

Unaudited Interim Financial Statements

Condensed consolidated statements of financial position
As at 30 September 2015

	Note	Group		Bank	
		30 September 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
Assets					
Cash and short-term funds	12	108,966	65,077	108,912	64,955
Securities available-for-sale	13	2,203,598	1,855,483	2,203,598	1,855,483
Securities held-to-maturity	14	1,064,166	946,201	1,064,166	946,201
Loans, advances and financing	15	661,136	719,322	661,136	719,322
Derivative assets	16	6,571	9,780	6,571	9,780
Other assets	17	176,386	294,547	176,422	294,578
Statutory deposits with Bank Negara Malaysia		137,548	107,643	137,548	107,643
Investment in subsidiaries		-	-	*	*
Property, plant and equipment		1,117	460	1,117	460
Intangible assets		226	94	226	94
Deferred tax assets		16,001	15,784	16,001	15,784
Total assets		4,375,715	4,014,391	4,375,697	4,014,300
Liabilities					
Deposits from customers	18	1,699,267	999,649	1,699,267	999,649
Deposits and placements of banks and other financial institutions	19	1,764,365	1,882,779	1,764,365	1,882,779
Other liabilities	20	183,474	296,773	183,474	296,772
Provision for zakat		1,279	1,501	1,277	1,499
Total liabilities		3,648,385	3,180,702	3,648,383	3,180,699
Equity					
Share capital		155,000	156,500	155,000	156,500
Reserves		572,330	677,189	572,314	677,101
Total equity		727,330	833,689	727,314	833,601
Total liabilities and equity		4,375,715	4,014,391	4,375,697	4,014,300
Commitments and contingencies					
	29	1,388,857	1,545,494	1,388,857	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 nine months ended 30 September 2015

Group	Note	Individual Quarter		Cumulative Quarter	
		3 Months Ended		9 Months Ended	
		30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Operating revenue		63,358	54,191	194,995	181,904
Interest income	21	38,292	34,960	128,621	114,051
Interest expense	22	(27,490)	(22,712)	(78,474)	(71,269)
Net interest income		10,802	12,248	50,147	42,782
Net income from Islamic					
Banking	34	9,205	7,781	28,828	21,163
Non-interest income	23	8,885	6,328	18,907	28,111
		28,892	26,357	97,882	92,056
Operating expenses	24	(12,590)	(13,231)	(40,296)	(40,772)
Operating profit before allowances		16,302	13,126	57,586	51,284
Impairment loss (made)/written-back on:					
- loans, advances and financing	25	(3,551)	(661)	(3,864)	(7,078)
- securities	26	133	1,652	6,133	2,195
- other assets	27	21	557	768	442
Profit before taxation and zakat		12,905	14,674	60,623	46,843
Taxation		(2,886)	(3,666)	(14,893)	(11,709)
Zakat		(150)	(195)	(528)	(523)
Profit for the period attributable to equity holder of the Bank		9,869	10,813	45,202	34,611
Earnings per ordinary share (sen)					
- Basic and diluted	28	6.37	6.98	29.16	22.33

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 2014.

Unaudited Interim Financial Statements

Consolidated statements of comprehensive income
For the nine months ended 30 September 2015

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Profit for the period attributable to equity holder of the Bank	9,869	10,813	45,202	34,611
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	(10)	(60)	845	(3,352)
Fair value changes	(12,832)	9,144	(2,406)	7,318
Other comprehensive loss for the year, net of tax	(12,842)	9,084	(1,561)	3,966
Total comprehensive income for the period attributable to equity holder of Bank	(2,973)	19,897	43,641	38,577

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 2014.

Unaudited Interim Financial Statements

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

Bank	Note	Individual Quarter		Cumulative Quarter	
		3 Months Ended		9 Months Ended	
		30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Operating revenue		63,349	54,185	195,052	181,866
Interest income	21	38,292	34,960	128,621	114,051
Interest expense	22	(27,490)	(22,712)	(78,474)	(71,269)
Net interest income		10,802	12,248	50,147	42,782
Net income from Islamic					
Banking	34	9,205	7,781	28,828	21,163
Non-interest income	23	8,876	6,322	18,964	28,073
		28,883	26,351	97,939	92,018
Operating expenses	24	(12,589)	(13,228)	(40,290)	(40,766)
Operating profit before allowances		16,294	13,123	57,649	51,252
Impairment loss (made)/written-back on:					
- loans, advances and financing	25	(3,551)	(661)	(3,864)	(7,078)
- securities	26	133	1,652	6,133	2,195
- other assets	27	21	557	768	442
Profit before taxation and zakat		12,897	14,671	60,686	46,811
Taxation		(2,885)	(3,667)	(14,884)	(11,703)
Zakat		(150)	(195)	(528)	(523)
Profit for the period attributable to equity holder of the Bank		9,862	10,809	45,274	34,585

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 nine months ended 30 September 2015 (cont'd.)

Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Profit for the period attributable to equity holder of the Bank	9,862	10,809	45,274	34,585
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	(10)	(60)	845	(3,352)
Fair value changes	(12,832)	9,144	(2,406)	7,318
Other comprehensive loss for the year, net of tax	(12,842)	9,084	(1,561)	3,966
Total comprehensive income for the period attributable to equity holder of Bank	(2,980)	19,893	43,713	38,551

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 nine months ended 30 September 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	-	-	-	-	-	34,611	34,611	
Other comprehensive loss for the period	-	-	-	3,966	-	-	3,966	
Total comprehensive income for the period	-	-	-	3,966	-	34,611	38,577	
Transactions with owner								
Net transfer from profit equalisation reserve for the period	-	-	-	-	34	(34)	-	
At 30 September 2014	156,500	362,611	164,252	(22,522)	8,757	124,469	794,067	
At 1 January 2015	156,500	362,611	164,252	(26,819)	8,858	168,287	833,689	
Profit for the period	-	-	-	-	-	45,202	45,202	
Other comprehensive income for the period	-	-	-	(1,561)	-	-	(1,561)	
Total comprehensive income for the period	-	-	-	(1,561)	-	45,202	43,641	
Transactions with owner								
Net transfer from profit equalisation reserve for the period	-	-	-	-	(8,858)	8,858	-	
Redemption of non- cumulative perpetual preference shares #	(1,500)	(148,500)	-	-	-	-	(150,000)	
At 30 September 2015	155,000	214,111	164,252	(28,380)	-	222,347	727,330	

* 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.

Redemption of non-cumulative perpetual preference shares of RM150.0 million on 6 August 2015.

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 nine months ended 30 September 2015

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	-	-	-	-	-	34,585	34,585	
Other comprehensive loss for the period	-	-	-	3,966	-	-	3,966	
Total comprehensive income for the period	-	-	-	3,966	-	34,585	38,551	
Transactions with owner								
Net transfer from profit equalisation reserve for the period	-	-	-	-	34	(34)	-	
At 30 September 2014	156,500	362,611	164,252	(22,522)	8,757	124,391	793,989	
At 1 January 2015	156,500	362,611	164,252	(26,819)	8,858	168,199	833,601	
Profit for the period	-	-	-	-	-	45,274	45,274	
Other comprehensive income for the period	-	-	-	(1,561)	-	-	(1,561)	
Total comprehensive income for the period	-	-	-	(1,561)	-	45,274	43,713	
Transactions with owner								
Net transfer from profit equalisation reserve for the period	-	-	-	-	(8,858)	8,858	-	
Redemption of non- cumulative perpetual preference shares #	(1,500)	(148,500)	-	-	-	-	(150,000)	
At 30 September 2015	155,000	214,111	164,252	(28,380)	-	222,331	727,314	

* 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.

Redemption of non-cumulative perpetual preference shares of RM150.0 million on 6 August 2015.

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 nine months ended 30 September 2015

	Group		Bank	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	60,623	46,843	60,686	46,811
Adjustments for non-cash items	(1,551)	(20,867)	(1,651)	(20,867)
Operating profit before changes in working capital	59,072	25,976	59,035	25,944
Changes in working capital:				
Net changes in operating assets	(331,343)	557,342	(331,339)	557,435
Net changes in operating liabilities	467,155	(524,745)	467,156	(524,742)
Net cash generated from operating activities	194,884	58,573	194,852	58,637
Net cash used in from investing activities	(995)	(278)	(895)	(278)
Net cash used in from financing activities	(150,000)	-	(150,000)	-
Net change in cash and cash equivalents	43,889	58,295	43,957	58,359
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	108,966	107,931	108,912	107,817

Cash and cash equivalents comprise:

	Group		Bank	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds	108,966	107,931	108,912	107,817

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.

2.1 Adoption of Amendments and Annual Improvements to Standards

The Group and the Bank have adopted the following Amendments and Annual Improvements to Standards, with a date of initial application of 1 January 2015.

Amendments to MFRS 119 Employee Benefits - *Defined Benefit Plans: Employee Contributions*

Annual Improvements to MFRSs 2010 - 2012 Cycle

Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above pronouncements did not have any impact on the financial statements of the Group and the Bank.

Unaudited Interim Financial Statements

2. Significant accounting policies (cont'd.)

2.2 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.

Effective for financial periods beginning on or after 1 January 2016

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 11 Joint Arrangements - *Accounting for Acquisitions of Interests in Joint Operations*

Amendments to MFRS 101 Presentation of Financial Statements - *Disclosure Initiative*

Amendments to MFRS 127 Consolidated and Separate Financial Statements - *Equity Method in Separate Financial Statements*

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets - *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture - *Bearer Plants*

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interest in Other Entities and MFRS 128 Investments in Associates and Joint Ventures - *Investment Entities: Applying the Consolidation Exception*

Annual Improvements to MFRSs 2012 - 2014 Cycle

Effective for financial periods beginning on or after 1 January 2018

MFRS 15 Revenue from Contracts with Customers

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2. Significant accounting policies (cont'd.)

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

Effective for financial periods beginning on or after 1 January 2018

MFRS9 Financial Instruments (International Financial Reporting Standards 9 Financial Instruments as issued by International Accounting Standards Board in July 2014)

The Group will adopt the above pronouncements when they become effective in the respective financial periods. The Group and the Bank does not expect any material impact to the financial statements on the above pronouncements other than for the two Standards described below for which the effects are still being assessed:

(a) MFRS 15 Revenue from Contracts with Customers

MFRS 15 Revenue from Contracts with Customers was issued in September 2014 and established a new five-step model which will apply to recognition of revenue arising from contracts with customers. Under this Standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principle of this Standard is to provide a more structured approach to measuring and recognising revenue.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

(b) MFRS 9 Financial Instruments

In November 2014, the MASB issued the final version of MFRS9 Financial Instruments, replacing MFRS139. This Standard made changes to the requirements for classification and measurement, impairment, and hedge accounting of financial instruments. The adoption of this Standard will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

MFRS 9 Financial Instruments also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 Financial Instruments aligns hedge accounting more closely with risk management, establishes a more principle-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

Unaudited Interim Financial Statements

2. Significant accounting policies (cont'd.)

2.3 BNM's Policy on Classification and Impairment Provisions for Loans/Financing

BNM, had on 6 April 2015, issued the Policy on Classification and Impairment Provisions for Loans/Financing. The requirements to the Policy are effective for financial years beginning on or after 1 January 2015, except for the following:

- (i) Classification of a loan/financing as impaired when the loan/financing is classified as rescheduled and restructured ("R&R") in BNM's Central Credit Reference Information System ("CCRIS") effective on or after 1 April 2015. The R&R loan/financing shall only be reclassified from impaired to non-impaired when repayments based on revised and restructured terms have been observed continuously for a period of at least 6 months; and
- (ii) Banking institutions are required to maintain, in aggregate, collective impairment allowances and regulatory reserves of no less than 1.2% of total outstanding loans/financing, net of individual impairment allowances, effective beginning 31 December 2015.

The requirement to maintain, in aggregate, the collective impairment allowances and regulatory reserves of no less than 1.2% of total outstanding loans/financing, net of individual impairment allowances will be applied by the Group on its effective date at 31 December 2015.

3. Comments about seasonal or cyclical factors

The Group's and the Bank's performance are not affected by any seasonal or cyclical factors but is affected by the level of activities in the capital 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 September 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 September 2015.

6. Debt and equity securities

Other than the redemption of non-cumulative perpetual preference shares of RM150.0 million on 6 August 2015, there were no issuances, repurchases and repayments of debt and equity securities during the quarter ended 30 September 2015.

7. Dividend paid/payable

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

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8. Events subsequent to the date of statements of financial position

There were no significant events subsequent to the date of statements of financial position that have been reflected in the financial statements, other than as disclosed below:

- (i) On 20 October 2015, the Bank had approved the extension of repayment for an outstanding corporate loan of RM86.8 million. Impairment assessment had been carried out and a loss of impairment of RM3.62 million had been adjusted to the unaudited statement of profit or loss for the Bank for the nine months period ended 30 September 2015 based on the estimated recoverable amount from the collateral held at the date of this report.

9. 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.

10. Performance review

The Group and the Bank recorded a lower pre-tax profit of RM12.9 million for the third quarter ended 30 September 2015 as compared to the pre-tax profit of RM14.7 million recorded in the previous corresponding quarter ended 30 September 2014. The lower result is mainly due to a higher impairment allowance provided on loans.

The pre-tax profit for the nine months period ended 30 September 2015 amounted to RM60.6 million, an increase of 29% as compared to the pre-tax profit of RM46.8 million recorded in the previous corresponding period ended 30 September 2014. The increase in earnings were mainly due to the higher interest/profit income and a net write back of impairment on loans/financing and securities.

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11. Prospect for 2015

The gross domestic product ("GDP") grew 4.9% year-on-year for the second quarter, as compared to the year-on-year growth of 5.6% in the first quarter, which translates to an average growth of 5.3% for the first half 2015. Notwithstanding this slight decline, Bank Negara Malaysia ("BNM") in its Monetary Policy Statement, indicated that the economy is expected to further expand in the third quarter 2015 despite ongoing adjustments to external and domestic developments. The BNM is thus positive that Malaysia would continue to move towards attaining the official GDP growth forecast 2015 of 4.5% to 5.5%.

For the period under review, both money and capital markets were affected by the strengthening of the US Dollar against the Ringgit. The Ringgit has depreciated at circa 14.59% against the US dollar in the third quarter 2015, and at 20.19% in the nine months of the year, which saw the exchange rate for Ringgit being recorded at RM4.4812/USD on 29 September 2015. This resulted in a substantial 'flight-to-safety' of funds towards the end of the third quarter as reflected in the movement in KLIBOR rates with the proxy 3-month KLIBOR rising from 3.69% to 3.73%, and the rise in the Malaysian government bond ("MGS") yields on the back of volatile trading. Yield in respect of 10-year MGS increased from 4.05% to around 4.45% towards the end of the third quarter, but just as swiftly recovered, to close the quarter at around 4.14%.

The gross amount of new debt securities issued in the first eight months of 2015 amounted to RM40.48 billion, approximately 22% lower compared to the corresponding period in 2014. The Securities Commission expects fund raising activities (in both bonds and stock market) to slow down to about RM75 billion in 2015 – this is a decline from the average of RM90 billion per annum recorded in the past few years.

The local equity market also experienced volatility with heavy sell down by foreign funds. This is reflected in the FBM KLCI Index which registered a fall of 5.0% in the third quarter and a 8.0% fall for the first nine months of 2015.

The Bank's operating landscape in the first nine months of 2015 was challenging. The Bank will continue focusing its effort on managing the Bank's balance sheet as well as enhancing efforts for business activity for the rest of the year. Cognisant of the market conditions prevailing, the Bank will remain focused on improving its fee-based revenue streams while maintaining a strict discipline over its operational costs.

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12. Cash and short-term funds

	Group		Bank	
	30 September 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
Cash and balances with banks and other financial institutions	35,366	65,077	35,312	64,955
Money at call and deposit placements maturing within month	73,600	-	73,600	-
	<u>108,966</u>	<u>65,077</u>	<u>108,912</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 RM1,930,000 and RM1,072,000 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.

13. Securities available-for-sale

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
At fair value		
Money market instruments:		
Malaysian Government Securities	88,515	5,484
Government Investment Issues	105,825	5,797
Bank Negara Monetary Notes	139,888	199,422
Malaysian Treasury Bills	49,684	-
Negotiable Instruments of Deposit	247,238	-
	<u>631,150</u>	<u>210,703</u>
Unquoted securities in Malaysia:		
Private Debt Securities	1,564,605	1,637,140
Loan Stocks	7,086	6,883
	<u>1,571,691</u>	<u>1,644,023</u>

Unaudited Interim Financial Statements

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

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
At cost		
Unquoted securities in Malaysia:		
Shares	757	757
	<u>2,203,598</u>	<u>1,855,483</u>

14. Securities held-to-maturity

	Note	Group and Bank	
		30 September 2015 RM'000	31 December 2014 RM'000
At amortised cost			
Money market instruments:			
Malaysian Government Securities		192,440	-
Government Investment Issues		39,632	-
Negotiable Instruments of Deposit		-	259,329
		<u>232,072</u>	<u>259,329</u>
Unquoted securities in Malaysia:			
Private Debt Securities		865,429	725,633
Less: Individual impairment allowance	(a)	(33,335)	(38,761)
		<u>1,064,166</u>	<u>946,201</u>

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

	Group and Bank	
	30 September 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 September 2015/31 December 2014	<u>(33,335)</u>	<u>(38,761)</u>

Unaudited Interim Financial Statements

15. Loans, advances and financing

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Term loans/financing		
Syndicated term loans	84,351	84,405
Other term loans	218,666	314,947
Islamic financing	231,529	213,158
	<u>534,546</u>	<u>612,510</u>
Margin accounts	224,991	202,233
Staff loans	589	630
Gross loans, advances and financing	<u>760,126</u>	<u>815,373</u>
Less: Impairment allowances		
- Collective impairment allowance	(6,691)	(5,731)
- Individual impairment allowance	(92,299)	(90,320)
Net loans, advances and financing	<u>661,136</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 September 2015 RM'000	31 December 2014 RM'000
Domestic business enterprises		
- Small medium enterprises	650,019	711,073
Individuals	110,107	104,300
Gross loans, advances and financing	<u>760,126</u>	<u>815,373</u>

Unaudited Interim Financial Statements

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

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

(ii) By interest rate sensitivity

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
<u>Fixed rate</u>		
Staff loans	589	630
Other loans	224,991	202,233
<u>Variable rate</u>		
Cost-plus	303,017	399,352
Cost-plus (Islamic financing)	231,529	213,158
Gross loans, advances and financing	760,126	815,373

(iii) By economic sector

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Mining and quarrying	90,345	47,031
Manufacturing	88,970	96,663
Construction	3,360	233,970
Wholesale & retail trade and restaurants & hotels	11,451	11,506
Transport, storage and communications	74,299	84,995
Finance, insurance and business services	249,776	147,197
Education, health and other services activities	66,885	35,113
Others	175,040	158,898
Gross loans, advances and financing	760,126	815,373

(iv) By maturity profile

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Within one year	528,008	577,823
One year to five years	-	104,894
After five years	232,118	132,656
Gross loans, advances and financing	760,126	815,373

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

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

(i) ILs by economic sector:

	Group and Bank	
	30 September	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	106,973	142
Others	695	751
	<u>211,199</u>	<u>107,404</u>

(ii) Movements in ILs are as follows:

	Group and Bank	
	30 September	31 December
	2015	2014
	RM'000	RM'000
At 1 January	107,404	108,550
Classified as impaired during the period/year	106,831	84
Amount recovered	(2,980)	(1,230)
Amount written off	(56)	-
At 30 September 2015/31 December 2014	<u>211,199</u>	<u>107,404</u>
Less: Individual impairment allowance	<u>(92,299)</u>	<u>(90,320)</u>
Net ILs	<u>118,900</u>	<u>17,084</u>
Ratio of net ILs to gross loans, advances and financing less individual impairment allowance	<u>17.80%</u>	<u>2.36%</u>

Unaudited Interim Financial Statements

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

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

(iii) Movements in impairment allowances

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Collective impairment allowance		
At 1 January,	5,731	3,585
Impairment made during the period/year	1,186	2,146
Reclassification to individual impairment allowance	(226)	-
At 30 September 2015/31 December 2014	<u>6,691</u>	<u>5,731</u>
Ratio of collective impairment allowance to gross loans, advances and financing less individual impairment allowance	<u>1.00%</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 September 2015				
At 1 January	89,426	77	817	90,320
Impairment made during the financial period	5,854	-	-	5,854
Amount written back	(3,176)	-	-	(3,176)
Discount unwind	(869)	-	-	(869)
Amount written off	-	(56)	-	(56)
Reclassification from collective impairment allowance	226	-	-	226
At 30 September	<u>91,461</u>	<u>21</u>	<u>817</u>	<u>92,299</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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16. Derivative assets

Group and Bank	Contract or underlying principal amount RM'000	Derivative assets RM'000	Derivative liabilities RM'000
30 September 2015			
Interest rate related derivatives:			
- Interest rate swaps	1,120,000	6,571	-
31 December 2014			
Interest rate related derivatives:			
- Interest rate swaps	1,370,000	9,780	-

17. Other assets

	Group		Bank	
	30 September Note 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
Interest/profit receivables	26,981	22,239	26,981	22,239
Amounts due from brokers and clients	115,909	247,434	115,909	247,434
Less: Impairment allowance	(2,567)	(2,566)	(2,567)	(2,566)
(a)	<u>113,342</u>	<u>244,868</u>	<u>113,342</u>	<u>244,868</u>
Deposits, prepayments and other receivables	8,125	8,055	8,125	8,055
Less: Impairment allowance	(3,624)	(4,499)	(3,624)	(4,499)
(b)	<u>4,501</u>	<u>3,556</u>	<u>4,501</u>	<u>3,556</u>
Amount recoverable from Danaharta	97,032	97,032	97,032	97,032
Less: Impairment allowance	(97,032)	(97,032)	(97,032)	(97,032)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amount due from related companies	2	43	2	43
(c)	<u>-</u>	<u>-</u>	<u>36</u>	<u>32</u>
Amount due from subsidiaries	-	-	36	32
(c)	<u>-</u>	<u>-</u>	<u>36</u>	<u>32</u>
Tax recoverable	31,560	23,841	31,560	23,840
	<u>176,386</u>	<u>294,547</u>	<u>176,422</u>	<u>294,578</u>

Unaudited Interim Financial Statements

17. Other assets (cont'd.)

(a) Amounts due from brokers and clients

	Group and Bank	
	30 September	31 December
	2015	2014
	RM'000	RM'000
Brokers	71,290	-
Clients	44,619	247,434
	<u>115,909</u>	<u>247,434</u>
Less: Individual impairment allowance	(2,567)	(2,566)
	<u>113,342</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 September	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 September 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 September	31 December
	2015	2014
	RM'000	RM'000
Group and Bank		
At 1 January	(4,499)	(5,020)
Impairment made during the period/year	(524)	(987)
Amount written back	1,293	1,508
Amount written off	151	-
Reversal from unearned fee income	(45)	-
At 30 September 2015/31 December 2014	<u>(3,624)</u>	<u>(4,499)</u>

Unaudited Interim Financial Statements

17. 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.

18. Deposits from customers

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
(a) By types of deposit		
Call deposits	121,871	36,068
Fixed deposits	1,577,396	963,581
	<u>1,699,267</u>	<u>999,649</u>
(b) By types of customer		
Business enterprises	1,388,586	832,329
Government and statutory bodies	308,300	165,000
Individual	2,381	2,320
	<u>1,699,267</u>	<u>999,649</u>
(c) The maturity structure of term deposits are as follows:		
Due within six months	1,685,575	975,147
Six months to one year	13,692	24,502
	<u>1,699,267</u>	<u>999,649</u>

19. Deposits and placements of banks and other financial institutions

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
(a) Call deposits		
- Other financial institutions	<u>101,696</u>	<u>118,486</u>
(b) Fixed deposits		
- Licensed banks	-	252,000
- Licensed Islamic banks	-	30,200
- Licensed investment banks	-	36,200
- Other financial institutions	1,662,669	1,445,893
	<u>1,662,669</u>	<u>1,764,293</u>
	<u>1,764,365</u>	<u>1,882,779</u>

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20. Other liabilities

	Note	Group		Bank	
		30 September 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
Amount due to brokers and clients	(a)	126,841	246,204	126,841	246,204
Interest/profit payables		17,332	6,652	17,332	6,652
Accrued liabilities and other payables		23,943	27,370	23,943	27,369
Profit equalisation reserve	34(h)	11,918	11,918	11,918	11,918
Employee benefits		2,365	2,232	2,365	2,232
Amount due to immediate holding company	(b)	1,067	1,167	1,067	1,167
Amount due to related company	(b)	8	1,230	8	1,230
		<u>183,474</u>	<u>296,773</u>	<u>183,474</u>	<u>296,772</u>

Group and Bank	
30 September 2015 RM'000	31 December 2014 RM'000

(a) Amount due to brokers and clients

Brokers	-	216,794
Clients	126,841	29,410
	<u>126,841</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.

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21. Interest income

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
- Interest income on non-impaired loans	9,936	8,237	31,323	25,132
- Interest income on impaired loans ("ILs")	286	308	869	1,115
Money at call and deposit placements with financial institutions	1,109	700	3,709	2,059
Securities held-for-trading	-	173	-	173
Securities available-for-sale				
- Interest income on non-impaired securities	17,371	15,077	47,483	46,878
- Interest income on impaired securities	119	174	15,038	6,061
Securities held-to-maturity				
- Interest income on non-impaired securities	8,584	8,187	24,499	24,263
Derivative instruments	1,012	749	3,800	1,028
Others	-	13	-	40
	<u>38,417</u>	<u>33,618</u>	<u>126,721</u>	<u>106,749</u>
Accretion of discount less amortisation of premium	(125)	1,342	1,900	7,302
	<u>38,292</u>	<u>34,960</u>	<u>128,621</u>	<u>114,051</u>

22. Interest expense

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	12,480	7,466	30,620	24,745
Deposits and placements of bank and other financial institutions	15,010	15,223	47,854	46,126
Derivative instruments	-	23	-	398
	<u>27,490</u>	<u>22,712</u>	<u>78,474</u>	<u>71,269</u>

Unaudited Interim Financial Statements

23. Non-interest income

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Fee income:				
Fees on loans, advances and financing	74	71	487	532
Corporate advisory fees	1,416	985	2,613	3,960
Underwriting fees	180	130	2,109	175
Management fees	-	350	925	1,970
Brokerage commission	4,658	4,939	14,642	15,324
Other fee income	698	816	1,604	1,997
	<u>7,026</u>	<u>7,291</u>	<u>22,380</u>	<u>23,958</u>
Investment income/(loss):				
Net gain/(loss) on sale of securities				
- held-for-trading	-	259	-	270
- available for sale	10	60	(850)	3,352
- held-to-maturity	120	-	120	-
Net unrealised (loss)/gain on - revaluation of derivatives instruments	1,666	(1,367)	(3,209)	202
	<u>1,796</u>	<u>(1,048)</u>	<u>(3,939)</u>	<u>3,824</u>
Gross dividends from:				
Securities available-for-sale	-	-	147	98
	<u>-</u>	<u>-</u>	<u>147</u>	<u>98</u>
Other income:				
Gain on disposal of property, plant and equipment	-	-	34	-
Intercompany management fees	39	48	193	144
Others	24	37	92	87
	<u>63</u>	<u>85</u>	<u>319</u>	<u>231</u>
	<u>8,885</u>	<u>6,328</u>	<u>18,907</u>	<u>28,111</u>

Unaudited Interim Financial Statements

23. Non-interest income (contd.)

Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Fee income:				
Fees on loans, advances and financing	74	71	487	532
Corporate advisory fees	1,416	985	2,613	3,960
Underwriting fees	180	130	2,109	175
Management fees	-	350	925	1,970
Brokerage commission	4,658	4,939	14,642	15,324
Other fee income	690	811	1,567	1,968
	<u>7,018</u>	<u>7,286</u>	<u>22,343</u>	<u>23,929</u>
Investment income/(loss):				
Net gain/(loss) on sale of securities				
- held-for-trading	-	259	-	270
- available for sale	10	60	(850)	3,352
- held-to-maturity	120	-	120	-
Net unrealised (loss)/gain on - revaluation of derivatives instruments	1,666	(1,367)	(3,209)	202
	<u>1,796</u>	<u>(1,048)</u>	<u>(3,939)</u>	<u>3,824</u>
Gross dividends from:				
Securities available-for-sale	-	-	147	98
Subsidiary	-	-	100	-
	<u>-</u>	<u>-</u>	<u>247</u>	<u>98</u>
Other income:				
Gain on disposal of property, plant and equipment	-	-	34	-
Intercompany management fees	39	48	193	144
Others	23	36	86	78
	<u>62</u>	<u>84</u>	<u>313</u>	<u>222</u>
	<u>8,876</u>	<u>6,322</u>	<u>18,964</u>	<u>28,073</u>

Unaudited Interim Financial Statements

24. Operating expenses

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
(i) Staff costs:				
Wages, salaries and bonuses	6,106	6,674	20,642	20,719
Executive Director/Chief Executive Officer				
- Fees	30	30	90	90
Employees' benefits	52	48	132	14
Defined contribution plans	1,063	1,056	3,163	3,395
Social security costs	25	24	75	72
Other staff related expenses	507	607	1,567	1,548
	<u>7,783</u>	<u>8,439</u>	<u>25,669</u>	<u>25,838</u>
(ii) Establishment costs:				
Depreciation and amortisation	114	282	353	848
Rental				
- office equipment	15	6	47	29
- premises	563	576	1,661	1,730
IT expenses	988	747	2,344	2,291
Other establishment costs	115	123	382	453
	<u>1,795</u>	<u>1,734</u>	<u>4,787</u>	<u>5,351</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	227	290	1,470	1,145
Entertainment	82	79	248	224
	<u>309</u>	<u>369</u>	<u>1,718</u>	<u>1,369</u>

Unaudited Interim Financial Statements

24. Operating expenses (cont'd.)

Group (cont'd.)	Individual Quarter 3 Months Ended 30 September 2015		Cumulative Quarter 9 Months Ended 30 September	
	RM'000	RM'000	2015 RM'000	2014 RM'000
(iv) Administrative and general expenses:				
Auditors' remuneration - Audit	54	60	164	159
Non-Executive Directors' remuneration	165	177	525	545
Communication expenses	29	19	90	92
Management fees	1,683	1,598	4,941	4,937
Professional fees	70	39	131	445
Brokerage fees	208	314	764	634
Corporate dealers and remisers' commissions	17	72	82	143
Security commission's levy	240	247	745	774
License fee and stamp duty	4	8	172	124
Bursa fee	90	49	166	99
Others	143	106	342	262
	<u>2,703</u>	<u>2,689</u>	<u>8,122</u>	<u>8,214</u>
	<u>12,590</u>	<u>13,231</u>	<u>40,296</u>	<u>40,772</u>

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24. Operating expenses (cont'd.)

Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
(i) Staff costs:				
Wages, salaries and bonuses	6,106	6,674	20,642	20,719
Executive Director/Chief Executive Officer				
- Fees	30	30	90	90
Employees' benefits	52	48	132	14
Defined contribution plans	1,063	1,056	3,163	3,395
Social security costs	25	24	75	72
Other staff related expenses	507	607	1,567	1,548
	<u>7,783</u>	<u>8,439</u>	<u>25,669</u>	<u>25,838</u>
(ii) Establishment costs:				
Depreciation and amortisation	114	282	353	848
Rental				
- office equipment	15	6	47	29
- premises	563	576	1,661	1,730
IT expenses	988	747	2,344	2,291
Other establishment costs	115	123	382	453
	<u>1,795</u>	<u>1,734</u>	<u>4,787</u>	<u>5,351</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	227	290	1,470	1,145
Entertainment	82	79	248	224
	<u>309</u>	<u>369</u>	<u>1,718</u>	<u>1,369</u>

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24. Operating expenses (cont'd.)

Bank (cont'd.)	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	54	60	164	159
Non-Executive Directors' remuneration	165	177	525	545
Communication expenses	29	19	90	92
Management fees	1,681	1,595	4,935	4,931
Professional fees	70	39	131	445
Brokerage fees	208	314	764	634
Corporate dealers and remisers' commissions	17	72	82	143
Security commission's levy	240	247	745	774
License fee and stamp duty	4	8	172	124
Bursa fee	90	49	166	99
Others	144	106	342	262
	<u>2,702</u>	<u>2,686</u>	<u>8,116</u>	<u>8,208</u>
	<u>12,589</u>	<u>13,228</u>	<u>40,290</u>	<u>40,766</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Collective impairment allowance (net) [Note 15(b)(iii)]	894	(507)	(1,186)	(381)
Individual impairment allowance (net) [Note 15(b)(iii)]	(4,445)	(154)	(2,678)	(6,702)
Bad debts recovered on loans, advances and financing	-	-	-	5
	<u>(3,551)</u>	<u>(661)</u>	<u>(3,864)</u>	<u>(7,078)</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Securities available-for-sale (net)	133	1,652	6,133	2,195
	<u>133</u>	<u>1,652</u>	<u>6,133</u>	<u>2,195</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Impairment written-back/(made) on:				
- Amount due from brokers and clients (net) [Note 17(a)]	-	-	(1)	-
- Other debtors (net) [Note 17(b)]	21	557	769	442
	<u>21</u>	<u>557</u>	<u>768</u>	<u>442</u>

28. Basic earnings per ordinary shares

Group	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period	<u>9,869</u>	<u>10,813</u>	<u>45,202</u>	<u>34,611</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>6.37</u>	<u>6.98</u>	<u>29.16</u>	<u>22.33</u>

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29. Commitments and contingencies

	<----- 30 September 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						
Obligations under an on-going underwriting agreement	118,228	59,114	59,114	-	-	-
Interest rate related contracts over one year to five years	1,120,000	13,788	2,758	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	105,189	21,038	21,035	97,399	19,480	19,480
- exceeding one year	45,440	22,720	22,720	78,095	39,047	39,047
Total	1,388,857	116,660	105,627	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.

30. Credit exposures arising from credit transactions with connected parties

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
(i) Outstanding credit exposures with connected parties	<u>332,129</u>	<u>465,000</u>
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>9.04%</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>

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31. 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 September	30 September
	2015	2014
	RM'000	RM'000
Penultimate holding company		
Income:		
Brokerage fees earned	7,768	5,716
Expenditure:		
Interest expense on deposits	342	-
Immediate holding company		
Expenditure:		
Rental of premises	1,624	1,647
Management fees paid	4,935	4,931
Other related companies		
Income:		
Interest income on securities	12,854	13,156
Interest income on loans, advances and financing	5,339	19
Brokerage fees earned	482	1,010
Fee income	224	386
Expenditure:		
Interest expense on deposits	2,402	4,359
Car park charges	11	11

Unaudited Interim Financial Statements

31. 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 September	31 December
	2015	2014
	RM'000	RM'000
Penultimate holding company		
Amount due to:		
Deposits from placements of banks and other financial institutions	86,072	23,007
Other payables	239	60
	<u> </u>	<u> </u>
Other related companies		
Amount due to:		
Deposits from placements of banks and other financial institutions	102,021	59,123
Other payables	98	28
Amount due from:		
Fee receivable	28	38
Sundry deposits	553	362
Loans, advances and financing	-	120,000
Securities	310,749	324,682
	<u> </u>	<u> </u>

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

Unaudited Interim Financial Statements

32. 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 September 2015				
Assets measured at fair value				
Securities available-for-sale				
Money market instruments	-	631,150	-	631,150
Unquoted securities	-	1,564,303	7,388	1,571,691
Derivative assets	-	6,571	-	6,571
Assets for which fair values are disclosed:				
Securities held-to-maturity				
Money market instruments	-	232,072	-	232,072
Unquoted securities	-	831,752	-	831,752
Loans, advances and financing	-	156	-	156
Liability measured at fair value				
Derivative liabilities	-	-	-	-

Unaudited Interim Financial Statements

32. 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

32. 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 September 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	15,038	6,180
Included within net income from Islamic Banking operation	-	101
Included within impairment written back on securities	6,133	6,635
	<u>21,171</u>	<u>12,916</u>
Transfers from Level 2	-	-
Settlements	(75,823)	(23,435)
At 30 September 2015/31 December 2014	<u>7,388</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.

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33. Capital management

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

	Group		Bank	
	30 September 2015 RM'000	31 December 2014 RM'000	30 September 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	(28,380)	(26,819)	(28,380)	(26,819)
Profit equalisation reserve	-	8,858	-	8,858
Retained profits	177,145	168,287	177,057	168,199
	<u>682,128</u>	<u>683,689</u>	<u>682,040</u>	<u>683,601</u>
Less: Regulatory adjustments	<u>(16,227)</u>	<u>(24,736)</u>	<u>(16,227)</u>	<u>(24,736)</u>
<i>Total CET1 Capital</i>	<u>665,901</u>	<u>658,953</u>	<u>665,813</u>	<u>658,865</u>
Additional Tier 1 Capital				
NCPPS [#]	-	1,500	-	1,500
Share premium - NCPPS [#]	-	148,500	-	148,500
	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Less: Regulatory adjustments	-	(30,000)	-	(30,000)
<i>Total Additional Tier 1 Capital</i>	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Total Tier 1 Capital	<u>665,901</u>	<u>778,953</u>	<u>665,813</u>	<u>778,865</u>
Tier 2 Capital				
Collective impairment allowance	6,266	5,731	6,266	5,731
Total Tier 2 capital	<u>6,266</u>	<u>5,731</u>	<u>6,266</u>	<u>5,731</u>
Total Capital	<u>672,167</u>	<u>784,684</u>	<u>672,079</u>	<u>784,596</u>
CET1 Capital	31.649%	28.442%	31.645%	28.438%
Tier 1 Capital	31.649%	33.622%	31.645%	33.618%
Total Capital	31.947%	33.869%	31.943%	33.865%

[#] Redemption of non-cumulative perpetual preference shares of RM150.0 million on 6 August 2015.

Unaudited Interim Financial Statements

33. Capital management (cont'd.)

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

	Group		Bank	
	30 September 2015 RM'000	31 December 2014 RM'000	30 September 2015 RM'000	31 December 2014 RM'000
Total risk-weighted assets for credit risk	1,758,577	1,904,655	1,758,602	1,904,662
Total risk-weighted assets equivalent for market risk	113,700	196,450	113,700	196,450
Total risk-weighted assets equivalent for operational risk	231,721	215,715	231,721	215,715
	<u>2,103,998</u>	<u>2,316,820</u>	<u>2,104,023</u>	<u>2,316,827</u>

Unaudited Interim Financial Statements

34. The operations of Islamic Banking Scheme (SPI)

Condensed consolidated statements of financial position
As at 30 September 2015

	Note	Group and Bank	
		30 September 2015 RM'000	31 December 2014 RM'000
Assets			
Cash and short-term funds	(a)	53,206	304
Securities available-for-sale	(b)	709,770	462,351
Securities held-to-maturity	(c)	260,512	349,329
Financing and advances	(d)	227,207	210,349
Other assets	(e)	4,935	4,941
Deferred tax assets		5,079	4,953
Total assets		1,260,709	1,032,227
Liabilities			
Deposits from customers	(f)	363,500	213,374
Deposits and placements of banks and other financial institutions	(g)	299,300	247,597
Profit equalisation reserve	(h)	11,918	11,918
Other liabilities	(i)	19,720	11,575
Provision for taxation and zakat		7,964	9,197
Total liabilities		702,402	493,661
Islamic banking capital funds			
Islamic banking funds		396,600	396,600
Reserves		161,707	141,966
Total Islamic banking capital funds		558,307	538,566
Total liabilities and Islamic banking capital funds		1,260,709	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

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

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

Group and Bank	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Income derived from investment of depositors' and funds and others	(j)	16,181	12,903	47,467	39,742
Allowance for profit equalisation reserve		-	(112)	-	(719)
Total attributable income		16,181	12,791	47,467	39,023
Income attributable to depositors	(k)	(6,976)	(5,010)	(18,639)	(17,860)
Net income attributable to reporting institution		9,205	7,781	28,828	21,163
Operating expenses	(l)	(782)	(705)	(2,325)	(2,132)
		8,423	7,076	26,503	19,031
Impairment loss (made) written-back on:					
- loans, advances and financing	(m)	(42)	-	(1,513)	(560)
- securities	(n)	-	498	2,197	1,836
- other assets	(o)	(91)	-	(91)	-
Profit before taxation and zakat		8,290	7,574	27,096	20,307
Taxation		(2,455)	-	(6,627)	-
Zakat		(150)	(195)	(528)	(523)
Profit for the period		5,685	7,379	19,941	19,784

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

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

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Profit for the period attributable to equity holder of the Bank	5,685	7,379	19,941	19,784
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)	-
Fair value changes	(2,466)	1,881	(195)	624
Other comprehensive loss for the year, net of tax	(2,466)	1,881	(200)	624
Total comprehensive income for the period attributable to equity holder of the Bank	3,219	9,260	19,741	20,408

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

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

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

Group and Bank	Non-distributable Securities			Distributable		Total RM'000
	Islamic banking funds RM'000	available- for-sale reserve ^ RM'000	Profit equalisation reserve RM'000	Retained earnings RM'000		
At 1 January 2014	316,600	(5,439)	8,723	116,736		436,620
Profit for the period	-	-	-	19,784		19,784
Other comprehensive loss for the period	-	624	-	-		624
Total comprehensive income for the period	-	624	-	19,784		20,408
Transactions with owner						
Net transfer from profit equalisation reserve for the period	-	-	34	(34)		-
Allocation from Head Office	80,000	-	-	-		80,000
At 30 September 2014	396,600	(4,815)	8,757	136,486		537,028
At 1 January 2015	396,600	(5,643)	8,858	138,751		538,566
Profit for the period	-	-	-	19,941		19,941
Other comprehensive income for the period	-	(200)	-	-		(200)
Total comprehensive income for the period	-	(200)	-	19,941		19,741
Transactions with owner						
Net transfer from profit equalisation reserve for the period	-	-	(8,858)	8,858		-
At 30 September 2015	396,600	(5,843)	-	167,550		558,307

^ 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

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

Condensed consolidated statements of cash flows
For the nine months ended 30 September 2015 (cont'd.)

	Group and Bank	
	30 September	30 September
	2015	2014
	RM'000	RM'000
Profit before taxation and zakat	27,096	20,307
Adjustments for non-cash items	(9,325)	(16,213)
	<u>17,771</u>	<u>4,094</u>
Operating profit before changes in working capital	17,771	4,094
Changes in working capital:		
Net changes in operating assets	(173,082)	308,579
Net changes in operating liabilities	208,213	(363,169)
Net cash generated from / (used in) operating activities	<u>52,902</u>	<u>(50,496)</u>
Net cash generated from financing activities (Head office allocation)	-	80,000
Net increase in cash and cash equivalents	52,902	29,504
Cash and cash equivalents at beginning of the period	304	333
Cash and cash equivalents at end of the period	<u>53,206</u>	<u>29,837</u>
Cash and cash equivalents comprise:		
	Group and Bank	
	30 September	30 September
	2015	2014
	RM'000	RM'000
Cash and short-term funds	53,206	29,837
	<u>53,206</u>	<u>29,837</u>

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

Unaudited Interim Financial Statements

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

(a) Cash and short-term funds

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Cash and balances with banks and other financial institutions	206	304
Money at call and deposit placements maturing within one month	53,000	-
	53,206	304

(b) Securities available-for-sale

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
At fair value		
Money market instruments:		
Government Investment Issues	100,006	-
Bank Negara Monetary Notes	99,938	199,422
Islamic Negotiable Certificate of Deposits	247,238	-
	447,182	199,422
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	262,588	262,929
	709,770	462,351

Unaudited Interim Financial Statements

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

(c) Securities held-to-maturity

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
At amortised cost		
Money market instruments:		
Government Investment Issues	39,632	-
Islamic Negotiable Certificate of Deposits	-	259,329
	<u>39,632</u>	<u>259,329</u>
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	220,880	90,000
	<u>260,512</u>	<u>349,329</u>

(d) Financing and advances

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Term financing		
Syndicated term financing	231,529	213,158
Gross financing and advances	<u>231,529</u>	<u>213,158</u>
Less: Impairment allowance		
- Collective impairment allowance	(4,322)	(2,809)
Total net financing and advances	<u>227,207</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

34. 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 September 2015 RM'000	31 December 2014 RM'000
Domestic business enterprises	231,529	213,158
Gross financing and advances	231,529	213,158

(ii) By profit rate sensitivity

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Variable rate		
Cost-plus	231,529	213,158
Gross financing and advances	231,529	213,158

(iii) By economic sector

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Mining and quarrying	90,345	47,031
Construction	-	81,132
Transport, storage and communications	74,299	84,995
Education, health and others	66,885	-
Gross financing and advances	231,529	213,158

Unaudited Interim Financial Statements

34. 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 September 2015 RM'000	31 December 2014 RM'000
One year to five years	-	81,131
After five years	231,529	132,027
Gross loans, advances and financing	<u>231,529</u>	<u>213,158</u>

(v) By classification of Shariah contracts

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Syndicated term financing		
Commodity Murabahah	231,529	213,158
Gross financing and advances	<u>231,529</u>	<u>213,158</u>

Unaudited Interim Financial Statements

34. 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 September 2015 RM'000	31 December 2014 RM'000
Collective impairment allowance		
At 1 January	2,809	-
Impairment made during the period/year	1,513	2,809
At 30 September 2015/31 December 2014	<u>4,322</u>	<u>2,809</u>
Ratio of collective impairment allowance to gross financing and advances less individual impairment allowance	<u>1.87%</u>	<u>1.32%</u>

(e) Other assets

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Profit receivables	<u>4,831</u>	<u>4,938</u>
Other debtors and recoverable	228	3
(Less): Impairment allowances (a)	<u>(124)</u>	<u>-</u>
	<u>104</u>	<u>3</u>
	<u>4,935</u>	<u>4,941</u>

Unaudited Interim Financial Statements

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

(e) Other assets (cont'd.)

(b) Other debtors and recoverable

Movements in individual impairment allowance:

Group and Bank	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
At 1 January	-	-
Impairment made during the period/year	(91)	-
Reversal from unearned fee income	(33)	-
At 30 September 2015/31 December 2014	<u>(124)</u>	<u>-</u>

(f) Deposits from customers

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
(i) By type of deposit		
Commodity Murabahah fund		
Term deposits	<u>363,500</u>	<u>213,374</u>
(ii) By type of customer		
Commodity Murabahah fund		
Business enterprises	308,500	213,374
Government and statutory bodies	55,000	-
	<u>363,500</u>	<u>213,374</u>

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

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Due within six months	<u>363,500</u>	<u>213,374</u>
	<u>363,500</u>	<u>213,374</u>

Unaudited Interim Financial Statements

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

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

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
(i) By type of deposit		
Mudharabah Fund		
Fixed/investment deposits	-	30,200
Commodity Murabahah fund		
Term deposits	299,300	217,397
	299,300	247,597
(ii) By type of customer		
Mudharabah fund		
Licensed Islamic banks	-	30,200
Commodity Murabahah fund		
Other financial institutions	299,300	217,397
	299,300	247,597

Unaudited Interim Financial Statements

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

(h) Profit equalisation reserve

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

(i) Other liabilities

	Group and Bank	
	30 September 2015 RM'000	31 December 2014 RM'000
Profit payables to depositors	3,010	593
Sundry creditors and accruals	881	3,038
Due to immediate holding company	16	31
Due to Head Office	15,813	7,913
	<u>19,720</u>	<u>11,575</u>

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

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Income derived from investment of:				
(i) General investment deposits	11,416	10,140	31,568	32,766
(ii) Other deposits	4,765	2,763	15,899	6,976
	<u>16,181</u>	<u>12,903</u>	<u>47,467</u>	<u>39,742</u>

Unaudited Interim Financial Statements

34. 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 9 Months Ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
Group and Bank	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Money at call and deposit placements with financial institutions	464	122	1,532	452
Securities available-for-sale				
- Profit on non-impaired securities	4,527	3,743	11,140	11,631
- Profit on impaired securities	-	23	-	101
Securities held-to-maturity	3,204	1,651	8,053	4,926
	<u>8,195</u>	<u>5,539</u>	<u>20,725</u>	<u>17,110</u>
Accretion of discounts less amortisation of premiums	3,221	4,601	10,838	15,656
Total finance income and hibah	<u>11,416</u>	<u>10,140</u>	<u>31,563</u>	<u>32,766</u>
Other operating income				
Net gain/(loss) on sale of securities available-for-sale	-	-	5	-
	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>
	<u>11,416</u>	<u>10,140</u>	<u>31,568</u>	<u>32,766</u>

Unaudited Interim Financial Statements

34. 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 9 Months Ended	
	30 September 2015 RM'000	30 September 2014 RM'000	30 September 2015 RM'000	30 September 2014 RM'000
Finance income and hibah				
Financing and advances	4,646	2,763	13,262	7,005
Other operating income				
Fee income				
- Fees on financing and advances	119	30	266	-
- Shariah advisory fees	-	(30)	-	(30)
- Management fees	-	-	1,670	-
- Other fee income	-	-	700	-
	119	-	2,636	(30)
Other income	-	-	1	1
	119	-	2,637	(29)
	4,765	2,763	15,899	6,976

Unaudited Interim Financial Statements

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

(k) Income attributable to depositors

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
Mudharabah Fund				
Deposits from customers	-	(2,320)	-	(8,398)
Deposits and placements of banks and financial	(48)	(2,690)	(104)	(9,462)
	<u>(48)</u>	<u>(5,010)</u>	<u>(104)</u>	<u>(17,860)</u>
Commodity Murabahah fund				
Deposits from customers	(6,929)	-	(11,667)	-
Deposits and placements of banks and financial institutions	1	-	(6,868)	-
	<u>(6,928)</u>	<u>-</u>	<u>(18,535)</u>	<u>-</u>
	<u>(6,976)</u>	<u>(5,010)</u>	<u>(18,639)</u>	<u>(17,860)</u>

(l) Operating expenses

Group and Bank	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
(i) Staff costs:				
Wages, salaries and bonuses	334	315	998	972
Defined contribution plans	71	66	207	202
Social security costs	1	2	4	5
Other staff related expenses	19	22	80	75
	<u>425</u>	<u>405</u>	<u>1,289</u>	<u>1,254</u>

Unaudited Interim Financial Statements

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

(I) Operating expenses (cont'd.)

Group and Bank	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	30 September	30 September	30 September	30 September
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
(ii) Establishment costs:				
Rental				
- office equipment	2	-	4	-
- premises	34	34	100	104
IT expenses	85	86	231	199
Others	8	5	25	23
	<u>129</u>	<u>125</u>	<u>360</u>	<u>326</u>
(iii) Promotion and marketing				
-related expenses:				
Business promotion and advertisement	2	3	2	4
Entertainment	5	1	9	6
	<u>7</u>	<u>4</u>	<u>11</u>	<u>10</u>
(iv) Administrative and general expenses:				
Audit fees	4	4	11	12
Non-Executive Directors' remuneration	14	14	38	42
Communication expenses	4	3	8	9
Management fees	106	121	322	377
Professional fees	9	14	36	37
Brokerage fees	78	10	234	48
Others	6	5	16	17
	<u>221</u>	<u>171</u>	<u>665</u>	<u>542</u>
	<u>782</u>	<u>705</u>	<u>2,325</u>	<u>2,132</u>

Unaudited Interim Financial Statements

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

(m) Impairment loss made on financing and advances

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	30 September	30 September	30 September	30 September
Group and Bank	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Collective impairment allowance (net) [Note 34(d)(b)(i)]	(42)	-	(1,513)	(560)
	<u>(42)</u>	<u>-</u>	<u>(1,513)</u>	<u>(560)</u>

(n) Impairment loss written back on securities

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	30 September	30 September	30 September	30 September
Group and Bank	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Securities available-for-sale (net)	-	498	2,197	1,836
	<u>-</u>	<u>498</u>	<u>2,197</u>	<u>1,836</u>

(o) Impairment written-back/(made) on other assets

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		9 Months Ended	
	30 September	30 September	30 September	30 September
Group and Bank	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Impairment written-back/(made) on:				
- Other debtors (net) [Note 34(e)(a)]	(91)	-	(91)	-
	<u>(91)</u>	<u>-</u>	<u>(91)</u>	<u>-</u>

Unaudited Interim Financial Statements

34. 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 September	31 December
	2015	2014
	RM'000	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	(5,843)	(5,643)
Profit equalisation reserve	-	8,858
Retained profits	147,609	138,751
	<u>538,366</u>	<u>538,566</u>
Less: Regulatory adjustments	(5,079)	(13,811)
Total CET 1 Capital, representing Total Tier 1 Capital	<u>533,287</u>	<u>524,755</u>
<u>Tier 2 Capital</u>		
Collective impairment allowance	4,322	2,809
Total Tier 2 capital	<u>4,322</u>	<u>2,809</u>
Total Capital	<u>537,609</u>	<u>527,564</u>
CET1 Capital Ratio	105.236%	110.379%
Tier 1 Capital Ratio	105.236%	110.379%
Total Capital Ratio	106.089%	110.970%

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

	Group and Bank	
	30 September	31 December
	2015	2014
	RM'000	RM'000
Total risk-weighted assets for credit risk	451,790	430,455
Total risk-weighted market risk	-	-
Total risk-weighted equivalent for operational risk	54,965	44,958
	<u>506,755</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 nine months ended 30 September 2015, as set out on pages 1 to 60 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 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 requirements of the Companies Act, 1965 in Malaysia.

DATUK MOHD NAJIB HJ. ABDULLAH

GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

Date: 26 October 2015