand.

12. Other assets (cont'd)

(c) Clients' accounts		31 March 2015	31 December 2014
Group	Note	RM'000	RM'000
Amount due from brokers and clients		134,003	247,434
		<u>134,003</u>	<u>247,434</u>
Less: Individual impairment allowance	(i)	(2,567)	(2,566)
		<u>131,436</u>	<u>244,868</u>

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

Group		31 March 2015	31 December 2014
		RM'000	RM'000
(i) Movements in individual impairment allowance on amount from clients:			
At 1 January		(2,566)	(2,558)
Impairment made during the period / year		(1)	(8)
At 31 March/ 31 December		<u>(2,567)</u>	<u>(2,566)</u>

13. Deposits from customers

	Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
(i) By type of deposit		
- Call deposits	86,497	36,068
- Fixed deposits	1,268,054	963,581
	<u>1,354,551</u>	<u>999,649</u>
(ii) By type of customer		
- Business enterprises	1,157,211	832,329
- Government and statutory bodies	195,000	165,000
- Individuals	2,340	2,320
	<u>1,354,551</u>	<u>999,649</u>
(iii) The maturity structure of term deposits are as follows:		
Due within six months	1,304,551	975,147
Six months to one year	50,000	24,502
	<u>1,354,551</u>	<u>999,649</u>

14. Deposits and placements of banks and other financial institutions

	Group	
	31 March 2015 RM'000	31 December 2014 RM'000
(i) Call deposits		
- Other financial institutions	116,034	118,486
(ii) Fixed deposits		
- Licensed commercial banks	91,000	252,000
- Licensed Islamic banks	-	30,200
- Licensed investment banks	50,000	36,200
- Other financial institutions	1,934,464	1,445,893
	<u>2,075,464</u>	<u>1,764,293</u>
	<u>2,191,498</u>	<u>1,882,779</u>

15. Borrowings

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
(a) Short Term:				
Unsecured	13,095	13,095	13,095	13,095
	<u>13,095</u>	<u>13,095</u>	<u>13,095</u>	<u>13,095</u>
(b) Long Term:				
Unsecured	272,829	238,645	173,721	176,193
Unsecured – Islamic operations	160,000	160,000	160,000	160,000
	<u>432,829</u>	<u>398,645</u>	<u>333,721</u>	<u>336,193</u>
Total borrowings	<u>445,924</u>	<u>411,740</u>	<u>346,816</u>	<u>349,288</u>

Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM19.188 million. The foreign exchange risk on these loans are borne by the Government of Malaysia.

16. Interest income

	Individual / Cumulative Quarter 3 Months Ended	
	31 March 2015	31 March 2014
	RM'000	RM'000
<u>Group</u>		
Loans, advances and financing		
- Interest income on non-impaired loans	16,940	10,024
- Interest income on impaired loans ("ILs")	601	784
Money at call and deposit placements with financial institutions	2,536	7,487
Securities available-for-sale ("AFS")		
- Interest income on non-impaired AFS	14,311	16,673
- Interest income on impaired AFS	145	5,653
Securities held-to-maturity ("HTM")		
- Interest income on non-impaired HTM	7,858	7,978
Accretion of discounts (net of amortisation of premium)	966	3,962
Derivative instruments	1,601	72
Others	9	16
	<u>44,967</u>	<u>52,649</u>

	Individual / Cumulative Quarter 3 Months Ended	
	31 March 2015	31 March 2014
	RM'000	RM'000
<u>Company</u>		
Loans, advances and financing		
- Interest income on non-impaired loans	2,686	855
- Interest income on impaired loans ("ILs")	300	380
Money at call and deposit placements with financial institutions	1,654	6,364
Securities available-for-sale ("AFS")		
- Interest income on non-impaired AFS	1	5
	<u>4,641</u>	<u>7,604</u>

17. Interest expense

	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Group		
Deposits and placements of banks and other financial institutions	16,934	16,604
Deposits from customers	6,725	9,240
Borrowings	974	-
Derivative instruments	-	271
Concessionary funds	1,270	1,363
	<u>25,903</u>	<u>27,478</u>
Company		
Borrowings		
Concessionary funds	1,270	1,363
	<u>1,270</u>	<u>1,363</u>

18. Non-interest income

	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Group		
Fee income:		
Agency fees	2,407	325
Management fees	718	455
Corporate advisory fees	190	1,705
Brokerage fees	5,468	5,592
Income from Government Scheme Funds	3,449	3,651
Other fees	2,447	2,216
	<u>14,679</u>	<u>13,944</u>
Investment income:		
Gain on sale of securities:		
- Held-for-trading	6,282	1,638
- Available-for-sale	-	4,190
Net unrealised gain on revaluation of securities held-for-trading	-	30
Net unrealised gain on revaluation of derivative instruments	(4,669)	403
	<u>1,613</u>	<u>6,261</u>

18. Other operating income (cont'd)

	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Group (cont'd.)		
Other income:		
Gain on disposal of property, plant and equipment		
Rental from:		
- Office premises	423	335
- Others	70	76
Others*	143	516
	<u>636</u>	<u>927</u>
Total other operating income	<u>16,928</u>	<u>21,132</u>
Company		
Fee income:		
Management fees	2,129	2,114
Income from Government Scheme Funds	3,449	3,651
	<u>5,578</u>	<u>5,765</u>
Investment income:		
Gain on sale of securities:		
- Available-for-sale	6,282	1,106
- Held-to-maturity	-	1,631
Net unrealised gain on revaluation of securities held-for-trading	-	30
	<u>6,282</u>	<u>2,767</u>
Gross dividend income:		
Subsidiaries	5,000	-
	<u>5,000</u>	<u>-</u>
Other income:		
Gain on disposal of property, plant and equipment	-	3
Rental from:		
- Office premises	1,076	1,004
Others*	392	557
	<u>1,468</u>	<u>1,564</u>
Total other operating income	<u>18,328</u>	<u>10,096</u>

19. Operating expenses

<u>Group</u>	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Staff costs		
Wages, Salaries and bonuses	14,665	13,001
Employee benefits:		
Current period	192	116
Social security costs	68	67
Defined contribution plan	2,418	2,117
Other staff related expenses	1,258	1,116
	<u>18,601</u>	<u>16,417</u>
Establishment costs		
Depreciation	376	638
Office rental	1,679	1,674
Equipment rental	13	15
Others	1,468	1,474
	<u>3,536</u>	<u>3,801</u>
Promotion and marketing-related expenses		
Business promotion and advertisement	1,265	1,234
Entertainment	93	64
	<u>1,358</u>	<u>1,298</u>
General and administrative expenses		
Auditors' remuneration		
- Audit fees	133	121
Directors' fees and meeting allowances	469	459
Communication expenses	189	104
Professional fees	260	412
Securities Commission's levy	277	276
Others	697	395
	<u>2,025</u>	<u>1,767</u>
	<u>25,520</u>	<u>23,283</u>

19. Operating expenses (cont'd)

<u>Company</u>	Individual / Cumulative Quarter 3 Months Ended	
	31 March 2015	31 March 2014
	RM'000	RM'000
Personnel costs		
Wages, Salaries and bonuses	6,586	6,008
Employee benefits:		
Current period	165	198
Social security costs	40	40
Defined contribution plan	1,137	1,015
Other staff related expenses	952	850
	<u>8,880</u>	<u>8,111</u>
Establishment costs		
Depreciation	194	313
Office rental	1,671	1,658
Equipment rental	2	3
Others	494	578
	<u>2,361</u>	<u>2,552</u>
Promotion and marketing-related expenses		
Business promotion and advertisement	334	815
Entertainment	1	2
	<u>335</u>	<u>817</u>
General and administrative expenses		
Auditors' remuneration		
- Audit fees	50	47
Directors' fees and meeting allowances	282	243
Communication expenses	135	64
Others	491	236
	<u>958</u>	<u>590</u>
	<u>12,534</u>	<u>12,070</u>

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

<u>Group</u>	Individual / Cumulative Quarter 3 Months Ended	
	31 March 2015	31 March 2014
	RM'000	RM'000
(a) Individual impairment allowances		
- made in the financial period	(1,300)	(2,406)
- written-back	2,351	2,115
(b) Collective impairment allowances		
- made in the financial period	(2,768)	(2,241)
- written-back	163	2,407
(c) Recoveries from impaired loans	1,301	1,659
	<u>(253)</u>	<u>1,534</u>

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

	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Company		
(a) Individual impairment allowances		
- made in the financial period	(181)	(901)
- written-back	550	1,139
(b) Collective impairment allowances		
- made in the financial period	(32)	(1,025)
- written-back	53	202
(c) Recoveries from impaired loans	1,298	1,614
	<u>1,688</u>	<u>1,029</u>

21. Impairment losses written back on securities

	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Group		
Securities available-for-sale (net)	4,994	4,727
	<u>4,994</u>	<u>4,727</u>
Company		
Securities available-for-sale (net)	-	617
	<u>-</u>	<u>617</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 / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Investment banking	52,862	70,498
Development finance	15,438	12,704
Asset management	818	554
Investment holding	15,037	9,336
Others	8,830	3,123
	<u>92,985</u>	<u>96,215</u>
Inter-segment elimination	(10,385)	(3,518)
	<u>82,600</u>	<u>92,697</u>

22. Segment information (cont'd)

	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Segment Results		
Investment banking	14,581	30,303
Development finance	10,741	7,888
Asset management	(288)	(662)
Investment holding	2,767	2,642
Others	4,424	407
	<u>32,225</u>	<u>40,578</u>
Share of results in associates	623	370
	<u>32,848</u>	<u>40,948</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 31 March 2015 RM'000	As at 31 December 2014 RM'000
	Authorised but not contracted for	<u>14,627</u>
Company		
Authorised but not contracted for	<u>5,192</u>	<u>5,227</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 31.03.2015			As at 31.12.2014		
	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	40,694	20,347	20,347	-	-	-
Interest rate related contracts over one year to five years	1,170,000	18,160	3,632	1,370,000	24,947	4,989
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	115,561	31,433	31,430	97,399	19,480	19,480
- Maturity exceeding one year	20,348	10,174	10,174	114,520	57,260	57,260
Loan facility commitment approved that have yet been drawdown:						
- Real estate financing	273,219	54,644	54,644	274,150	54,830	54,830
- Short term financing	126,400	25,280	25,280	104,805	20,961	20,961
Total	1,746,222	160,038	145,507	1,960,874	177,478	157,520
Company						
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	27,736	13,868	13,868	36,425	18,213	18,213
Total	27,736	13,868	13,868	36,425	18,213	18,213

* 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 31 March 2015 RM'000	As at 31 March 2014 RM'000	As at 31 March 2015 RM'000	As at 31 March 2014 RM'000
Penultimate holding company				
Income:				
Brokerage fees earned	2,993	2,619	-	-
Expenditures:				
Interest expense on deposits	117	2	-	-
Rental expense	1,569	1,569	1,569	1,569
Subsidiaries				
Income:				
Interest on loans	-	-	2,315	6
Rental of premises	-	-	636	613
Management fees	-	-	2,063	2,121
Dividend from subsidiaries	-	-	5,000	-

25. Related party disclosures (cont'd.)

Significant related party transactions and balances (cont'd)

	Group		Company	
	As at 31 March 2015 RM'000	As at 31 March 2014 RM'000	As at 31 March 2015 RM'000	As at 31 March 2014 RM'000
Associates				
Income:				
Management fees	-	-	1	-
Brokerage fees	155	-	-	-
Rental received	-	-	107	107
	<hr/>	<hr/>	<hr/>	<hr/>
Other related companies				
Income:				
Interest income on securities	4,332	4,145	-	-
Interest income on loans and advances	1,747	-	-	-
Fee income	60	40	-	-
Management fees	-	-	4	4
	<hr/>	<hr/>	<hr/>	<hr/>

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

	Group		Company	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Penultimate holding company				
Amount due from:				
Sundry deposit received	1,564	1,564	1,564	1,564
Trade receivables	-	-	-	66
	<hr/>	<hr/>	<hr/>	<hr/>

25. Related party disclosures (cont'd.)

Significant related party transactions and balances (cont'd)

	Group		Company	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Subsidiaries				
Amount due from:				
Loans, advances and financing	-	-	209,300	207,171
Trade receivables	-	-	11,274	10,754
Amount due to:				
Rental deposit received	-	-	445	445
Other payables	-	-	11,627	11,732
Associates				
Amount due from:				
Trade receivables	-	-	1	-
Amount due to:				
Rental deposit received	107	107	107	107
Deposit placement	4,305	3,674	-	-
Other related companies				
Amount due from:				
Fee receivables	207	38	-	-
Trade receivables	11	17	11	17
Loans and advances	120,000	120,000	-	-
Securities	325,363	324,682	-	-
Amount due to:				
Deposits from placements of banks and other financial institutions	81,942	59,123	-	-
Other payables	52	28	35	31

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	
	31 March 2015 RM'000	31 December 2014 RM'000
(i) Total credit exposures with connected parties	465,580	465,000
(ii) Percentage of total credit exposures to connected parties as proportion of total credit exposures	11.65%	12.60%
(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 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 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	(16,607)	(26,290)	-	-
Profit equalisation reserve	-	8,858	-	-
Retained profits	840,171	831,313	728,412	728,412
	<u>1,784,819</u>	<u>1,775,136</u>	<u>1,558,343</u>	<u>1,558,343</u>
Less: Regulatory adjustments	(121,025)	(134,158)	(786,878)	(788,084)
Total CET1 Capital / Tier 1 Capital	<u>1,663,794</u>	<u>1,640,978</u>	<u>771,465</u>	<u>770,259</u>
Tier 2 Capital				
Collective impairment allowance	12,221	9,616	2,639	2,660
Less: Regulatory adjustments	(2,132)	(2,141)	(2,132)	(2,140)
Total Tier 2 capital	<u>10,089</u>	<u>7,475</u>	<u>507</u>	<u>520</u>
Total Capital	<u>1,673,883</u>	<u>1,648,453</u>	<u>771,972</u>	<u>770,779</u>
Before deducting interim dividend*:				
CET 1 Capital	50.889%	52.946%	112.314%	112.359%
Tier 1 Capital	50.889%	52.946%	112.314%	112.359%
Total Capital	51.198%	53.187%	112.388%	112.435%
After deducting interim dividend*:				
CET 1 Capital	48.198%	50.107%	99.503%	99.522%
Tier 1 Capital	48.198%	50.107%	99.503%	99.522%
Total Capital	48.506%	50.348%	99.576%	99.598%

* Relates to interim dividend of RM88 million in respect of financial year ended 31 December 2014 which is subject for approval from Bank Negara Malaysia.

27. Capital adequacy (cont'd.)

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

	Group		Company	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Total risk weighted assets for credit risk	2,644,557	2,453,457	473,825	469,476
Total risk weighted assets equivalent for market risk	235,302	259,887	57,227	63,437
Total risk weighted assets equivalent for operational risk	389,572	385,990	155,829	152,622
	<u>3,269,431</u>	<u>3,099,334</u>	<u>686,881</u>	<u>685,535</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 31 March 2015				
Financial assets				
Assets measured at fair value:				
Securities held-for-trading				
Money market instruments	-	89,935	-	89,935
Unquoted securities	-	64,691	253	64,944
Securities available-for-sale				
Money market instruments	-	724,302	-	724,302
Quoted securities	1,328	-	-	1,328
Unquoted securities	-	1,594,202	71,528	1,665,730
Derivative assets	-	5,111	-	5,111
	<u>1,328</u>	<u>2,478,241</u>	<u>71,781</u>	<u>2,551,350</u>
Assets for which fair value are disclosed:				
Securities held-to-maturity				
Unquoted securities	-	847,082	-	847,082
Loans, advances and financing *	-	1,604	-	1,604
Investment properties				
Residential properties	-	6,930	-	6,930
Office property	-	1,246	-	1,246
Liability for which fair values are disclosed:				
Borrowings	-	445,924	-	445,924

* Exclude loans, advances and financing with carrying amounts approximately fair value

28. Fair value hierarchy (cont'd.)

At 31 December 2014

Financial assets	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets measured at fair value:				
Securities held-for-trading				
Money market instruments	-	108,578	-	108,578
Unquoted securities	-	41,736	253	41,989
Securities available-for-sale				
Money market instruments	-	210,703	-	210,703
Quoted securities	1,158	-	-	1,158
Unquoted securities	-	1,581,983	66,440	1,648,423
Derivative assets	-	9,780	-	9,780
Assets for which fair value are disclosed:				
Securities held-to-maturity				
Money market instruments	-	259,303	-	259,303
Unquoted securities	-	689,479	-	689,479
Loans, advances and financing *	-	1,711	-	1,711
Investment properties				
Residential properties	-	6,930	-	6,930
Office property	-	1,246	-	1,246
Liability for which fair values are disclosed:				
Borrowings	-	411,740	-	411,740

* Exclude loans, advances and financing with carrying amounts approximately fair value

28. Fair value hierarchy (cont'd)

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 March 2015				
Assets measured at fair value:				
Securities held-for-trading				
Quoted securities	-	89,935	-	89,935
Unquoted securities	-	64,691	253	64,944
Securities available-for-sale				
Unquoted securities	-	-	4,374	4,374
	<u>-</u>	<u>154,626</u>	<u>4,627</u>	<u>159,253</u>
Assets for which fair value are disclosed:				
Loans, advances and financing *	-	1,338	-	1,338
Liability for which fair values are disclosed:				
Borrowings	-	346,816	-	346,816
At 31 December 2014				
Assets measured at fair value:				
Securities held-for-trading				
Money market instruments	-	108,578	-	108,578
Unquoted securities	-	41,736	253	41,989
Securities available-for-sale				
Unquoted securities	-	-	4,400	4,400
	<u>-</u>	<u>150,314</u>	<u>4,653</u>	<u>154,967</u>
Assets for which fair value are disclosed:				
Loans, advances and financing *	-	1,349	-	1,349
Liability for which fair values are disclosed:				
Borrowings	-	349,288	-	349,288

* Exclude loans, advances and financing with carrying amounts approximately fair value

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 At 31 March 2015	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
Unquoted securities			
At 1 January	253	66,440	66,693
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	155	155
Included within net income from Islamic Banking operation	-	-	-
Included within impairment written back on securities	-	4,994	4,994
	<u>-</u>	<u>5,149</u>	<u>5,149</u>
Total gains/(losses) recognised in other comprehensive income	-	-	-
Additional investment	-	-	-
Settlements	-	(61)	(61)
At 31 March	<u>253</u>	<u>71,528</u>	<u>71,781</u>
At 31 December 2014			
Unquoted securities			
At 1 January	7,065	80,225	87,290
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	1,101	1,101
Included within net income from Islamic Banking operation	-	101	101
Included within impairment loss on securities	-	6,768	6,768
	<u>-</u>	<u>7,970</u>	<u>7,970</u>
Transfers from Level 2	252	-	252
Settlements	(7,064)	(21,755)	(28,819)
At 31 December	<u>253</u>	<u>66,440</u>	<u>66,693</u>

28. Fair value hierarchy (cont'd)

Company At 31 March 2015	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
Unquoted securities			
At 1 January	253	4,400	4,653
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	1	1
Included within impairment loss on securities	-	-	-
	<u>-</u>	<u>1</u>	<u>1</u>
Total gains/(losses) recognised in other comprehensive income	-	-	-
Transfers from Level 2	-	-	-
Settlements	-	(27)	(27)
At 31 March	<u>253</u>	<u>4,374</u>	<u>4,627</u>
	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
At 31 December 2014			
Unquoted securities			
At 1 January	7,065	7,666	14,731
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	260	260
Included within impairment loss on securities	-	133	133
	<u>-</u>	<u>393</u>	<u>393</u>
Transfers from Level 2	252	-	252
Settlements	(7,064)	(3,659)	(10,723)
At 31 December	<u>253</u>	<u>4,400</u>	<u>4,653</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. Operations of Islamic Banking Business

(a) CONDENSED STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	Group	
		31 March 2015 RM'000	31 December 2014 RM'000
ASSETS			
Cash and short-term funds	29 (c)	197,358	126,148
Deposits and placements with licensed banks and other financial institutions	29 (d)	41,700	41,700
Securities available-for-sale	29 (e)	744,381	462,351
Securities held-to-maturity	29 (f)	211,047	349,329
Financing and advances	29 (g)	280,391	239,198
Other assets		15,200	17,847
Deferred tax assets		4,940	4,514
TOTAL ASSETS		1,495,017	1,241,087
LIABILITIES			
Deposits from customers	29 (h)	287,330	213,374
Deposits and placements of banks and other financial institutions	29 (i)	413,559	247,597
Borrowings	29 (j)	160,000	160,000
Profit equalisation reserve		11,918	-
Other liabilities		14,602	28,533
Provision for taxation and zakat		4,829	9,666
Amount due to Head Office		16,169	7,921
TOTAL LIABILITIES		908,407	667,091
ISLAMIC BANKING CAPITAL FUNDS			
Funds allocated from Head Office		416,600	416,600
Reserves		170,010	157,396
TOTAL ISLAMIC BANKING CAPITAL FUNDS		586,610	573,996
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		1,495,017	1,241,087

29. Operations of Islamic Banking Business

(a) CONDENSED STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AS AT 31 MARCH 2015

	Note	Company	
		31 March 2015 RM'000	31 December 2014 RM'000
ASSETS			
Cash and short-term funds	29 (c)	127,247	125,844
Deposits and placements with licensed banks and other financial institutions	29 (d)	41,700	41,700
Financing and advances	29 (g)	31,549	28,849
Other assets		11,590	12,906
Deferred tax assets		96	96
TOTAL ASSETS		212,182	209,395
LIABILITIES			
Borrowings	29 (j)	160,000	160,000
Other liabilities		11,939	12,953
Provision for taxation and zakat		1,210	1,004
Amount due to Head Office		4	8
TOTAL LIABILITIES		173,153	173,965
ISLAMIC BANKING CAPITAL FUNDS			
Funds allocated from Head Office		20,000	20,000
Reserves		19,029	15,430
TOTAL ISLAMIC BANKING CAPITAL FUNDS		39,029	35,430
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		212,182	209,395

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

(b) CONDENSED STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AS AT 31 MARCH 2015

<u>Group</u>	Individual/ Cumulative Quarter 3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Income derived from investment of depositors funds and others	14,689	14,339
Income derived from Government Scheme Funds	6,597	3,967
Transfer to profit equalisation reserve	-	-
Total attributable income	21,286	18,306
Income attributable to depositors	(5,158)	(6,956)
Net income attributable to the reporting institution	16,128	11,350
Other operating expenses	(4,105)	(2,420)
Operating profit	12,023	8,930
Impairment losses written back on securities	1,834	-
Impairment losses (made)/written back on financing and advances	29 (m) (451)	1,046
Finance costs	-	(1)
Profit before taxation and zakat	13,406	9,975
Taxation	(2,917)	(954)
Zakat	(325)	(74)
Profit for the period	10,164	8,947
 <u>Company</u>		
Income derived from investment of depositors funds and others	1,064	622
Income derived from Government Scheme Funds	6,597	3,967
Income attributable to the reporting institution	7,661	4,589
Other operating expenses	(2,910)	(1,818)
Operating profit	4,751	2,771
Impairment losses writeback on financing and advances	29 (m) 165	1,046
Finance costs	-	(1)
Profit before taxation and zakat	4,916	3,816
Taxation	(1,222)	(954)
Zakat	(95)	(74)
Profit for the period	3,599	2,788

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

(c) Cash and short-term funds

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	2,658	8,248	2,447	7,944
Deposits and placements maturing within one month	194,700	117,900	124,800	117,900
	<u>197,358</u>	<u>126,148</u>	<u>127,247</u>	<u>125,844</u>

(d) Deposits and placements with licensed banks and other financial institutions

	Group and Company	
	2015 RM'000	2014 RM'000
Deposits with licensed banks	41,700	41,700
	<u>41,700</u>	<u>41,700</u>

(e) Securities available-for-sale

	Group	
	31 March 2015 RM'000	31 December 2014 RM'000
At fair value		
Money market instruments:		
Bank Negara Monetary Notes	297,799	199,422
Malaysian Treasury Bills	9,961	-
Islamic Negotiable Certificate of Deposits	169,330	-
	<u>477,090</u>	<u>199,422</u>
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	267,291	262,929
	<u>744,381</u>	<u>462,351</u>

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

(f) Securities held-to-maturity

	Group	
	31 March 2015 RM'000	31 December 2014 RM'000
At amortised cost		
Money market instruments:		
Islamic Negotiable Instruments	-	259,329
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	211,047	90,000
	<u>211,047</u>	<u>349,329</u>

(g) Financing and advances

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Term financing				
- Syndicated term financing	252,267	213,158	-	-
- Islamic hire purchase/leasing	3,996	4,218	3,996	4,263
- Other term financing	39,720	36,881	39,720	36,836
	<u>295,983</u>	<u>254,257</u>	<u>43,716</u>	<u>41,099</u>
Less: Unearned income	(9,996)	(9,920)	(9,996)	(9,920)
Gross financing and advances	<u>285,987</u>	<u>244,337</u>	<u>33,720</u>	<u>31,179</u>
Less: Impairment provision				
- Collective impairment provision	(3,630)	(3,041)	(205)	(232)
- Individual impairment provision	(1,966)	(2,098)	(1,966)	(2,098)
Total net financing and advances	<u>280,391</u>	<u>239,198</u>	<u>31,549</u>	<u>28,849</u>

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

(g) Financing and advances (cont'd)

(i) By contract

Group

31 March 2015

	Sale-based contract		Lease-based contract	Total financing and advances
	Comodity Murabahah	Bai Bithaman Ajil	Al-Ijarah Thumma Al-Bai	
	RM'000	RM'000	RM'000	RM'000
Syndicated term financing	252,267	-	-	252,267
Deferred payment sales	-	29,724	-	29,724
Finance lease	-	-	3,996	3,996
	<u>252,267</u>	<u>29,724</u>	<u>3,996</u>	<u>285,987</u>

31 December 2014

	Sale-based contract		Lease-based contract	Total financing and advances
	Comodity Murabahah	Bai Bithaman Ajil	Al-Ijarah Thumma Al-Bai	
	RM'000	RM'000	RM'000	RM'000
Syndicated term financing	213,158	-	-	213,158
Deferred payment sales	-	26,916	-	26,916
Finance lease	-	-	4,263	4,263
	<u>213,158</u>	<u>26,916</u>	<u>4,263</u>	<u>244,337</u>

Company

31 March 2015

	Sale-based contract	Lease-based contract	Total financing and advances
	Bai Bithaman Ajil	Al-Ijarah Thumma Al-Bai	
	RM'000	RM'000	RM'000
Deferred payment sales	29,724	-	29,724
Finance lease	-	3,996	3,996
	<u>29,724</u>	<u>3,996</u>	<u>33,720</u>

31 December 2014

	Sale-based contract	Lease-based contract	Total financing and advances
	Bai Bithaman Ajil	Al-Ijarah Thumma Al-Bai	
	RM'000	RM'000	RM'000
Deferred payment sales	26,916	-	26,916
Finance lease	-	4,263	4,263
	<u>26,916</u>	<u>4,263</u>	<u>31,179</u>

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

(g) Financing and advances (cont'd)

(ii) By contract

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Commodity Murabahah	252,267	213,158	-	-
Bai Bithaman Ajil (deferred)	29,724	26,916	29,724	26,916
Al-Ijarah Thumma Al-Bai (finance lease)	3,996	4,263	3,996	4,263
	<u>285,987</u>	<u>244,337</u>	<u>33,720</u>	<u>31,179</u>

(iii) By types of customer

Domestic business enterprises	285,987	244,337	33,720	31,179
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(iv) By profit rate sensitivity

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Variable rate				
Cost-plus	252,267	213,158	-	-
Fixed rate				
Hire purchase receivables	3,996	4,263	3,996	4,263
Other fixed rate financing	29,724	26,916	29,724	26,916
	<u>285,987</u>	<u>244,337</u>	<u>33,720</u>	<u>31,179</u>

(v) By economic sector

Mining and quarrying	79,618	47,031	-	-
Manufacturing	4,896	5,195	4,896	5,195
Wholesale & retail trade and restaurants & hotels	9,788	9,926	9,788	9,926
Transport, storage and communications	81,658	85,308	288	313
Construction	91,279	81,132	-	-
Finance, insurance and business services	14,725	12,612	14,725	12,612
Others	4,023	3,133	4,023	3,133
	<u>285,987</u>	<u>244,337</u>	<u>33,720</u>	<u>31,179</u>

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

(g) Financing and advances (cont'd)

(vi) By residual contractual maturity

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Within one year	6,689	6,466	6,689	6,466
One year to five years	100,457	89,846	9,178	8,715
After five years	178,841	148,025	17,853	15,998
Gross loans, advances and financing	<u>285,987</u>	<u>244,337</u>	<u>33,720</u>	<u>31,179</u>

(vii) Impaired financing and advances by economic sector

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Manufacturing	3,802	3,896	3955	3,896
Transport, storage and communications	287	303	297	303
Others	395	241	395	404
	<u>4,484</u>	<u>4,440</u>	<u>4,647</u>	<u>4,603</u>

(viii) Movements in impaired financing and advances

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
At 1 January	4,440	4,597	4,603	4,597
Impaired during the period/year	70	96	70	259
Amount recovered	(26)	(253)	(26)	(253)
Amount written off	-	-	-	-
At 31 March/ 31 December	<u>4,484</u>	<u>4,440</u>	<u>4,647</u>	<u>4,603</u>
Less: Individual impairment provision	<u>(1,966)</u>	<u>(2,098)</u>	<u>(1,966)</u>	<u>(2,098)</u>
Net impaired financing and advances	<u>2,518</u>	<u>2,342</u>	<u>2,681</u>	<u>2,505</u>
Ratio of collective impairment allowance to gross loans, advances and financing less individual impairment allowance	<u>0.89%</u>	<u>0.97%</u>	<u>8.44%</u>	<u>8.61%</u>

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

(g) Financing and advances (cont'd)

(ix) Movements in impairment allowance

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Collective impairment allowance				
At 1 January	3,041	287	232	287
Impairment written back/(made) during the financial period/year	589	2,754	(27)	(55)
At 31 March/ 31 December	<u>3,630</u>	<u>3,041</u>	<u>205</u>	<u>232</u>
 Ratio of collective impairment allowance to gross loans, advances and financing less individual impairment allowance	 1.28%	 1.26%	 0.65%	 0.80%
			Group and Company	
			31 March	31 December
			2015	2014
			RM'000	RM'000
Individual impairment allowance				
At 1 January			2,098	2,185
Impairment made during the period/year			64	80
Impairment allowance written back during the period/year			(194)	(158)
Amount written off			-	-
Discount unwind			(2)	(9)
At 31 March/ 31 December			<u>1,966</u>	<u>2,098</u>

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

(h) Deposits from customers

	Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
(i) By type of deposits		
Mudharabah Fund		
- Fixed/Investment deposits	-	-
- Others	-	-
	<u>-</u>	<u>-</u>
Commodity Murabahah		
Term deposits	287,330	213,374
	<u>287,330</u>	<u>213,374</u>
(ii) By type of customers		
Mudharabah Fund		
- Business enterprises	-	-
	<u>-</u>	<u>-</u>
Commodity Murabahah		
Business enterprises	257,330	-
Government and statutory bodies	30,000	213,374
	<u>287,330</u>	<u>213,374</u>
(iii) The maturity structure of term deposits is as follows:		
Due within six months	257,330	-
Six months to one year	30,000	213,374
	<u>287,330</u>	<u>213,374</u>

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

	Group	
	31 March 2015	31 December 2014
	RM'000	RM'000
(i) By type of deposits		
Mudharabah Fund		
- Fixed/Investment deposits	-	30,200
- Others	-	-
	<u>-</u>	<u>30,200</u>
Commodity Murabahah		
Term deposits	413,559	217,397
	<u>413,559</u>	<u>247,597</u>
(ii) By type of customers		
Mudharabah Fund		
- Licensed Islamic banks	-	30,200
- Other financial institutions	-	-
	<u>-</u>	<u>30,200</u>
Commodity Murabahah		
Term deposits	413,559	217,397
	<u>413,559</u>	<u>247,597</u>

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

(j) Borrowings

	Group and Company	
	31 March 2015 RM'000	31 December 2014 RM'000
Funds from MITI Soft Loans Scheme for Services Sector	160,000	160,000
	<u>160,000</u>	<u>160,000</u>

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

Income derived from investment of general investment deposits:

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Income derived from investment of:				
(i) General investment deposits	9,223	11,804	-	-
(ii) Other deposits	12,063	6,502	7,661	4,589
	<u>21,286</u>	<u>18,306</u>	<u>7,661</u>	<u>4,589</u>

(i) General investment deposits

Finance income and hibah	Group and Company	
	31 March 2015 RM'000	31 March 2014 RM'000
Money at call and deposit placements with financial institutions	463	161
Securities available-for-sale		
- Profit on non-impaired securities	2,673	4,176
- Profit from impaired securities	1,843	56
Securities held-to-maturity	-	1,631
	<u>4,979</u>	<u>6,024</u>
Accretion of discounts less amortisation of premiums	4,244	5,780
Total finance income and hibah	<u>9,223</u>	<u>11,804</u>

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

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

(ii) Other deposits

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Group and Bank				
Finance income and hibah				
Financing and advances				
- impaired	4,382	1,915	2	2
- non-impaired	299	170	299	170
Money at call and deposit placements with financial institutions	290	181	290	181
	<u>4,971</u>	<u>2,266</u>	<u>591</u>	<u>353</u>
Other operating income				
Management fee from Government Scheme Funds	6,597	3,967	6,597	3,967
Fee income	293	112	271	112
Other income	202	157	202	157
	<u>7,092</u>	<u>4,236</u>	<u>7,070</u>	<u>4,236</u>
	<u>12,063</u>	<u>6,502</u>	<u>7,661</u>	<u>4,589</u>

(l) Income attributable to depositors

	Group	
	31 March 2015 RM'000	31 March 2014 RM'000
Mudharabah Fund		
Deposits from customers	-	(2,994)
Deposits and placements of banks and financial institutions	-	(3,962)
	<u>-</u>	<u>(6,956)</u>
Commodity Fund		
Deposits from customers	(3,876)	-
Deposits and placements of banks and financial institutions	(1,282)	-
	<u>(5,158)</u>	<u>-</u>

(m) Impairment losses (made)/written back on financing and advances

	Group		Company	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Collective impairment allowance				
- Made in the financial year	(616)	(59)	-	(59)
- Written back in the financial period	27	202	27	202
Individual impairment allowance				
- Made in the financial year	(60)	(54)	(60)	(54)
- Written back in the financial period	190	57	190	57
Bad debts recovered on financing and advances				
	8	900	8	900
	<u>(451)</u>	<u>1,046</u>	<u>165</u>	<u>1,046</u>

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

(n) Capital adequacy

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

	Group		Company	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 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
Paid-up non-cumulative perpetual preference share available-for-sale	(3,621)	(5,644)	-	-
Profit equalisation reserve	-	8,858	-	-
Retained profits	163,039	154,182	15,430	15,430
	576,018	493,996	35,430	35,430
Less: Regulatory adjustments of CET1	(4,940)	(13,372)	(6,531)	(96)
Total Tier-I capital	571,078	480,624	28,899	35,334
Collective impairment allowance	3,630	3,041	205	232
Less: Regulatory adjustments	(2)	(11)	(2)	(11)
Total Tier-II capital	3,628	3,030	203	221
Total capital	574,706	483,654	29,102	35,555
CET1 Capital	160.80%	101.94%	36.14%	45.44%
Tier 1 Capital	160.80%	101.94%	36.14%	45.44%
Total Capital	161.66%	102.49%	36.39%	45.72%

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

	Group		Company	
	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000	As at 31 March 2015 RM'000	As at 31 December 2014 RM'000
Total risk weighted assets for credit risk	673,976	507,670	75,793	74,243
Total risk weighted assets equivalent for market risk	-	-	-	-
Total risk weighted assets equivalent for operational risk	46,991	44,958	34,381	31,974
	720,967	552,628	110,174	106,217
	206,272	46,472	202,863	47,606

**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 condensed interim financial statements for the three months ended 31st March 2015, 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 31st March 2015. 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 in Malaysia.

**FOO WEI HOONG
CHIEF FINANCIAL OFFICER**

30 April 2015