

Unaudited Interim Financial Statements

Condensed consolidated statements of financial position
As at 30 June 2015

| | Note | Group | | Bank | |
|---|------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | | 30 June 2015 RM'000 | 31 December 2014 RM'000 | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Assets | | | | | |
| Cash and short-term funds | 11 | 282,164 | 65,077 | 282,119 | 64,955 |
| Securities available-for-sale | 12 | 2,482,610 | 1,855,483 | 2,482,610 | 1,855,483 |
| Securities held-to-maturity | 13 | 837,369 | 946,201 | 837,369 | 946,201 |
| Loans, advances and financing | 14 | 782,922 | 719,322 | 782,922 | 719,322 |
| Derivative assets | 15 | 4,905 | 9,780 | 4,905 | 9,780 |
| Other assets | 16 | 150,386 | 294,547 | 150,417 | 294,578 |
| Statutory deposits with Bank Negara Malaysia | | 125,602 | 107,643 | 125,602 | 107,643 |
| Investment in subsidiaries | | - | - | * | * |
| Property, plant and equipment | | 994 | 460 | 994 | 460 |
| Intangible assets | | 251 | 94 | 251 | 94 |
| Deferred tax assets | | 11,265 | 15,784 | 11,265 | 15,784 |
| Total assets | | 4,678,468 | 4,014,391 | 4,678,454 | 4,014,300 |
| Liabilities | | | | | |
| Deposits from customers | 17 | 1,647,825 | 999,649 | 1,647,825 | 999,649 |
| Deposits and placements of banks and other financial institutions | 18 | 2,002,014 | 1,882,779 | 2,002,014 | 1,882,779 |
| Other liabilities | 19 | 147,195 | 296,773 | 147,194 | 296,772 |
| Provision for taxation and zakat | | 1,131 | 1,501 | 1,127 | 1,499 |
| Total liabilities | | 3,798,165 | 3,180,702 | 3,798,160 | 3,180,699 |
| Equity | | | | | |
| Share capital | | 156,500 | 156,500 | 156,500 | 156,500 |
| Reserves | | 723,803 | 677,189 | 723,794 | 677,101 |
| Total equity | | 880,303 | 833,689 | 880,294 | 833,601 |
| Total liabilities and equity | | 4,678,468 | 4,014,391 | 4,678,454 | 4,014,300 |
| Commitments and contingencies | | | | | |
| | 28 | 1,217,804 | 1,545,494 | 1,217,804 | 1,545,494 |

* Denotes RM4

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 2014.

Unaudited Interim Financial Statements

Consolidated statements of profit or loss
For the six months ended 30 June 2015

| Group | Note | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|---|------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Operating revenue | | 78,701 | 57,150 | 131,603 | 127,713 |
| Interest income | 20 | 54,364 | 34,626 | 90,329 | 79,091 |
| Interest expense | 21 | (27,326) | (22,443) | (50,984) | (48,557) |
| Net interest income | | 27,038 | 12,183 | 39,345 | 30,534 |
| Net income from Islamic | | | | | |
| Banking | 33 | 11,156 | 6,621 | 19,623 | 13,382 |
| Non-interest income | 22 | 6,710 | 9,402 | 10,022 | 21,783 |
| | | 44,904 | 28,206 | 68,990 | 65,699 |
| Operating expenses | 23 | (14,248) | (15,852) | (27,706) | (27,541) |
| Operating profit before allowances | | 30,656 | 12,354 | 41,284 | 38,158 |
| Impairment loss (made)/written-back on: | | | | | |
| - loans, advances and financing | 24 | 1,641 | (6,827) | (313) | (6,417) |
| - securities | 25 | 1,006 | (3,566) | 6,000 | 543 |
| - other assets | 26 | (165) | (95) | 747 | (115) |
| Profit before taxation and zakat | | 33,138 | 1,866 | 47,718 | 32,169 |
| Taxation | | (8,311) | (467) | (12,007) | (8,043) |
| Zakat | | (148) | (137) | (378) | (328) |
| Profit for the period attributable to equity holder of the Bank | | 24,679 | 1,262 | 35,333 | 23,798 |
| Earnings per ordinary share (sen) | | | | | |
| - Basic and diluted | 27 | 15.92 | 0.81 | 22.80 | 15.35 |

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 2014.

Unaudited Interim Financial Statements

Consolidated statements of comprehensive income
For the six months ended 30 June 2015

| Group | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|---|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Profit for the period attributable to equity holder of the Bank | 24,679 | 1,262 | 35,333 | 23,798 |
| Other comprehensive income/(loss): | | | | |
| Other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods: | | | | |
| Net loss on securities available-for-sale | | | | |
| Transfer to profit and loss upon disposal | 855 | (3,292) | 855 | (3,292) |
| Fair value changes | 10,426 | (1,826) | 10,426 | (1,826) |
| Other comprehensive loss for the year, net of tax | 11,281 | (5,118) | 11,281 | (5,118) |
| Total comprehensive income for the period attributable to equity holder of Bank | 35,960 | (3,856) | 46,614 | 18,680 |

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 2014.

Unaudited Interim Financial Statements

Consolidated statements of profit or loss For the six months ended 30 June 2015 (cont'd.)

| Bank | Note | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|---|------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Operating revenue | | 78,691 | 57,141 | 131,569 | 127,681 |
| Interest income | 20 | 54,364 | 34,626 | 90,329 | 79,091 |
| Interest expense | 21 | (27,326) | (22,443) | (50,984) | (48,557) |
| Net interest income | | 27,038 | 12,183 | 39,345 | 30,534 |
| Net income from Islamic Banking | 33 | 11,156 | 6,621 | 19,623 | 13,382 |
| Non-interest income | 22 | 6,800 | 9,393 | 10,088 | 21,751 |
| | | 44,994 | 28,197 | 69,056 | 65,667 |
| Operating expenses | 23 | (14,245) | (15,851) | (27,701) | (27,538) |
| Operating profit before allowances | | 30,749 | 12,346 | 41,355 | 38,129 |
| Impairment loss (made)/written-back on: | | | | | |
| - loans, advances and financing | 24 | 1,641 | (6,827) | (313) | (6,417) |
| - securities | 25 | 1,006 | (3,566) | 6,000 | 543 |
| - other assets | 26 | (165) | (95) | 747 | (115) |
| Profit before taxation and zakat | | 33,231 | 1,858 | 47,789 | 32,140 |
| Taxation | | (8,309) | (465) | (11,999) | (8,036) |
| Zakat | | (148) | (137) | (378) | (328) |
| Profit for the period attributable to equity holder of the Bank | | 24,774 | 1,256 | 35,412 | 23,776 |

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 2014.

Unaudited Interim Financial Statements

Consolidated statements of comprehensive income
For the six months ended 30 June 2015 (cont'd.)

| Bank | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|---|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Profit for the period attributable to equity holder of the Bank | 24,774 | 1,256 | 35,412 | 23,776 |
| Other comprehensive income/(loss): | | | | |
| Other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent periods: | | | | |
| Net loss on securities available-for-sale | | | | |
| Transfer to profit and loss upon disposal | 867 | (191) | 855 | (3,292) |
| Fair value changes | 858 | 3,565 | 10,426 | (1,826) |
| Other comprehensive loss for the year, net of tax | 1,725 | 3,374 | 11,281 | (5,118) |
| Total comprehensive income for the period attributable to equity holder of Bank | 26,499 | 4,630 | 46,693 | 18,658 |

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 2014.

Unaudited Interim Financial Statements

Consolidated statements of changes in equity For the six months ended 30 June 2015 (cont'd.)

| 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 | Profit equalisation reserve RM'000 | Retained profits RM'000 | | |
| At 1 January 2014 | 156,500 | 362,611 | 164,252 | (26,488) | 8,723 | 89,892 | 755,490 | |
| Profit for the period | - | - | - | - | - | 23,798 | 23,798 | |
| Other comprehensive loss for the period | - | - | - | (5,118) | - | - | (5,118) | |
| Total comprehensive income for the period | - | - | - | (5,118) | - | 23,798 | 18,680 | |
| Transactions with owner | | | | | | | | |
| Net transfer from profit equalisation reserve for the period | - | - | - | - | 76 | (76) | - | |
| At 30 June 2014 | 156,500 | 362,611 | 164,252 | (31,606) | 8,799 | 113,614 | 774,170 | |
| At 1 January 2015 | 156,500 | 362,611 | 164,252 | (26,819) | 8,858 | 168,287 | 833,689 | |
| Profit for the period | - | - | - | - | - | 35,333 | 35,333 | |
| Other comprehensive income for the period | - | - | - | 11,281 | - | - | 11,281 | |
| Total comprehensive income for the period | - | - | - | 11,281 | - | 35,333 | 46,614 | |
| Transactions with owner | | | | | | | | |
| Net transfer from profit equalisation reserve for the period | - | - | - | - | (8,858) | 8,858 | - | |
| At 30 June 2015 | 156,500 | 362,611 | 164,252 | (15,538) | - | 212,478 | 880,303 | |

* The statutory reserve is maintained in compliance with the provisions of the Financial Services Act, 2013 and is not distributable as cash dividends.

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

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

Unaudited Interim Financial Statements

Consolidated statements of changes in equity
For the six months ended 30 June 2015 (cont'd.)

| 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 | Profit equalisation reserve RM'000 | Retained profits RM'000 | | |
| At 1 January 2014 | 156,500 | 362,611 | 164,252 | (26,488) | 8,723 | 89,840 | 755,438 | |
| Profit for the period | - | - | - | - | - | 23,776 | 23,776 | |
| Other comprehensive loss for the period | - | - | - | (5,118) | - | - | (5,118) | |
| Total comprehensive income for the period | - | - | - | (5,118) | - | 23,776 | 18,658 | |
| Transactions with owner | | | | | | | | |
| Net transfer from profit equalisation reserve for the period | - | - | - | - | 76 | (76) | - | |
| At 30 June 2014 | 156,500 | 362,611 | 164,252 | (31,606) | 8,799 | 113,540 | 774,096 | |
| At 1 January 2015 | 156,500 | 362,611 | 164,252 | (26,819) | 8,858 | 168,199 | 833,601 | |
| Profit for the period | - | - | - | - | - | 35,412 | 35,412 | |
| Other comprehensive income for the period | - | - | - | 11,281 | - | - | 11,281 | |
| Total comprehensive income for the period | - | - | - | 11,281 | - | 35,412 | 46,693 | |
| Transactions with owner | | | | | | | | |
| Net transfer from profit equalisation reserve for the period | - | - | - | - | (8,858) | 8,858 | - | |
| At 30 June 2015 | 156,500 | 362,611 | 164,252 | (15,538) | - | 212,469 | 880,294 | |

* The statutory reserve is maintained in compliance with the provisions of the Financial Services Act, 2013 and is not distributable as cash dividends.

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

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

Unaudited Interim Financial Statements

Consolidated statements of cash flows
For the six months ended 30 June 2015

| | Group | | Bank | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Profit before taxation and zakat | 47,718 | 32,169 | 47,789 | 32,140 |
| Adjustments for non-cash items | (446) | (14,818) | (546) | (14,818) |
| Operating profit before changes in working capital | 47,272 | 17,351 | 47,243 | 17,322 |
| Changes in working capital: | | | | |
| Net changes in operating assets | (446,521) | 500,504 | (446,513) | 500,595 |
| Net changes in operating liabilities | 617,085 | (472,856) | 617,083 | (472,855) |
| Net cash generated from operating activities | 217,836 | 44,999 | 217,813 | 45,062 |
| Net cash (used in)/generated from investing activities | (749) | 53 | (649) | 53 |
| Net cash generated from financing activities | - | - | - | - |
| Net change in cash and cash equivalents | 217,087 | 45,052 | 217,164 | 45,115 |
| Cash and cash equivalents at beginning of the period | 65,077 | 49,636 | 64,955 | 49,458 |
| Cash and cash equivalents at end of the period | 282,164 | 94,688 | 282,119 | 94,573 |

Cash and cash equivalents comprise:

| | Group | | Bank | |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Cash and short-term funds | 282,164 | 94,688 | 282,119 | 94,573 |
| | 282,164 | 94,688 | 282,119 | 94,573 |

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 2014.

Unaudited Interim Financial Statements

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134, Interim Financial Reporting ("MFRS 134"), Guidelines on Financial Reporting and Guidelines on Financial Reporting for Islamic Banking Institutions issued by Bank Negara Malaysia

1. Basis of preparation

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), Bank Negara Malaysia ("BNM") Guidelines and the requirements of the Companies Act, 1965 in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited annual financial statements of the Group and the Bank for the financial year ended 31 December 2014.

The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2014.

2. Significant accounting policies

The accounting policies applied by the Group and the Bank in these condensed interim financial statements are the same as those applied by the Group and the Bank in their financial statements for the year ended 31 December 2014.

Standards issued but not yet effective

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

| Description | Effective for financial periods beginning on or after |
|---|---|
| Amendments to MFRS 119 : <i>Defined Benefits</i> | 1 July 2014 |
| Annual Improvements to MFRS 2010 - 2012 Cycle | 1 July 2014 |
| Annual Improvements to MFRS 2011 - 2013 Cycle | 1 July 2014 |
| Amendments to MFRS 10 and MFRS 128 : <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | 1 January 2016 |
| Amendments to MFRS 11 : <i>Joint Operations</i> | 1 January 2016 |
| Amendments to MFRS 116 and MFRS 138 : <i>Clarification of Acceptable Methods Methods of Depreciation and Amortisation</i> | 1 January 2016 |
| MFRS 14 : <i>Regulatory Deferral Accounts</i> | 1 January 2016 |
| Amendments to MFRS 116 and MFRS 141 : <i>Agriculture: Bearer Plants</i> | 1 January 2016 |
| Amendments to MFRS 127 : <i>Equity Method in Separate Financial Statements</i> | 1 January 2016 |

Unaudited Interim Financial Statements

2. Significant accounting policies (cont'd.)

Standards issued but not yet effective (cont'd.)

At the date of authorisation of the condensed interim financial statements, the following Standards were issued but not yet effective and have not been adopted by the Group and the Bank. (cont'd.)

| Description | Effective for financial periods beginning on or after |
|---|---|
| Annual Improvements to MFRS 2012 - 2014 Cycle | 1 January 2016 |
| Amendments to MFRS 101 : <i>Disclosure Initiative</i> | 1 January 2016 |
| Amendments to MFRS 10, MFRS 12 and MFRS 28 : Investment Entities: Applying the Consolidation Exception | 1 January 2016 |
| MFRS 15 : <i>Revenue from Contracts with Customers</i> | 1 January 2017 |
| MFRS 9 : <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i> | 1 January 2018 |

3. Comments about seasonal or cyclical factors

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 30 June 2015.

5. Significant estimates and changes in estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 June 2015.

6. Debt and equity securities

There were no changes in equity securities during the quarter ended 30 June 2015.

7. Dividend paid/payable

There were no dividends declared or paid during the quarter ended 30 June 2015.

8. Auditors' Report on Preceding Annual Financial Statements

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

Unaudited Interim Financial Statements

9. Performance review

The Group and the Bank recorded a higher pre-tax profit of RM33.1 million for the second quarter ended 30 June 2015 as compared to the pre-tax profit of RM1.9 million recorded in the previous corresponding quarter ended 30 June 2014. The increase in earnings were mainly due to higher interest/profit income, investment income, net written back for loans, advances and financing and securities in the current quarter.

The pre-tax profit for the six months period ended 30 June 2015 amounted to RM47.7 million, a increase of 48% as compared to the pre-tax profit of RM32.2 million recorded in the previous corresponding six months period ended 30 June 2014. The increase in earnings were mainly due to higher interest/profit income.

10. Prospect for 2015

In the first quarter, GDP grew by 5.6%, underpinned mainly by private sector demand. Private consumption accelerated to 8.8% year-on-year, supported by stable labour market conditions and higher wage growth. This indicates that Malaysia may be on track to meet its official GDP growth forecast for 2015 of 4.5% to 5.5%.

The period under review was marked by rising funding costs, as banks compete for corporate depositor funds with higher rates. This is noted despite overnight policy rate (“OPR”) remaining unchanged at 3.25% in the second quarter, and KLIBOR declining slightly further (with 3-month KLIBOR ending around 3.69%, Q1FY2015: 3.73%). The impact of which sees a slightly higher funding cost for the Bank in the first 6 months of 2015.

In the first half of 2015, the Malaysian government bond yields rose in line with the weakening of the Ringgit by 7% from December 2014 at RM3.50 to June 2015 at RM3.77, against the USD, and also following the uptick in US Treasury yields. The private debt securities (“PDS”) market, on the other hand, saw healthy demand, with a few long-dated issuances in the government guaranteed and AAA-rated sector, keeping yields fairly steady. In the capital market, gross amount of new debt securities issued in the first five months of 2015 amounted to RM27.75 billion, 16% lower year-on-year. There was a pickup in debt issuance in March, April and May, with the amount issued for the three months hitting RM24.52 billion, exceeding the RM21.64 billion raised during the corresponding period in 2014. On an overall note, the debt fund-based activities ended the Quarter 2, 2015 rather mixed, characterised by a wait-and-see stance taken by market participants.

The operating landscape in the first half of 2015 was challenging for the Bank. Focus was on managing the Bank’s balance sheet as well as on efforts to lay the groundworks for business activity in the rest of the year. Cognisant of the heightened market risks, the Bank will remain focused on enhancing its fee-based revenue stream in the equity capital market, corporate finance and corporate advisory.

Unaudited Interim Financial Statements

11. Cash and short-term funds

| | Group | | Bank | |
|--|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Cash and balances with banks and other financial institutions | 66,664 | 65,077 | 66,619 | 64,955 |
| Money at call and deposit placements maturing within month | 215,500 | - | 215,500 | - |
| | <u>282,164</u> | <u>65,077</u> | <u>282,119</u> | <u>64,955</u> |

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group and the Bank amounted to approximately RM1,425,000 and RM1,032,000 respectively (31.12.2014: RM2,704,000 and RM1,198,000 respectively). These amounts are excluded from the cash and short-term funds of the Group and of the Bank.

12. Securities available-for-sale

| | Group and Bank | |
|-----------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| At fair value | | |
| Money market instruments: | | |
| Malaysian Government Securities | 5,544 | 5,484 |
| Government Investment Issues | 481,293 | 5,797 |
| Bank Negara Monetary Notes | 99,118 | 199,422 |
| Malaysian Treasury Bills | 9,969 | - |
| Negotiable Instruments of Deposit | 297,413 | - |
| | <u>893,337</u> | <u>210,703</u> |
| Unquoted securities in Malaysia: | | |
| Private Debt Securities | 1,581,700 | 1,637,140 |
| Loan Stocks | 6,816 | 6,883 |
| | <u>1,588,516</u> | <u>1,644,023</u> |

Unaudited Interim Financial Statements

12. Securities available-for-sale (cont'd.)

| | Group and Bank | |
|----------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| At cost | | |
| Unquoted securities in Malaysia: | | |
| Shares | 757 | 757 |
| | <u>2,482,610</u> | <u>1,855,483</u> |

13. Securities held-to-maturity

| | Note | Group and Bank | |
|---------------------------------------|------|---------------------------|-------------------------------|
| | | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| At amortised cost | | | |
| Money market instruments: | | | |
| Negotiable Instruments of Deposit | | - | 259,329 |
| | | <u>-</u> | <u>259,329</u> |
| Unquoted securities in Malaysia: | | | |
| Private Debt Securities | | 870,704 | 725,633 |
| Less: Individual impairment allowance | (a) | (33,335) | (38,761) |
| | | <u>837,369</u> | <u>946,201</u> |

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

| | Group and Bank | |
|----------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| At 1 January | (38,761) | (65,983) |
| Amount written back | - | 27,144 |
| Amount written off | 5,426 | 78 |
| At 30 June 2015/31 December 2014 | <u>(33,335)</u> | <u>(38,761)</u> |

Unaudited Interim Financial Statements

14. Loans, advances and financing

| | Group and Bank | |
|-------------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Term loans/financing | | |
| Syndicated term loans | 84,351 | 84,405 |
| Other term loans | 339,675 | 314,947 |
| Islamic financing | 234,699 | 213,158 |
| | <u>658,725</u> | <u>612,510</u> |
| Margin accounts | 219,377 | 202,233 |
| Staff loans | 544 | 630 |
| Gross loans, advances and financing | <u>878,646</u> | <u>815,373</u> |
| Less: Impairment allowances | | |
| - Collective impairment allowance | (7,811) | (5,731) |
| - Individual impairment allowance | (87,913) | (90,320) |
| Net loans, advances and financing | <u>782,922</u> | <u>719,322</u> |

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

(a) Gross loans, advances and financing

(i) By type of customer

| | Group and Bank | |
|-------------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Domestic business enterprises | | |
| - Small medium enterprises | 768,247 | 711,073 |
| Individuals | 110,399 | 104,300 |
| Gross loans, advances and financing | <u>878,646</u> | <u>815,373</u> |

Unaudited Interim Financial Statements

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

(a) Gross loans, advances and financing (cont'd.)

(ii) By interest rate sensitivity

| | Group and Bank | |
|-------------------------------------|----------------|----------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| <u>Fixed rate</u> | | |
| Staff loans | 544 | 630 |
| Other loans | 219,377 | 202,233 |
| <u>Variable rate</u> | | |
| Cost-plus | 424,026 | 399,352 |
| Cost-plus (Islamic financing) | 234,699 | 213,158 |
| Gross loans, advances and financing | <u>878,646</u> | <u>815,373</u> |

(iii) By economic sector

| | Group and Bank | |
|---|----------------|----------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Mining and quarrying | 89,996 | 47,031 |
| Manufacturing | 90,727 | 96,663 |
| Construction | 123,380 | 233,970 |
| Wholesale & retail trade and restaurants & hotels | 11,451 | 11,506 |
| Transport, storage and communications | 77,818 | 84,995 |
| Finance, insurance and business services | 251,795 | 147,197 |
| Education, health and other services activities | 66,885 | 35,113 |
| Others | 166,594 | 158,898 |
| Gross loans, advances and financing | <u>878,646</u> | <u>815,373</u> |

(iv) By maturity profile

| | Group and Bank | |
|-------------------------------------|----------------|----------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Within one year | 643,402 | 577,823 |
| One year to five years | - | 104,894 |
| After five years | 235,244 | 132,656 |
| Gross loans, advances and financing | <u>878,646</u> | <u>815,373</u> |

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

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

(i) ILs by economic sector:

| | Group and Bank | |
|---|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Manufacturing | 88,721 | 91,646 |
| Construction | 3,359 | 3,359 |
| Wholesale & retail trade and restaurants & hotels | 11,451 | 11,506 |
| Finance, insurance and business services | 143 | 142 |
| Others | 694 | 751 |
| | <u>104,368</u> | <u>107,404</u> |

(ii) Movements in ILs are as follows:

| | Group and Bank | |
|--|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| At 1 January | 107,404 | 108,550 |
| Classified as impaired during the period/year | - | 84 |
| Amount recovered | (2,980) | (1,230) |
| Amount written off | (56) | - |
| At 30 June 2015/31 December 2014 | <u>104,368</u> | <u>107,404</u> |
| Less: Individual impairment allowance | <u>(87,913)</u> | <u>(90,320)</u> |
| Net ILs | <u>16,455</u> | <u>17,084</u> |
| Ratio of net ILs to gross loans, advances and financing less individual impairment allowance | <u>2.08%</u> | <u>2.36%</u> |

Unaudited Interim Financial Statements

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

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

(iii) Movements in impairment allowances

| | Group and Bank | |
|--|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Collective impairment allowance | | |
| At 1 January | 5,731 | 3,585 |
| Impairment made during the period/year | 2,080 | 2,146 |
| At 30 June 2015/31 December 2014 | <u>7,811</u> | <u>5,731</u> |
| Ratio of collective impairment allowance to gross loans, advances and financing less individual impairment allowance | <u>0.99%</u> | <u>0.79%</u> |

Individual impairment allowance

| Group and Bank | Term loans/ financing RM'000 | Staff loans RM'000 | Margin accounts RM'000 | Total RM'000 |
|---|------------------------------------|-----------------------|---------------------------|-----------------|
| 30 June 2015 | | | | |
| At 1 January | 89,426 | 77 | 817 | 90,320 |
| Impairment made during the financial period | 1,187 | - | - | 1,187 |
| Amount written back | (2,954) | - | - | (2,954) |
| Discount unwind | (584) | - | - | (584) |
| Amount written off | - | (56) | - | (56) |
| At 30 June | <u>87,075</u> | <u>21</u> | <u>817</u> | <u>87,913</u> |
| 31 December 2014 | | | | |
| At 1 January | 85,372 | 44 | 733 | 86,149 |
| Impairment made during the financial period | 7,696 | 34 | 84 | 7,814 |
| Amount written back | (2,227) | - | - | (2,227) |
| Discount unwind | (1,415) | (1) | - | (1,416) |
| At 31 December | <u>89,426</u> | <u>77</u> | <u>817</u> | <u>90,320</u> |

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15. Derivative assets

| Group and Bank | Contract or underlying principal amount RM'000 | Derivative assets RM'000 | Derivative liabilities RM'000 |
|------------------------------------|--|--------------------------------|-------------------------------------|
| 30 June 2015 | | | |
| Interest rate related derivatives: | | | |
| - Interest rate swaps | 1,120,000 | 4,905 | - |
| 31 December 2014 | | | |
| Interest rate related derivatives: | | | |
| - Interest rate swaps | 1,370,000 | 9,780 | - |

16. Other assets

| | Note | Group | | Bank | |
|--|------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | | 30 June 2015 RM'000 | 31 December 2014 RM'000 | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Interest/profit receivables | | 29,145 | 22,239 | 29,145 | 22,239 |
| Amounts due from clients | | 89,662 | 247,434 | 89,662 | 247,434 |
| Less: Impairment allowance | | (2,567) | (2,566) | (2,567) | (2,566) |
| | (a) | <u>87,095</u> | <u>244,868</u> | <u>87,095</u> | <u>244,868</u> |
| Deposits, prepayments and other receivables | | 8,029 | 8,055 | 8,029 | 8,055 |
| Less: Impairment allowance | (b) | <u>(3,612)</u> | <u>(4,499)</u> | <u>(3,612)</u> | <u>(4,499)</u> |
| | | <u>4,417</u> | <u>3,556</u> | <u>4,417</u> | <u>3,556</u> |
| Amount recoverable from Danaharta | | 97,032 | 97,032 | 97,032 | 97,032 |
| Less: Impairment allowance | | <u>(97,032)</u> | <u>(97,032)</u> | <u>(97,032)</u> | <u>(97,032)</u> |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Amount due from related companies | (c) | 26 | 43 | 26 | 43 |
| Amount due from subsidiaries | (c) | - | - | 32 | 32 |
| Tax recoverable | | 29,703 | 23,841 | 29,702 | 23,840 |
| | | <u>150,386</u> | <u>294,547</u> | <u>150,417</u> | <u>294,578</u> |

Unaudited Interim Financial Statements

16. Other assets (cont'd.)

(a) Amounts due from clients

| | Group and Bank | |
|---------------------------------------|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Clients | 89,662 | 247,434 |
| Less: Individual impairment allowance | (2,567) | (2,566) |
| | <u>87,095</u> | <u>244,868</u> |

Clients' debit balances arose from trading of securities through the Bank which are not yet due for settlement as at reporting date under the Rules of Bursa Malaysia Securities Berhad.

Included in amount due from clients are impaired accounts amounting to RM2,579,000 (31.12.2014: RM2,579,000).

Movements in individual impairment allowance on amount due from clients:

| | Group and Bank | |
|--|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| At 1 January | (2,566) | (2,558) |
| Impairment made during the period/year | (1) | (8) |
| At 30 June 2015/31 December 2014 | <u>(2,567)</u> | <u>(2,566)</u> |

(b) Deposits, prepayments and other receivables

Movements in individual impairment allowance:

| | Group and Bank | |
|--|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| At 1 January | (4,499) | (5,020) |
| Impairment made during the period/year | (433) | (987) |
| Amount written back | 1,181 | 1,508 |
| Amount written off | 151 | - |
| Reversal from unearned fee income | (12) | - |
| At 30 June 2015/31 December 2014 | <u>(3,612)</u> | <u>(4,499)</u> |

Unaudited Interim Financial Statements

16. Other assets (cont'd.)

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

17. Deposits from customers

| | Group and Bank | |
|--|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| (a) By types of deposit | | |
| Call deposits | 127,876 | 36,068 |
| Fixed deposits | 1,519,949 | 963,581 |
| | <u>1,647,825</u> | <u>999,649</u> |
| (b) By types of customer | | |
| Business enterprises | 1,450,465 | 832,329 |
| Government and statutory bodies | 195,000 | 165,000 |
| Individual | 2,360 | 2,320 |
| | <u>1,647,825</u> | <u>999,649</u> |
| (c) The maturity structure of term deposits are as follows: | | |
| Due within six months | 1,594,799 | 975,147 |
| Six months to one year | 53,026 | 24,502 |
| | <u>1,647,825</u> | <u>999,649</u> |

18. Deposits and placements of banks and other financial institutions

| | Group and Bank | |
|--------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| (a) Call deposits | | |
| - Other financial institutions | <u>120,966</u> | <u>118,486</u> |
| (b) Fixed deposits | | |
| - Licensed banks | 15,400 | 252,000 |
| - Licensed Islamic banks | - | 30,200 |
| - Licensed investment banks | - | 36,200 |
| - Other financial institutions | 1,865,648 | 1,445,893 |
| | <u>1,881,048</u> | <u>1,764,293</u> |
| | <u>2,002,014</u> | <u>1,882,779</u> |

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19. Other liabilities

| | Note | Group | | Bank | |
|---|-------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | | 30 June 2015 RM'000 | 31 December 2014 RM'000 | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Amount due to brokers and clients | (a) | 90,241 | 246,204 | 90,241 | 246,204 |
| Interest/profit payables | | 17,096 | 6,652 | 17,096 | 6,652 |
| Accrued liabilities and other payables | | 24,803 | 27,370 | 24,803 | 27,369 |
| Profit equalisation reserve | 33(h) | 11,918 | 11,918 | 11,918 | 11,918 |
| Employee benefits | | 2,312 | 2,232 | 2,312 | 2,232 |
| Amount due to immediate holding company | (b) | 822 | 1,167 | 821 | 1,167 |
| Amount due to related company | (b) | 3 | 1,230 | 3 | 1,230 |
| | | <u>147,195</u> | <u>296,773</u> | <u>147,194</u> | <u>296,772</u> |

| Group and Bank | |
|---------------------------|-------------------------------|
| 30 June 2015 RM'000 | 31 December 2014 RM'000 |

(a) Amount due to brokers and clients

| | | |
|---------|---------------|----------------|
| Brokers | 26,581 | 216,794 |
| Clients | 63,660 | 29,410 |
| | <u>90,241</u> | <u>246,204</u> |

Clients' and brokers' credit balances arose from trading of securities through the Bank which are not yet due for settlement as at reporting date under the Rules of Bursa Malaysia Securities Berhad.

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

Unaudited Interim Financial Statements

20. Interest income

| Group and Bank | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Loans, advances and financing | | | | |
| - Interest income on non-impaired loans | 11,196 | 7,948 | 21,387 | 16,895 |
| - Interest income on impaired loans ("ILs") | 282 | 404 | 583 | 807 |
| Money at call and deposit placements with financial institutions | 1,983 | 590 | 2,600 | 1,359 |
| Securities available-for-sale | | | | |
| - Interest income on non-impaired securities | 15,835 | 15,133 | 30,112 | 31,801 |
| - Interest income on impaired securities | 14,765 | 234 | 14,919 | 5,887 |
| Securities held-to-maturity | | | | |
| - Interest income on non-impaired securities | 8,057 | 8,098 | 15,915 | 16,076 |
| Derivative instruments | 1,187 | 207 | 2,788 | 279 |
| Others | - | 14 | - | 27 |
| | <u>53,305</u> | <u>32,628</u> | <u>88,304</u> | <u>73,131</u> |
| Accretion of discount less amortisation of premium | 1,059 | 1,998 | 2,025 | 5,960 |
| | <u>54,364</u> | <u>34,626</u> | <u>90,329</u> | <u>79,091</u> |

21. Interest expense

| Group and Bank | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Deposits from customers | 11,415 | 8,422 | 18,140 | 17,279 |
| Deposits and placements of bank and other financial institutions | 15,911 | 13,917 | 32,844 | 30,903 |
| Derivative instruments | - | 104 | - | 375 |
| | <u>27,326</u> | <u>22,443</u> | <u>50,984</u> | <u>48,557</u> |

Unaudited Interim Financial Statements

22. Non-interest income

| Group | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|--|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Fee income: | | | | |
| Fees on loans, advances and financing | 126 | 174 | 413 | 461 |
| Corporate advisory fees | 587 | 1,270 | 1,197 | 2,975 |
| Underwriting fees | 1,712 | 45 | 1,929 | 45 |
| Management fees | - | 620 | 925 | 1,620 |
| Brokerage commission | 4,516 | 4,793 | 9,984 | 10,385 |
| Other fee income | 513 | 960 | 906 | 1,181 |
| | <u>7,454</u> | <u>7,862</u> | <u>15,354</u> | <u>16,667</u> |
| Investment income/(loss): | | | | |
| Net gain/(loss) on sale of securities | | | | |
| - held-for-trading | - | 4 | - | 11 |
| - available for sale | (872) | 191 | (860) | 3,292 |
| Net unrealised (loss)/gain on - revaluation of derivatives instruments | (206) | 1,166 | (4,875) | 1,569 |
| | <u>(1,078)</u> | <u>1,361</u> | <u>(5,735)</u> | <u>4,872</u> |
| Gross dividends from: | | | | |
| Securities available-for-sale | 147 | 98 | 147 | 98 |
| | <u>147</u> | <u>98</u> | <u>147</u> | <u>98</u> |
| Other income: | | | | |
| Gain on disposal of property, plant and equipment | 34 | - | 34 | - |
| Intercompany management fees | 113 | 48 | 154 | 96 |
| Others | 40 | 33 | 68 | 50 |
| | <u>187</u> | <u>81</u> | <u>256</u> | <u>146</u> |
| | <u>6,710</u> | <u>9,402</u> | <u>10,022</u> | <u>21,783</u> |

Unaudited Interim Financial Statements

22. Non-interest income (contd.)

| Bank | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|--|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Fee income: | | | | |
| Fees on loans, advances and financing | 126 | 174 | 413 | 461 |
| Corporate advisory fees | 587 | 1,270 | 1,197 | 2,975 |
| Underwriting fees | 1,712 | 45 | 1,929 | 45 |
| Management fees | - | 620 | 925 | 1,620 |
| Brokerage commission | 4,516 | 4,793 | 9,984 | 10,385 |
| Other fee income | 505 | 956 | 877 | 1,157 |
| | <u>7,446</u> | <u>7,858</u> | <u>15,325</u> | <u>16,643</u> |
| Investment income/(loss): | | | | |
| Net gain/(loss) on sale of securities | | | | |
| - held-for-trading | - | 4 | - | 11 |
| - available for sale | (872) | 191 | (860) | 3,292 |
| Net unrealised (loss)/gain on - revaluation of derivatives instruments | (206) | 1,166 | (4,875) | 1,569 |
| | <u>(1,078)</u> | <u>1,361</u> | <u>(5,735)</u> | <u>4,872</u> |
| Gross dividends from: | | | | |
| Securities available-for-sale | 147 | 98 | 147 | 98 |
| Subsidiary | 100 | - | 100 | - |
| | <u>247</u> | <u>98</u> | <u>247</u> | <u>98</u> |
| Other income: | | | | |
| Gain on disposal of property, plant and equipment | 34 | - | 34 | - |
| Intercompany management fees | 113 | 48 | 154 | 96 |
| Others | 38 | 28 | 63 | 42 |
| | <u>185</u> | <u>76</u> | <u>251</u> | <u>138</u> |
| | <u>6,800</u> | <u>9,393</u> | <u>10,088</u> | <u>21,751</u> |

Unaudited Interim Financial Statements

23. Operating expenses

| Group | Individual Quarter | | Cumulative Quarter | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| (i) Staff costs: | | | | |
| Wages, salaries and bonuses | 7,856 | 8,302 | 14,536 | 14,045 |
| Executive Director/Chief Executive Officer | | | | |
| - Fees | 30 | 30 | 60 | 60 |
| Employees' benefits | 53 | 48 | 80 | (34) |
| Defined contribution plans | 998 | 1,391 | 2,100 | 2,339 |
| Social security costs | 25 | 25 | 50 | 48 |
| Other staff related expenses | 597 | 560 | 1,060 | 941 |
| | <u>9,559</u> | <u>10,356</u> | <u>17,886</u> | <u>17,399</u> |
| (ii) Establishment costs: | | | | |
| Depreciation and amortisation | 96 | 285 | 239 | 566 |
| Rental | | | | |
| - office equipment | 24 | 12 | 32 | 23 |
| - premises | 554 | 585 | 1,098 | 1,154 |
| IT expenses | 751 | 945 | 1,356 | 1,544 |
| Other establishment costs | 190 | 257 | 267 | 330 |
| | <u>1,615</u> | <u>2,084</u> | <u>2,992</u> | <u>3,617</u> |
| (iii) Promotion and marketing -related expenses: | | | | |
| Business promotion and advertisement | 376 | 483 | 1,243 | 855 |
| Entertainment | 80 | 92 | 166 | 145 |
| | <u>456</u> | <u>575</u> | <u>1,409</u> | <u>1,000</u> |
| (iv) Administrative and general expenses: | | | | |
| Auditors' remuneration | | | | |
| - Audit | 55 | 56 | 110 | 99 |
| Non-Executive Directors' remuneration | 180 | 190 | 360 | 368 |
| Communication expenses | 31 | 36 | 61 | 73 |
| Management fees | 1,609 | 1,710 | 3,258 | 3,339 |
| Professional fees | 41 | 311 | 61 | 406 |
| Brokerage fees | 556 | 320 | 556 | 320 |
| Others | 146 | 214 | 1,013 | 920 |
| | <u>2,618</u> | <u>2,837</u> | <u>5,419</u> | <u>5,525</u> |
| | <u>14,248</u> | <u>15,852</u> | <u>27,706</u> | <u>27,541</u> |

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23. Operating expenses (cont'd.)

| Bank | Individual Quarter | | Cumulative Quarter | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| (i) Staff costs: | | | | |
| Wages, salaries and bonuses | 7,856 | 8,302 | 14,536 | 14,045 |
| Executive Director/Chief Executive Officer | | | | |
| - Fees | 30 | 30 | 60 | 60 |
| Employees' benefits | 53 | 48 | 80 | (34) |
| Defined contribution plans | 998 | 1,391 | 2,100 | 2,339 |
| Social security costs | 25 | 25 | 50 | 48 |
| Other staff related expenses | 597 | 560 | 1,060 | 941 |
| | <u>9,559</u> | <u>10,356</u> | <u>17,886</u> | <u>17,399</u> |
| (ii) Establishment costs: | | | | |
| Depreciation and amortisation | 96 | 285 | 239 | 566 |
| Rental | | | | |
| - office equipment | 24 | 12 | 32 | 23 |
| - premises | 554 | 585 | 1,098 | 1,154 |
| IT expenses | 751 | 945 | 1,356 | 1,544 |
| Other establishment costs | 190 | 257 | 267 | 330 |
| | <u>1,615</u> | <u>2,084</u> | <u>2,992</u> | <u>3,617</u> |
| (iii) Promotion and marketing -related expenses: | | | | |
| Business promotion and advertisement | 376 | 483 | 1,243 | 855 |
| Entertainment | 80 | 92 | 166 | 145 |
| | <u>456</u> | <u>575</u> | <u>1,409</u> | <u>1,000</u> |
| (iv) Administrative and general expenses: | | | | |
| Auditors' remuneration | | | | |
| - Audit | 61 | 56 | 110 | 99 |
| Non-Executive Directors' remuneration | 180 | 190 | 360 | 368 |
| Communication expenses | 31 | 36 | 61 | 73 |
| Management fees | 1,605 | 1,709 | 3,254 | 3,336 |
| Professional fees | 41 | 311 | 61 | 406 |
| Brokerage fees | 556 | 320 | 556 | 320 |
| Others | 141 | 214 | 1,012 | 920 |
| | <u>2,615</u> | <u>2,836</u> | <u>5,414</u> | <u>5,522</u> |
| | <u>14,245</u> | <u>15,851</u> | <u>27,701</u> | <u>27,538</u> |

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24. Impairment loss (made)/written-back on loans, advances and financing

| Group and Bank | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Collective impairment allowance (net) [Note 14(b)(iii)] | 546 | (862) | (2,080) | 126 |
| Individual impairment allowance (net) [Note 14(b)(iii)] | 1,095 | (5,970) | 1,767 | (6,548) |
| Bad debts recovered on loans, advances and financing | - | 5 | - | 5 |
| | <u>1,641</u> | <u>(6,827)</u> | <u>(313)</u> | <u>(6,417)</u> |

25. Impairment loss written-back/(made) on securities

| Group and Bank | Individual Quarter | | Cumulative Quarter | |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Securities available-for-sale (net) | 1,006 | (3,566) | 6,000 | 543 |
| | <u>1,006</u> | <u>(3,566)</u> | <u>6,000</u> | <u>543</u> |

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26. Impairment written-back/(made) on other assets

| Group and Bank | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Impairment written-back/(made) on: | | | | |
| - Amount due from brokers and clients (net) [Note 16(a)] | - | - | (1) | - |
| - Other debtors (net) [Note 16(b)] | (165) | (95) | 748 | (115) |
| | <u>(165)</u> | <u>(95)</u> | <u>747</u> | <u>(115)</u> |

27. Basic earnings per ordinary shares

| Group and Bank | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| | 3 Months Ended | | 6 Months Ended | |
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Profit for the period | <u>24,679</u> | <u>1,262</u> | <u>35,333</u> | <u>23,798</u> |
| Weighted average number of ordinary shares | <u>155,000</u> | <u>155,000</u> | <u>155,000</u> | <u>155,000</u> |
| Basic earnings per ordinary share (sen) | <u>15.92</u> | <u>0.81</u> | <u>22.80</u> | <u>15.35</u> |

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28. Commitments and contingencies

| | <----- 30 June 2015 -----> | | | <----- 31 December 2014 -----> | | |
|--|----------------------------|-------------------------------------|--------------------------------|--------------------------------|-------------------------------------|--------------------------------|
| | Principal amount RM'000 | Credit equivalent amount* RM'000 | Risk-weighted amount RM'000 | Principal amount RM'000 | Credit equivalent amount* RM'000 | Risk-weighted amount RM'000 |
| Group and Bank | | | | | | |
| Interest rate related contracts over one year to five years | 1,120,000 | 13,999 | 2,800 | 1,370,000 | 24,947 | 4,989 |
| Other commitments, such as formal standby facilities and credit lines, with an original maturity of: | | | | | | |
| - not exceeding one year | 67,248 | 13,450 | 13,447 | 97,399 | 19,480 | 19,480 |
| - exceeding one year | 30,556 | 15,277 | 15,277 | 78,095 | 39,047 | 39,047 |
| Total | 1,217,804 | 42,726 | 31,524 | 1,545,494 | 83,474 | 63,516 |

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

29. Credit exposures arising from credit transactions with connected parties

| | Group and Bank | |
|--|-----------------------|-------------------------|
| | 30 June 2015 | 31 December 2014 |
| | RM'000 | RM'000 |
| (i) Outstanding credit exposures with connected parties | <u>450,791</u> | <u>465,000</u> |
| (ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures | <u>12.00%</u> | <u>12.60%</u> |
| (iii) Percentage of outstanding credit exposures to connected parties which is impaired or in default | <u>Nil</u> | <u>Nil</u> |

Unaudited Interim Financial Statements

30. Related party disclosures

(a) Significant related party transactions and balances

The following significant transactions between the Group and the Bank and related parties took place at terms agreed between parties during the financial period/year.

| | Group and Bank | |
|--|-----------------------|-------------------|
| | 30 June | 30 June |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Penultimate holding company | | |
| Income: | | |
| Brokerage fees earned | 5,169 | 4,293 |
| Expenditure: | | |
| Interest expense on deposits | - | 3 |
| | <u> </u> | <u> </u> |
| Immediate holding company | | |
| Expenditure: | | |
| Rental of premises | 1,074 | 1,090 |
| Management fees paid | 3,254 | 3,336 |
| | <u> </u> | <u> </u> |
| Other related companies | | |
| Income: | | |
| Interest income on securities | 8,680 | 8,735 |
| Interest income on loans, advances and financing | 3,545 | - |
| Brokerage fees earned | 308 | 761 |
| Fee income | 160 | 76 |
| | <u> </u> | <u> </u> |
| Expenditure: | | |
| Interest expense on deposits | 55 | 1,138 |
| Car park charges | 7 | 7 |
| | <u> </u> | <u> </u> |

Unaudited Interim Financial Statements

30. Related party disclosures (cont'd.)

(a) Significant related party transactions and balances (cont'd.)

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

| | Group and Bank | |
|--|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Penultimate holding company | | |
| Amount due to: | | |
| Deposits from placements of banks and other financial institutions | 38,590 | 23,007 |
| Other payables | 11 | 60 |
| | 38,601 | 23,067 |
| Other related companies | | |
| Amount due to: | | |
| Deposits from placements of banks and other financial institutions | 56,200 | 59,123 |
| Other payables | 38 | 28 |
| | 56,238 | 59,151 |
| Amount due from: | | |
| Fee receivable | 72 | 38 |
| Sundry deposits | 362 | 362 |
| Loans, advances and financing | 120,000 | 120,000 |
| Securities | 311,011 | 324,682 |
| | 783,355 | 829,182 |

Other related companies include companies within the YPB Group and companies related to the Directors of the Bank.

Unaudited Interim Financial Statements

31. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and the Bank's assets and liabilities. The different levels have been defined as follows:

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

| Group and Bank | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|--|---------------------------|---------------------------|---------------------------|-------------------------|
| 30 June 2015 | | | | |
| Assets measured at fair value | | | | |
| Securities available-for-sale | | | | |
| Money market instruments | - | 893,337 | - | 893,337 |
| Unquoted securities | - | 1,581,380 | 7,136 | 1,588,516 |
| Derivative assets | - | 4,905 | - | 4,905 |
| Assets for which fair values are disclosed: | | | | |
| Securities held-to-maturity | | | | |
| Unquoted securities | - | 836,845 | - | 836,845 |
| Loans, advances and financing | - | 144 | - | 144 |
| Liability measured at fair value | | | | |
| Derivative liabilities | - | - | - | - |

Unaudited Interim Financial Statements

31. Fair value hierarchy (cont'd.)

| Group and Bank | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|--|-------------------|-------------------|-------------------|-----------------|
| 31 December 2014 | | | | |
| Assets measured at fair value | | | | |
| Securities available-for-sale | | | | |
| Money market instruments | - | 210,703 | - | 210,703 |
| Unquoted securities | - | 1,581,983 | 62,040 | 1,644,023 |
| Derivative assets | - | 9,780 | - | 9,780 |
| Assets for which fair values are disclosed: | | | | |
| Securities held-to-maturity | | | | |
| Money market instruments | - | 259,303 | - | 259,303 |
| Unquoted securities | - | 689,479 | - | 689,479 |
| Loans, advances and financing | - | 227 | - | 227 |
| Liability measured at fair value | | | | |
| Derivative liabilities | - | - | - | - |

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

Unaudited Interim Financial Statements

31. Fair value hierarchy (cont'd.)

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

| | Group and Bank | |
|---|------------------------------------|--|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Securities available-for-sale | | |
| Unquoted securities | | |
| At 1 January | 62,040 | 72,559 |
| Total gains recognised in profit or loss | | |
| Included within interest income | 14,919 | 6,180 |
| Included within net income from Islamic Banking operation | - | 101 |
| Included within impairment written back on securities | 6,000 | 6,635 |
| | <u>20,919</u> | <u>12,916</u> |
| Transfers from Level 2 | - | - |
| Settlements | (75,823) | (23,435) |
| At 30 June 2015/31 December 2014 | <u>7,136</u> | <u>62,040</u> |

Changing one or more of the inputs to the reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

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

Unaudited Interim Financial Statements

32. Capital management

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

| | Group | | Bank | |
|--|---------------------------|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Tier 1 Capital | | | | |
| Common Equity Tier 1 ("CET1") Capital | | | | |
| Ordinary shares | 155,000 | 155,000 | 155,000 | 155,000 |
| Share premium - ordinary share | 214,111 | 214,111 | 214,111 | 214,111 |
| Statutory reserve | 164,252 | 164,252 | 164,252 | 164,252 |
| Securities available-for-sale reserve | (15,538) | (26,819) | (15,538) | (26,819) |
| Profit equalisation reserve | - | 8,858 | - | 8,858 |
| Retained profits | 177,145 | 168,287 | 177,057 | 168,199 |
| | <u>694,970</u> | <u>683,689</u> | <u>694,882</u> | <u>683,601</u> |
| Less: Regulatory adjustments | (11,516) | (24,736) | (11,516) | (24,736) |
| <i>Total CET1 Capital</i> | <u>683,454</u> | <u>658,953</u> | <u>683,366</u> | <u>658,865</u> |
| Additional Tier 1 Capital | | | | |
| NCPPS | 1,500 | 1,500 | 1,500 | 1,500 |
| Share premium - NCPPS | 148,500 | 148,500 | 148,500 | 148,500 |
| | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> | <u>150,000</u> |
| Less: Regulatory adjustments | (45,000) | (30,000) | (45,000) | (30,000) |
| <i>Total Additional Tier 1 Capital</i> | <u>105,000</u> | <u>120,000</u> | <u>105,000</u> | <u>120,000</u> |
| Total Tier 1 Capital | <u>788,454</u> | <u>778,953</u> | <u>788,366</u> | <u>778,865</u> |
| Tier 2 Capital | | | | |
| Collective impairment allowance | 7,811 | 5,731 | 7,811 | 5,731 |
| Total Tier 2 capital | <u>7,811</u> | <u>5,731</u> | <u>7,811</u> | <u>5,731</u> |
| Total Capital | <u>796,265</u> | <u>784,684</u> | <u>796,177</u> | <u>784,596</u> |
| CET1 Capital | 31.858% | 28.442% | 31.853% | 28.438% |
| Tier 1 Capital | 36.752% | 33.622% | 36.748% | 33.618% |
| Total Capital | 37.116% | 33.869% | 37.112% | 33.865% |

Unaudited Interim Financial Statements

32. Capital management (cont'd.)

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

| | Group | | Bank | |
|--|------------------------------------|--|------------------------------------|--|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Total risk-weighted assets for credit risk | 1,774,996 | 1,904,655 | 1,775,018 | 1,904,662 |
| Total risk-weighted assets equivalent for market risk | 142,325 | 196,450 | 142,325 | 196,450 |
| Total risk-weighted assets equivalent for operational risk | 227,999 | 215,715 | 227,999 | 215,715 |
| | 2,145,320 | 2,316,820 | 2,145,342 | 2,316,827 |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI)

Condensed consolidated statements of financial position
As at 30 June 2015

| | Note | Group and Bank | |
|--|------|------------------------|----------------------------|
| | | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Assets | | | |
| Cash and short-term funds | (a) | 1,895 | 304 |
| Securities available-for-sale | (b) | 872,499 | 462,351 |
| Securities held-to-maturity | (c) | 215,980 | 349,329 |
| Financing and advances | (d) | 230,419 | 210,349 |
| Other assets | (e) | 8,936 | 4,941 |
| Deferred tax assets | | 4,235 | 4,953 |
| Total assets | | 1,333,964 | 1,032,227 |
| Liabilities | | | |
| Deposits from customers | (f) | 305,221 | 213,374 |
| Deposits and placements of banks and other financial institutions | (g) | 436,563 | 247,597 |
| Profit equalisation reserve | (h) | 11,918 | 11,918 |
| Other liabilities | (i) | 19,838 | 11,575 |
| Provision for taxation and zakat | | 5,336 | 9,197 |
| Total liabilities | | 778,876 | 493,661 |
| Islamic banking capital funds | | | |
| Islamic banking funds | | 396,600 | 396,600 |
| Reserves | | 158,488 | 141,966 |
| Total Islamic banking capital funds | | 555,088 | 538,566 |
| Total liabilities and Islamic banking capital funds | | 1,333,964 | 1,032,227 |

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 2014.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of profit or loss
For the six months ended 30 June 2015 (cont'd.)

| Group and Bank | Note | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|--|------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Income derived from investment of depositors' and funds and others | (j) | 17,661 | 13,122 | 31,286 | 26,839 |
| Allowance for profit equalisation reserve | | - | (607) | - | (607) |
| Total attributable income | | 17,661 | 12,515 | 31,286 | 26,232 |
| Income attributable to depositors | (k) | (6,505) | (5,894) | (11,663) | (12,850) |
| Net income attributable to reporting institution | | 11,156 | 6,621 | 19,623 | 13,382 |
| Operating expenses | (l) | (776) | (750) | (1,543) | (1,427) |
| | | 10,380 | 5,871 | 18,080 | 11,955 |
| Impairment loss (made) written-back on: | | | | | |
| - loans, advances and financing | (m) | (855) | (523) | (1,471) | (560) |
| - securities | (n) | 363 | (22) | 2,197 | 1,338 |
| Profit before taxation and zakat | | 9,888 | 5,326 | 18,806 | 12,733 |
| Taxation | | (2,477) | - | (4,172) | - |
| Zakat | | (148) | (137) | (378) | (328) |
| Profit for the period | | 7,263 | 5,189 | 14,256 | 12,405 |

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 2014.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of comprehensive income
For the six months ended 30 June 2015 (cont'd.)

| Group and Bank | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|--|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Profit for the period attributable to equity holder of the Bank | 7,263 | 5,189 | 14,256 | 12,405 |
| Other comprehensive (loss)/income: | | | | |
| Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods: | | | | |
| Net loss on securities available-for-sale Cumulative gain transferred to profit or loss upon disposal | (5) | - | (5) | - |
| Fair value changes | 249 | 620 | 2,271 | (1,257) |
| Other comprehensive loss for the year, net of tax | 244 | 620 | 2,266 | (1,257) |
| Total comprehensive income for the period attributable to equity holder of the Bank | 7,507 | 5,809 | 16,522 | 11,148 |

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 2014.

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

Condensed consolidated statements of changes in equity
For the six months ended 30 June 2015 (cont'd.)

| Group and Bank | ----- Non-distributable -----> | | | Distributable | |
|--|---------------------------------|---|---------------------------------------|-----------------------------|-----------------|
| | Islamic banking funds RM'000 | Securities available-for-sale reserve ^ RM'000 | Profit equalisation reserve RM'000 | Retained earnings RM'000 | Total RM'000 |
| At 1 January 2014 | 316,600 | (5,439) | 8,723 | 116,736 | 436,620 |
| Profit for the period | - | - | - | 12,405 | 12,405 |
| Other comprehensive loss for the period | - | (1,257) | - | - | (1,257) |
| Total comprehensive income for the period | - | (1,257) | - | 12,405 | 11,148 |
| Transactions with owner | | | | | |
| Net transfer from profit equalisation reserve for the period | - | - | 76 | (76) | - |
| Allocation from Head Office | 80,000 | - | - | - | 80,000 |
| At 30 June 2014 | 396,600 | (6,696) | 8,799 | 129,065 | 527,768 |
| At 1 January 2015 | 396,600 | (5,643) | 8,858 | 138,751 | 538,566 |
| Profit for the period | - | - | - | 14,256 | 14,256 |
| Other comprehensive income for the period | - | 2,266 | - | - | 2,266 |
| Total comprehensive income for the period | - | 2,266 | - | 14,256 | 16,522 |
| Transactions with owner | | | | | |
| Net transfer from profit equalisation reserve for the period | - | - | (8,858) | 8,858 | - |
| At 30 June 2015 | 396,600 | (3,377) | - | 161,865 | 555,088 |

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

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

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(a) Cash and short-term funds

| | Group and Bank | |
|--|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Cash and balances with banks and other financial institutions | 395 | 304 |
| Money at call and deposit placements maturing within one month | 1,500 | - |
| | 1,895 | 304 |
| | 1,895 | 304 |

(b) Securities available-for-sale

| | Group and Bank | |
|--|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| At fair value | | |
| Money market instruments: | | |
| Government Investment Issues | 210,146 | - |
| Bank Negara Monetary Notes | 99,118 | 199,422 |
| Islamic Negotiable Certificate of Deposits | 297,413 | - |
| | 606,677 | 199,422 |
| Unquoted securities in Malaysia: | | |
| Islamic Private Debt Securities | 265,822 | 262,929 |
| | 872,499 | 462,351 |
| | 872,499 | 462,351 |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(c) Securities held-to-maturity

| | Group and Bank | |
|--|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| At amortised cost | | |
| Money market instruments: | | |
| Islamic Negotiable Certificate of Deposits | - | 259,329 |
| Unquoted securities in Malaysia: | | |
| Islamic Private Debt Securities | 215,980 | 90,000 |
| | <u>215,980</u> | <u>349,329</u> |

(d) Financing and advances

| | Group and Bank | |
|-----------------------------------|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Term financing | | |
| Syndicated term financing | 234,699 | 213,158 |
| Gross financing and advances | <u>234,699</u> | <u>213,158</u> |
| Less: Impairment allowance | | |
| - Collective impairment allowance | (4,280) | (2,809) |
| Total net financing and advances | <u>230,419</u> | <u>210,349</u> |

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

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(d) Financing and advances (cont'd.)

(a) Gross financing and advances

(i) By type of customer

| | Group and Bank | |
|-------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Domestic business enterprises | 234,699 | 213,158 |
| Gross financing and advances | <u>234,699</u> | <u>213,158</u> |

(ii) By profit rate sensitivity

| | Group and Bank | |
|------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Variable rate | | |
| Cost-plus | 234,699 | 213,158 |
| Gross financing and advances | <u>234,699</u> | <u>213,158</u> |

(iii) By economic sector

| | Group and Bank | |
|---------------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Mining and quarrying | 89,996 | 47,031 |
| Construction | - | 81,132 |
| Transport, storage and communications | 77,818 | 84,995 |
| Education, health and others | 66,885 | - |
| Gross financing and advances | <u>234,699</u> | <u>213,158</u> |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(d) Financing and advances (cont'd.)

(a) Gross financing and advances (cont'd.)

(iv) By maturity profile

| | Group and Bank | |
|-------------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| One year to five years | - | 81,131 |
| After five years | 234,699 | 132,027 |
| Gross loans, advances and financing | <u>234,699</u> | <u>213,158</u> |

(v) By classification of Shariah contracts

| | Group and Bank | |
|------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Syndicated term financing | | |
| Commodity Murabahah | 234,699 | 213,158 |
| Gross financing and advances | <u>234,699</u> | <u>213,158</u> |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(d) Financing and advances (cont'd.)

(b) Impaired financing and advances

(i) Movement in impairment allowance

| | Group and Bank | |
|---|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Collective impairment allowance | | |
| At 1 January | 2,809 | - |
| Impairment made during the period/year | 1,471 | 2,809 |
| At 30 June 2015/31 December 2014 | <u>4,280</u> | <u>2,809</u> |
| Ratio of collective impairment allowance to gross financing and advances less individual impairment allowance | <u>1.82%</u> | <u>1.32%</u> |

(e) Other assets

| | Group and Bank | |
|---|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Other debtors, deposits and prepayments | 131 | 3 |
| Profit receivables | 8,805 | 4,938 |
| | <u>8,936</u> | <u>4,941</u> |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(f) Deposits from customers

| | Group and Bank | |
|---------------------------------|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| (i) By type of deposit | | |
| Commodity Murabahah fund | | |
| Term deposits | 305,221 | 213,374 |
| | <hr/> | <hr/> |
| (ii) By type of customer | | |
| Commodity Murabahah fund | | |
| Business enterprises | 275,221 | 213,374 |
| Government and statutory bodies | 30,000 | - |
| | <hr/> | <hr/> |
| | 305,221 | 213,374 |
| | <hr/> | <hr/> |

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

| | Group and Bank | |
|------------------------|-----------------------|--------------------|
| | 30 June | 31 December |
| | 2015 | 2014 |
| | RM'000 | RM'000 |
| Due within six months | 275,221 | 213,374 |
| Six months to one year | 30,000 | - |
| | <hr/> | <hr/> |
| | 305,221 | 213,374 |
| | <hr/> | <hr/> |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

| | Group and Bank | |
|---------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| (i) By type of deposit | | |
| Mudharabah Fund | | |
| Fixed/investment deposits | 15,400 | 30,200 |
| Commodity Murabahah fund | | |
| Term deposits | 421,163 | 217,397 |
| | 436,563 | 247,597 |
| (ii) By type of customer | | |
| Mudharabah fund | | |
| Licensed Islamic banks | 15,400 | 30,200 |
| Commodity Murabahah fund | | |
| Other financial institutions | 421,163 | 217,397 |
| | 436,563 | 247,597 |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(h) Profit equalisation reserve

| | Group and Bank | |
|----------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| At 1 January | 11,918 | 11,372 |
| Creation | - | 1,224 |
| Utilisation | - | (678) |
| At 30 June 2015/31 December 2014 | <u>11,918</u> | <u>11,918</u> |

(i) Other liabilities

| | Group and Bank | |
|----------------------------------|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Profit payables to depositors | 1,405 | 593 |
| Sundry creditors and accruals | 2,571 | 3,038 |
| Due to immediate holding company | 52 | 31 |
| Due to Head Office | 15,810 | 7,913 |
| | <u>19,838</u> | <u>11,575</u> |

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

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|------------------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Income derived from investment of: | | | | |
| (i) General investment deposits | 10,929 | 10,822 | 20,152 | 22,626 |
| (ii) Other deposits | 6,732 | 2,300 | 11,134 | 4,213 |
| | <u>17,661</u> | <u>13,122</u> | <u>31,286</u> | <u>26,839</u> |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

(i) General investment deposits

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|--|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Finance income and hibah | | | | |
| Money at call and deposit placements with financial institutions | 605 | 169 | 1,068 | 330 |
| Securities available-for-sale | | | | |
| - Profit on non-impaired securities | 3,940 | 3,712 | 6,613 | 7,888 |
| - Profit on impaired securities | - | 22 | - | 78 |
| Securities held-to-maturity | 3,006 | 1,644 | 4,849 | 3,275 |
| | <u>7,551</u> | <u>5,547</u> | <u>12,530</u> | <u>11,571</u> |
| Accretion of discounts less amortisation of premiums | 3,373 | 5,275 | 7,617 | 11,055 |
| Total finance income and hibah | <u>10,924</u> | <u>10,822</u> | <u>20,147</u> | <u>22,626</u> |
| Other operating income | | | | |
| Net gain/(loss) on sale of securities available-for-sale | 5 | - | 5 | - |
| | <u>5</u> | <u>-</u> | <u>5</u> | <u>-</u> |
| | <u>10,929</u> | <u>10,822</u> | <u>20,152</u> | <u>22,626</u> |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

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

(ii) Other deposits

| Group and Bank | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|----------------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Finance income and hibah | | | | |
| Financing and advances | 4,236 | 2,329 | 8,616 | 4,242 |
| Other operating income | | | | |
| Fee income | | | | |
| - Fees on financing and advances | 125 | (30) | 147 | (30) |
| - Management fees | 1,670 | - | 1,670 | - |
| - Other fee income | 700 | - | 700 | - |
| | 2,495 | (30) | 2,517 | (30) |
| Other income | 1 | 1 | 1 | 1 |
| | 2,496 | (29) | 2,518 | (29) |
| | 6,732 | 2,300 | 11,134 | 4,213 |

(k) Income attributable to depositors

| Group and Bank | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|---|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Mudharabah Fund | | | | |
| Deposits from customers | - | (3,084) | - | (6,078) |
| Deposits and placements of banks and financial | (15) | (2,810) | (56) | (6,772) |
| | (15) | (5,894) | (56) | (12,850) |
| Commodity Murabahah fund | | | | |
| Deposits from customers | (2,638) | - | (4,738) | - |
| Deposits and placements of banks and financial institutions | (3,852) | - | (6,869) | - |
| | (6,490) | - | (11,607) | - |
| | (6,505) | (5,894) | (11,663) | (12,850) |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(l) Operating expenses

| Group and Bank | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|---|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| (i) Staff costs: | | | | |
| Wages, salaries and bonuses | 325 | 353 | 664 | 657 |
| Defined contribution plans | 64 | 72 | 136 | 136 |
| Social security costs | 1 | 1 | 3 | 3 |
| Other staff related expenses | 46 | 25 | 61 | 53 |
| | <u>436</u> | <u>451</u> | <u>864</u> | <u>849</u> |
| (ii) Establishment costs: | | | | |
| Rental | | | | |
| - office equipment | 2 | - | 2 | - |
| - premises | 33 | 36 | 66 | 70 |
| IT expenses | 80 | 58 | 146 | 113 |
| Others | 12 | 16 | 17 | 18 |
| | <u>127</u> | <u>110</u> | <u>231</u> | <u>201</u> |
| (iii) Promotion and marketing -related expenses: | | | | |
| Business promotion and advertisement | - | 1 | - | 1 |
| Entertainment | 3 | 1 | 4 | 5 |
| | <u>3</u> | <u>2</u> | <u>4</u> | <u>6</u> |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(l) Operating expenses (cont'd.)

(iv) Administrative and general expenses:

| | | | | |
|---------------------------------------|------------|------------|--------------|--------------|
| Audit fees | 3 | 4 | 7 | 8 |
| Non-Executive Directors' remuneration | 12 | 14 | 24 | 28 |
| Communication expenses | 2 | 2 | 4 | 6 |
| Management fees | 105 | 131 | 216 | 256 |
| Professional fees | 17 | 11 | 27 | 23 |
| Brokerage fees | 64 | 18 | 156 | 38 |
| Others | 7 | 7 | 10 | 12 |
| | <u>210</u> | <u>187</u> | <u>444</u> | <u>371</u> |
| | <u>776</u> | <u>750</u> | <u>1,543</u> | <u>1,427</u> |

(m) Impairment loss made on financing and advances

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|---|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Group and Bank | | | | |
| Collective impairment allowance (net) [Note 33(d)(b)(i)] | (855) | (523) | (1,471) | (560) |
| | <u>(855)</u> | <u>(523)</u> | <u>(1,471)</u> | <u>(560)</u> |

(n) Impairment loss written back on securities

| | Individual Quarter 3 Months Ended | | Cumulative Quarter 6 Months Ended | |
|-------------------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|
| | 30 June 2015 RM'000 | 30 June 2014 RM'000 | 30 June 2015 RM'000 | 30 June 2014 RM'000 |
| Group and Bank | | | | |
| Securities available-for-sale (net) | 363 | (22) | 2,197 | 1,338 |
| | <u>363</u> | <u>(22)</u> | <u>2,197</u> | <u>1,338</u> |

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI) (cont'd.)

(o) Capital adequacy

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

| | Group and Bank | |
|---|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| <u>Tier 1 Capital</u> | | |
| Common Equity Tier 1 ("CET1") Capital | | |
| Islamic banking fund | 396,600 | 396,600 |
| Securities available-for-sale reserve | (3,377) | (5,643) |
| Profit equalisation reserve | - | 8,858 |
| Retained profits | 147,609 | 138,751 |
| | <u>540,832</u> | <u>538,566</u> |
| Less: Regulatory adjustments | (4,235) | (13,811) |
| Total CET 1 Capital, representing Total Tier 1 Capital | <u>536,597</u> | <u>524,755</u> |
| <u>Tier 2 Capital</u> | | |
| Collective impairment allowance | 4,280 | 2,809 |
| Total Tier 2 capital | <u>4,280</u> | <u>2,809</u> |
| Total Capital | <u>540,877</u> | <u>527,564</u> |
| CET1 Capital Ratio | 106.936% | 110.379% |
| Tier 1 Capital Ratio | 106.936% | 110.379% |
| Total Capital Ratio | 107.789% | 110.970% |

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

| | Group and Bank | |
|---|---------------------------|-------------------------------|
| | 30 June 2015 RM'000 | 31 December 2014 RM'000 |
| Total risk-weighted assets for credit risk | 450,642 | 430,455 |
| Total risk-weighted market risk | - | - |
| Total risk-weighted equivalent for operational risk | 51,149 | 44,958 |
| | <u>501,791</u> | <u>475,413</u> |

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



Unaudited Interim Financial Statements

I, Datuk Mohd Najib Hj. Abdullah, being the Group Managing Director/Chief Executive Officer primarily responsible for the financial management of MIDF Amanah Investment Bank Berhad, do hereby state that, the unaudited interim financial statements for the three months ended 30 June 2015, as set out on pages 1 to 54 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 2015. The financial performance and cash flows of the Group and the Bank for the period ended on that date are prepared in accordance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards and the requirement of the Companies Act, 1965 in Malaysia.

DATUK MOHD NAJIB HJ. ABDULLAH

GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Date: 27 July 2015