

**CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016**

	Note	Group		Company	
		31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
<b>ASSETS</b>					
Cash and short-term funds	10	663,380	419,618	553,080	352,668
Deposits and placements with licensed banks and other financial institutions	11	184,038	323,086	178,028	321,776
Securities held-for-trading	12	157,761	217,279	157,761	217,279
Securities available-for-sale	13	1,813,309	1,782,516	3,457	3,457
Securities held-to-maturity	14	1,593,441	1,455,758	-	-
Derivative assets	15	1,668	4,166	-	-
Loans, advances and financing	16	1,067,641	1,145,244	374,617	361,485
Other assets	17	285,606	145,512	14,424	20,617
Statutory deposits with Bank Negara Malaysia		111,173	125,039	-	-
Investment in associate		3,934	3,568	2,560	2,560
Investment in subsidiaries		-	-	601,670	612,353
Investment properties		2,961	2,983	-	-
Property, plant and equipment		4,419	4,792	2,873	3,054
Intangible assets		250	241	-	-
Deferred tax assets		14,147	20,114	4,681	4,657
Goodwill		86,713	86,713	-	-
<b>TOTAL ASSETS</b>		<b>5,990,441</b>	<b>5,736,629</b>	<b>1,893,151</b>	<b>1,899,906</b>
<b>LIABILITIES</b>					
Deposits from customers	18	1,837,087	1,607,489	-	-
Deposits and placements of banks and other financial institutions	19	1,634,853	1,742,514	-	-
Other liabilities		285,601	160,203	30,345	45,908
Borrowings	20	383,436	416,741	333,807	337,371
Provision for taxation and zakat		4,485	3,553	3,404	2,204
Employee benefits		11,530	11,726	8,648	8,919
<b>TOTAL LIABILITIES</b>		<b>4,156,992</b>	<b>3,942,226</b>	<b>376,204</b>	<b>394,402</b>
<b>SHAREHOLDER'S EQUITY</b>					
Capital and reserves attributable to shareholder of the Company					
Share capital		466,070	466,070	466,070	466,070
Reserves :					
Share premium		363,861	363,861	363,861	363,861
Statutory reserve		131,324	131,324	-	-
Regulatory reserve		3,875	1,458	-	-
Securities available-for-sale reserve		(13,834)	(25,643)	-	-
Retained profits		881,944	857,125	687,016	675,573
		1,833,240	1,794,195	1,516,947	1,505,504
Non-controlling interests		209	208	-	-
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>1,833,449</b>	<b>1,794,403</b>	<b>1,516,947</b>	<b>1,505,504</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>5,990,441</b>	<b>5,736,629</b>	<b>1,893,151</b>	<b>1,899,906</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	28	<b>883,339</b>	<b>1,334,912</b>	<b>18,266</b>	<b>17,835</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>3.93</b>	<b>3.85</b>	<b>3.25</b>	<b>3.23</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2015.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31 MARCH 2016

<u>Group</u>	Note	Individual/Cumulative Quarter 3 Months Ended	
		31 March 2016 RM'000	31 March 2015 RM'000
Operating revenue		<u>90,110</u>	<u>82,600</u>
Interest income	21	46,235	44,967
Interest expense	22	<u>(27,659)</u>	<u>(25,903)</u>
Net interest income		18,576	19,064
Net income from Islamic banking operations	33(b)	19,237	16,128
Non-interest income	23	<u>17,149</u>	<u>16,928</u>
		54,962	52,120
Operating expenses	24	<u>(27,461)</u>	<u>(25,520)</u>
<b>Operating profit</b>		<b>27,501</b>	<b>26,600</b>
Impairment losses (made)/written-back on loans, advances and financing	25	6,560	(253)
Impairment loss written back on securities (net)	26	2,202	4,994
Impairment loss written back/(made) on other assets		28	884
Profit before share of results in associates		<u>36,291</u>	<u>32,225</u>
Share of results in associates		366	623
<b>Profit before taxation and zakat</b>		<b>36,657</b>	<b>32,848</b>
Taxation		(9,092)	(8,177)
Zakat		<u>(328)</u>	<u>(325)</u>
<b>Profit for the period</b>		<b><u>27,237</u></b>	<b><u>24,346</u></b>
Attributable to:			
Shareholder of the Company		27,236	24,346
Non-controlling interests		1	-
<b>Profit for the period</b>		<b><u>27,237</u></b>	<b><u>24,346</u></b>
<b>Earnings per share (sen)</b>			
- Basic and diluted, for profit for the period		<u>5.84</u>	<u>5.22</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2015.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2016

<u>Group</u>	Individual/Cumulative Quarter	
	31 March 2016 RM'000	31 March 2015 RM'000
<b>Profit for the period</b>	<b>27,237</b>	24,346
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to profit or loss:		
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	(62)	(12)
Net unrealised gain on revaluation of securities available-for-sale	11,871	9,695
Total other comprehensive gain for the period, net of tax	<b>11,809</b>	9,683
Total comprehensive income for the period	<b>39,046</b>	34,029
Total comprehensive income for the period attributable to:		
Shareholder of the Company	39,045	34,029
Non-controlling interests	1	-
	<b>39,046</b>	34,029

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2015.

CONDENSED STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31 MARCH 2016

<u>Company</u>	Note	Individual/Cumulative Quarter	
		31 March 2016 RM'000	31 March 2015 RM'000
Operating revenue		<u>25,580</u>	<u>29,162</u>
Interest income	21	6,079	4,641
Interest expense	22	<u>(1,191)</u>	<u>(1,270)</u>
Net interest income		4,888	3,371
Net income from Islamic banking operations	33(b)	8,057	7,661
Non-interest income	23	<u>13,588</u>	<u>18,328</u>
		26,533	29,360
Operating expenses	24	<u>(13,713)</u>	<u>(12,534)</u>
<b>Operating profit</b>		<b>12,820</b>	<b>16,826</b>
Impairment losses written-back on loans, advances and financing	25	2,609	1,688
Impairment loss written back on securities (net)	26	-	-
Impairment loss written back/(made) on other assets		<u>(83)</u>	<u>-</u>
<b>Profit before taxation and zakat</b>		<b>15,346</b>	<b>18,514</b>
Taxation		(3,816)	(3,674)
Zakat		(87)	(95)
<b>Profit for the period</b>		<b>11,443</b>	<b>14,745</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2015.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2016

<u>Company</u>	Individual/Cumulative Quarter	
	31 March 2016 RM'000	31 March 2015 RM'000
<b>Net profit for the period</b>	<b>11,443</b>	14,745
Other comprehensive income:		
Net loss on securities available-for-sale	-	-
Other comprehensive loss for the period, net of tax	-	-
<b>Total comprehensive income for the period</b>	<b>11,443</b>	14,745

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2015.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2016**

<u>Group</u>	← Attributable to shareholder of the Company →						Distributable Retained Profits RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Securities Available-For- Sale Reserve # RM'000	Profit Equalisation Reserve RM'000	Regulatory reserve ^ RM'000	Statutory Reserve * RM'000				
<b>At 1 January 2016</b>	<b>466,070</b>	<b>363,861</b>	<b>(25,643)</b>	<b>-</b>	<b>1,458</b>	<b>131,324</b>	<b>857,125</b>	<b>1,794,195</b>	<b>208</b>	<b>1,794,403</b>
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	-	-	(62)	-	-	-	-	(62)	-	(62)
Net unrealised loss on revaluation of securities available-for-sale	-	-	11,871	-	-	-	-	11,871	-	11,871
Total other comprehensive income for the period	-	-	11,809	-	-	-	-	11,809	-	11,809
Profit for the period	-	-	-	-	-	-	27,236	27,236	1	27,237
Comprehensive income for the period	-	-	11,809	-	-	-	27,236	39,045	1	39,046
Transfer to regulatory reserve	-	-	-	-	2,417	-	(2,417)	-	-	-
Total transactions with owner of the Company	-	-	-	-	-	-	-	-	-	-
<b>At 31 March 2016</b>	<b>466,070</b>	<b>363,861</b>	<b>(13,834)</b>	<b>-</b>	<b>3,875</b>	<b>131,324</b>	<b>881,944</b>	<b>1,833,240</b>	<b>209</b>	<b>1,833,449</b>

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

^ Regulatory reserve is maintained by an investment bank subsidiary in compliance with the guidelines issued by BNM on 6 April 2015 in relation to the Policy on Classification and Impairment Provisions for Loans/Financing. 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 is applied by the relevant investment banking subsidiary within the Group on its effective date as at 31 December 2015 and such reserve is not distributable as cash dividends.

\* The statutory reserve is maintained by an investment bank subsidiary in compliance with the provisions of the Financial Service Act, 2013 and 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 Company for the financial year ended 31 December 2015.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015

Group	Attributable to shareholder of the Company									Total Equity RM'000
	Non-Distributable						Distributable Retained Profits RM'000	Total RM'000	Non- controlling interests RM'000	
	Share Capital RM'000	Share Premium RM'000	Securities Available-For- Sale Reserve # RM'000	Profit Equalisation Reserve RM'000	Regulatory reserve ^ RM'000	Statutory Reserve * RM'000				
<b>At 1 January 2015</b>	<b>466,070</b>	<b>363,861</b>	<b>(26,290)</b>	<b>8,858</b>	<b>-</b>	<b>131,324</b>	<b>831,313 #</b>	<b>1,775,136</b>	<b>206</b>	<b>1,775,342</b>
Net realised gain transferred to profit or loss on disposal of securities available-for-sale	-	-	(12)	-	-	-	-	(12)	-	(12)
Net unrealised gain on revaluation of securities available-for-sale	-	-	9,695	-	-	-	-	9,695	-	9,695
Total other comprehensive income for the period	-	-	9,683	-	-	-	-	9,683	-	9,683
Profit for the period	-	-	-	-	-	-	24,346	24,346	-	24,346
Comprehensive income for the period	-	-	9,683	-	-	-	24,346	34,029	-	34,029
Net transfer from profit equalisation reserve for the financial year	-	-	-	(8,858)	-	-	8,858	-	-	-
<b>At 31 March 2015</b>	<b>466,070</b>	<b>363,861</b>	<b>(16,607)</b>	<b>-</b>	<b>-</b>	<b>131,324</b>	<b>864,517 #</b>	<b>1,809,165</b>	<b>206</b>	<b>1,809,371</b>

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

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\* The statutory reserve is maintained by an investment bank subsidiary in compliance with the provisions of the Financial Service Act, 2013 and 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 Company for the financial year ended 31 December 2015.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2016

	Attributable to shareholder of the Company			Total Equity RM'000
	Non-Distributable		Distributable	
<u>Company</u>	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	
At 1 January 2016	466,070	363,861	675,573	1,505,504
Profit for the period	-	-	11,443	11,443
Comprehensive income for the period	-	-	11,443	11,443
At 31 March 2016	466,070	363,861	687,016	1,516,947

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2015.



UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015

	Attributable to shareholder of the Company			Total Equity RM'000
	Non-Distributable		Distributable	
<u>Company</u>	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	
At 1 January 2015	466,070	363,861	728,412	1,558,343
Profit for the period	-	-	14,745	14,745
Comprehensive income for the period	-	-	14,745	14,745
At 31 March 2015	466,070	363,861	743,157	1,573,088

CONDENSED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2016

	Group		Company	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
<b>Profit before taxation and zakat:</b>	<b>36,657</b>	32,848	<b>15,346</b>	18,514
Adjustments for non-cash items	(6,715)	(7,349)	(8,580)	(10,715)
Operating profit before changes in working capital	<b>29,942</b>	25,499	<b>6,766</b>	7,799
Changes in working capital:				
Net changes in operating assets	(131,085)	(524,794)	72,285	(5,169)
Net changes in operating liabilities	247,335	555,999	(15,563)	(2,376)
Tax and zakat paid	(7,647)	(7,141)	(2,727)	(2,406)
Retirement benefits paid	(465)	(26)	(465)	-
<b>Net cash generated from operating activities</b>	<b>138,080</b>	49,537	<b>60,296</b>	(2,152)
<b>Net cash (used in) / generated from investing activities</b>	(61)	(690)	(68)	4,966
<b>Net cash (used in) / generated from financing activities</b>	(33,305)	34,184	(3,564)	(2,472)
Net increase in cash and cash equivalents	<b>104,714</b>	83,031	<b>56,664</b>	342
Cash and cash equivalents at beginning of the period	742,704	829,463	674,444	723,314
<b>Cash and cash equivalents at end of the period</b>	<b>847,418</b>	912,494	<b>731,108</b>	723,656

Cash and cash equivalents included in the statements of cash flows comprise the following statement of financial position amounts:

	Group		Company	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Cash and short-term funds	<b>663,380</b>	831,684	<b>553,080</b>	660,256
Deposits and placements with banks and other financial institutions	<b>184,038</b>	80,810	<b>178,028</b>	63,400
	<b>847,418</b>	912,494	<b>731,108</b>	723,656

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2015.

**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 Company for the financial year ended 31 December 2015.

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 Company since the financial year ended 31 December 2015.

## 2. Significant accounting policies

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

### 2.1 Adoption of New MFRS, Amendments and Annual Improvements of Standards

The Group and the Company have adopted the following new MFRS, Amendments and Annual Improvements to Standards, with a date of initial application of 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 Initiatives*
- Amendments to MFRS 127 *Consolidated and Separate Financial Statements - Equity Method in Separate Financial Statements*
- 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 Interests 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

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

### 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 Company.

Description	Effective for financial periods beginning on or after
MFRS 15 : <i>Revenue from Contracts with Customers</i>	1 January 2018
MFRS 9 : <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018

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

### (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 MFRS 9 *Financial Instruments* which reflects all phases of the financial instruments projects replacing MFRS 139 *Financial Instruments: Recognition and Measurement* ("MFRS 139") and all previous version of MFRS9. This Standard introduces new 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. Retrospective application is required, but comparative information is not compulsory.

## 2.3 Standards and interpretations which effective dates are yet to be announced

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 Ventures*.

## 3. Comments about seasonal or cyclical factors

The Group's and the Company'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 2016.

## 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 2016.

## 6. Debt and equity securities

There were no changes in equity securities during the quarter ended 31 March 2016.

**7. Dividend paid/payable**

There were no dividends declared or paid during the quarter ended 31 March 2016.

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

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2015 was not qualified.

**9. Performance review**

The Group registered a pre-tax profit of RM36.7 million for the period ended 31 March 2016, increased by 11.9% as compared to the previous corresponding period's pre-tax profit of RM32.8 million. The higher pre-tax profit is mainly attributable to higher impairment written back from loans and advances.

**10. Cash and short-term funds**

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Cash and bank balances	76,434	44,445	8,456	3,417
Deposits and placements maturing within one month	586,946	375,173	544,624	349,251
	<u>663,380</u>	<u>419,618</u>	<u>553,080</u>	<u>352,668</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to RM1,906,000 and RM1,597,000 (2014: RM2,704,000 and RM1,198,00) respectively. These amounts are excluded from the cash and short-term funds of the Group.

**11. Deposits and placements with licensed banks and other financial institutions**

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Deposits with licensed banks	160,038	296,086	154,028	294,776
Deposits with other financial institutions	24,000	27,000	24,000	27,000
	<u>184,038</u>	<u>323,086</u>	<u>178,028</u>	<u>321,776</u>

12. Securities held-for-trading

	Group and Company	
	31 March 2016 RM'000	31 December 2015 RM'000
<b>At fair value</b>		
Money market instruments:		
Government Investment Issues	17,696	58,943
	<u>17,696</u>	<u>58,943</u>
Unquoted securities in Malaysia:		
Private Debt Securities	140,065	158,083
Shares	-	253
	<u>140,065</u>	<u>158,336</u>
	<u>157,761</u>	<u>217,279</u>

13. Securities available-for-sale

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
<b>At fair value</b>				
Money market instruments:				
Malaysian Government Securities	3,374	3,351	-	-
Government Investment Issue	5,946	5,874	-	-
Bank Negara Malaysia Notes	-	-	-	-
Negotiable Instruments of Deposit	199,223	198,877	-	-
	<u>208,543</u>	<u>208,102</u>	<u>-</u>	<u>-</u>
Quoted securities in Malaysia:				
Shares and Warrants	28,892	1,351	-	-
Unquoted securities in Malaysia:				
Private Debt Securities	1,561,314	1,559,038	1,809	1,809
Loan Stocks	13,503	12,968	1,348	1,348
	<u>1,574,817</u>	<u>1,572,006</u>	<u>3,157</u>	<u>3,157</u>
<b>At cost</b>				
Unquoted securities in Malaysia:				
Shares	1,057	1,057	300	300
	<u>1,813,309</u>	<u>1,782,516</u>	<u>3,457</u>	<u>3,457</u>

14. Securities held-to-maturity

	Note	Group	
		31 March 2016 RM'000	31 December 2015 RM'000
<b>At amortised cost</b>			
Money market instruments:			
Malaysian Government Securities		212,102	211,927
Government Investment Issues		310,450	222,830
		<u>522,552</u>	<u>434,757</u>
Unquoted securities in Malaysia:			
Private Debt Securities		1,104,224	1,054,336
Loan Stocks		2,058	2,058
		<u>1,106,282</u>	<u>1,056,394</u>
Less: Individual impairment allowance	(a)	<u>(35,393)</u>	<u>(35,393)</u>
		<u>1,593,441</u>	<u>1,455,758</u>

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

	Group	
	31 March 2016 RM'000	31 December 2015 RM'000
At 1 January	(35,393)	(40,819)
Write off	-	5,426
At 31 March/December	<u>(35,393)</u>	<u>(35,393)</u>

15. Derivative assets

Group	Contract or underlying principal amount RM'000	Derivative assets RM'000
<b>31 March 2016</b>		
Interest rate related derivatives:		
- Interest rate swaps	<u>720,000</u>	<u>1,668</u>
<b>31 December 2015</b>		
Interest rate related derivatives:		
- Interest rate swaps	<u>970,000</u>	<u>4,166</u>

**16. Loans, advances and financing**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 March 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Term loans				
Syndicated term loan/financing	84,351	84,351	-	-
Hire purchase receivables	9,748	13,777	832	4,857
Real estate financing	117,478	219,625	-	-
Islamic financing	429,544	324,680	-	-
Lease receivables	1,568	1,568	-	-
Other term loans/financing	303,260	419,267	420,847	410,381
	<u>945,949</u>	<u>1,063,268</u>	<u>421,679</u>	<u>415,238</u>
Margin accounts	268,866	240,223	-	-
Staff loans	2,194	2,239	1,516	1,575
	<u>1,217,009</u>	<u>1,305,730</u>	<u>423,195</u>	<u>416,813</u>
Less: Unearned interest and income	(9,386)	(9,739)	(9,386)	(9,739)
Gross loans, advances and financing	<u>1,207,623</u>	<u>1,295,991</u>	<u>413,809</u>	<u>407,074</u>
Less: Impairment allowance				
- Collective impairment allowance	(7,159)	(12,011)	(3,293)	(5,039)
- Individual impairment allowance	(132,823)	(138,736)	(35,899)	(40,550)
Net loans, advances and financing	<u>1,067,641</u>	<u>1,145,244</u>	<u>374,617</u>	<u>361,485</u>

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

**a. By type of customer**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 March 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Domestic business enterprises				
- Small medium enterprises	581,049	671,438	365,876	358,906
- Others	315,642	268,025	46,417	46,593
Individuals	310,932	356,528	1,516	1,575
Gross loans, advances and financing	<u>1,207,623</u>	<u>1,295,991</u>	<u>413,809</u>	<u>407,074</u>

**b. By interest/profit rate sensitivity**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2016 RM'000</b>	<b>31 December 2015 RM'000</b>	<b>31 March 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
Fixed rate				
- Staff loans	2,194	2,239	1,516	1,575
- Hire purchase receivables	10,289	13,777	1,373	4,857
- Other fixed rate loan/financing	506,852	491,356	91,495	92,528
Variable rate				
- BLR plus	27,460	29,775	27,460	29,775
- Cost plus	660,828	758,844	291,965	278,339
Gross loans, advances and financing	<u>1,207,623</u>	<u>1,295,991</u>	<u>413,809</u>	<u>407,074</u>



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

c. By economic sector

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Mining and quarrying	90,624	90,492	-	-
Manufacturing	146,807	152,417	57,962	63,572
Construction	117	117	-	-
Purchase of residential property	157	163	-	-
Wholesale & retail trade and restaurants & hotels	49,513	50,337	37,660	38,484
Transport, storage and communications	84,464	88,886	2,529	2,668
Finance, insurance and business services	186,666	264,578	309,728	296,294
Purchase of transport vehicles	7,632	7,635	-	-
Others	641,643	641,366	5,930	6,056
Gross loans, advances and financing	<u>1,207,623</u>	<u>1,295,991</u>	<u>413,809</u>	<u>407,074</u>

d. By residual contractual maturity

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Within one year	804,229	777,501	81,065	79,746
One year to five years	288,119	403,616	307,641	302,634
Afttr five years	115,275	114,874	25,103	24,694
	<u>1,207,623</u>	<u>1,295,991</u>	<u>413,809</u>	<u>407,074</u>

e. Impaired loans ("ILs"), advances and financing

(i.) Movements in ILs

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
At 1 January	460,213	189,545	100,787	70,945
Classified as impaired during the financial period/ year	157,583	282,487	27,280	34,692
Amount recovered	(36,752)	(8,173)	(3,797)	(4,633)
Amount written off	(3,696)	(3,646)	(3,696)	(217)
At 31 March / 31 December	<u>577,348</u>	<u>460,213</u>	<u>120,574</u>	<u>100,787</u>
Less: Individual impairment allowance	<u>(132,823)</u>	<u>(138,736)</u>	<u>(35,899)</u>	<u>(40,550)</u>
Net ILs	<u>444,525</u>	<u>321,477</u>	<u>84,675</u>	<u>60,237</u>
Ratio of net ILs to gross loans, advances and financing less individual impairment allowance	<u>41.36%</u>	<u>27.78%</u>	<u>22.41%</u>	<u>16.43%</u>

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

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

(ii.) ILs by economic sector

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Manufacturing	138,246	144,968	49,407	56,129
Construction	105	105	-	-
Wholesale & retail trade and restaurants & hotels	21,009	21,671	9,164	9,826
Transport, storage and communication	923	953	254	284
Finance, insurance and business services	109,379	109,424	61,378	34,143
Purchase of transport vehicles	7,506	7,506	-	-
Others	300,180	175,586	371	405
	<u>577,348</u>	<u>460,213</u>	<u>120,574</u>	<u>100,787</u>

(iii.) Movements in impairment provision

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
<b>Individual impairment allowance</b>				
At 1 January	138,736	145,584	40,550	44,083
Impairment made during the financial period/year	1,679	7,487	27	1,240
Reclassification from collective impairment allowance	-	226	-	-
Amount written-back	(1,691)	(8,560)	(701)	(3,339)
Amount written off	(3,696)	(3,631)	(3,696)	(217)
Discount unwind	(2,205)	(2,370)	(281)	(1,217)
At 31 March/ 31 December	<u>132,823</u>	<u>138,736</u>	<u>35,899</u>	<u>40,550</u>

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
<b>Collective impairment allowance</b>				
At 1 January	12,011	9,616	5,039	2,660
Reclassification from collective impairment allowance	-	(226)	-	-
Impairment made/(written back) during the financial period/year	(4,852)	2,621	(1,746)	2,379
At 31 March/ 31 December	<u>7,159</u>	<u>12,011</u>	<u>3,293</u>	<u>5,039</u>

% of total loans, advances and  
financing less individual impairment  
allowance (including regulatory reserve)

	<u>1.03%</u>	<u>1.16%</u>	<u>0.87%</u>	<u>1.37%</u>
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17. Other assets

	Note	Group		Company	
		31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Interest/profit receivables		38,982	38,866	5,006	9,161
Amount due from brokers and clients	(a)	214,679	71,876	-	-
Less: Impairment allowance		(2,567)	(2,567)	-	-
		212,112	69,309	-	-
Deposits, prepayments and other receivables		15,529	19,013	6,687	8,828
Less: Individual impairment allowance		(5,229)	(5,516)	-	-
	(b)	10,300	13,497	6,687	8,828
Amount receivables from Danaharta		97,877	131,226	-	-
Less: Individual impairment allowance		(97,877)	(131,226)	-	-
		-	-	-	-
Amount due from subsidiaries					
- Current Accounts	(c)	-	-	3,140	2,048
Less: Individual impairment allowance		-	-	-	(82)
		-	-	3,140	1,966
Amount due from related companies	(d)	20	-	-	-
Amount due from immediate holding company	(d)	-	-	-	-
Amount due from Government Scheme Fund		(409)	662	(409)	662
Tax recoverable		24,601	23,178	-	-
		285,606	145,512	14,424	20,617

(a) Amount due from brokers and clients

	Note	Group	
		31 March 2016 RM'000	31 December 2015 RM'000
Brokers		188,488	23,219
Clients		26,191	48,657
		214,679	71,876
Less: Individual impairment allowance	(i)	(2,567)	(2,567)
		212,112	69,309

Clients' and brokers' debit balances arose from trading of securities, through the investment banking subsidiary, 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 (31.12.2015: RM2,579,000).

**17. Other assets (cont'd)**

(a) Amount due from brokers and clients (cont'd.)

(i) Movements in individual impairment allowance on amount due from brokers and clients:

	<b>Group</b>	
	<b>31 March 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
At 1 January	(2,567)	(2,566)
Impairment made during the financial period / year	-	(1)
At 31 March/ 31 December	<u>(2,567)</u>	<u>(2,567)</u>

(b) Deposits, prepayments and other receivables

Included in deposits, prepayments and other receivables of the Group and of the Company is an amount of RM3,997,116 (31.12.2015: RM4,069,283) relating to unrealised foreign currency translation loss for the ASEAN – Japan Development Fund Loan Scheme and Overseas Economic Corporation Fund for which the foreign exchange risk will be borne by the Government of Malaysia.

Movements in individual impairment allowance on amount due from brokers and clients:

	<b>Group</b>	
	<b>31 March 2016 RM'000</b>	<b>31 December 2015 RM'000</b>
At 1 January	(5,516)	(6,836)
Impairment written back during the financial period / year	28	1,214
Reversal from unearned fee income	-	(45)
Amount written off	259	151
At 31 March/ 31 December	<u>(5,229)</u>	<u>(5,516)</u>

(c) Amount due from subsidiaries

These amounts are unsecured, interest-free and repayable on demand.

(d) Amounts due from immediate holding and related companies

These amounts are unsecured, interest-free and repayable on demand.

(e) Amount due from Government Scheme Funds

The amount due from Government Scheme Fund is unsecured, interest-free and repayable on demand.

18. Deposits from customers

	Group	
	31 March 2016 RM'000	31 December 2015 RM'000
<b>(i) By type of deposit</b>		
- Call deposits	40,420	66,216
- Fixed deposits	1,796,667	1,541,273
	<u>1,837,087</u>	<u>1,607,489</u>
<b>(ii) By type of customer</b>		
- Business enterprises	1,512,059	1,414,146
- Government and statutory bodies	322,600	190,940
- Individuals	2,428	2,403
	<u>1,837,087</u>	<u>1,607,489</u>
<b>(iii) The maturity structure of term deposits are as follows:</b>		
Due within six months	1,713,485	1,545,930
Six months to one year	123,602	61,559
	<u>1,837,087</u>	<u>1,607,489</u>

19. Deposits and placements of banks and other financial institutions

	Group	
	31 March 2016 RM'000	31 December 2015 RM'000
<b>(i) Call deposits</b>		
- Other financial institutions	8,241	95,596
<b>(ii) Fixed deposits</b>		
- Licensed commercial banks	51,200	219,000
- Licensed Islamic banks	-	30,000
- Other financial institutions	1,575,412	1,397,918
	<u>1,626,612</u>	<u>1,646,918</u>
	<u>1,634,853</u>	<u>1,742,514</u>

20. Borrowings

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
(a) Short Term:				
Unsecured	13,095	13,095	13,095	13,095
	<u>13,095</u>	<u>13,095</u>	<u>13,095</u>	<u>13,095</u>
(b) Long Term:				
Unsecured	210,341	243,646	160,712	164,276
Unsecured – Islamic operations	160,000	160,000	160,000	160,000
	<u>370,341</u>	<u>403,646</u>	<u>320,712</u>	<u>324,276</u>
Total borrowings	<u>383,436</u>	<u>416,741</u>	<u>333,807</u>	<u>337,371</u>

Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM13.163 million. The foreign exchange risk on these loans are borne by the Government of Malaysia.



22. Interest expense

	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000
<b>Group</b>		
Deposits and placements of banks and other financial institutions	12,845	16,934
Deposits from customers	12,745	6,725
Borrowings	878	974
Concessionary funds	1,191	1,270
	<u>27,659</u>	<u>25,903</u>
<b>Company</b>		
Borrowings		
Concessionary funds	1,191	1,270
	<u>1,191</u>	<u>1,270</u>

23. Non-interest income

	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000
<b>Group</b>		
<b>Fee income:</b>		
Agency fees	-	2,407
Underwriting fees	1,033	-
Management fees	878	718
Corporate advisory fees	498	190
Brokerage fees	4,744	5,468
Income from Government Scheme Funds	2,878	3,449
Other fees	2,570	2,447
	<u>12,601</u>	<u>14,679</u>
<b>Investment income:</b>		
Gain on sale of securities:		
- Available-for-sale	51	-
Net unrealised gain on revaluation of securities held-for-trading	6,410	6,282
Net unrealised gain on revaluation of derivative instruments	(2,498)	(4,669)
	<u>3,963</u>	<u>1,613</u>

23. Non-interest income (cont'd)

<u>Group (cont'd.)</u>	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000
<b>Other income:</b>		
Rental from:		
- Office premises	375	423
- Others	75	70
Others*	135	143
	<u>585</u>	<u>636</u>
Total other operating income	<u>17,149</u>	<u>16,928</u>
<b><u>Company</u></b>		
<b>Fee income:</b>		
Management fees	2,156	1,877
Income from Government Scheme Funds	2,878	3,701
	<u>5,034</u>	<u>5,578</u>
<b>Investment income:</b>		
Net unrealised gain on revaluation of securities held-for-trading	6,410	6,282
	<u>6,410</u>	<u>6,282</u>
<b>Gross dividend income:</b>		
Subsidiaries	-	5,000
	<u>-</u>	<u>5,000</u>
<b>Other income:</b>		
Rental from:		
- Office premises	1,053	1,076
Others	1,091	392
	<u>2,144</u>	<u>1,468</u>
Total other operating income	<u>13,588</u>	<u>18,328</u>



24. Operating expenses

<u>Group</u>	Individual / Cumulative Quarter	
	31 March 2016 RM'000	31 March 2015 RM'000
Staff costs		
Wages, Salaries and bonuses	15,439	14,665
Employee benefits:		
Current period	268	192
Social security costs	68	68
Defined contribution plan	2,481	2,418
Other staff related expenses	1,345	1,258
	<u>19,601</u>	<u>18,601</u>
Establishment costs		
Depreciation	447	376
Office rental	1,972	1,679
Equipment rental	28	13
Others	1,570	1,468
	<u>4,017</u>	<u>3,536</u>
Promotion and marketing-related expenses		
Business promotion and advertisement	957	1,265
Entertainment	159	93
	<u>1,116</u>	<u>1,358</u>
General and administrative expenses		
Auditors' remuneration		
- Audit fees	134	133
Directors' fees and meeting allowances	479	469
Communication expenses	146	189
Professional fees	880	260
Securities Commission's levy	247	277
Others	841	697
	<u>2,727</u>	<u>2,025</u>
	<u>27,461</u>	<u>25,520</u>

24. Operating expenses (cont'd)

<u>Company</u>	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000
Personnel costs		
Wages, Salaries and bonuses	7,153	6,586
Employee benefits:		
Current period	194	165
Social security costs	39	40
Defined contribution plan	1,175	1,137
Other staff related expenses	764	952
	<u>9,325</u>	<u>8,880</u>
Establishment costs		
Depreciation	249	194
Office rental	1,943	1,671
Equipment rental	10	2
Others	669	494
	<u>2,871</u>	<u>2,361</u>
Promotion and marketing-related expenses		
Business promotion and advertisement	271	334
Entertainment	1	1
	<u>272</u>	<u>335</u>
General and administrative expenses		
Auditors' remuneration		
- Audit fees	50	50
Directors' fees and meeting allowances	257	282
Communication expenses	81	135
Others	857	491
	<u>1,245</u>	<u>958</u>
	<u>13,713</u>	<u>12,534</u>

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

<u>Group</u>	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000
(a) Individual impairment allowances		
- made in the financial period	(1,680)	(1,300)
- written-back	1,716	2,351
(b) Collective impairment allowances		
- made in the financial period	(115)	(2,768)
- written-back	4,968	163
(c) Recoveries from impaired loans	1,671	1,301
	<u>6,560</u>	<u>(253)</u>

25. Impairment losses (made)/ written-back on loans, advances and financing (cont'd)

<u>Company</u>	Individual / Cumulative Quarter 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000
(a) Individual impairment allowances		
- made in the financial period	(27)	(181)
- written-back	701	550
(b) Collective impairment allowances		
- made in the financial period	(167)	(32)
- written-back	1,913	53
(c) Recoveries from impaired loans	189	1,298
	<u>2,609</u>	<u>1,688</u>

26. Impairment losses written back on securities (net)

<u>Group</u>	Individual / Cumulative Quarter 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000
Securities available-for-sale (net)	2,202	4,994
	<u>2,202</u>	<u>4,994</u>

27. Segment information

For management purposes, the Group is organised into business units based on their products and services, has five reportable operating segments as follows:

<b>Segment Revenue</b>	Individual / Cumulative Quarter 3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000
Investment banking	58,236	52,862
Development finance	14,821	15,438
Asset management	965	818
Investment holding	14,319	15,037
Others	10,277	8,830
	<u>98,618</u>	<u>92,985</u>
Inter-segment elimination	(8,508)	(10,385)
	<u>90,110</u>	<u>82,600</u>

27. Segment information (cont'd)

	Individual / Cumulative Quarter	
	3 Months Ended	
	31 March 2016 RM'000	31 March 2015 RM'000
<b>Segment Results</b>		
Investment banking	17,458	14,581
Development finance	10,969	10,741
Asset management	(220)	(288)
Investment holding	3,472	2,767
Others	4,611	4,424
	<hr/>	<hr/>
	36,290	32,225
Share of results in associates	366	623
	<hr/>	<hr/>
	36,656	32,848

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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

**28. Commitments and contingencies**

In the normal course of business, the Group and the Company made various commitments and incurred certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The commitments and contingencies and the related risk-weighted exposures of the Group and the Company as at the end of financial period/year are as follows:

<b>Group</b>	<b>← As at 31.03.2016 →</b>			<b>← As at 31.12.2015 →</b>		
	Principal	Credit	Risk	Principal	Credit	Risk
	amount RM'000	equivalent amount* RM'000	weighted amount RM'000	amount RM'000	equivalent amount* RM'000	weighted amount RM'000
Obligations under underwriting agreement	-	-	-	73,100	36,550	36,550
Interest rate related contracts over one year to five years	720,000	6,679	1,336	970,000	9,754	1,951
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	98,002	25,080	25,078	68,376	13,676	13,672
- Maturity exceeding one year	30,000	15,000	15,000	47,835	23,917	23,917
Loan facility commitment approved that have yet been drawdown:						
- Real estate financing	649	130	130	134,108	26,822	26,822
- Mezzanine/Short term financing	34,688	6,938	6,938	41,493	8,299	8,299
<b>Total</b>	<b>883,339</b>	<b>53,826</b>	<b>48,481</b>	<b>1,334,912</b>	<b>119,018</b>	<b>111,211</b>
<b>Company</b>						
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	18,266	9,133	9,133	17,835	8,917	8,917
<b>Total</b>	<b>18,266</b>	<b>9,133</b>	<b>9,133</b>	<b>17,835</b>	<b>8,917</b>	<b>8,917</b>

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

**29. Related party disclosures**

Significant related party transactions and balances

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

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 March 2016 RM'000</b>	<b>As at 31 March 2015 RM'000</b>	<b>As at 31 March 2016 RM'000</b>	<b>As at 31 March 2015 RM'000</b>
<b>Penultimate holding company</b>				
Income:				
Brokerage fees earned	10,065	2,993	-	-
Expenditures:				
Interest expense on deposits	80	117	-	-
Rental expense	1,861	1,569	1,861	1,569
<b>Subsidiaries</b>				
Income:				
Interest on loans	-	-	3,369	2,315
Rental of premises	-	-	966	636
Management fees	-	-	3,146	2,063
Dividend from subsidiaries	-	-	-	5,000
<b>Associates</b>				
Income:				
Management fees	1	-	1	1
Brokerage fees	734	155	-	-
Rental received	109	107	109	107
<b>Other related companies</b>				
Income:				
Interest income on securities	4,316	4,332	-	-
Interest income on loans and advances	-	1,747	-	-
Fee income	28	60	-	-
Management fees	15	4	15	4
Expenditures:				
Interest expense on deposits	1,030	-	-	-

**29. Related party disclosures (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 Company with their related parties are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 March 2016 RM'000</b>	<b>As at 31 December 2015 RM'000</b>	<b>As at 31 March 2016 RM'000</b>	<b>As at 31 December 2015 RM'000</b>
<b>Penultimate holding company</b>				
Amount due from:				
Sundry deposit received	1,861	1,861	1,861	1,861
Amount due to:				
Deposits from placements of banks and other financial institutions	23,764	-	-	-
Other payables	20	-	-	-
<b>Subsidiaries</b>				
Amount due from:				
Loans, advances and financing	-	-	291,965	278,339
Trade receivables	-	-	3,140	2,048
Amount due to:				
Rental deposit received	-	-	649	649
Other payables	-	-	307	11,887
<b>Associates</b>				
Amount due to:				
Rental deposit received	109	109	109	109
<b>Other related companies</b>				
Amount due from:				
Fee receivables	72	20	-	-
Sundry deposits	553	553	-	-
Trade receivables	1	1	1	1
Securities	336,166	310,879	-	-
Amount due to:				
Deposits from placements of banks and other financial institutions	182,769	141,271	-	-
Other payables	329	734	14	10

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

30. Credit exposures arising from credit transactions with connected parties

	Group	
	31 March 2016 RM'000	31 December 2015 RM'000
(i) Total credit exposures with connected parties	356,515	330,000
(ii) Percentage of total credit exposures to connected parties as proportion of total credit exposures	9.39%	8.65%
(iii) Percentage of total credit exposures to connected parties which is impaired or in default	Nil	Nil

31. Capital adequacy

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

	Group		Company	
	As at 31 March 2016 RM'000	As at 31 December 2015 RM'000	As at 31 March 2016 RM'000	As at 31 December 2015 RM'000
<b>Tier 1 Capital</b>				
<b>Common Equity Tier 1 ("CET1") Capital</b>				
Ordinary shares	466,070	466,070	466,070	466,070
Share premium	363,861	363,861	363,861	363,861
Statutory reserve	131,324	131,324	-	-
Securities available-for-sale reserve	(13,834)	(25,643)	-	-
Regulatory reserve	3,875	1,458	-	-
Retained profits	857,125	857,125	675,573	675,573
	<u>1,808,421</u>	<u>1,794,195</u>	<u>1,505,504</u>	<u>1,505,504</u>
Less: Regulatory adjustments	(117,780)	(123,063)	(619,146)	(631,997)
<b>Total CET1 Capital / Tier 1 Capital</b>	<u>1,690,641</u>	<u>1,671,132</u>	<u>886,358</u>	<u>873,507</u>
<b>Tier 2 Capital</b>				
Collective impairment allowance and regulatory reserve	7,964	8,523	648	518
<b>Total Tier 2 capital</b>	<u>7,964</u>	<u>8,523</u>	<u>648</u>	<u>518</u>
<b>Total Capital</b>	<u>1,698,605</u>	<u>1,679,655</u>	<u>887,006</u>	<u>874,025</u>
Before deducting proposed dividend:				
CET 1 Capital	60.660%	57.708%	118.070%	115.791%
Tier 1 Capital	60.660%	57.708%	118.070%	115.791%
Total Capital	60.946%	58.002%	118.156%	115.860%
After deducting proposed dividend:				
CET 1 Capital	57.789%	54.945%	107.413%	105.187%
Tier 1 Capital	57.789%	54.945%	107.413%	105.187%
Total Capital	58.075%	55.239%	107.500%	105.255%



### 31. Capital adequacy (cont'd.)

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

	Group		Company	
	As at 31 March 2016 RM'000	As at 31 December 2015 RM'000	As at 31 March 2016 RM'000	As at 31 December 2015 RM'000
Total risk weighted assets for credit risk	2,298,753	2,364,915	545,597	531,766
Total risk weighted assets equivalent for market risk	103,490	146,820	37,665	61,245
Total risk weighted assets equivalent for operational risk	384,844	384,130	167,444	161,369
	<b>2,787,087</b>	<b>2,895,865</b>	<b>750,706</b>	<b>754,380</b>

### 32. Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. 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	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 31 March 2016</b>				
<b>Financial assets</b>				
<b>Assets measured at fair value:</b>				
Securities held-for-trading				
Money market instruments	-	17,696	-	17,696
Unquoted securities	-	140,065	-	140,065
Securities available-for-sale				
Money market instruments	-	208,543	-	208,543
Quoted securities	28,892	-	-	28,892
Unquoted securities	-	1,564,003	10,814	1,574,817
Derivative assets	-	1,668	-	1,668
	<b>28,892</b>	<b>1,931,975</b>	<b>10,814</b>	<b>1,971,681</b>

32. Fair value hierarchy (cont'd.)

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 31 March 2016 (cont'd.)</b>				
<b>Assets for which fair value are disclosed:</b>				
Securities held-to-maturity				
Money market instruments	-	500,359	-	500,359
Unquoted securities	-	1,071,103	-	1,071,103
Loans, advances and financing				
- staff loans	-	1,399	-	1,399
Investment properties				
Residential properties	-	6,781	-	6,781
Office property	-	1,290	-	1,290
<b>Liabilities for which fair values are disclosed:</b>				
Borrowings	-	383,436	-	383,436
<b>At 31 December 2015</b>				
<b>Financial assets</b>	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>Assets measured at fair value:</b>				
Securities held-for-trading				
Money market instruments	-	58,943	-	58,943
Unquoted securities	-	158,083	253	158,336
Securities available-for-sale				
Money market instruments	-	208,102	-	208,102
Quoted securities	1,351	-	-	1,351
Unquoted securities	-	1,561,727	10,279	1,572,006
Derivative assets	-	4,166	-	4,166
<b>Assets for which fair value are disclosed:</b>				
Securities held-to-maturity				
Money market instruments	-	431,820	-	431,820
Unquoted securities	-	1,024,162	-	1,024,162
Loans, advances and financing				
- staff loans	-	1,454	-	1,454
Investment properties				
Residential properties	-	6,781	-	6,781
Office property	-	1,290	-	1,290
<b>Liabilities for which fair values are disclosed:</b>				
Borrowings	-	416,741	-	416,741

32. Fair value hierarchy (cont'd)

Company	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 31 March 2016</b>				
<b>Assets measured at fair value:</b>				
Securities held-for-trading				
Quoted securities	-	17,696	-	17,696
Unquoted securities	-	140,065	-	140,065
Securities available-for-sale				
Unquoted securities	-	-	3,157	3,157
	-	157,761	3,157	160,918
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- staff loans	-	1,147	-	1,147
<b>Liabilities for which fair values are disclosed:</b>				
Borrowings	-	333,807	-	333,807
<b>At 31 December 2015</b>				
<b>Assets measured at fair value:</b>				
Securities held-for-trading				
Money market instruments	-	58,943	-	58,943
Unquoted securities	-	158,083	253	158,336
Securities available-for-sale				
Unquoted securities	-	-	3,157	3,157
	-	217,026	3,410	220,436
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- staff loans	-	1,199	-	1,199
<b>Liabilities for which fair values are disclosed:</b>				
Borrowings	-	337,371	-	337,371

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

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

32. Fair value hierarchy (cont'd)

<b>Group</b>	<b>Securities held-for- trading RM'000</b>	<b>Securities available- for-sale RM'000</b>	<b>Total RM'000</b>
<b>At 31 March 2016</b>			
Unquoted securities			
At 1 January	253	10,279	10,532
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	117	117
Included within impairment written back on securities	-	2,193	2,193
	-	2,310	2,310
Settlements	(253)	(1,775)	(2,028)
At 31 March	-	10,814	10,814
 <b>At 31 December 2015</b>			
Unquoted securities			
At 1 January	253	66,440	66,693
Total gains recognised in profit or loss:			
Included within interest income	-	21,221	21,221
Included within impairment loss on securities	-	8,702	8,702
	-	29,923	29,923
Settlements	-	(86,084)	(86,084)
At 31 December	253	10,279	10,532

32. Fair value hierarchy (cont'd)

<b>Company</b>	<b>Securities held-for- trading RM'000</b>	<b>Securities available- for-sale RM'000</b>	<b>Total RM'000</b>
<b>At 31 March 2016</b>			
Unquoted securities			
At 1 January	253	3,157	3,410
Settlements	(253)	-	(253)
At 31 March	<u>-</u>	<u>3,157</u>	<u>3,157</u>
<b>Company</b>	<b>Securities held-for- trading RM'000</b>	<b>Securities available- for-sale RM'000</b>	<b>Total RM'000</b>
<b>At 31 December 2015</b>			
Unquoted securities			
At 1 January	253	4,400	4,653
Total gains recognised in profit or loss:			
Included within interest income	-	75	75
Included within impairment loss on securities	-	(434)	(434)
	<u>-</u>	<u>(359)</u>	<u>(359)</u>
Settlements	-	(884)	(884)
At 31 December	<u>253</u>	<u>3,157</u>	<u>3,410</u>

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.

33. Operations of Islamic Banking Business

(a) CONDENSED STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	Group	
		31 March 2016 RM'000	31 December 2015 RM'000
<b>ASSETS</b>			
Cash and short-term funds	33 (c)	140,523	110,600
Deposits and placements with licensed banks and other financial institutions	33 (d)	41,700	41,700
Securities available-for-sale	33 (e)	465,710	461,797
Securities held-to-maturity	33 (f)	750,248	612,645
Financing and advances	33 (g)	263,025	270,582
Other assets		28,712	33,199
Deferred tax assets		1,553	4,610
<b>TOTAL ASSETS</b>		<b>1,691,471</b>	<b>1,535,133</b>
<b>LIABILITIES</b>			
Deposits from customers	33 (h)	461,060	367,113
Deposits and placements of banks and other financial institutions	33 (i)	416,289	353,767
Borrowings	33 (j)	160,000	160,000
Profit equalisation reserve		-	9,305
Other liabilities		17,737	23,671
Provision for taxation and zakat		1,537	9,656
Amount due to Head Office		24,458	15,839
<b>TOTAL LIABILITIES</b>		<b>1,081,081</b>	<b>939,351</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>			
Funds allocated from Head Office		416,600	416,600
Reserves		193,790	179,182
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>610,390</b>	<b>595,782</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>1,691,471</b>	<b>1,535,133</b>

33. Operations of Islamic Banking Business

(a) CONDENSED STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	Company	
		31 March 2016 RM'000	31 December 2015 RM'000
<b>ASSETS</b>			
Cash and short-term funds	33 (c)	116,594	109,701
Deposits and placements with licensed banks and other financial institutions	33 (d)	41,700	41,700
Financing and advances	33 (g)	31,305	34,133
Other assets		15,510	23,515
Deferred tax assets		410	370
<b>TOTAL ASSETS</b>		<b>205,519</b>	<b>209,419</b>
<b>LIABILITIES</b>			
Borrowings	33 (j)	160,000	160,000
Other liabilities		11,553	18,519
Provision for taxation and zakat		28	263
Amount due to Head Office		154	152
<b>TOTAL LIABILITIES</b>		<b>171,735</b>	<b>178,934</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>			
Funds allocated from Head Office		20,000	20,000
Reserves		13,784	10,485
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>33,784</b>	<b>30,485</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>205,519</b>	<b>209,419</b>

33. Operations of Islamic Banking Business (cont'd)

(b) CONDENSED STATEMENTS OF CONSOLIDATED FINANCIAL POSITION AS AT 31 MARCH 2016

<u>Group</u>		Individual/ Cumulative Quarter 3 Months Ended	
		31 March 2016 RM'000	31 March 2015 RM'000
Income derived from investment of depositors funds and others		19,703	14,689
Income derived from Government Scheme Funds		7,102	6,597
<b>Total attributable income</b>	33 (k)	<b>26,805</b>	21,286
Income attributable to depositors	33 (l)	(7,568)	(5,158)
<b>Net income attributable to the reporting institu</b>		<b>19,237</b>	16,128
Other operating expenses		(4,417)	(4,105)
<b>Operating profit</b>		<b>14,820</b>	12,023
Impairment written back on securities		594	1,834
Impairment written back/(made)on financing and advances	33 (m)	1,201	(451)
Impairment made on other assets		(24)	-
<b>Profit before taxation and zakat</b>		<b>16,591</b>	13,406
Taxation		(3,858)	(2,917)
Zakat		(328)	(325)
<b>Profit for the period</b>		<b>12,405</b>	10,164
 <u>Company</u>			
Income derived from investment of depositors funds and others		955	1,064
Income derived from Government Scheme Funds		7,102	6,597
<b>Income attributable to the reporting institution</b>	33 (k)	<b>8,057</b>	7,661
Other operating expenses		(3,510)	(2,910)
<b>Operating profit</b>		<b>4,547</b>	4,751
Impairment (made)/writeback on financing and advances	33 (m)	(83)	165
Impairment made on other asset		(28)	-
<b>Profit before taxation and zakat</b>		<b>4,436</b>	4,916
Taxation		(1,050)	(1,222)
Zakat		(87)	(95)
<b>Profit for the period</b>		<b>3,299</b>	3,599



33. Operations of Islamic Banking Business (cont'd)

(c) Cash and short-term funds

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash and bank balances	6,323	2,400	5,394	1,501
Deposits and placements maturing within one month	134,200	108,200	111,200	108,200
	<u>140,523</u>	<u>110,600</u>	<u>116,594</u>	<u>109,701</u>

(d) Deposits and placements with licensed banks and other financial institutions

	Group and Company	
	2016 RM'000	2015 RM'000
Deposits with licensed banks	41,700	41,700
	<u>41,700</u>	<u>41,700</u>

(e) Securities available-for-sale

	Group	
	31 March 2016 RM'000	31 December 2015 RM'000
<b>At fair value</b>		
Money market instruments:		
Islamic Negotiable Certificate of Deposits	199,222	198,877
	<u>199,222</u>	<u>198,877</u>
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	266,488	262,920
	<u>465,710</u>	<u>461,797</u>

(f) Securities held-to-maturity

	Group	
	31 March 2016 RM'000	31 December 2015 RM'000
<b>At amortised cost</b>		
Money market instruments:		
Government Investment Issue	310,450	222,830
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	439,798	389,815
	<u>750,248</u>	<u>612,645</u>

33. Operations of Islamic Banking Business (cont'd)

(g) Financing and advances

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Term financing				
- Syndicated term financing	234,929	240,942	-	-
- Islamic hire purchase/leasing	634	4,069	634	4,069
- Other term financing	42,948	43,570	42,948	43,570
	<u>278,511</u>	<u>288,581</u>	<u>43,582</u>	<u>47,639</u>
Less: Unearned income	(9,361)	(9,714)	(9,361)	(9,714)
Gross financing and advances	<u>269,150</u>	<u>278,867</u>	<u>34,221</u>	<u>37,925</u>
Less: Impairment provision				
- Collective impairment provision	(4,917)	(6,034)	(1,708)	(1,541)
- Individual impairment provision	(1,208)	(2,251)	(1,208)	(2,251)
Total net financing and advances	<u>263,025</u>	<u>270,582</u>	<u>31,305</u>	<u>34,133</u>

(i) By contract

Group

31 March 2016

	Sale-based contract		Lease-based contract Al-Ijarah Thumma Al- Bai	Total financing and advances RM'000
	Comodity Murabahah RM'000	Bai Bithaman Ajil RM'000	RM'000	
Syndicated term financing	234,929	-	-	234,929
Deferred payment sales	-	33,616	-	33,616
Finance lease	-	-	605	605
	<u>234,929</u>	<u>33,616</u>	<u>605</u>	<u>269,150</u>

31 December 2015

	Sale-based contract		Lease-based contract Al-Ijarah Thumma Al- Bai	Total financing and advances RM'000
	Comodity Murabahah RM'000	Bai Bithaman Ajil RM'000	RM'000	
Syndicated term financing	240,942	-	-	240,942
Deferred payment sales	-	33,856	-	33,856
Finance lease	-	-	4,069	4,069
	<u>240,942</u>	<u>33,856</u>	<u>4,069</u>	<u>278,867</u>

33. Operations of Islamic Banking Business (cont'd)

(g) Financing and advances (cont'd)

Company

31 March 2016

	Sale-based contract Bai Bithaman Ajil RM'000	Lease-based contract Al-Ijarah Thumma Al-Bai RM'000	Total financing and advances RM'000
Deferred payment sales	33,616	-	33,616
Finance lease	-	605	605
	<u>33,616</u>	<u>605</u>	<u>34,221</u>

31 December 2015

	Sale-based contract Bai Bithaman Ajil RM'000	Lease-based contract Al-Ijarah Thumma Al-Bai RM'000	Total financing and advances RM'000
Deferred payment sales	33,856	-	33,856
Finance lease	-	4,069	4,069
	<u>33,856</u>	<u>4,069</u>	<u>37,925</u>

(ii) By contract

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Commodity Murabahah	240,942	240,942	-	-
Bai Bithaman Ajil (deferred payment sales)	33,616	33,856	33,616	33,856
Al-Ijarah Thumma Al-Bai (finance lease)	605	4,069	605	4,069
	<u>275,163</u>	<u>278,867</u>	<u>34,221</u>	<u>37,925</u>

(iii) By types of customer

Domestic business enterprises	269,150	278,867	34,221	37,925
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33. Operations of Islamic Banking Business (cont'd)

(g) Financing and advances (cont'd)

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
<b>(iv) By profit rate sensitivity</b>				
Variable rate				
Cost-plus	234,929	240,942	-	-
Fixed rate				
Hire purchase receivables	605	4,069	605	4,069
Other fixed rate financing	33,616	33,856	33,616	33,856
	<u>269,150</u>	<u>278,867</u>	<u>34,221</u>	<u>37,925</u>

(v) By economic sector

Mining and quarrying	90,624	90,493	-	-
Manufacturing	1,374	4,847	1,374	4,847
Wholesale & retail trade and restaurants & hotels	12,540	12,694	12,540	12,694
Transport, storage and communications	81,861	86,254	594	704
Finance, insurance and business services	15,298	15,209	15,298	15,209
Education	63,038	64,899	-	-
Others	4,415	4,471	4,415	4,471
	<u>269,150</u>	<u>278,867</u>	<u>34,221</u>	<u>37,925</u>

(vi) By residual contractual maturity

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
Within one year	9,860	9,812	8,854	9,812
One year to five years	154,475	97,244	10,552	11,694
After five years	104,815	171,811	14,815	16,419
Gross loans, advances and financing	<u>269,150</u>	<u>278,867</u>	<u>34,221</u>	<u>37,925</u>

(vii) Impaired financing and advances by economic sector

	Group and Company	
	31 March 2016 RM'000	31 December 2015 RM'000
Manufacturing	424	3,859
Wholesale & retail trade and restaurants & hotels	1,918	1,937
Transport, storage and communications	254	285
Finance, insurance and business services	356	364
Others	371	405
	<u>3,323</u>	<u>6,850</u>

33. Operations of Islamic Banking Business (cont'd)

(g) Financing and advances (cont'd)

(viii) Movements in impaired financing and advances

	Group and Company	
	31 March 2016	31 December 2015
	RM'000	RM'000
At 1 January	6,850	4,603
Impaired during the period/year	-	2,309
Amount recovered	(109)	(62)
Amount written off	(3,418)	-
At 31 March/ 31 December	3,323	6,850
Less: Individual impairment provision	(1,208)	(2,251)
Net impaired financing and advances	2,115	4,599
As % of gross loans, advances and financing less individual impairment allowance	6.41%	12.89%

(ix) Movements in impairment allowance

	Group		Company	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
	RM'000	RM'000	RM'000	RM'000
<b>Collective impairment allowance</b>				
At 1 January	6,034	3,041	1,541	232
Impairment written back/(made) during the financial period/year	(1,117)	2,993	167	1,309
At 31 March/ 31 December	4,917	6,034	1,708	1,541
Ratio of collective impairment allowance to gross loans, advances and financing less individual impairment allowance	1.84%	2.18%	5.17%	4.32%

	Group and Company	
	31 March 2016	31 December 2015
	RM'000	RM'000
<b>Individual impairment allowance</b>		
At 1 January	2,251	2,098
Impairment made during the period/year	20	209
Impairment allowance written back during the period/year	(96)	(48)
Amount written off	(964)	-
Discount unwind	(3)	(8)
At 31 March/ 31 December	1,208	2,251

33. Operations of Islamic Banking Business (cont'd)

(h) Deposits from customers

Group	
31 March 2016	31 December 2015
RM'000	RM'000

(i) By type of deposits

**Commodity Murabahah Fund**

Term deposits

461,060	367,113
---------	---------

(ii) By type of customers

**Commodity Murabahah**

Business enterprises

366,060	312,113
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Government and statutory bodies

95,000	55,000
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461,060	367,113
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(iii) The maturity structure of term deposits is as follows:

Due within six months

461,060	367,113
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(i) Deposits and placements of banks and other financial institutions

Group	
31 March 2016	31 December 2015
RM'000	RM'000

(i) By type of deposits

**Commodity Murabahah Fund**

Term deposits

416,289	353,767
---------	---------

(ii) By type of customers

**Commodity Murabahah**

Licensed Islamic banks

-	30,000
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Other financial institutions

416,289	323,767
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416,289	353,767
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33. Operations of Islamic Banking Business (cont'd)

(j) Borrowings

	Group and Company	
	31 March 2016 RM'000	31 December 2015 RM'000
Funds from MITI Soft Loans Scheme for Services Sector	160,000	160,000
	<u>160,000</u>	<u>160,000</u>

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

Income derived from investment of general investment deposits:

	Group		Company	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Income derived from investment of:				
General investment deposits	(i) 13,659	9,223	-	-
Other deposits	(ii) 13,146	12,063	8,057	7,661
	<u>26,805</u>	<u>21,286</u>	<u>8,057</u>	<u>7,661</u>

(i) General investment deposits

	Group	
	31 March 2016 RM'000	31 March 2015 RM'000
<b>Finance income and hibah</b>		
Money at call and deposit placements with financial institutions	300	463
Securities available-for-sale - Profit on non-impaired securities	2,715	2,673
Securities held-to-maturity	8,668	1,843
	<u>11,683</u>	<u>4,979</u>
Accretion of discounts less amortisation of premiums	1,965	4,244
Total finance income and hibah	<u>13,648</u>	<u>9,223</u>
<b>Other operating income</b>		
Net gain on sale of securities available-for-sale	11	-
	<u>11</u>	<u>-</u>
	<u>13,659</u>	<u>9,223</u>

33. Operations of Islamic Banking Business (cont'd)

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

(ii) Other deposits

	Group		Company	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
<b>Group and Bank</b>				
<b>Finance income and hibah</b>				
Financing and advances				
- impaired	4,795	4,382	3	2
- non-impaired	306	299	306	299
Money at call and deposit placements with financial institutions	260	290	260	290
	<u>5,361</u>	<u>4,971</u>	<u>569</u>	<u>591</u>
<b>Other operating income</b>				
Management fee from Government Scheme Funds	7,102	6,597	7,102	6,597
Fee income	493	293	234	271
Other income	190	202	152	202
	<u>7,785</u>	<u>7,092</u>	<u>7,488</u>	<u>7,070</u>
	<u>13,146</u>	<u>12,063</u>	<u>8,057</u>	<u>7,661</u>

(l) Income attributable to depositors

	Group	
	31 March 2016 RM'000	31 March 2015 RM'000
<b>Mudharabah Fund</b>		
Deposits from customers	-	-
Deposits and placements of banks and financial institutions	-	(41)
	<u>-</u>	<u>(41)</u>
<b>Commodity Fund</b>		
Deposits from customers	(3,890)	(2,090)
Deposits and placements of banks and financial institutions	(3,678)	(3,027)
	<u>(7,568)</u>	<u>(5,117)</u>
	<u>(7,568)</u>	<u>(5,158)</u>



33. Operations of Islamic Banking Business (cont'd)

(m) Impairment losses (made)/written back on financing and advances

	Group		Company	
	31 March 2016 RM'000	31 March 2015 RM'000	31 March 2016 RM'000	31 March 2015 RM'000
Collective impairment allowance				
- Made in the financial year	(167)	(616)	(167)	-
- Written back in the financial period	1,284	27	-	27
Individual impairment allowance				
- Made in the financial year	(20)	(60)	(20)	(60)
- Written back in the financial period	96	190	96	190
Bad debts recovered on financing and advances	8	8	8	8
	<u>1,201</u>	<u>(451)</u>	<u>(83)</u>	<u>165</u>

(n) Capital adequacy

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

	Group		Company	
	31 March 2016 RM'000	31 December 2015 RM'000	31 March 2016 RM'000	31 December 2015 RM'000
<b>Common Equity Tier 1 (CET1)</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Paid-up share capital	416,600	416,600	20,000	20,000
Securities available-for-sale reserve	(2,900)	(5,639)	-	-
Retained profits	187,584	184,821	13,784	10,485
	<u>601,284</u>	<u>595,782</u>	<u>33,784</u>	<u>30,485</u>
Less: Regulatory adjustments	(1,553)	(4,610)	(410)	(370)
Capital allocation	(2,117)	(5,331)	(2,117)	(5,331)
<b>Total Tier-I capital</b>	<b><u>597,614</u></b>	<b><u>585,841</u></b>	<b><u>31,257</u></b>	<b><u>24,784</u></b>
Collective impairment allowance	3,516	4,684	307	191
Total Tier-II capital	<u>3,516</u>	<u>4,684</u>	<u>307</u>	<u>191</u>
<b>Total capital</b>	<b><u>601,130</u></b>	<b><u>590,525</u></b>	<b><u>31,564</u></b>	<b><u>24,975</u></b>
CET1 Capital	89.555%	88.936%	24.907%	19.166%
Tier 1 Capital	89.555%	88.936%	24.907%	19.166%
Total Capital	90.082%	89.647%	25.151%	19.314%

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

	Group		Company	
	As at 31 March 2016 RM'000	As at 31 December 2015 RM'000	As at 31 March 2016 RM'000	As at 31 December 2015 RM'000
Total risk weighted assets for credit risk	560,077	559,025	80,352	87,170
Total risk weighted assets equivalent for market risk	-	-	-	-
Total risk weighted assets equivalent for operational risk	107,237	99,698	45,144	42,141
	<u>667,314</u>	<u>658,723</u>	<u>125,496</u>	<u>129,311</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED INTERIM FINANCIAL REPORT**

I, Foo Wei Hoong, the officer primarily responsible for the financial management of Malaysian Industrial Development Finance Berhad, do hereby state that, the unaudited condensed interim financial statements for the three months ended 31<sup>st</sup> March 2016, as set out on pages 1 to 50, have been prepared from the Group and the Company'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 Company as at 31<sup>st</sup> March 2016. The results and cash flows of the Group and the Company 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.

**FOO WEI HOONG  
CHIEF FINANCIAL OFFICER**

**28 April 2016**