

Unaudited Interim Financial Statements

Condensed consolidated statements of financial position
As at 31 March 2015

	Note	Group		Bank	
		31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Assets					
Cash and short-term funds	11	156,428	65,077	156,288	64,955
Securities available-for-sale	12	2,386,415	1,855,483	2,386,415	1,855,483
Securities held-to-maturity	13	847,779	946,201	847,779	946,201
Loans, advances and financing	14	866,116	719,322	866,116	719,322
Derivative assets	15	5,111	9,780	5,111	9,780
Other assets	16	189,730	294,547	189,761	294,578
Statutory deposits with Bank Negara Malaysia		123,214	107,643	123,214	107,643
Investment in subsidiaries		-	-	*	*
Property, plant and equipment		736	460	736	460
Intangible assets		276	94	276	94
Deferred tax assets		12,705	15,784	12,705	15,784
Total assets		4,588,510	4,014,391	4,588,401	4,014,300
Liabilities					
Deposits from customers	17	1,354,551	999,649	1,354,551	999,649
Deposits and placements of banks and other financial institutions	18	2,191,498	1,882,779	2,191,498	1,882,779
Other liabilities	19	187,199	296,773	187,198	296,772
Provision for taxation and zakat		1,363	1,501	1,359	1,499
Total liabilities		3,734,611	3,180,702	3,734,606	3,180,699
Equity					
Share capital		156,500	156,500	156,500	156,500
Reserves		697,399	677,189	697,295	677,101
Total equity		853,899	833,689	853,795	833,601
Total liabilities and equity		4,588,510	4,014,391	4,588,401	4,014,300
Commitments and contingencies					
	28	1,318,867	1,545,494	1,318,867	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

Condensed consolidated statements of profit or loss
For the three months ended 31 March 2015

	Note	Group Individual / Cumulative Quarter		Bank Individual / Cumulative Quarter	
		3 Months Ended		3 Months Ended	
		31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Operating revenue		52,902	70,563	52,878	70,540
Interest income	20	35,965	44,465	35,965	44,465
Interest expense	21	(23,658)	(26,114)	(23,658)	(26,114)
Net interest income		12,307	18,351	12,307	18,351
Net income from Islamic					
Banking	33	8,467	6,761	8,467	6,761
Non-interest income	22	3,312	12,381	3,288	12,358
Operating expenses	23	24,086	37,493	24,062	37,470
Operating profit before allowances		(13,458)	(11,689)	(13,456)	(11,687)
Impairment loss (made) / written-back on:		10,628	25,804	10,606	25,783
- loans, advances and financing	24	(1,954)	410	(1,954)	410
- securities	25	4,994	4,109	4,994	4,109
- on other assets	26	912	(20)	912	(20)
Profit before taxation and zakat		14,580	30,303	14,558	30,282
Taxation		(3,696)	(7,576)	(3,690)	(7,571)
Zakat		(230)	(191)	(230)	(191)
Profit for the period attributable to equity holder of the Bank		10,654	22,536	10,638	22,520
Earnings per ordinary share (sen)					
- Basic and diluted	27	6.87	14.54		

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

Condensed consolidated statements of comprehensive income
For the three months ended 31 March 2015

	Group		Bank	
	Individual / Cumulative Quarter		Individual / Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to equity holder of the Bank	10,654	22,536	10,638	22,520
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				
Transfe to profit and loss upon disposal	(12)	(3,101)	(12)	(3,101)
Fair value changes	9,568	(5,391)	9,568	(5,391)
Other comprehensive loss for the year, net of tax	9,556	(8,492)	9,556	(8,492)
Total comprehensive income for the period attributable to equity holder of Bank	20,210	14,044	20,194	14,028

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

Condensed statements of changes in equity For the three months ended 31 March 2015

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	-	-	-	-	-	22,536	22,536	
Other comprehensive loss for the period	-	-	-	(8,492)	-	-	(8,492)	
Total comprehensive income for the period	-	-	-	(8,492)	-	22,536	14,044	
Transactions with owner								
Net transfer from profit equalisation reserve for the period	-	-	-	-	(90)	90	-	
At 31 March 2014	156,500	362,611	164,252	(34,980)	8,633	112,518	769,534	
At 1 January 2015	156,500	362,611	164,252	(26,819)	8,858	168,287	833,689	
Profit for the period	-	-	-	-	-	10,654	10,654	
Other comprehensive income for the period	-	-	-	9,556	-	-	9,556	
Total comprehensive income for the period	-	-	-	9,556	-	10,654	20,210	
Transactions with owner								
Net transfer from profit equalisation reserve for the period	-	-	-	-	(8,858)	8,858	-	
At 31 March 2015	156,500	362,611	164,252	(17,263)	-	187,799	853,899	

* 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

Condensed statements of changes in equity For the three months ended 31 March 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	-	-	-	-	-	22,520	22,520	
Other comprehensive loss for the period	-	-	-	(8,492)	-	-	(8,492)	
Total comprehensive income for the period	-	-	-	(8,492)	-	22,520	14,028	
Transactions with owner								
Net transfer from profit equalisation reserve for the period	-	-	-	-	(90)	90	-	
At 31 March 2014	156,500	362,611	164,252	(34,980)	8,633	112,450	769,466	
At 1 January 2015	156,500	362,611	164,252	(26,819)	8,858	168,199	833,601	
Profit for the period	-	-	-	-	-	10,638	10,638	
Other comprehensive income for the period	-	-	-	9,556	-	-	9,556	
Total comprehensive income for the period	-	-	-	9,556	-	10,638	20,194	
Transactions with owner								
Net transfer from profit equalisation reserve for the period	-	-	-	-	(8,858)	8,858	-	
At 31 March 2015	156,500	362,611	164,252	(17,263)	-	187,695	853,795	

* 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

Condensed statements of cash flows For the three months ended 31 March 2015

	Group		Bank	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Profit before taxation and zakat	14,580	30,303	14,558	30,282
Adjustments for non-cash items	(4,362)	(17,471)	(4,362)	(17,471)
Operating profit before changes in working capital	10,218	12,832	10,196	12,811
Changes in working capital:				
Net changes in operating assets	(471,945)	13,223	(471,939)	11,728
Net changes in operating liabilities	553,679	(5,575)	553,677	(5,577)
Net cash generated from operating activities	91,952	20,480	91,934	18,962
Net cash generated from investing activities	(601)	(18)	(601)	(18)
Net cash generated from financing activities	-	33,375	-	33,375
Net change in cash and cash equivalents	91,351	53,837	91,333	52,319
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	156,428	103,473	156,288	101,777

Cash and cash equivalents comprise:

	Group		Bank	
	31 March 2015 RM'000	31 March 2014 RM'000	31 March 2015 RM'000	31 March 2014 RM'000
Cash and short-term funds	156,428	103,473	156,288	101,777
	156,428	103,473	156,288	101,777

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 31 March 2015.

5. Significant estimates and changes in estimates

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

6. Debt and equity securities

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

7. Dividend paid/payable

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

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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.

9. Performance review

The Group and the Bank recorded a lower pre-tax profit of RM14.6 million for the first quarter ended 31 March 2015, a decrease of 52% as compared to pre-tax profit of RM30.3 million recorded in the corresponding quarter ended 31 March 2014. The decrease in earnings were mainly due to lower interest income and investment income in the current quarter.

10. Review of Quarter 1, 2015

The Government has revised its Gross Domestic Product ("GDP") growth forecast for 2015 by 0.5%, reducing the forecast range from 5.0 - 6.0% to 4.5 - 5.5%. This has been made inevitable by the impact of low oil price, which has put a pressure on government revenue. The Government announced in January 2015 that it will reduce operational expenditure by RM5.5 billion in 2015, and project a higher budget deficit of 3.2% of GDP compared to an earlier target of 3.0%.

In the capital market, gross amount of new debt securities issued in the first two months of the year amounted to only RM3.2 billion, compared with RM11.4 billion and RM17.5 billion over the corresponding period in 2014 and 2013 respectively. It was also observed that in the primary equity market, there were no Initial Public Offering ("IPO") activities during the months of January, February and March 2015 respectively.

The period under review was marked by fund-based activities being affected by rising funding costs, as a result of banks competing for corporate depositor funds. This is reflected in premium rates, ranging as high as 30 - 40 basis points being offered to corporate depositors despite a declining trend in the KLIBOR (in contrast to the 3-months KLIBOR dropping from 3.87% to 3.73% currently).

The Bank will continue to focus on optimising the financial performance as well as on efforts to lay the groundwork for business activity in the rest of the year. Cognisant of the risks involved in the capital market, the Bank will remain focused on enhancing its fee-based revenue stream. The Bank continues to see opportunities in the equity capital market especially in share margin financing and IPOs, which is expected to be more active after the lull in the first quarter.

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11. Cash and short-term funds

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Cash and balances with banks and other financial institutions	86,528	65,077	86,388	64,955
Money at call and deposit placements maturing within month	69,900	-	69,900	-
	<u>156,428</u>	<u>65,077</u>	<u>156,288</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 RM1,906,000 and RM1,597,000 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	
	31 March 2015 RM'000	31 December 2014 RM'000
At fair value		
Money market instruments:		
Malaysian Government Securities	5,555	5,484
Government Investment Issues	5,901	5,797
Bank Negara Monetary Notes	513,643	199,422
Malaysian Treasury Bills	29,873	-
Negotiable Instruments of Deposit	169,330	-
	<u>724,302</u>	<u>210,703</u>
Unquoted securities in Malaysia:		
Private Debt Securities	1,654,648	1,637,140
Loan Stocks	6,708	6,883
	<u>1,661,356</u>	<u>1,644,023</u>
At cost		
Unquoted securities in Malaysia:		
Shares	757	757
	<u>2,386,415</u>	<u>1,855,483</u>

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13. Securities held-to-maturity

	Note	Group and Bank	
		31 March 2015 RM'000	31 December 2014 RM'000
At amortised cost			
Money market instruments:			
Negotiable Instruments of Deposit		-	259,329
Unquoted securities in Malaysia:			
Private Debt Securities		886,540	725,633
Less: Individual impairment allowance	(a)	(38,761)	(38,761)
		<u>847,779</u>	<u>946,201</u>

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

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

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14. Loans, advances and financing

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Term loans/financing		
Syndicated term loans/financing	336,673	297,563
Other term loans/financing	406,836	314,947
	743,509	612,510
Margin accounts	219,698	202,233
Staff loans	557	630
	963,764	815,373
Gross loans, advances and financing		
Less: Impairment allowances		
- Collective impairment allowance	(8,357)	(5,731)
- Individual impairment allowance	(89,291)	(90,320)
Net loans, advances and financing	866,116	719,322

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	
	31 March 2015 RM'000	31 December 2014 RM'000
Domestic business enterprises		
- Small medium enterprises	851,048	711,073
Individuals	112,716	104,300
Gross loans, advances and financing	963,764	815,373

(ii) By interest rate sensitivity

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
<u>Fixed rate</u>		
Staff loans	557	630
Other loans	219,698	202,233
<u>Variable rate</u>		
Cost-plus	743,509	612,510
Gross loans, advances and financing	963,764	815,373

Unaudited Interim Financial Statements

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

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

(iii) By economic sector

	Group and Bank	
	31 March	31 December
	2015	2014
	RM'000	RM'000
Mining and quarrying	79,618	47,031
Manufacturing	93,403	96,663
Construction	244,112	233,970
Wholesale & retail trade and restaurants & hotels	11,506	11,506
Transport, storage and communications	81,371	84,995
Finance, insurance and business services	251,454	147,197
Education, health and other services activities	40,086	-
Others	162,214	194,011
Gross loans, advances and financing	<u>963,764</u>	<u>815,373</u>

(iv) By maturity profile

	Group and Bank	
	31 March	31 December
	2015	2014
	RM'000	RM'000
Within one year	707,428	577,823
One year to five years	94,791	104,894
After five years	161,545	132,656
Gross loans, advances and financing	<u>963,764</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	
	31 March	31 December
	2015	2014
	RM'000	RM'000
Manufacturing	89,891	91,646
Construction	3,359	3,359
Wholesale & retail trade and restaurants & hotels	11,506	11,506
Finance, insurance and business services	146	142
Others	710	751
	<u>105,612</u>	<u>107,404</u>

(ii) Movements in ILs are as follows:

	Group and Bank	
	31 March	31 December
	2015	2014
	RM'000	RM'000
At 1 January	107,404	108,550
Classified as impaired during the period/year	19	84
Amount recovered	(1,755)	(1,230)
Amount written off	(56)	-
At 31 March 2015 / 31 December 2014	<u>105,612</u>	<u>107,404</u>
Less: Individual impairment allowance	<u>(89,291)</u>	<u>(90,320)</u>
Net ILs	<u>16,321</u>	<u>17,084</u>
Ratio of net ILs to gross loans, advances and financing less individual impairment allowance	<u>1.87%</u>	<u>2.36%</u>

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

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

(iii) Movements in impairment allowances

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Collective impairment allowance		
At 1 January	5,731	3,585
Impairment made during the period/year	2,626	2,146
At 31 March 2015 / 31 December 2014	8,357	5,731
Ratio of collective impairment allowance to gross loans, advances and financing less individual impairment allowance	0.96%	0.79%

Individual impairment allowance

Group and Bank	Term loans/ financing RM'000	Staff loans RM'000	Margin accounts RM'000	Total RM'000
31 March 2015				
At 1 January	89,426	77	817	90,320
Impairment made during the financial year	1,093	-	19	1,112
Amount written back	(1,784)	-	-	(1,784)
Discount unwind	(301)	-	-	(301)
Amount written off	-	(56)	-	(56)
At 31 March	88,434	21	836	89,291
31 December 2014				
At 1 January	85,372	44	733	86,149
Impairment made during the financial year	7,696	34	84	7,814
Amount written back	(2,227)	-	-	(2,227)
Discount unwind	(1,415)	(1)	-	(1,416)
At 31 December	89,426	77	817	90,320

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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
31 March 2015			
Interest rate related derivatives:			
- Interest rate swaps	1,170,000	5,111	-
31 December 2014			
Interest rate related derivatives:			
- Interest rate swaps	1,370,000	9,780	-

16. Other assets

	Note	Group		Bank	
		31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Interest/profit receivables		24,677	22,239	24,677	22,239
Amounts due from clients		134,004	247,434	134,004	247,434
Less: Impairment allowance		(2,567)	(2,566)	(2,567)	(2,566)
	(a)	<u>131,437</u>	<u>244,868</u>	<u>131,437</u>	<u>244,868</u>
Deposits, prepayments and other receivables		7,009	8,055	7,009	8,055
Less: Impairment allowance	(b)	<u>(3,450)</u>	<u>(4,499)</u>	<u>(3,450)</u>	<u>(4,499)</u>
		<u>3,559</u>	<u>3,556</u>	<u>3,559</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)	31	43	31	43
Amount due from subsidiaries	(c)	-	-	32	32
Tax recoverable		30,026	23,841	30,025	23,840
		<u>189,730</u>	<u>294,547</u>	<u>189,761</u>	<u>294,578</u>

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16. Other assets (cont'd.)

(a) Amounts due from clients

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Clients	134,004	247,434
	<u>134,004</u>	<u>247,434</u>
Less: Individual impairment allowance	(2,567)	(2,566)
	<u>131,437</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	
	31 March 2015 RM'000	31 December 2014 RM'000
At 1 January	(2,566)	(2,558)
Impairment made during the period/year	(1)	(8)
At 31 March 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	
	31 March 2015 RM'000	31 December 2014 RM'000
At 1 January	(4,499)	(5,020)
Impairment made during the period/year	(198)	(987)
Amount written back	1,111	1,508
Amount written off	151	-
Reversal from unearned fee income	(15)	-
At 31 March 2015 / 31 December 2014	<u>(3,450)</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	
	31 March 2015 RM'000	31 December 2014 RM'000
(a) By types of deposit		
Call deposits	86,497	36,068
Fixed deposits	1,268,054	963,581
	<u>1,354,551</u>	<u>999,649</u>
(b) By types of customer		
Business enterprises	1,157,211	832,329
Government and statutory bodies	195,000	165,000
Individual	2,340	2,320
	<u>1,354,551</u>	<u>999,649</u>
(c) The maturity structure of term deposits are as follows:		
Due within six months	1,304,551	975,147
Six months to one year	50,000	24,502
	<u>1,354,551</u>	<u>999,649</u>

18. Deposits and placements of banks and other financial institutions

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

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19. Other liabilities

	Note	Group		Bank	
		31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Amount due to brokers and clients	(a)	135,867	246,204	135,867	246,204
Interest/profit payables		9,815	6,652	9,815	6,652
Accrued liabilities and other payables		26,170	27,370	26,170	27,369
Profit equalisation reserve	33(h)	11,918	11,918	11,918	11,918
Employee benefits		2,259	2,232	2,259	2,232
Amount due to immediate holding company	(b)	1,170	1,167	1,169	1,167
Amount due to related company	(b)	-	1,230	-	1,230
		<u>187,199</u>	<u>296,773</u>	<u>187,198</u>	<u>296,772</u>

Group and Bank	
31 March 2015 RM'000	31 December 2014 RM'000

(a) Amount due to brokers and clients

Brokers	58,309	216,794
Clients	77,558	29,410
	<u>135,867</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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20. Interest income

Group and Bank	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Loans, advances and financing		
- Interest income on non-impaired loans	10,191	8,947
- Interest income on impaired loans ("ILs")	301	403
Money at call and deposit placements with financial institutions	617	769
Securities available-for-sale		
- Interest income on non-impaired securities	14,277	16,668
- Interest income on impaired securities	154	5,653
Securities held-to-maturity		
- Interest income on non-impaired securities	7,858	7,978
Derivative instruments	1,601	72
Other	-	13
	<u>34,999</u>	<u>40,503</u>
Accretion of discount less amortisation of premium	966	3,962
	<u>35,965</u>	<u>44,465</u>

21. Interest expense

Group and Bank	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Deposits from customers	6,725	8,857
Deposits and placements of bank and other financial institutions	16,933	16,986
Derivative instruments	-	271
	<u>23,658</u>	<u>26,114</u>

Unaudited Interim Financial Statements

22. Non-interest income

	Group		Bank	
	Individual / Cumulative		Individual / Cumulative	
	Quarter		Quarter	
	3 Months Ended		3 Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Fee income:				
Fees on loans, advances and financing	287	287	287	287
Corporate advisory fees	610	1,705	610	1,705
Underwriting fees	217	-	217	-
Management fees	925	1,000	925	1,000
Brokerage commission	5,468	5,592	5,468	5,592
Other fee income	393	221	372	201
	<u>7,900</u>	<u>8,805</u>	<u>7,879</u>	<u>8,785</u>
Investment income/(loss):				
Net gain on sale of securities				
- held-for-trading	-	7	-	7
- available for sale	12	3,101	12	3,101
Net unrealised (loss)/gain on				
- revaluation of derivatives instruments	(4,669)	403	(4,669)	403
	<u>(4,657)</u>	<u>3,511</u>	<u>(4,657)</u>	<u>3,511</u>
Other income:				
Others	69	65	66	62
	<u>3,312</u>	<u>12,381</u>	<u>3,288</u>	<u>12,358</u>

Unaudited Interim Financial Statements

23. Operating expenses

	Group		Bank	
	Individual / Cumulative		Individual / Cumulative	
	Quarter		Quarter	
	3 Months Ended		3 Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
(i) Staff costs:				
Wages, salaries and bonuses	6,710	5,773	6,710	5,773
Employees' benefits	27	(82)	27	(82)
Defined contribution plans	1,102	948	1,102	948
Social security costs	25	23	25	23
Other staff related expenses	463	381	463	381
	<u>8,327</u>	<u>7,043</u>	<u>8,327</u>	<u>7,043</u>
(ii) Establishment costs:				
Depreciation and amortisation	143	281	143	281
Rental				
- office equipment	8	11	8	11
- premises	544	569	544	569
IT expenses	605	599	605	599
Other establishment costs	77	73	77	73
	<u>1,377</u>	<u>1,533</u>	<u>1,377</u>	<u>1,533</u>
(iii) Promotion and marketing -related expenses:				
Business promotion and advertisement	867	372	867	372
Entertainment	86	53	86	53
	<u>953</u>	<u>425</u>	<u>953</u>	<u>425</u>

Unaudited Interim Financial Statements

23. Operating expenses (cont'd.)

	Group		Bank	
	Individual / Cumulative		Individual / Cumulative	
	Quarter		Quarter	
	3 Months Ended		3 Months Ended	
	31 March	31 March	31 March	31 March
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
(iv) Administrative and general expenses:				
Auditors' remuneration				
- Audit	55	49	49	43
Non-Executive Directors' remuneration	180	178	180	178
Communication expenses	30	37	30	37
Management fees	1,651	1,629	1,649	1,627
Professional fees	20	95	20	95
Others	871	706	871	706
	<u>2,801</u>	<u>2,688</u>	<u>2,799</u>	<u>2,686</u>
	<u>13,458</u>	<u>11,689</u>	<u>13,456</u>	<u>11,687</u>

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

Group and Bank	Individual / Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2015	2014
	RM'000	RM'000
Collective impairment allowance (net) [Note 14(b)(iii)]	(2,626)	988
Individual impairment allowance (net) [Note 14(b)(iii)]	672	(578)
	<u>(1,954)</u>	<u>410</u>

Unaudited Interim Financial Statements

25. Impairment loss written-back on securities

Group and Bank	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Securities available-for-sale (net)	4,994	4,109

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

Group and Bank	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Impairment written-back/(made) made on:		
- Amount due from brokers and clients (net) [Note 16(a)]	(1)	-
- Other debtors (net) [Note 16(b)]	913	(20)
	<u>912</u>	<u>(20)</u>

27. Basic earnings per ordinary shares

Group and Bank	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Profit for the period	10,654	22,536
Weighted average number of ordinary shares	155,000	155,000
Basic earnings per ordinary share (sen)	<u>6.87</u>	<u>14.54</u>

Unaudited Interim Financial Statements

28. Commitments and contingencies

	<----- 31 March 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	40,694	20,347	20,347	-	-	-
Interest rate related contracts over one year to five years	1,170,000	18,160	3,632	1,370,000	24,947	4,989
Other commitments, such as formal standby facilities and credit lines, with an original maturity of:						
- not exceeding one year	87,825	17,565	17,562	97,399	19,480	19,480
- exceeding one year	20,348	10,174	10,174	78,095	39,047	39,047
Total	1,318,867	66,246	51,715	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	
	31 March 2015 RM'000	31 December 2014 RM'000
(i) Outstanding credit exposures with connected parties	465,580	465,000
(ii) Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	11.65%	12.60%
(iii) Percentage of outstanding credit exposures to connected parties which is impaired or in default	Nil	Nil

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	
	31 March 2015 RM'000	31 March 2014 RM'000
Penultimate holding company		
Income:		
Brokerage fees earned	2,993	2,619
Expenditure:		
Interest expense on deposits	117	2
	<u>117</u>	<u>2</u>
Immediate holding company		
Expenditure:		
Rental of premises	535	547
Management fees paid	1,649	1,627
	<u>1,649</u>	<u>1,627</u>
Other related companies		
Income:		
Interest income on securities	4,332	4,335
Interest income on loans, advances and financing	1,747	-
Brokerage fees earned	155	495
Fee income	60	40
	<u>4,332</u>	<u>4,335</u>
Expenditure:		
Interest expense on deposits	530	614
Car park charges	4	4
	<u>530</u>	<u>614</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	
	31 March 2015 RM'000	31 December 2014 RM'000
Penultimate holding company		
Amount due to:		
Deposits from placements of banks and other financial institutions	59,495	23,007
Other payables	128	60
	<hr/>	<hr/>
Other related companies		
Amount due to:		
Deposits from placements of banks and other financial institutions	81,942	59,123
Other payables	52	28
Amount due from:		
Fee receivable	207	38
Sundry deposits	362	362
Loans, advances and financing	120,000	120,000
Securities	325,363	324,682
	<hr/>	<hr/>

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
31 March 2015				
Assets measured at fair value				
Securities available-for-sale				
Money market instruments	-	724,302	-	724,302
Unquoted securities	-	1,594,202	67,154	1,661,356
Derivative assets	-	5,111	-	5,111
Assets for which fair values are disclosed:				
Securities held-to-maturity				
Unquoted securities	-	847,082	-	847,082
Loans, advances and financing (Staff loans)	-	144	-	144

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

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	
	31 March	31 December
	2015	2014
	RM'000	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	154	6,180
Included within net income from Islamic Banking operation	-	101
Included within impairment written back on securities	4,994	6,635
	<u>5,148</u>	<u>12,916</u>
Settlements	(34)	(23,435)
At 31 March 2015/31 December 2014	<u>67,154</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.

Unaudited Interim Financial Statements

32. Capital management

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

	Group		Bank	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 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	(17,263)	(26,819)	(17,263)	(26,819)
Profit equalisation reserve	-	8,858	-	8,858
Retained profits	177,145	168,287	177,057	168,199
	<u>693,245</u>	<u>683,689</u>	<u>693,157</u>	<u>683,601</u>
Less: Regulatory adjustments	<u>(12,981)</u>	<u>(24,736)</u>	<u>(12,981)</u>	<u>(24,736)</u>
<i>Total CET1 Capital</i>	<u>680,264</u>	<u>658,953</u>	<u>680,176</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	<u>(45,000)</u>	<u>(30,000)</u>	<u>(45,000)</u>	<u>(30,000)</u>
<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>785,264</u>	<u>778,953</u>	<u>785,176</u>	<u>778,865</u>
Tier 2 Capital				
Collective impairment allowance	8,357	5,731	8,357	5,731
Total Tier 2 capital	<u>8,357</u>	<u>5,731</u>	<u>8,357</u>	<u>5,731</u>
Total Capital	<u>793,621</u>	<u>784,684</u>	<u>793,533</u>	<u>784,596</u>
CET1 Capital	28.837%	28.442%	28.833%	28.438%
Tier 1 Capital	33.288%	33.622%	33.285%	33.618%
Total Capital	33.643%	33.869%	33.639%	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	
	31 March 2015 RM'000	31 December 2014 RM'000	31 March 2015 RM'000	31 December 2014 RM'000
Total risk-weighted assets for credit risk	1,968,205	1,904,655	1,968,208	1,904,662
Total risk-weighted assets equivalent for market risk	178,075	196,450	178,075	196,450
Total risk-weighted assets equivalent for operational risk	212,696	215,715	212,696	215,715
	2,358,976	2,316,820	2,358,979	2,316,827

Unaudited Interim Financial Statements

33. The operations of Islamic Banking Scheme (SPI)

Condensed consolidated statements of financial position
As at 31 March 2015

	Note	Group and Bank	
		31 March 2015 RM'000	31 December 2014 RM'000
Assets			
Cash and short-term funds	(a)	70,111	304
Securities available-for-sale	(b)	744,381	462,351
Securities held-to-maturity	(c)	211,047	349,329
Financing and advances	(d)	248,842	210,349
Other assets	(e)	3,610	4,941
Deferred tax assets		4,844	4,953
Total assets		1,282,835	1,032,227
Liabilities			
Deposits from customers	(f)	287,330	213,374
Deposits and placements of banks and other financial institutions	(g)	413,559	247,597
Profit equalisation reserve	(h)	11,918	11,918
Other liabilities	(i)	18,828	11,575
Provision for taxation and zakat		3,619	9,197
Total liabilities		735,254	493,661
Islamic banking capital funds			
Islamic banking funds		396,600	396,600
Reserves		150,981	141,966
Total Islamic banking capital funds		547,581	538,566
Total liabilities and Islamic banking capital funds		1,282,835	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.)

Statements of profit or loss
For the three months ended 31 March 2015

Group and Bank	Note	Individual / Cumulative Quarter	
		3 Months Ended	
		31 March 2015 RM'000	31 March 2014 RM'000
Income derived from investment of depositors' and others	(j)	13,625	13,717
Income attributable to depositors	(k)	<u>(5,158)</u>	<u>(6,956)</u>
Net income attributable to reporting institution		8,467	6,761
Operating expenses	(l)	<u>(767)</u>	<u>(677)</u>
		7,700	6,084
Impairment loss made on financing and advances	(m)	(616)	(37)
Impairment loss written back on securities	(n)	<u>1,834</u>	<u>1,360</u>
Profit before taxation and zakat		8,918	7,407
Taxation		(1,695)	-
Zakat		<u>(230)</u>	<u>(191)</u>
Profit for the period		<u>6,993</u>	<u>7,216</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

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

Statements of comprehensive income
For the three months ended 31 March 2015

Group and Bank	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Profit for the period attributable to equity holder of the Bank	8,918	7,407
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		
Fair value changes	2,022	(1,877)
Other comprehensive loss for the year, net of tax	2,022	(1,877)
Total comprehensive income for the period attributable to equity holder of the Bank	10,940	5,530

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 statements of changes in equity
For the three months ended 31 March 2015**

Group and Bank	----- Non-distributable ----->			-----< Distributable		Total RM'000
	Islamic banking funds RM'000	Securities 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	-	-	-	7,216		7,216
Other comprehensive loss for the period	-	(1,877)	-	-		(1,877)
Total comprehensive income for the period	-	(1,877)	-	7,216		5,339
Transactions with owner						
Net transfer from profit equalisation reserve for the period	-	-	(90)	90		-
Allocation from Head Office	80,000	-	-	-		80,000
At 31 March 2014	396,600	(7,316)	8,633	124,042		521,959
At 1 January 2015	396,600	(5,643)	8,858	138,751		538,566
Profit for the period	-	-	-	6,993		6,993
Other comprehensive income for the period	-	2,022	-	-		2,022
Total comprehensive income for the period	-	2,022	-	6,993		9,015
Transactions with owner						
Net transfer from profit equalisation reserve for the period	-	-	(8,858)	8,858		-
At 31 March 2015	396,600	(3,621)	-	154,602		547,581

^ 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.)

Condensed statements of cash flows

For the three months ended 31 March 2015

	Group and Bank	
	31 March	31 March
	2015	2014
	RM'000	RM'000
Profit before taxation and zakat	8,918	7,407
Adjustments for non-cash items	(5,462)	(7,103)
Operating profit before changes in working capital	<u>3,456</u>	<u>304</u>
Net changes in operating assets	(175,012)	(53,812)
Net changes in operating liabilities	<u>241,363</u>	<u>(4,874)</u>
Net cash generated from / (used in) operating activities	<u>69,807</u>	<u>(58,382)</u>
Net cash generated from financing activities	<u>-</u>	<u>80,000</u>
Net increase in cash and cash equivalents	69,807	21,618
Cash and cash equivalents at beginning of the period	<u>304</u>	<u>333</u>
Cash and cash equivalents at end of the period	<u>70,111</u>	<u>21,951</u>

Cash and cash equivalents comprise:

	Group and Bank	
	31 March	31 March
	2015	2014
	RM'000	RM'000
Cash and short-term funds	<u>70,111</u>	<u>21,951</u>
	<u>70,111</u>	<u>21,951</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

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

(a) Cash and short-term funds

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Cash and balances with banks and other financial institutions	211	304
Money at call and deposit placements maturing within one month	69,900	-
	70,111	304

(b) Securities available-for-sale

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

Unaudited Interim Financial Statements

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

(c) Securities held-to-maturity

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

(d) Financing and advances

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Term financing		
Syndicated term financing	252,267	213,158
Gross financing and advances	<u>252,267</u>	<u>213,158</u>
Less: Impairment allowance		
- Collective impairment allowance	(3,425)	(2,809)
Total net financing and advances	<u>248,842</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	
	31 March 2015 RM'000	31 December 2014 RM'000
Domestic business enterprises	252,267	213,158
Gross financing and advances	<u>252,267</u>	<u>213,158</u>

(ii) By profit rate sensitivity

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Variable rate		
Cost-plus	252,267	213,158
Gross financing and advances	<u>252,267</u>	<u>213,158</u>

(iii) By economic sector

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Mining and quarrying	79,618	47,031
Construction	91,278	81,132
Transport, storage and communications	81,371	84,995
Gross financing and advances	<u>252,267</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	
	31 March	31 December
	2015	2014
	RM'000	RM'000
One year to five years	91,279	81,131
After five years	160,988	132,027
Gross loans, advances and financing	<u>252,267</u>	<u>213,158</u>

(v) By classification of Shariah contracts

	Group and Bank	
	31 March	31 December
	2015	2014
	RM'000	RM'000
Syndicated term financing		
Commodity Murabahah	252,267	213,158
Gross financing and advances	<u>252,267</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	
	31 March	31 December
	2015	2014
	RM'000	RM'000
Collective impairment allowance		
At 1 January	2,809	-
Impairment made during the period/year	616	2,809
At 31 March 2015 / 31 December 2014	3,425	2,809
Ratio of collective impairment allowance to gross financing and advances less individual impairment allowance	1.36%	1.32%

(e) Other assets

	Group and Bank	
	31 March	31 December
	2015	2014
	RM'000	RM'000
Other debtors, deposits and prepayments	23	3
Profit receivables	3,587	4,938
	3,610	4,941

Unaudited Interim Financial Statements

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

(f) Deposits from customers

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
(i) By type of deposit		
Commodity Murabahah fund		
Term deposits	287,330	213,374
	<hr/>	<hr/>
(ii) By type of customer		
Commodity Murabahah fund		
Business enterprises	257,330	213,374
Government and statutory bodies	30,000	-
	<hr/>	<hr/>
	287,330	213,374
	<hr/>	<hr/>
(iii) The maturity structure of term deposits are as follows:		
Due within six months	257,330	213,374
Six months to one year	30,000	-
	<hr/>	<hr/>
	287,330	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	
	31 March 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	413,559	217,397
	<u>413,559</u>	<u>247,597</u>
(ii) By type of customer		
Mudharabah fund		
Licensed Islamic banks	-	30,200
Commodity Murabahah fund		
Other financial institutions	413,559	217,397
	<u>413,559</u>	<u>247,597</u>

Unaudited Interim Financial Statements

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

(h) Profit equalisation reserve

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

(i) Other liabilities

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Profit payables to depositors	2,023	593
Sundry creditors and accruals	630	3,038
Due to immediate holding company	10	31
Due to Head Office	16,165	7,913
	<u>18,828</u>	<u>11,575</u>

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

	Individual / Cumulative Quarter 3 Months Ended	
Group and Bank	31 March 2015 RM'000	31 March 2014 RM'000
Income derived from investment of:		
(i) General investment deposits	9,223	11,804
(ii) Other deposits	4,402	1,913
	<u>13,625</u>	<u>13,717</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

Group and Bank	Individual / Cumulative Quarter 3 Months Ended	
	31 March 2015	31 March 2014
	RM'000	RM'000
Finance income and hibah		
Money at call and deposit placements with financial institutions	463	161
Securities available-for-sale		
- Profit on non-impaired securities	2,673	4,176
- Profit on impaired securities	-	56
Securities held-to-maturity	1,843	1,631
	<u>4,979</u>	<u>6,024</u>
Accretion of discounts less amortisation of premiums	4,244	5,780
Total finance income and hibah	<u>9,223</u>	<u>11,804</u>

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 / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Finance income and hibah		
Financing and advances	4,380	1,913
Other operating income		
Fee income	22	-
	<u>4,402</u>	<u>1,913</u>

(k) Income attributable to depositors

Group and Bank	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Mudharabah Fund		
Deposits from customers	-	(2,994)
Deposits and placements of banks and financial	(41)	(3,962)
	<u>(41)</u>	<u>(6,956)</u>
Commodity Murabahah fund		
Deposits from customers	(3,876)	-
Deposits and placements of banks and financial	(1,241)	-
	<u>(5,117)</u>	<u>-</u>
	<u>(5,158)</u>	<u>(6,956)</u>

Unaudited Interim Financial Statements

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

(l) Operating expenses

Group and Bank	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
(i) Staff costs:		
Wages, salaries and bonuses	339	304
Defined contribution plans	72	64
Social security costs	2	2
Other staff related expenses	15	28
	<u>428</u>	<u>398</u>
(ii) Establishment costs:		
Rental	33	34
Others	71	57
	<u>104</u>	<u>91</u>
(iii) Promotion and marketing -related expenses:		
Others	1	4
	<u>1</u>	<u>4</u>
(iv) Administrative and general expenses:		
Audit fees	4	4
Directors meeting allowances	12	14
Communication expenses	2	4
Management fees	111	125
Others	105	37
	<u>234</u>	<u>184</u>
	<u>767</u>	<u>677</u>

Unaudited Interim Financial Statements

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

(m) Impairment loss made on financing and advances

Group and Bank	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Collective impairment allowance (net) [Note 33(d)(b)(i)]	(616)	(37)

(n) Impairment loss written back on securities

Group and Bank	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2015 RM'000	31 March 2014 RM'000
Securities available-for-sale (net)	1,834	1,360

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	
	31 March 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	(3,621)	(5,643)
Profit equalisation reserve	-	8,858
Retained profits	147,609	138,751
	<u>540,588</u>	<u>538,566</u>
Less: Regulatory adjustments	(4,844)	(13,811)
Total CET 1 Capital, representing Total Tier 1 Capital	<u>535,744</u>	<u>524,755</u>
<u>Tier 2 Capital</u>		
Collective impairment allowance	3,425	2,809
Total Tier 2 capital	<u>3,425</u>	<u>2,809</u>
Total Capital	<u>539,169</u>	<u>527,564</u>
CET1 Capital Ratio	105.338%	110.379%
Tier 1 Capital Ratio	105.338%	110.379%
Total Capital Ratio	106.012%	110.970%

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

	Group and Bank	
	31 March 2015 RM'000	31 December 2014 RM'000
Total risk-weighted assets for credit risk	461,603	430,455
Total risk-weighted market risk	-	-
Total risk-weighted equivalent for operational risk	46,991	44,958
	<u>508,594</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 31 March 2015, as set out on pages 1 to 50 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 31 March 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: 28 April 2015