

Condensed interim financial statements  
Unaudited statements of financial position as at 30 June 2011

	Note	Group		Bank	
		30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
<b>Assets</b>					
Cash and short-term funds	6	126,086	216,394	126,008	216,277
Deposits and placements with licensed banks and other financial institutions	7	-	100,000	-	100,000
Securities held-for-trading	8	184,182	324,104	184,182	324,104
Securities available-for-sale	9	1,981,893	2,088,283	1,981,893	2,088,283
Securities held-to-maturity	10	2,093,748	290,717	2,093,748	290,717
Loans and advances	11	417,862	197,247	417,862	197,247
Derivative assets		494	1,385	494	1,385
Other assets	12	226,603	156,395	226,595	156,481
Statutory deposits with Bank Negara Malaysia		97,213	19,083	97,213	19,083
Investment in subsidiaries		-	-	*	*
Property, plant and equipment		2,378	2,877	2,378	2,877
Deferred tax assets		30,287	37,600	30,287	37,600
<b>Total assets</b>		<b>5,160,746</b>	<b>3,434,085</b>	<b>5,160,660</b>	<b>3,434,054</b>
<b>Liabilities</b>					
Deposits from customers	13	2,006,673	1,446,261	2,006,673	1,446,261
Deposits and placements of banks and other financial institutions	14	2,214,969	1,127,892	2,214,969	1,127,892
Other liabilities	15	206,860	149,392	206,801	149,377
Provision for zakat		434	504	434	504
<b>Total liabilities</b>		<b>4,428,936</b>	<b>2,724,049</b>	<b>4,428,877</b>	<b>2,724,034</b>
<b>Shareholder's equity</b>					
Share capital		156,500	156,500	156,500	156,500
Reserves :					
Share premium		362,611	362,611	362,611	362,611
Statutory reserve		115,520	115,520	115,520	115,520
Securities available-for-sale reserve		12,106	10,683	12,106	10,683
Retained earnings		85,073	64,722	85,046	64,706
<b>Total shareholder's equity</b>		<b>731,810</b>	<b>710,036</b>	<b>731,783</b>	<b>710,020</b>
<b>Total liabilities and shareholder's equity</b>		<b>5,160,746</b>	<b>3,434,085</b>	<b>5,160,660</b>	<b>3,434,054</b>
<b>Commitments and contingencies</b>	24	<b>295,975</b>	<b>304,367</b>	<b>295,975</b>	<b>304,367</b>
<b>Capital adequacy</b>	26				
Core capital ratio		42.71%	48.59%	42.71%	48.59%
Risk-weighted capital ratio		42.84%	48.59%	42.84%	48.59%
<b>Net assets per share (RM)</b>		<b>4.68</b>	<b>4.54</b>	<b>4.68</b>	<b>4.54</b>

\* Denotes RM4.00

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

Condensed interim financial statements  
Unaudited income statements  
For the period ended 30 June 2011

Group	Note	Individual Quarter		Cumulative Quarter	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Operating revenue		59,425	44,560	106,636	95,475
Interest income	16	35,901	30,806	66,081	65,786
Interest expense	17	(18,700)	(15,017)	(34,277)	(29,011)
Net interest income		17,201	15,789	31,804	36,775
Net income from Islamic Banking operation	28	4,531	2,797	7,768	7,457
Other operating income	18	10,711	6,528	20,358	14,415
Net income		32,443	25,114	59,930	58,647
Operating expenses	19	(9,673)	(9,503)	(19,510)	(19,518)
Operating profit		22,770	15,611	40,420	39,129
Impairment loss on loans and advances	20	(10,616)	1,387	(10,803)	1,243
Impairment loss on other assets	21	142	(223)	-	(253)
Impairment loss on securities	22	(1,016)	(19,472)	(2,246)	(22,564)
Profit/(loss) before taxation and zakat		11,280	(2,697)	27,371	17,555
Taxation	23	(2,820)	675	(6,840)	(4,387)
Zakat		(109)	(38)	(180)	(148)
Net profit/(loss) for the period		8,351	(2,060)	20,351	13,020
Earnings per ordinary share (sen)					
Basic and diluted		5.39	(1.33)	13.13	8.40

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

Condensed interim financial statements  
Unaudited statements of comprehensive income  
For the period ended 30 June 2011

Group	Cumulative Quarter	
	30 June 2011 RM'000	30 June 2010 RM'000
Net profit for the period	20,351	13,020
Other comprehensive gain/(loss):		
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	(1,766)	(1,262)
Net unrealised gain on revaluation of securities available-for-sale	3,662	2,704
Deferred tax on revaluation of securities available-for-sale	(473)	110
Other comprehensive gain for the period, net of tax	1,423	1,552
Total comprehensive income for the period	21,774	14,572

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

Condensed interim financial statements  
Unaudited income statements  
For the period ended 30 June 2011

Bank	Note	Individual Quarter		Cumulative Quarter	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Operating revenue		59,421	44,557	106,622	95,468
Interest income	16	35,901	30,806	66,081	65,786
Interest expense	17	(18,700)	(15,017)	(34,277)	(29,011)
Net interest income		17,201	15,789	31,804	36,775
Net income from Islamic Banking operation	28	4,531	2,797	7,768	7,457
Other operating income	18	10,707	6,525	20,344	14,408
Net income		32,439	25,111	59,916	58,640
Operating expenses	19	(9,670)	(9,503)	(19,507)	(19,518)
Operating profit		22,769	15,608	40,409	39,122
Impairment loss on loans and advances	20	(10,616)	1,387	(10,803)	1,243
Impairment loss on other assets	21	142	(223)	-	(253)
Impairment loss on securities	22	(1,016)	(19,472)	(2,246)	(22,564)
Profit/(loss) before taxation and zakat		11,279	(2,700)	27,360	17,548
Taxation	23	(2,820)	675	(6,840)	(4,387)
Zakat		(109)	(38)	(180)	(148)
Net profit/(loss) for the period		8,350	(2,063)	20,340	13,013
Earnings per ordinary share (sen)					
Basic and diluted		5.39	(1.33)	13.12	8.40

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

Condensed interim financial statements  
Unaudited statements of comprehensive income  
For the period ended 30 June 2011

	Cumulative Quarter	
	30 June 2011 RM'000	30 June 2010 RM'000
Bank		
Net profit for the period	<u>20,340</u>	<u>13,013</u>
Other comprehensive gain/(loss):		
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	(1,766)	(1,262)
Net unrealised gain on revaluation of securities available-for-sale	3,662	2,704
Deferred tax on revaluation of securities available-for-sale	(473)	110
Other comprehensive gain for the period, net of tax	<u>1,423</u>	<u>1,552</u>
Total comprehensive income for the period	<u>21,763</u>	<u>14,565</u>

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

Condensed interim financial statements  
Unaudited statements of changes in equity  
For the period ended 30 June 2011

Group	← Non-distributable			→ Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve* RM'000	Securities available- for-sale Reserve# RM'000	Retained Earnings RM'000	
At 1 January 2010, as restated	156,500	362,611	112,265	3,605	91,695	726,676
Total comprehensive income for the period	-	-	-	1,552	13,020	14,572
Transfer to statutory reserve	-	-	3,255	-	(3,255)	-
Dividends	-	-	-	-	(33,375)	(33,375)
At 30 June 2010	156,500	362,611	115,520	5,157	68,085	707,873
Total comprehensive income/(loss) for the period	-	-	-	5,526	(3,363)	2,163
At 31 December 2010	156,500	362,611	115,520	10,683	64,722	710,036
At 1 January 2011	156,500	362,611	115,520	10,683	64,722	710,036
Total comprehensive income for the period	-	-	-	1,423	20,351	21,774
At 30 June 2011	156,500	362,611	115,520	12,106	85,073	731,810

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

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

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

Condensed interim financial statements  
Unaudited statements of changes in equity  
For the period ended 30 June 2011

Bank	← Non-distributable			→ Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve* RM'000	Securities available- for-sale Reserve# RM'000	Retained Earnings RM'000	
At 1 January 2010, as restated	156,500	362,611	112,265	3,605	91,690	726,671
Total comprehensive income for the	-	-	-	1,552	13,013	14,565
Transfer to statutory reserve	-	-	3,255	-	(3,255)	-
Dividends	-	-	-	-	(33,375)	(33,375)
At 30 June 2010	156,500	362,611	115,520	5,157	68,073	707,861
Total comprehensive income/(loss) for the period	-	-	-	5,526	(3,367)	2,159
At 31 December 2010	156,500	362,611	115,520	10,683	64,706	710,020
At 1 January 2011	156,500	362,611	115,520	10,683	64,706	710,020
Total comprehensive income for the period	-	-	-	1,423	20,340	21,763
At 30 June 2011	156,500	362,611	115,520	12,106	85,046	731,783

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

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

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

Condensed interim financial statements  
Unaudited statements of cash flows  
For the period ended 30 June 2011

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Profit before taxation and zakat	27,371	17,555	27,360	17,548
Adjustments for non-cash items	(4,859)	(23)	(4,859)	(23)
Operating profit before changes in working capital	22,512	17,532	22,501	17,525
Changes in working capital:				
Net changes in operating assets	(1,912,852)	438,150	(1,912,761)	439,984
Net changes in operating liabilities	1,704,039	(435,361)	1,703,998	(435,558)
Net cash (used in)/generated from operating activities	(186,301)	20,321	(186,262)	21,951
Net cash used in investing activities	(54)	(884)	(54)	(874)
Net cash generated from financing activities	-	-	-	-
Net change in cash and cash equivalents	(186,355)	19,437	(186,316)	21,077
Cash and cash equivalents at beginning of the period	306,667	642,256	306,550	640,316
Cash and cash equivalents at end of the period	120,312	661,693	120,234	661,393

Cash and cash equivalents comprise:

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Cash and short-term funds	126,086	598,502	126,008	598,202
Deposits and placements with licensed banks and other financial institutions	-	70,000	-	70,000
Less: Monies held in trust (Note 6)	(5,774)	(6,809)	(5,774)	(6,809)
	120,312	661,693	120,234	661,393

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



Explanatory Notes Pursuant to Bank Negara Malaysia Guidelines on Financial Reporting for Licensed Institutions ("BNM/GP8")-Guidelines on Financial Reporting for Banking Institutions

**1. Basis of preparation**

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

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

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and the Bank for the financial year ended 31 December 2010. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2010.

**2. Significant accounting policies**

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

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

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

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

**4. Performance review**

The Group recorded a higher pre-tax profit of RM11.280 million for the 2nd quarter ended 30th June 2011, a significant improvement when compared to pre-tax loss of RM2.697 million recorded in the previous corresponding quarter ended 30th June 2010. The improvement in earnings is due to increase in net income and lower impairment made on securities and loans and advances.

The pre-tax profit for the six months period ended 30th June 2011 amounted to RM27.371 million, an increase of 56% when compared to pre-tax profit of RM17.555 million recorded in the previous corresponding six months period ended 30th June 2010. The higher earnings is mainly due to lower impairment loss on securities and loans and advances.

## 5. Prospects for 2011

Real GDP growth decelerated to 4.6%yoy in the first quarter this year from 4.8%yoy in the last quarter of 2010. We estimate that the pace of growth did not change much in the second quarter. This is based on the 2.2%yoy contraction in industrial output in April 2011, the first negative growth in 17 months. While industrial activity appear to be lacklustre in the second quarter due to the complex and uncertain global environment, we expect positive contribution from exports benefitting from firm commodity prices. This, combined with the rollout of Economic Transformation Program (ETP) projects and healthy private consumption, is expected to lend support to growth.

The second half of the year is expected to expand between 6.3% to 6.7% benefitting from firmer domestic demand. Apart from private consumption, we expect private investment to accelerate as the ETP moves into high gear. Complementing this would be exports, benefitting from the cyclical demand that should see commodity prices remaining firm, as well as from Japan's rebuilding and to some extent the lower base effects. The Bank maintains its forecast of 2011 real GDP growth of 6.1% from 7.1% in 2010. This is slightly above the official forecast range of 5.0% to 6.0% and consensus' forecast of 5.5%. Our worst case scenario for 2011 growth will be 5.3% should negative global issues weigh down more significantly on the domestic economy, outweighing gains from domestic demand.

The Bank maintains its cautious optimism that its business performance will be better in 2011.

The Bank continues to invest in greater capabilities in its dealing and research teams to tap the opportunities in the equity market. Buoyant capital market, as reflected by rising equity prices and a strong net inflow of portfolio capital into the country means that there will be more opportunities for origination and distribution activities, two areas that the Bank is concentrating on.

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

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

## 6. Cash and short-term funds

	Group		Bank	
	30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
Cash and bank balances with banks and other financial institutions	7,812	6,667	7,734	6,550
Money at call and deposit placements maturing within one month	118,274	209,727	118,274	209,727
	<u>126,086</u>	<u>216,394</u>	<u>126,008</u>	<u>216,277</u>

Included in cash and short-term funds of the Group and the Bank are dealer's representatives' and clients' monies held in trust of RM872,000 (2010: RM645,000) and RM4,899,000 (2010: RM9,082,000) respectively.

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

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
Licensed banks	-	100,000
	<u>-</u>	<u>100,000</u>

## 8. Securities held-for-trading

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
<b>At fair value</b>		
Money market instruments:		
Bank Negara Malaysia Notes	-	164,940
Other Acceptances Discounted	96,935	64,068
	<u>96,935</u>	<u>229,008</u>
Unquoted securities in Malaysia:		
Private Debt Securities	87,247	95,096
	<u>87,247</u>	<u>95,096</u>
	<u>184,182</u>	<u>324,104</u>

## 9. Securities available-for-sale

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
<b>At fair value</b>		
Money market instruments:		
Malaysian Government Securities	8,929	207,683
Government Investment Issues	419,079	257,993
Other Acceptances Discounted	225,173	429,199
Negotiable Instruments of Deposit	249,566	79,380
	<u>902,747</u>	<u>974,255</u>
Quoted securities in Malaysia:		
Shares and Warrants	11,793	10,855
Loan Stocks	4,379	8,010
	<u>16,172</u>	<u>18,865</u>
Unquoted securities in Malaysia:		
Private Debt Securities	1,032,815	1,063,803
Loan Stocks	29,402	30,603
	<u>1,062,217</u>	<u>1,094,406</u>
<b>At cost</b>		
Unquoted securities in Malaysia:		
Shares	<u>757</u>	<u>757</u>
	<u>1,981,893</u>	<u>2,088,283</u>

## 10. Securities held-to-maturity

	Note	Group and Bank	
		30 June 2011 RM'000	31 December 2010 RM'000
<b>At amortised cost</b>			
Money market instruments:			
Malaysian Government Securities		623,905	92,163
Government Investment Issues		987,552	90,554
		<u>1,611,457</u>	<u>182,717</u>
Unquoted securities in Malaysia:			
Private Debt Securities		507,913	133,975
		<u>507,913</u>	<u>133,975</u>
Less: Individual impairment provision	(a)	(25,622)	(25,975)
		<u>2,093,748</u>	<u>290,717</u>

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

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
At 1 January, as previously stated	(25,975)	(76,722)
Effects of adopting FRS 139	-	149
At 1 January, as restated	<u>(25,975)</u>	<u>(76,573)</u>
Amount written back	353	50,598
At 30 June/31 December	<u>(25,622)</u>	<u>(25,975)</u>

## 11. Loans and advances

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
Term loans		
Syndicated term loans	74,410	75,394
Other term loans	101,161	111,936
Staff loans	1,179	1,325
Revolving credits	255,415	14,586
Margin accounts	61,264	58,738
Gross loans and advances	493,429	261,979
Less: Impairment provision		
Collective impairment provision	(8,528)	(4,026)
Individual impairment provision	(67,039)	(60,706)
Total net loans and advances	417,862	197,247

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

### (a) Loans and advances

#### (i) By type of customer

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
Domestic business enterprises	470,355	231,313
Individuals	23,074	30,666
Gross loans and advances	493,429	261,979

#### (ii) By interest rate sensitivity

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
Fixed rate		
Staff loans	1,179	1,325
Other fixed rate loan	61,264	58,738
Variable rate		
Cost-plus	430,986	201,916
Gross loans and advances	493,429	261,979

## 11. Loans and advances (cont'd)

## (a) Loans and advances (cont'd)

## (iii) By economic sector

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
Primary agriculture	-	556
Mining and quarrying	22,449	24,858
Manufacturing	228,834	112,866
Construction	22,883	23,398
Wholesale & retail trade and restaurants & hotels	19,702	20,672
Transport, storage and communication	-	2,022
Finance, insurance and business services	176,487	46,941
Others	23,074	30,666
Gross loans and advances	<u>493,429</u>	<u>261,979</u>

## (b) Impaired loans ("ILs") and advances

## (i) ILs by economic sector

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
Manufacturing	79,726	82,515
Construction	22,883	23,398
Wholesale & retail trade and restaurants & hotels	19,125	19,781
Finance, insurance and business services	13,348	13,468
Others	584	648
	<u>135,666</u>	<u>139,810</u>

## 11. Loans and advances (cont'd)

## (b) Impaired loans ("ILs") and advances (cont'd)

## (ii) Movements in ILs

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
At 1 January, as previously stated	139,810	44,686
Effects of adopting FRS 139	-	8,880
At 1 January, as restated	139,810	53,566
Classified as impaired during the period/year	4,145	94,236
Amount recovered	(8,289)	(7,992)
At 30 June/31 December	135,666	139,810
Less: Individual impairment provision	(67,039)	(60,706)
Net ILs	68,627	79,104
Ratio of net ILs to gross loans and advances less individual impairment provision	16.09%	39.30%

## (iii) Movements in impairment provision

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
<b>Collective impairment provision</b>		
At 1 January, as previously stated	4,026	-
Effects of adopting FRS 139	-	3,582
At 1 January, as restated	4,026	3,582
Impairment made during the period/year	4,502	444
At 30 June/31 December	8,528	4,026
As % of gross loans and advances less individual impairment provision	2.00%	2.00%

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



11. Loans and advances (cont'd)

(b) Impaired loans ("ILs") and advances (cont'd)

(iii) Movements in impairment provision (cont'd)

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
<b>Individual impairment provision</b>		
At 1 January, as previously stated	60,706	-
Effects of adopting FRS 139	-	31,483
At 1 January, as restated	60,706	31,483
Impairment made during the period/year	12,245	42,196
Amount written back	(5,344)	(12,000)
Discount unwind	(568)	(973)
At 30 June/31 December	67,039	60,706

(c) Maturity profile of loans and advances as at reporting date based on the remaining contractual maturity

Group and Bank	On demand RM'000	Under 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 to 5 years RM'000	> 5 years RM'000	Total RM'000
<b>30 June 2011</b>							
Loans and advances	67,181	59,576	-	236,115	53,870	1,120	417,862
<b>31 December 2010</b>							
Loans and advances	77,472	57,016	1,982	697	29,607	30,473	197,247

12. Other assets

	Note	Group		Bank	
		30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
Other debtors, deposits and prepayment		32,263	43,460	32,263	43,418
Less: Individual impairment provision	(a)	(27,166)	(27,353)	(27,166)	(27,353)
		5,097	16,107	5,097	16,065
Tax recoverable		260	205	252	200
Interest/profit receivables		45,519	26,949	45,519	26,949
Amount due from brokers and clients	(b)	175,672	113,129	175,672	113,129
Amount due from related companies	(c)	13	5	13	5
Amount due from subsidiaries	(d)	42	-	42	133
		<u>226,603</u>	<u>156,395</u>	<u>226,595</u>	<u>156,481</u>

(a) Movements in individual impairment provision

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
At 1 January	(27,353)	(25,154)
Impairment made during the period/year	(320)	(2,305)
Amount written back	477	106
Amount written off	30	-
At 30 June/31 December	<u>(27,166)</u>	<u>(27,353)</u>

(b) Amount due from brokers and clients

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

Clients' and brokers' debit balances arose from trading of securities through the Bank which are not yet due for settlement as at financial period end, under the rules of the Bursa Malaysia Securities Berhad.

## 12. Other assets (cont'd)

## (b) Amount due from brokers and clients (cont'd)

## (i) Movements in individual impairment provision

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
At 1 January, as previously stated	(4,119)	-
Effects of adopting FRS 139	-	(3,901)
At 1 January, as restated	(4,119)	(3,901)
Impairment made during the period/year	(157)	(285)
Amount written back	-	67
At 30 June/31 December	(4,276)	(4,119)

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

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
At 1 January, as previously stated	(1,653)	-
Effects of adopting FRS 139	-	(1,368)
At 1 January, as restated	(1,653)	(1,368)
Net interest suspended during the period/year	(134)	(285)
At 30 June/31 December	(1,787)	(1,653)

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

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
Impaired accounts classified as doubtful	15	-
Impaired accounts classified as bad	2,943	2,594
Total impaired accounts	2,958	2,594

- (c) The amounts due from related companies are non-trade in nature, unsecured, interest-free and are repayable on demand.
- (d) The amount due from subsidiaries arose mainly from expenses paid on behalf of the subsidiaries. This amount is non-trade in nature, unsecured, interest-free and is repayable on demand.

13. Deposits from customers

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
<b>(a) By type of deposits</b>		
Call deposits	109,277	87,449
Fixed deposits	1,897,396	1,358,812
	<u>2,006,673</u>	<u>1,446,261</u>
<b>(b) By type of customers</b>		
Business enterprises	1,994,673	1,429,261
Government and statutory bodies	12,000	17,000
	<u>2,006,673</u>	<u>1,446,261</u>

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

Group and Bank	On demand RM'000	Under 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 to 5 years RM'000	> 5 years RM'000	Total RM'000
<b>30 June 2011</b>							
Deposits from customers	<u>109,277</u>	<u>1,563,017</u>	<u>331,245</u>	<u>3,134</u>	<u>-</u>	<u>-</u>	<u>2,006,673</u>
<b>31 December 2010</b>							
Deposits from customers	<u>87,449</u>	<u>1,112,010</u>	<u>236,778</u>	<u>10,024</u>	<u>-</u>	<u>-</u>	<u>1,446,261</u>

## 14. Deposits and placements of banks and other financial institutions

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

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

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

## 15. Other liabilities

	Note	Group		Bank	
		30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
Interest/profit payable		6,461	4,098	6,461	4,098
Accrued liabilities and other payables		10,689	17,872	10,630	17,857
Amount due to brokers and clients	(a)	176,369	114,928	176,369	114,928
Profit Equalisation Reserve		10,987	10,322	10,987	10,322
Employee benefits		1,009	942	1,009	942
Amount due to immediate holding company	(b)	1,345	1,230	1,345	1,230
		<u>206,860</u>	<u>149,392</u>	<u>206,801</u>	<u>149,377</u>

(a) Amount due to brokers and clients

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
Brokers	6,793	13,139
Clients	165,928	98,865
Margin clients	8	92
Trust monies	2,527	1,725
Collateralised clients' deposits	1,113	1,107
	<u>176,369</u>	<u>114,928</u>

Clients' and brokers' credit balances arose from trading of securities through the Bank which are not yet due for settlement as at financial period end, under the rules of the Bursa Malaysia Securities Berhad.

(b) The amount due to immediate holding company is non-trade in nature, unsecured interest-free and is repayable on demand.

## 16. Interest income

	Group and Bank	
	30 June 2011 RM'000	30 June 2010 RM'000
Loans and advances		
Interest income on non-impaired loans	6,933	6,403
Interest income on impaired loans ("ILs")	4,690	1,009
Money at call and deposit placements with financial institutions	4,849	9,103
Securities held-for-trading	361	640
Securities available-for-sale		
Interest income on non-impaired securities	16,647	25,234
Interest income on impaired securities	487	4,835
Securities held-to-maturity	17,743	657
Others	134	149
	<u>51,844</u>	<u>48,030</u>
Accretion of discount less amortisation of premium	14,237	17,756
	<u>66,081</u>	<u>65,786</u>

## 17. Interest expense

	Group and Bank	
	30 June 2011 RM'000	30 June 2010 RM'000
Deposits and placements of banks and other financial institutions	15,336	11,583
Deposits from customers	18,941	17,428
	<u>34,277</u>	<u>29,011</u>

18. Other operating income

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
(i) Fee income:				
Arrangement/Management fees	90	133	90	133
Agency fees	817	700	817	700
Commitment fees	35	35	35	35
Corporate advisory fees	1,765	688	1,765	688
Brokerage commission	14,423	10,004	14,423	10,004
Participation fees	-	100	-	100
Underwriting fees	1,042	1,769	1,042	1,769
Other fee income	295	336	281	336
	<u>18,467</u>	<u>13,765</u>	<u>18,453</u>	<u>13,765</u>
(ii) Investment income/(loss):				
Net gain from sale of securities held-for-trading	571	89	571	89
Net gain from sale of securities available-for-sale	1,265	1,070	1,265	1,070
Net unrealised revaluation gain/(loss) on securities held-for-trading	9	(6)	9	(6)
Net unrealised revaluation loss on derivative assets	(891)	(1,489)	(891)	(1,489)
	<u>954</u>	<u>(336)</u>	<u>954</u>	<u>(336)</u>
(iii) Gross dividends from:				
Securities available-for-sale	302	489	302	489
	<u>302</u>	<u>489</u>	<u>302</u>	<u>489</u>
(iv) Other income:				
Gain on disposal of property, plant and equipment	-	1	-	1
Others	635	496	635	489
	<u>635</u>	<u>497</u>	<u>635</u>	<u>490</u>
Total other operating income	<u>20,358</u>	<u>14,415</u>	<u>20,344</u>	<u>14,408</u>



## 19. Operating expenses

	Group		Bank	
	30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
(i) Personnel expenses:				
Salaries and wages	6,922	6,662	6,922	6,662
Allowance and bonuses	1,311	2,044	1,311	2,044
Staff training	86	143	86	143
Others	1,918	1,704	1,918	1,704
	<u>10,237</u>	<u>10,553</u>	<u>10,237</u>	<u>10,553</u>
(ii) Establishment related expenses:				
Depreciation	803	815	803	815
Rental	1,193	1,185	1,193	1,185
Hire of equipment	44	56	44	56
Others	890	1,199	890	1,199
	<u>2,930</u>	<u>3,255</u>	<u>2,930</u>	<u>3,255</u>
(iii) Promotion and marketing related expenses:				
Advertisement & publicity	37	7	37	7
Others	529	444	529	444
	<u>566</u>	<u>451</u>	<u>566</u>	<u>451</u>
(iv) General administrative expenses:				
Communication expenses	97	144	97	144
Audit fees	98	88	98	88
Directors meeting allowances	104	154	104	154
Management fees	3,183	3,261	3,181	3,261
Corporate Dealers and Remisiers' Commissions	380	285	380	285
Securities Commission's levy	644	393	644	393
Others	1,271	934	1,270	934
	<u>5,777</u>	<u>5,259</u>	<u>5,774</u>	<u>5,259</u>
Total operating expenses	<u>19,510</u>	<u>19,518</u>	<u>19,507</u>	<u>19,518</u>

20. Impairment loss on loans and advances

	Group and Bank	
	30 June 2011 RM'000	30 June 2010 RM'000
Collective impairment provision		
Made in the period	(4,721)	(818)
Written back	219	228
Individual impairment provision		
Made in the period	(12,245)	(1,232)
Written back	5,344	3,065
Recoveries from impaired loans	600	-
	<u>(10,803)</u>	<u>1,243</u>

21. Impairment loss on other assets

	Group and Bank	
	30 June 2011 RM'000	30 June 2010 RM'000
Impairment written back/(made) on other debtors	157	(157)
Impairment made on amount due from brokers and clients	(157)	(77)
Bad debts written off	-	(19)
	<u>-</u>	<u>(253)</u>

22. Impairment loss on securities

	Group and Bank	
	30 June 2011 RM'000	30 June 2010 RM'000
Securities available-for-sale		
Charged for the period	(6,171)	(23,498)
Written back	3,572	581
Securities held-to-maturity		
Written back	353	353
	<u>(2,246)</u>	<u>(22,564)</u>

### 23. Taxation

The taxation of the Group and the Bank for the six months period ended 30 June 2011 was mainly due to utilisation of deferred tax assets.

### 24. Commitments and contingencies

	30 June 2011			31 December 2010		
	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
Group and Bank						
Obligations under an on-going underwriting agreement	189,991	94,995	21,904	257,864	128,932	31,426
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- not exceeding one year	105,967	21,193	12,322	46,481	9,296	9,032
- exceeding one year	17	9	5	22	11	6
<b>Total</b>	<b>295,975</b>	<b>116,197</b>	<b>34,231</b>	<b>304,367</b>	<b>138,239</b>	<b>40,464</b>

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

### 25. Credit exposures arising from credit transactions with connected parties

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
(i) Total credit exposures with connected parties	120,000	260,000
(ii) Percentage of total credit exposures to connected parties as proportion of total credit exposures	17.88%	13.01%
(iii) Percentage of total credit exposures to connected parties which is impaired or in default	Nil	Nil

The credit exposures above are derived based on Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 1 January 2008.

## 26. Capital adequacy

The capital adequacy of the Group and the Bank is computed in accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II): Standardised Approach for Credit Risk, Market Risk and Basic Indicator Approach for Operational Risk.

(i) The capital adequacy ratios of the Group and the Bank are as follows:-

	Group		Bank	
	30 June 2011 RM'000	31 December 2010 RM'000	30 June 2011 RM'000	31 December 2010 RM'000
<b>Tier-I capital</b>				
Paid-up share capital	155,000	155,000	155,000	155,000
Paid-up non-cumulative perpetual preference share	1,500	1,500	1,500	1,500
Share premium	362,611	362,611	362,611	362,611
Statutory reserve	115,520	115,520	115,520	115,520
Retained earnings	64,722	64,722	64,706	64,706
	<u>699,353</u>	<u>699,353</u>	<u>699,337</u>	<u>699,337</u>
Less: Deferred tax assets	(30,287)	(37,600)	(30,287)	(37,600)
<b>Total Tier-I capital</b>	<u>669,066</u>	<u>661,753</u>	<u>669,050</u>	<u>661,737</u>
<b>Tier-II capital</b>				
Collective impairment provision	7,155	2,443	7,155	2,443
<b>Total Tier-II capital</b>	<u>7,155</u>	<u>2,443</u>	<u>7,155</u>	<u>2,443</u>
<b>Total capital</b>	676,221	664,196	676,205	664,180
Less:				
Investment in capital instruments of other banking institutions	(5,000)	(5,000)	(5,000)	(5,000)
<b>Capital base</b>	<u>671,221</u>	<u>659,196</u>	<u>671,205</u>	<u>659,180</u>
Core capital ratio	42.71%	48.59%	42.71%	48.59%
Risk-weighted capital ratio	42.84%	48.59%	42.84%	48.59%

## 26. Capital adequacy (cont'd)

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

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

Bank	30 June 2011		31 December 2010	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount RM'000	Risk-weighted amount RM'000
0%	2,438,683	-	667,636	-
20%	1,601,987	320,397	1,765,624	353,125
35%	742	260	735	257
50%	180,886	90,443	204,187	102,093
75%	159	119	147	110
100%	612,736	612,736	310,982	310,982
150%	230,230	345,345	258,919	388,379
Total risk-weighted assets for credit risk	5,065,423	1,369,300	3,208,230	1,154,946
Total risk-weighted assets equivalent for market risk	-	8,595	-	9,184
Total risk-weighted assets equivalent for operational risk	-	188,761	-	192,568
	<u>5,065,423</u>	<u>1,566,656</u>	<u>3,208,230</u>	<u>1,356,698</u>

## 27. Interest rate risk

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

Group 30 June 2011	Non-Trading Book					Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000			
<b>Assets</b>								
Cash and short-term funds	118,274	-	-	-	-	-	126,086	2.62
Deposits and placements with licensed banks and other financial institutions	-	-	-	-	-	-	-	-
Securities held-for-trading	-	-	-	-	-	184,182	184,182	4.33
Securities available-for-sale	276,568	276,719	327,023	641,829	278,867	-	1,981,893	4.79
Securities held-to-maturity	-	-	-	189,342	1,903,916	-	2,093,748	4.03
Loans and advances								
Non-impaired	36,372	265,483	108	26,568	29,232	-	349,235	5.49
Impaired	-	-	-	-	-	-	68,627	-
Derivative assets	-	-	-	-	-	494	494	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	97,213	-
Other assets	-	-	-	-	-	-	259,268	-
<b>Total assets</b>	<b>431,214</b>	<b>542,202</b>	<b>327,131</b>	<b>857,739</b>	<b>2,212,015</b>	<b>184,676</b>	<b>5,160,746</b>	
<b>Liabilities</b>								
Deposits from customers	1,584,550	331,245	109,227	1,651	-	-	2,006,673	2.97
Deposits and placements of banks and other financial institutions	1,602,441	468,496	144,032	-	-	-	2,214,969	3.08
Other liabilities	-	-	-	-	-	-	207,294	-
<b>Total liabilities</b>	<b>3,186,991</b>	<b>799,741</b>	<b>253,259</b>	<b>1,651</b>	<b>-</b>	<b>-</b>	<b>4,428,936</b>	
<b>Shareholder's equity</b>								
Shareholder's equity	-	-	-	-	-	731,810	731,810	-
<b>Total liabilities and shareholder's equity</b>	<b>3,186,991</b>	<b>799,741</b>	<b>253,259</b>	<b>1,651</b>	<b>-</b>	<b>-</b>	<b>5,160,746</b>	
On-balance sheet interest sensitivity gap	(2,735,777)	(257,539)	73,872	856,088	2,212,015	184,676	-	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-
<b>Total interest sensitivity gap</b>	<b>(2,735,777)</b>	<b>(257,539)</b>	<b>73,872</b>	<b>856,088</b>	<b>2,212,015</b>	<b>184,676</b>	<b>-</b>	

\* Collective impairment provision on loans and advances

## 27. Interest rate risk (cont'd)

Bank 30 June 2011	Non-Trading Book					Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	
<b>Assets</b>						
Cash and short-term funds	118,274	-	-	-	-	2.62
Deposits and placements with licensed banks and other financial institutions	-	-	-	-	7,734	-
Securities held-for-trading	-	-	-	-	-	-
Securities available-for-sale	276,568	276,719	327,023	641,829	278,867	4.33
Securities held-to-maturity	-	-	-	189,342	1,903,916	4.79
Loans and advances	-	-	-	-	490	4.03
Non-impaired	36,372	265,483	108	26,568	29,232	-
Impaired	-	-	-	-	(8,528) *	5.49
Derivative assets	-	-	-	-	68,627	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	494	-
Other assets	-	-	-	-	97,213	-
Total assets	431,214	542,202	327,131	857,739	2,212,015	-
					184,676	-
<b>Liabilities</b>						
Deposits from customers	1,564,550	331,245	109,227	1,651	-	2.97
Deposits and placements of banks and other financial institutions	1,602,441	468,496	144,032	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	3,166,991	799,741	253,259	1,651	207,235	3.08
					207,235	-
					4,428,877	-
<b>Shareholder's equity</b>						
Total liabilities and shareholder's equity	3,166,991	799,741	253,259	1,651	939,018	-
					5,160,660	-
On-balance sheet interest sensitivity gap	(2,735,777)	(257,539)	73,872	856,088	2,212,015	184,676
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-
Total interest sensitivity gap	(2,735,777)	(257,539)	73,872	856,088	2,212,015	184,676

\* Collective impairment provision on loans and advances

## 27. Interest rate risk (cont'd)

Group 31 December 2010	Non-Trading Book					Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000			
<b>Assets</b>								
Cash and short-term funds	209,727	-	-	-	-	-	216,394	2.57
Deposits and placements with licensed banks and other financial institutions	-	100,000	-	-	-	-	-	-
Securities held-for-trading	-	-	-	-	-	-	100,000	2.97
Securities available-for-sale	175,766	327,778	477,792	739,117	183,125	324,104	324,104	3.62
Securities held-to-maturity	-	-	-	82,305	207,866	-	2,088,283	4.63
Loans and advances	-	-	-	-	-	-	290,717	4.19
Non-impaired	4,763	55,633	560	30,115	31,098	-	118,143	7.91
Impaired	-	-	-	-	-	-	79,104	-
Derivative assets	-	-	-	-	-	1,385	1,385	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	19,083	-
Other assets	-	-	-	-	-	-	196,872	-
<b>Total assets</b>	<b>390,256</b>	<b>483,411</b>	<b>478,352</b>	<b>851,537</b>	<b>422,089</b>	<b>325,489</b>	<b>3,434,085</b>	
<b>Liabilities</b>								
Deposits from customers	1,112,012	240,877	93,372	-	-	-	1,446,261	2.74
Deposits and placements of banks and other financial institutions	666,768	272,100	189,024	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	1,127,892	2.77
<b>Total liabilities</b>	<b>1,778,780</b>	<b>512,977</b>	<b>282,396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,896</b>	
<b>Shareholder's equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,724,049</b>	
<b>Total liabilities and shareholder's equity</b>	<b>1,778,780</b>	<b>512,977</b>	<b>282,396</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>710,036</b>	
On-balance sheet interest sensitivity gap	(1,388,524)	(29,566)	195,956	851,537	422,089	325,489	-	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-
<b>Total interest sensitivity gap</b>	<b>(1,388,524)</b>	<b>(29,566)</b>	<b>195,956</b>	<b>851,537</b>	<b>422,089</b>	<b>325,489</b>	<b>(376,981)</b>	

\* Collective impairment provision on loans and advances



## 27. Interest rate risk (cont'd)

Bank	Non-Trading Book						Trading Book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
31 December 2010									
<b>Assets</b>									
Cash and short-term funds	209,727	-	-	-	-	6,550	-	216,277	2.57
Deposits and placements with licensed banks and other financial institutions	-	100,000	-	-	-	-	-	100,000	2.97
Securities held-for-trading	-	-	-	-	-	-	324,104	324,104	3.62
Securities available-for-sale	175,766	327,778	477,792	739,117	183,125	184,705	-	2,088,283	4.63
Securities held-to-maturity	-	-	-	82,305	207,866	546	-	290,717	4.19
Loans and advances	-	-	-	-	-	-	-	-	-
Non-impaired	4,763	55,633	560	30,115	31,098	(4,026) *	-	118,143	7.91
Impaired	-	-	-	-	-	79,104	-	79,104	-
Derivative assets	-	-	-	-	-	-	1,385	1,385	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	-	19,083	-
Other assets	-	-	-	-	-	196,958	-	196,958	-
<b>Total assets</b>	<b>390,256</b>	<b>483,411</b>	<b>478,352</b>	<b>851,537</b>	<b>422,089</b>	<b>482,920</b>	<b>325,489</b>	<b>3,434,054</b>	
<b>Liabilities</b>									
Deposits from customers	1,112,012	240,877	93,372	-	-	-	-	1,446,261	2.74
Deposits and placements of banks and other financial institutions	666,768	272,100	189,024	-	-	-	-	1,127,892	2.77
Other liabilities	-	-	-	-	-	149,881	-	149,881	-
<b>Total liabilities</b>	<b>1,778,780</b>	<b>512,977</b>	<b>282,396</b>	<b>-</b>	<b>-</b>	<b>149,881</b>	<b>-</b>	<b>2,724,034</b>	
<b>Shareholder's equity</b>									
<b>Total liabilities and shareholder's equity</b>	<b>1,778,780</b>	<b>512,977</b>	<b>282,396</b>	<b>-</b>	<b>-</b>	<b>710,020</b>	<b>-</b>	<b>710,020</b>	
On-balance sheet interest sensitivity gap	(1,388,524)	(29,566)	195,956	851,537	422,089	(376,981)	325,489	-	
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	-	-	
<b>Total interest sensitivity gap</b>	<b>(1,388,524)</b>	<b>(29,566)</b>	<b>195,956</b>	<b>851,537</b>	<b>422,089</b>	<b>(376,981)</b>	<b>325,489</b>	<b>-</b>	

\* Collective impairment provision on loans and advances

28. Operations of Islamic Banking Scheme (SPI)

Condensed interim financial statements  
Unaudited statements of financial position as at 30 June 2011

	Note	Group and Bank	
		30 June 2011 RM'000	31 December 2010 RM'000
<b>Assets</b>			
Cash and short-term funds	(a)	189	169
Securities available-for-sale	(b)	820,825	588,462
Securities held-to-maturity	(c)	520,794	4,969
Other assets		20,045	26,426
Deferred tax assets		2,194	2,177
<b>Total assets</b>		<b>1,364,047</b>	<b>622,203</b>
<b>Liabilities</b>			
Deposits from customers	(d)	687,664	332,333
Deposits and placements of banks and other financial institutions	(e)	517,487	141,527
Profit equalisation reserve		10,987	10,322
Other liabilities		4,089	945
Provision for zakat		434	504
<b>Total liabilities</b>		<b>1,220,661</b>	<b>485,631</b>
<b>Islamic banking capital funds</b>			
Islamic banking funds		80,000	80,000
Reserves		63,386	56,572
<b>Total Islamic banking capital funds</b>		<b>143,386</b>	<b>136,572</b>
<b>Total liabilities and Islamic banking capital funds</b>		<b>1,364,047</b>	<b>622,203</b>

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

28. Operations of Islamic Banking Scheme (SPI) (cont'd)

Condensed interim financial statements  
Unaudited income statements  
For the period ended 30 June 2011

Group and Bank	Note	Individual Quarter		Cumulative Quarter	
		30 June 2011 RM'000	30 June 2010 RM'000	30 June 2011 RM'000	30 June 2010 RM'000
Income derived from investment of depositors' funds		12,813	7,227	20,197	15,275
Allowance for profit equalisation reserve		(290)	(1,001)	(665)	(1,041)
Total attributable income		12,523	6,226	19,532	14,234
Income attributable to depositors		(7,992)	(3,429)	(11,764)	(6,777)
Net income attributable to reporting institution		4,531	2,797	7,768	7,457
Staff costs		(209)	(172)	(440)	(468)
Other operating expenses		(150)	(176)	(278)	(337)
		4,172	2,449	7,050	6,652
Impairment written back/(made) on securities (net)		58	-	(4)	(755)
Profit before zakat		4,230	2,449	7,046	5,897
Zakat	(f)	(109)	(38)	(180)	(148)
Net profit for the period		4,121	2,411	6,866	5,749

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

## 28. Operations of Islamic Banking Scheme (SPI) (cont'd)

## (a) Cash and short-term funds

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
Cash and bank balances with banks and other financial institutions	189	169
	<u>189</u>	<u>169</u>

## (b) Securities available-for-sale

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

## 28. Operations of Islamic Banking Scheme (SPI) (cont'd)

## (c) Securities held-to-maturity

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

## (i) Movements in individual impairment provision - Unquoted securities in Malaysia

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
At 30 June/31 December	<u>(4,998)</u>	<u>(4,998)</u>

28. Operations of Islamic Banking Scheme (SPI) (cont'd)

(d) Deposits from customers

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

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

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

(f) Impairment loss on securities

	Group and Bank	
	30 June 2011 RM'000	31 December 2010 RM'000
Securities available-for-sale		
Charged for the period	(63)	(756)
Written back	59	1
	<u>(4)</u>	<u>(755)</u>

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**MIDF Amanah Investment Bank Berhad**  
**(A Participating Organisation of Bursa Malaysia Securities Berhad)**



I, Dato' Megat Hisham bin Megat Mahmud, being the Chief Executive Officer/Director primarily responsible for the financial management of MIDF Amanah Investment Bank Berhad, do hereby state that, the unaudited interim financial statements for the six months ended 30 June 2011, as set out on pages 1 to 38 have been prepared from the Group and the Bank'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 Bank as at 30 June 2011. The results and cash flows of the Group and the Bank for the period ended on that date are in accordance with the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board as modified by Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965.

**DATO' MEGAT HISHAM BIN MEGAT MAHMUD**  
**CHIEF EXECUTIVE OFFICER/DIRECTOR**

Date: 25 July 2011