

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

	Note	Group		Bank	
		30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Assets					
Cash and short-term funds	6	289,959	216,394	289,541	216,277
Deposits and placements with licensed banks and other financial institutions	7	-	100,000	-	100,000
Securities held-for-trading	8	185,992	324,104	185,992	324,104
Securities available-for-sale	9	1,868,660	2,088,283	1,868,660	2,088,283
Securities held-to-maturity	10	2,250,138	290,717	2,250,138	290,717
Loans and advances	11	296,178	197,247	296,178	197,247
Derivative assets	12	1,082	1,385	1,082	1,385
Other assets	13	165,182	156,395	165,180	156,481
Statutory deposits with Bank Negara Malaysia		153,445	19,083	153,445	19,083
Investment in subsidiaries		-	-	*	*
Property, plant and equipment		2,341	2,877	2,341	2,877
Deferred tax assets		31,498	37,600	31,498	37,600
Total assets		5,244,475	3,434,085	5,244,055	3,434,054
Liabilities					
Deposits from customers	14	2,423,236	1,446,261	2,423,236	1,446,261
Deposits and placements of banks and other financial institutions	15	1,979,255	1,127,892	1,979,255	1,127,892
Derivative liabilities	12	632	-	632	-
Other liabilities	16	112,744	149,392	112,349	149,377
Provision for zakat		533	504	533	504
Total liabilities		4,516,400	2,724,049	4,516,005	2,724,034
Shareholder's equity					
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		4,500	10,683	4,500	10,683
Retained earnings		88,944	64,722	88,919	64,706
Total shareholder's equity		728,075	710,036	728,050	710,020
Total liabilities and shareholder's equity		5,244,475	3,434,085	5,244,055	3,434,054
Commitments and contingencies	25	447,414	304,367	447,414	304,367
Capital adequacy	27				
Core capital ratio		45.44%	48.59%	45.43%	48.59%
Risk-weighted capital ratio		45.44%	48.59%	45.43%	48.59%
Net assets per share (RM)		4.65	4.54	4.65	4.54

* 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 September 2011

Group	Note	Individual Quarter		Cumulative Quarter	
		30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Operating revenue		75,264	52,700	181,900	148,175
Interest income	17	46,245	37,675	112,326	103,461
Interest expense	18	(25,616)	(15,600)	(59,893)	(44,611)
Net interest income		20,629	22,075	52,433	58,850
Net income from Islamic Banking operation	29	4,538	5,329	12,306	12,786
Other operating income	19	13,389	7,803	33,747	22,218
Net income		38,556	35,207	98,486	93,854
Operating expenses	20	(10,825)	(10,618)	(30,335)	(30,136)
Operating profit		27,731	24,589	68,151	63,718
Impairment loss on loans and advances	21	(7,680)	2,802	(18,483)	4,045
Impairment loss on other assets	22	(146)	(722)	(146)	(975)
Impairment loss on securities	23	(14,605)	(22,493)	(16,851)	(45,057)
Profit before taxation and zakat		5,300	4,176	32,671	21,731
Taxation	24	(1,330)	(1,040)	(8,170)	(5,427)
Zakat		(99)	(122)	(279)	(270)
Net profit for the period		3,871	3,014	24,222	16,034
Earnings per ordinary share (sen)					
Basic and diluted		2.50	1.94	15.63	10.34

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 September 2011

Group	Cumulative Quarter	
	30 September 2011 RM'000	30 September 2010 RM'000
Net profit for the period	24,222	16,034
Other comprehensive gain/(loss):		
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	(5,884)	(1,610)
Net unrealised (loss)/gain on revaluation of securities available-for-sale	(2,361)	7,073
Deferred tax on revaluation of securities available-for-sale	2,062	(896)
Other comprehensive gain for the period, net of tax	(6,183)	4,567
Total comprehensive income for the period	18,039	20,601

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 September 2011

Bank	Note	Individual Quarter		Cumulative Quarter	
		30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
Operating revenue		75,258	52,681	181,880	148,149
Interest income	17	46,245	37,675	112,326	103,461
Interest expense	18	(25,616)	(15,600)	(59,893)	(44,611)
Net interest income		20,629	22,075	52,433	58,850
Net income from Islamic Banking operation	29	4,538	5,329	12,306	12,786
Other operating income	19	13,383	7,784	33,727	22,192
Net income		38,550	35,188	98,466	93,828
Operating expenses	20	(10,823)	(10,616)	(30,330)	(30,134)
Operating profit		27,727	24,572	68,136	63,694
Impairment loss on loans and advances	21	(7,680)	2,802	(18,483)	4,045
Impairment loss on other assets	22	(146)	(722)	(146)	(975)
Impairment loss on securities	23	(14,605)	(22,493)	(16,851)	(45,057)
Profit before taxation and zakat		5,296	4,159	32,656	21,707
Taxation	24	(1,324)	(1,040)	(8,164)	(5,427)
Zakat		(99)	(122)	(279)	(270)
Net profit for the period		3,873	2,997	24,213	16,010
Earnings per ordinary share (sen)					
Basic and diluted		2.50	1.93	15.62	10.33

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 September 2011

Bank	Cumulative Quarter	
	30 September 2011	30 September 2010
	RM'000	RM'000
Net profit for the period	24,213	16,010
Other comprehensive gain/(loss):		
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	(5,884)	(1,610)
Net unrealised (loss)/gain on revaluation of securities available-for-sale	(2,361)	7,073
Deferred tax on revaluation of securities available-for-sale	2,062	(896)
Other comprehensive gain for the period, net of tax	(6,183)	4,567
Total comprehensive income for the period	18,030	20,577

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 September 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	-	-	-	4,567	16,034	20,601
Transfer to statutory reserve	-	-	3,255	-	(3,255)	-
Dividends	-	-	-	-	(33,375)	(33,375)
At 30 September 2010	156,500	362,611	115,520	8,172	71,099	713,902
Total comprehensive income/(loss) for the period	-	-	-	2,511	(6,377)	(3,866)
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	-	-	-	(6,183)	24,222	18,039
At 30 September 2011	156,500	362,611	115,520	4,500	88,944	728,075

* 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 September 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	-	-	-	4,567	16,010	20,577
Transfer to statutory reserve	-	-	3,255	-	(3,255)	-
Dividends	-	-	-	-	(33,375)	(33,375)
At 30 September 2010	156,500	362,611	115,520	8,172	71,070	713,873
Total comprehensive income/(loss) for the period	-	-	-	2,511	(6,364)	(3,853)
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	-	-	-	(6,183)	24,213	18,030
At 30 September 2011	156,500	362,611	115,520	4,500	88,919	728,050

* 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 September 2011

	Group		Bank	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	32,671	21,731	32,656	21,707
Adjustments for non-cash items	5,080	7,823	5,080	7,823
Operating profit before changes in working capital	37,751	29,554	37,736	29,530
Changes in working capital:				
Net changes in operating assets	(1,849,346)	906,356	(1,849,255)	907,908
Net changes in operating liabilities	1,787,912	(710,540)	1,787,535	(710,545)
Net cash (used in)/generated from operating activities	(23,683)	225,370	(23,984)	226,893
Net cash used in investing activities	(45)	(953)	(45)	(943)
Net cash generated from financing activities	-	-	-	-
Net change in cash and cash equivalents	(23,728)	224,417	(24,029)	225,950
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	282,939	866,673	282,521	866,266

Cash and cash equivalents comprise:

	Group		Bank	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	289,959	609,551	289,541	609,144
Deposits and placements with licensed banks and other financial institutions	-	265,000	-	265,000
Less: Monies held in trust (Note 6)	(7,020)	(7,878)	(7,020)	(7,878)
	282,939	866,673	282,521	866,266

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 FRSs, 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 RM5.300 million for the 3rd quarter ended 30th September 2011, an improvement when compared to pre-tax profit of RM4.176 million recorded in the previous corresponding quarter ended 30th September 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 nine months period ended 30th September 2011 amounted to RM32.671 million, an increase of 50% when compared to pre-tax profit of RM21.731 million recorded in the previous corresponding nine months period ended 30th September 2010. The higher earnings is mainly due to higher net income and lower impairment loss on securities.

5. Prospects for 2011

Real GDP growth decelerated to 4.0% year-on-year ("yoy") in the second quarter this year from a revised 4.9%yoy in the first quarter. The deceleration is likely to continue in the third quarter. This is premised on the -0.6%yoy contraction in industrial output in July, the trend of which should stretch into August as there was a long layoff period due to the festive season.

The Bank is of the view that a GDP growth of 5.0% is achievable in 2011 only under a best case scenario. If conditions turned for the worst, we are expecting growth of only 4.4%. A much more challenging prospect is in store for the economy in 2012. If the global economy can avert a recession next year, there is a fair chance for the Malaysian economy to register a 4.0% GDP growth next year.

The equity market, which is a good leading indicator of the real economy, has recorded sharp declines in many trading days. Bond prices have been volatile, while the ringgit experienced its sharpest drop against the greenback in September.

Amid an increasingly challenging macro scenario, the investment banking division maintains its cautious optimism that its business performance will be better in 2011.

The Bank has embarked on an internal reorganization as part of a performance improvement initiative.

Capability-building continues unabated in the dealing and research teams in order to tap opportunities in the equity market. The current phase of market correction accords the division the breathing space to invest in the right talents and infrastructure to undertake broking, origination and distribution activities in the equity market, in expectation of the next wave of capital inflow and price upswing.

In advisory activities for corporate actions, such as mergers and takeovers and initial public offerings, the division 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. Thus far, 2011 has yielded more jobs undertaken by the Bank than that in 2010. It executed its maiden Initial Public Offering in the second quarter 2011, and underwrote and placed out several issues, including that in the secondary market.

In fund-based activities, the division had increased its portfolio of long-term fixed rate assets, through aggressive acquisitions of corporate bonds and long-term government bonds. The current outlook that interest rates will not rise and that "normalization" activities would be halted for now have resulted in bond yields falling, such that further build-up of assets will no longer be aggressively done, but on selective basis only.

The expectation that interest rates will not rise has also caused interest rate swap (IRS) rates to fall. As such, the division has taken this opportunity to lock-in some long duration fixed rates, which will assist to maintain a sustainable interest income/funding spread.

6. Cash and short-term funds

	Group		Bank	
	30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Cash and bank balances with banks and other financial institutions	3,939	6,667	3,521	6,550
Money at call and deposit placements maturing within one month	286,020	209,727	286,020	209,727
	<u>289,959</u>	<u>216,394</u>	<u>289,541</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 RM369,000 (2010: RM645,000) and RM6,651,000 (2010: RM9,082,000) respectively.

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

	Group and Bank	
	30 September 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 September 2011 RM'000	31 December 2010 RM'000
At fair value		
Money market instruments:		
Bank Negara Malaysia Notes	-	164,940
Other Acceptances Discounted	122,200	64,068
	<u>122,200</u>	<u>229,008</u>
Unquoted securities in Malaysia:		
Private Debt Securities	63,792	95,096
	<u>63,792</u>	<u>95,096</u>
	<u>185,992</u>	<u>324,104</u>

9. Securities available-for-sale

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
At fair value		
Money market instruments:		
Malaysian Government Securities	8,912	207,683
Government Investment Issues	178,685	257,993
Other Acceptances Discounted	298,601	429,199
Negotiable Instruments of Deposit	249,202	79,380
	<u>735,400</u>	<u>974,255</u>
Quoted securities in Malaysia:		
Shares and Warrants	22,057	10,855
Loan Stocks	4,379	8,010
	<u>26,436</u>	<u>18,865</u>
Unquoted securities in Malaysia:		
Private Debt Securities	1,093,586	1,063,803
Loan Stocks	12,481	30,603
	<u>1,106,067</u>	<u>1,094,406</u>
At cost		
Unquoted securities in Malaysia:		
Shares	757	757
	<u>757</u>	<u>757</u>
	<u>1,868,660</u>	<u>2,088,283</u>

10. Securities held-to-maturity

	Note	Group and Bank	
		30 September 2011	31 December 2010
		RM'000	RM'000
At amortised cost			
Money market instruments:			
Malaysian Government Securities		623,747	92,163
Government Investment Issues		987,387	90,554
		<u>1,611,134</u>	<u>182,717</u>
Unquoted securities in Malaysia:			
Private Debt Securities		661,173	133,975
		<u>661,173</u>	<u>133,975</u>
Less: Individual impairment provision	(a)	(22,169)	(25,975)
		<u>2,250,138</u>	<u>290,717</u>

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

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	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	3,806	50,598
At 30 September/31 December	<u>(22,169)</u>	<u>(25,975)</u>

11. Loans and advances

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
Term loans		
Syndicated term loans	75,026	75,394
Other term loans	98,150	111,936
Staff loans	1,046	1,325
Revolving credits	134,870	14,586
Margin accounts	70,065	58,738
Gross loans and advances	<u>379,157</u>	<u>261,979</u>
Less: Impairment provision		
Collective impairment provision	(6,045)	(4,026)
Individual impairment provision	(76,934)	(60,706)
Total net loans and advances	<u>296,178</u>	<u>197,247</u>

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 September 2011	31 December 2010
	RM'000	RM'000
Domestic business enterprises	325,443	231,313
Individuals	53,714	30,666
Gross loans and advances	<u>379,157</u>	<u>261,979</u>

(ii) By interest rate sensitivity

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
Fixed rate		
Staff loans	1,046	1,325
Other fixed rate loan	70,065	58,738
Variable rate		
Cost-plus	308,046	201,916
Gross loans and advances	<u>379,157</u>	<u>261,979</u>

11. Loans and advances (cont'd)

(a) Loans and advances (cont'd)

(iii) By economic sector

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
Primary agriculture	-	556
Mining and quarrying	21,146	24,858
Manufacturing	108,668	112,866
Construction	22,644	23,398
Wholesale & retail trade and restaurants & hotels	19,132	20,672
Transport, storage and communication	-	2,022
Finance, insurance and business services	153,853	46,941
Others	53,714	30,666
Gross loans and advances	<u>379,157</u>	<u>261,979</u>

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

(i) ILs by economic sector

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
Manufacturing	81,093	82,515
Construction	22,643	23,398
Wholesale & retail trade and restaurants & hotels	18,767	19,781
Finance, insurance and business services	13,287	13,468
Others	580	648
	<u>136,370</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 September 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	6,226	94,236
Amount recovered	(9,666)	(7,992)
At 30 September/31 December	136,370	139,810
Less: Individual impairment provision	(76,934)	(60,706)
Net ILs	59,436	79,104
Ratio of net ILs to gross loans and advances less individual impairment provision	19.67%	39.30%

(iii) Movements in impairment provision

	Group and Bank	
	30 September 2011 RM'000	31 December 2010 RM'000
Collective impairment provision		
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	2,019	444
At 30 September/31 December	6,045	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 RM1,189,000 (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 September 2011	31 December 2010
	RM'000	RM'000
Individual impairment provision		
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	23,532	42,196
Amount written back	(6,468)	(12,000)
Discount unwind	(836)	(973)
At 30 September/31 December	76,934	60,706

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

Group and Bank	On demand	Under 1 month	> 1 - 3 months	> 3 - 12 months	1 to 5 years	> 5 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2011							
Loans and advances	58,246	186,200	-	-	50,800	932	296,178
31 December 2010							
Loans and advances	77,472	57,016	1,982	697	29,607	30,473	197,247

12. Derivatives Assets/(Liabilities)

	Group and Bank		
	30 September 2011	31 December 2010	
Derivatives assets	1,082	1,385	
Derivatives liabilities	(632)	-	
	<u>450</u>	<u>1,385</u>	
	Contract or Underlying principal amount	Positive fair value	Negative fair value
30 September 2011			
Interest rate related contract:			
- Interest rate swaps	200,000	1,082	632
	<u>200,000</u>	<u>1,082</u>	<u>632</u>
31 December 2010			
Equity related derivatives:			
- Equity options	95,080	1,385	-
	<u>95,080</u>	<u>1,385</u>	<u>-</u>

13. Other assets

	Note	Group		Bank	
		30 September 2011	31 December 2010	30 September 2011	31 December 2010
		RM'000	RM'000	RM'000	RM'000
Other debtors, deposits and prepayment		32,499	43,460	32,499	43,418
Less: Individual impairment provision	(a)	(27,195)	(27,353)	(27,195)	(27,353)
		<u>5,304</u>	<u>16,107</u>	<u>5,304</u>	<u>16,065</u>
Tax recoverable		342	205	340	200
Interest/profit receivables		64,417	26,949	64,417	26,949
Amount due from brokers and clients	(b)	94,723	113,129	94,723	113,129
Amount due from related companies	(c)	7	5	7	5
Amount due from subsidiaries	(d)	389	-	389	133
		<u>165,182</u>	<u>156,395</u>	<u>165,180</u>	<u>156,481</u>

(a) Movements in individual impairment provision

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
At 1 January	(27,353)	(25,154)
Impairment made during the period/year	(384)	(2,305)
Amount written back	512	106
Amount written off	30	-
At 30 September/31 December	<u>(27,195)</u>	<u>(27,353)</u>

13. Other assets (cont'd)

(b) Amount due from brokers and clients

	Note	Group and Bank	
		30 September 2011	31 December 2010
		RM'000	RM'000
Brokers		40,875	51,610
Clients		58,241	65,638
		<u>99,116</u>	<u>117,248</u>
Less: Individual impairment provision	(i)	(4,393)	(4,119)
		<u>94,723</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.

(i) Movements in individual impairment provision

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
At 1 January, as previously stated	(4,119)	-
Effects of adopting FRS 139	-	(3,901)
At 1 January, as restated	<u>(4,119)</u>	<u>(3,901)</u>
Impairment made during the period/year	(274)	(285)
Amount written back	-	67
At 30 September/31 December	<u>(4,393)</u>	<u>(4,119)</u>

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 September 2011	31 December 2010
	RM'000	RM'000
At 1 January, as previously stated	(1,653)	-
Effects of adopting FRS 139	-	(1,368)
At 1 January, as restated	<u>(1,653)</u>	<u>(1,368)</u>
Net interest suspended during the period/year	(203)	(285)
At 30 September/31 December	<u>(1,856)</u>	<u>(1,653)</u>

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 September 2011	31 December 2010
	RM'000	RM'000
Impaired accounts classified as doubtful	-	-
Impaired accounts classified as bad	3,021	2,594
Total impaired accounts	<u>3,021</u>	<u>2,594</u>

13. Other assets (cont'd)

- (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.

14. Deposits from customers

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
(a) By type of deposits		
Call deposits	127,847	87,449
Fixed deposits	2,295,389	1,358,812
	<u>2,423,236</u>	<u>1,446,261</u>
(b) By type of customers		
Business enterprises	2,417,654	1,429,261
Government and statutory bodies	2,000	17,000
Individuals	3,582	-
	<u>2,423,236</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
30 September 2011							
Deposits from customers	<u>127,847</u>	<u>1,906,901</u>	<u>386,608</u>	<u>1,880</u>	<u>-</u>	<u>-</u>	<u>2,423,236</u>
31 December 2010							
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>

15. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
(a) Call deposits		
Other financial institutions	133,036	119,025
(b) Fixed deposits		
Licensed Islamic banks	68,000	92,400
Licensed Commercial banks	320,000	179,800
Licensed Investment banks	5,000	-
Other financial institutions	1,403,219	666,667
	<u>1,796,219</u>	<u>938,867</u>
(c) Negotiable instruments deposits issued		
Licensed banks	50,000	70,000
	<u>1,979,255</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	Under 1 month	> 1 - 3 months	> 3 - 12 months	1 to 5 years	> 5 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 September 2011							
Deposits and placements of banks and other financial institutions	133,036	1,817,915	20,754	7,550	-	-	1,979,255
31 December 2010							
Deposits and placements of banks and other financial institutions	119,025	666,767	272,100	70,000	-	-	1,127,892

16. Other liabilities

	Note	Group		Bank	
		30 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Interest/profit payable		4,987	4,098	4,987	4,098
Accrued liabilities and other payables		11,377	17,872	10,982	17,857
Amount due to brokers and clients	(a)	80,726	114,928	80,726	114,928
Profit Equalisation Reserve		13,847	10,322	13,847	10,322
Employee benefits		982	942	982	942
Amount due to immediate holding company	(b)	825	1,230	825	1,230
		<u>112,744</u>	<u>149,392</u>	<u>112,349</u>	<u>149,377</u>

(a) Amount due to brokers and clients

	Group and Bank	
	30 September 2011 RM'000	31 December 2010 RM'000
Brokers	47,552	13,139
Clients	26,715	98,865
Margin clients	1,115	92
Trust monies	4,660	1,725
Collateralised clients' deposits	684	1,107
	<u>80,726</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.

17. Interest income

	Group and Bank	
	30 September 2011	30 September 2010
	RM'000	RM'000
Loans and advances		
Interest income on non-impaired loans	11,791	10,159
Interest income on impaired loans ("ILs")	7,027	1,522
Money at call and deposit placements with financial institutions	6,485	13,417
Securities held-for-trading	395	782
Securities available-for-sale		
Interest income on non-impaired securities	28,484	41,538
Interest income on impaired securities	771	6,021
Securities held-to-maturity	36,268	981
Derivatives financial instruments	2	-
Others	203	208
	<u>91,426</u>	<u>74,628</u>
Accretion of discount less amortisation of premium	20,900	28,833
	<u>112,326</u>	<u>103,461</u>

18. Interest expense

	Group and Bank	
	30 September 2011	30 September 2010
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	29,750	18,013
Deposits from customers	30,099	26,598
Derivatives financial instruments	44	-
	<u>59,893</u>	<u>44,611</u>

19. Other operating income

	Group		Bank	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
(i) Fee income:				
Arrangement/Management fees	190	201	190	201
Agency fees	1,009	966	1,009	966
Commitment fees	52	52	52	52
Corporate advisory fees	2,760	1,038	2,760	1,038
Brokerage commission	21,589	15,576	21,589	15,576
Participation fees	-	200	-	200
Underwriting fees	1,968	2,589	1,968	2,589
Other fee income	489	356	469	356
	<u>28,057</u>	<u>20,978</u>	<u>28,037</u>	<u>20,978</u>
(ii) Investment income/(loss):				
Net gain from sale of securities held-for-trading	845	156	845	156
Net gain from sale of securities available-for-sale	3,635	1,338	3,635	1,338
Net gain from sale of securities held-to-maturity	459	-	459	-
Net unrealised revaluation gain/(loss) on securities held-for-trading	7	2	7	2
Net unrealised revaluation loss on derivative assets	(892)	(1,620)	(892)	(1,620)
	<u>4,054</u>	<u>(124)</u>	<u>4,054</u>	<u>(124)</u>
(iii) Gross dividends from:				
Securities available-for-sale	745	630	745	630
	<u>745</u>	<u>630</u>	<u>745</u>	<u>630</u>
(iv) Other income:				
Gain on disposal of property, plant and equipment	-	1	-	1
Others	891	733	891	707
	<u>891</u>	<u>734</u>	<u>891</u>	<u>708</u>
Total other operating income	<u>33,747</u>	<u>22,218</u>	<u>33,727</u>	<u>22,192</u>

20. Operating expenses

	Group		Bank	
	30 September 2011 RM'000	30 September 2010 RM'000	30 September 2011 RM'000	30 September 2010 RM'000
(i) Personnel expenses:				
Salaries and wages	10,448	9,850	10,448	9,850
Allowance and bonuses	3,041	3,519	3,041	3,519
Staff training	144	388	144	388
Others	3,025	2,498	3,025	2,498
	<u>16,658</u>	<u>16,255</u>	<u>16,658</u>	<u>16,255</u>
(ii) Establishment related expenses:				
Depreciation	1,186	1,297	1,186	1,297
Rental	1,798	1,798	1,798	1,798
Hire of equipment	63	84	63	84
Others	1,384	1,774	1,384	1,774
	<u>4,431</u>	<u>4,953</u>	<u>4,431</u>	<u>4,953</u>
(iii) Promotion and marketing related expenses:				
Advertisement & publicity	71	13	71	13
Others	836	748	836	748
	<u>907</u>	<u>761</u>	<u>907</u>	<u>761</u>
(iv) General administrative expenses:				
Communication expenses	125	223	125	223
Audit fees	143	172	143	172
Directors meeting allowances	193	238	193	238
Management fees	4,716	4,915	4,711	4,915
Corporate Dealers and Remisiers' Commissions	478	425	478	425
Securities Commission's levy	957	654	957	654
Others	1,727	1,540	1,727	1,538
	<u>8,339</u>	<u>8,167</u>	<u>8,334</u>	<u>8,165</u>
Total operating expenses	<u>30,335</u>	<u>30,136</u>	<u>30,330</u>	<u>30,134</u>

21. Impairment loss on loans and advances

	Group and Bank	
	30 September 2011	30 September 2010
	RM'000	RM'000
Collective impairment provision		
Made in the period	(4,740)	(1,144)
Written back	2,721	725
Individual impairment provision		
Made in the period	(23,532)	(1,702)
Written back	6,468	6,166
Recoveries from impaired loans	600	-
	<u>(18,483)</u>	<u>4,045</u>

22. Impairment loss on other assets

	Group and Bank	
	30 September 2011	30 September 2010
	RM'000	RM'000
Impairment written back/(made) on other debtors	128	(820)
Impairment made on amount due from brokers and clients	(274)	(136)
Bad debts written off	-	(19)
	<u>(146)</u>	<u>(975)</u>

23. Impairment loss on securities

	Group and Bank	
	30 September 2011	30 September 2010
	RM'000	RM'000
Securities available-for-sale		
Charged for the period	(24,375)	(46,806)
Written back	3,718	1,357
Securities held-to-maturity		
Written back	3,806	392
	<u>(16,851)</u>	<u>(45,057)</u>

24. Taxation

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

25. Commitments and contingencies

	30 September 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	156,791	78,395	20,028	257,864	128,932	31,426
Interest/profit rate related contracts over one year to five years	200,000	9,082	1,816	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- not exceeding one year	90,606	18,121	12,240	46,481	9,296	9,032
- exceeding one year	17	9	5	22	11	6
Total	447,414	105,607	34,089	304,367	138,239	40,464

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

26. Credit exposures arising from credit transactions with connected parties

	Group and Bank	
	30 September 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	4.58%	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.

27. 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 September 2011 RM'000	31 December 2010 RM'000	30 September 2011 RM'000	31 December 2010 RM'000
Tier-I capital				
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	(31,498)	(37,600)	(31,498)	(37,600)
Total Tier-I capital	<u>667,855</u>	<u>661,753</u>	<u>667,839</u>	<u>661,737</u>
Tier-II capital				
Collective impairment provision	4,856	2,443	4,856	2,443
Total Tier-II capital	<u>4,856</u>	<u>2,443</u>	<u>4,856</u>	<u>2,443</u>
Total capital	672,711	664,196	672,695	664,180
Less:				
Investment in capital instruments of other banking institutions	(5,000)	(5,000)	(5,000)	(5,000)
Capital base	<u>667,711</u>	<u>659,196</u>	<u>667,695</u>	<u>659,180</u>
Core capital ratio	45.44%	48.59%	45.43%	48.59%
Risk-weighted capital ratio	45.44%	48.59%	45.43%	48.59%

27. Capital adequacy (cont'd)

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

Group	30 September 2011		31 December 2010	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount RM'000	Risk-weighted amount RM'000
0%	2,413,024	-	667,636	-
20%	1,841,909	368,382	1,765,741	353,148
35%	703	246	735	257
50%	249,971	124,986	204,187	102,093
75%	79	58	147	110
100%	490,238	490,238	310,897	310,897
150%	137,323	205,985	258,919	388,379
Total risk-weighted assets for credit risk	5,133,247	1,189,895	3,208,262	1,154,884
Total risk-weighted assets equivalent for market risk	-	85,812	-	9,184
Total risk-weighted assets equivalent for operational risk	-	193,623	-	192,568
	5,133,247	1,469,330	3,208,262	1,356,636

Bank	30 September 2011		31 December 2010	
	Notional amount RM'000	Risk-weighted amount RM'000	Notional amount RM'000	Risk-weighted amount RM'000
0%	2,413,024	-	667,636	-
20%	1,841,492	368,298	1,765,624	353,125
35%	703	246	735	257
50%	249,971	124,986	204,187	102,093
75%	79	59	147	110
100%	490,625	490,625	310,982	310,982
150%	137,323	205,985	258,919	388,379
Total risk-weighted assets for credit risk	5,133,217	1,190,199	3,208,230	1,154,946
Total risk-weighted assets equivalent for market risk	-	85,812	-	9,184
Total risk-weighted assets equivalent for operational risk	-	193,623	-	192,568
	5,133,217	1,469,634	3,208,230	1,356,698

28. 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	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	Non-interest sensitive RM'000	
30 September 2011							
Assets							
Cash and short-term funds	286,020	-	-	-	-	3,939	2.96
Deposits and placements with licensed banks and other financial institutions	-	-	-	-	-	-	-
Securities held-for-trading	-	-	-	-	-	-	-
Securities available-for-sale	291,552	448,336	230,866	283,083	462,057	152,756	185,992
Securities held-to-maturity	-	-	8,817	277,169	1,963,662	490	-
Loans and advances							
Non-impaired	565	189,559	93	24,429	28,141	(6,045) *	236,742
Impaired	-	-	-	-	-	59,436	59,436
Derivative assets	-	-	-	-	-	-	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-	1,082
Other assets	-	-	-	-	-	153,445	153,445
Total assets	578,137	637,895	239,776	584,681	2,453,870	563,042	187,074
							199,021
							5,244,475
Liabilities							
Deposits from customers	1,907,532	386,608	125,396	3,700	-	-	-
Deposits and placements of banks and other financial institutions	1,818,765	20,754	134,316	5,400	-	-	-
Derivative liabilities	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	113,277	632
Total liabilities	3,726,317	407,362	259,712	9,100	-	113,277	632
							4,516,400
Shareholder's equity							
Total liabilities and shareholder's equity	3,726,317	407,362	259,712	9,100	-	728,075	-
							841,352
							5,244,475
On-balance sheet interest sensitivity gap	(3,148,180)	230,533	(19,936)	575,581	2,453,870	449,765	186,442
Off-balance sheet interest sensitivity gap	-	200,000	-	-	-	-	-
Total interest sensitivity gap	(3,148,180)	430,533	(19,936)	575,581	2,453,870	449,765	186,442
							928,075

* Collective impairment provision on loans and advances

28. Interest rate risk (cont'd)

Bank 30 September 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	
Assets						
Cash and short-term funds	286,020	-	-	-	3,521	2.96
Deposits and placements with licensed banks and other financial institutions	-	-	-	-	-	-
Securities held-for-trading	-	-	-	-	-	-
Securities available-for-sale	291,552	448,336	230,866	283,083	462,067	185,992
Securities held-to-maturity	-	-	8,817	277,169	1,963,662	1,868,660
Loans and advances	-	-	-	-	-	2,250,138
Non-impaired	565	189,559	93	24,429	28,141	236,742
Impaired	-	-	-	-	-	59,436
Derivative assets	-	-	-	-	-	1,082
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	153,445
Other assets	-	-	-	-	-	199,019
Total assets	578,137	637,895	239,776	584,681	2,453,870	5,244,055
Liabilities						
Deposits from customers	1,907,532	386,608	125,396	3,700	-	2,423,236
Deposits and placements of banks and other financial institutions	1,818,785	20,754	134,316	5,400	-	1,979,255
Derivative liabilities	-	-	-	-	-	632
Other liabilities	-	-	-	-	-	112,882
Total liabilities	3,726,317	407,362	259,712	9,100	112,882	4,516,005
Shareholder's equity						
Total liabilities and shareholder's equity	3,726,317	407,362	259,712	9,100	840,932	5,244,055
On-balance sheet interest sensitivity gap	(3,148,180)	230,633	(19,936)	575,581	2,453,870	186,442
Off-balance sheet interest sensitivity gap	-	200,000	-	-	-	200,000
Total interest sensitivity gap	(3,148,180)	430,633	(19,936)	575,581	2,453,870	928,050

* Collective impairment provision on loans and advances

28. Interest rate risk (cont'd)

Group 31 December 2010	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	
Assets						
Cash and short-term funds	209,727	-	-	-	-	2.57
Deposits and placements with licensed banks and other financial institutions	-	100,000	-	-	-	2.97
Securities held-for-trading	-	-	-	-	324,104	3.62
Securities available-for-sale	175,766	327,778	477,792	739,117	183,125	4.63
Securities held-to-maturity	-	-	-	82,305	207,866	4.19
Loans and advances	-	-	-	-	-	-
Non-impaired	4,763	55,633	560	30,115	31,098	7.91
Impaired	-	-	-	-	-	-
Derivative assets	-	-	-	-	-	-
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total assets	390,256	483,411	478,352	851,537	422,089	325,489
						196,872
						(4,026) *
						79,104
						1,385
						19,083
						196,872
						482,951
						325,489
						3,434,085
Liabilities						
Deposits from customers	1,112,012	240,877	93,372	-	-	2.74
Deposits and placements of banks and other financial institutions	666,768	272,100	189,024	-	-	2.77
Other liabilities	-	-	-	-	-	-
Total liabilities	1,778,780	512,977	282,396	-	-	149,896
						149,896
						2,724,049
						-
Shareholder's equity						
Total liabilities and shareholder's equity	1,778,780	512,977	282,396	-	-	859,932
On-balance sheet interest sensitivity gap	(1,388,524)	(29,566)	195,956	851,537	422,089	(376,981)
Off-balance sheet interest sensitivity gap	-	-	-	-	-	325,489
Total interest sensitivity gap	(1,388,524)	(29,566)	195,956	851,537	422,089	(376,981)
						325,489

* Collective impairment provision on loans and advances

28. 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			
Bank								
31 December 2010								
Assets								
Cash and short-term funds	209,727	-	-	-	-	-	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	-	2,088,283	4.63
Securities held-to-maturity	-	-	-	82,305	207,866	-	290,717	4.19
Loans and advances								
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	-	-	-	-	-	-	196,958	-
Total assets	390,256	483,411	478,352	851,537	422,089	325,489	3,434,054	
Liabilities								
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	-
Total liabilities	1,778,780	512,977	282,396	-	-	149,881	2,724,034	
Shareholder's equity								
Total liabilities and shareholder's equity	1,778,780	512,977	282,396	-	-	710,020	3,434,054	-
On-balance sheet interest sensitivity gap	(1,388,524)	(29,566)	195,956	851,537	422,089	(376,981)	-	-
Off-balance sheet interest sensitivity gap	-	-	-	-	-	-	325,489	-
Total interest sensitivity gap	(1,388,524)	(29,566)	195,956	851,537	422,089	(376,981)	325,489	

* Collective impairment provision on loans and advances

29. Operations of Islamic Banking Scheme (SPI)

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

	Note	Group and Bank	
		30 September 2011	31 December 2010
		RM'000	RM'000
Assets			
Cash and short-term funds	(a)	80,637	169
Securities available-for-sale	(b)	715,803	588,462
Securities held-to-maturity	(c)	520,634	4,969
Other assets		27,470	26,426
Deferred tax assets		2,194	2,177
Total assets		1,346,738	622,203
Liabilities			
Deposits from customers	(d)	854,615	332,333
Deposits and placements of banks and other financial institutions	(e)	256,392	141,527
Profit equalisation reserve		13,847	10,322
Other liabilities		2,733	945
Provision for zakat		533	504
Total liabilities		1,128,120	485,631
Islamic banking capital funds			
Islamic banking funds		150,000	80,000
Reserves		68,618	56,572
Total Islamic banking capital funds		218,618	136,572
Total liabilities and Islamic banking capital funds		1,346,738	622,203

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.

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

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

Group and Bank	Note	Individual Quarter		Cumulative Quarter	
		30 September 2011	30 September 2010	30 September 2011	30 September 2010
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds		15,630	7,222	35,827	22,497
Allowance for profit equalisation reserve		(2,860)	1,875	(3,525)	834
Total attributable income		12,770	9,097	32,302	23,331
Income attributable to depositors		(8,232)	(3,768)	(19,996)	(10,545)
Net income attributable to reporting institution		4,538	5,329	12,306	12,786
Staff costs		(261)	(261)	(701)	(729)
Other operating expenses		(162)	(190)	(440)	(527)
		4,115	4,878	11,165	11,530
Impairment written back/(made) on securities (net)	(f)	(3)	6	(7)	(749)
Profit before zakat		4,112	4,884	11,158	10,781
Zakat		(99)	(122)	(279)	(270)
Net profit for the period		4,013	4,762	10,879	10,511

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.

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

(a) Cash and short-term funds

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
Cash and bank balances with banks and other financial institutions	80,637	169
	<u>80,637</u>	<u>169</u>

(b) Securities available-for-sale

	Group and Bank	
	30 September 2011	31 December 2010
	RM'000	RM'000
At fair value		
Money market instruments:		
Government Investment Issues	105,539	257,993
Islamic Acceptance Bills	96,064	54,538
Islamic Negotiable Certificate of Deposits	249,202	79,380
	<u>450,805</u>	<u>391,911</u>
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	264,998	196,551
	<u>715,803</u>	<u>588,462</u>

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

(c) Securities held-to-maturity

	Note	Group and Bank	
		30 September 2011 RM'000	31 December 2010 RM'000
At amortised cost			
Money market instruments:			
Government Investment Issues		490,187	4,969
Unquoted securities in Malaysia:			
Islamic Private Debt Securities		35,445	4,998
Less: Individual impairment provision	(i)	(4,998)	(4,998)
		<u>30,447</u>	<u>-</u>
		<u>520,634</u>	<u>4,969</u>

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

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

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

(d) Deposits from customers

	Group and Bank	
	30 September 2011 RM'000	31 December 2010 RM'000
(i) By type of deposits		
Mudharabah fund		
Fixed/investment deposits	834,953	328,277
Others	19,662	4,056
	<u>854,615</u>	<u>332,333</u>
(ii) By type of customer		
Mudharabah fund		
Business enterprises	<u>854,615</u>	<u>332,333</u>

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

	Group and Bank	
	30 September 2011 RM'000	31 December 2010 RM'000
(i) By type of deposits		
Mudharabah fund		
Fixed/investment deposits	255,522	140,087
Others	870	1,440
	<u>256,392</u>	<u>141,527</u>
(ii) By type of customers		
Mudharabah fund		
Licensed Islamic banks	68,000	92,400
Other financial institutions	188,392	49,127
	<u>256,392</u>	<u>141,527</u>

(f) Impairment loss on securities

	Group and Bank	
	30 September 2011 RM'000	30 September 2010 RM'000
Securities available-for-sale		
Charged for the period	(66)	(755)
Written back	59	6
	<u>(7)</u>	<u>(749)</u>

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 nine months ended 30 September 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 September 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: 20 October 2011

