



**UNAUDITED BALANCE SHEETS AS AT 30 SEPTEMBER 2009**

	Note	Group		Company	
		30 September 2009 RM'000	31 December 2008 RM'000	30 September 2009 RM'000	31 December 2008 RM'000
<b>ASSETS</b>					
Cash and short-term funds		1,463,321	1,784,193	960,299	621,139
Deposits and placements with banks and other financial institutions		268,905	535,574	142,021	40,000
Asset of disposal group/classified as held for sale	5	600,642	625,944	2,353	2,353
Securities held-for-trading	6	806,082	275,659	8,410	8,365
Securities available-for-sale	7	2,198,830	3,250,362	48,257	55,933
Securities held-to-maturity	8	129,572	43,404	-	-
Loans, advances and financing	9	636,378	688,658	420,016	536,500
Other assets	10	120,364	86,437	361,783	430,314
Statutory deposits with Bank Negara Malaysia		19,571	96,871	-	-
Investment properties		7,822	7,060	-	-
Prepaid lease payments		448	454	-	-
Investment in associates		3,883	3,201	-	-
Investment in subsidiaries		-	-	880,241	870,541
Property, plant and equipment		14,683	18,700	10,317	13,295
Deferred tax assets		45,497	55,417	8,811	8,811
Goodwill		86,713	86,713	-	-
<b>TOTAL ASSETS</b>		<b>6,402,711</b>	<b>7,558,647</b>	<b>2,842,508</b>	<b>2,587,251</b>
<b>LIABILITIES</b>					
Deposits from customers	11	1,552,590	2,450,904	-	-
Deposits and placements of banks and financial institutions	12	1,502,962	2,021,784	-	-
Other payables		140,576	106,328	42,469	53,426
Borrowings	13	405,506	456,949	397,506	455,649
Government Scheme Funds	14	428,677	256,303	428,677	256,303
Liabilities directly associated with assets classified as held-for-sale	5	90,384	93,652	-	-
Taxation		2,361	2,392	-	-
Employee benefits		10,845	11,157	8,525	9,007
Deferred tax liabilities		4,010	4,043	-	-
<b>TOTAL LIABILITIES</b>		<b>4,137,911</b>	<b>5,403,512</b>	<b>877,177</b>	<b>774,385</b>
<b>EQUITY</b>					
Capital and reserves attributable to equity holders of the Company					
Share Capital		978,495	978,495	978,495	978,495
Reserves :					
Share Premium		363,861	363,861	363,861	363,861
Statutory Reserve		79,159	79,159	-	-
Capital Reserve		36,181	36,220	-	-
Exchange Fluctuation Reserve		(5,137)	(4,876)	-	-
Securities Available-For-Sale Reserve		1,715	1,478	-	-
Retained Profits		783,767	674,655	622,975	470,510
		2,238,041	2,128,992	1,965,331	1,812,866
Minority Interest		26,759	26,143	-	-
<b>TOTAL EQUITY</b>		<b>2,264,800</b>	<b>2,155,135</b>	<b>1,965,331</b>	<b>1,812,866</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,402,711</b>	<b>7,558,647</b>	<b>2,842,508</b>	<b>2,587,251</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	23	<b>677,864</b>	<b>991,044</b>	<b>271,759</b>	<b>359,508</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (RM)</b>		<b>2.29</b>	<b>2.18</b>	<b>2.01</b>	<b>1.85</b>

The Unaudited Condensed Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.

**UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009**



<b>GROUP</b>	<b>Note</b>	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
		<b>30.9.2009</b>	<b>30.9.2008</b>	<b>30.9.2009</b>	<b>30.9.2008</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CONTINUING OPERATIONS</b>					
REVENUE		<u>64,478</u>	<u>86,195</u>	<u>260,277</u>	<u>292,596</u>
INTEREST INCOME	15	<u>45,206</u>	65,363	<u>143,989</u>	212,474
INTEREST EXPENSE	16	<u>(16,005)</u>	<u>(37,601)</u>	<u>(58,988)</u>	<u>(126,488)</u>
NET INTEREST INCOME		<u>29,201</u>	27,762	<u>85,001</u>	85,986
NET INCOME FROM ISLAMIC BANKING BUSINESS	26b	<u>8,475</u>	6,571	<u>23,568</u>	24,541
OTHER OPERATING INCOME	17	<u>9,610</u>	25,164	<u>102,437</u>	94,400
		<u>47,286</u>	59,497	<u>211,006</u>	204,927
EXPENDITURE	18	<u>(20,612)</u>	<u>(20,189)</u>	<u>(62,631)</u>	<u>(59,800)</u>
<b>PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES</b>		<u>26,674</u>	39,308	<u>148,375</u>	145,127
(ALLOWANCES) / WRITEBACK FOR LOSSES ON LOANS, ADVANCES AND FINANCING	19	<u>4,024</u>	2,274	<u>(3,372)</u>	10,034
(IMPAIRMENT) / WRITEBACK ON SECURITIES	20	<u>(8,720)</u>	685	<u>(33,368)</u>	8,765
PROFIT BEFORE SHARE OF RESULTS IN ASSOCIATES		<u>21,978</u>	42,267	<u>111,635</u>	163,926
SHARE OF RESULTS IN ASSOCIATES		<u>390</u>	361	<u>1,104</u>	1,388
<b>PROFIT BEFORE TAXATION AND ZAKAT</b>		<u>22,368</u>	42,628	<u>112,739</u>	165,314
TAX EXPENSE		<u>(5,506)</u>	(1,337)	<u>(18,485)</u>	(24,011)
ZAKAT		<u>(124)</u>	(148)	<u>(319)</u>	(317)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		<u>16,738</u>	41,143	<u>93,935</u>	140,986
<b>DISCONTINUED OPERATIONS</b>					
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	5	<u>6,486</u>	5,810	<u>15,793</u>	23,204
<b>PROFIT FOR THE PERIOD</b>		<u>23,224</u>	<u>46,953</u>	<u>109,728</u>	<u>164,190</u>
ATTRIBUTABLE TO:					
EQUITY HOLDERS OF THE COMPANY		<u>22,991</u>	46,033	<u>109,112</u>	162,586
MINORITY INTEREST		<u>233</u>	920	<u>616</u>	1,604
<b>PROFIT FOR THE PERIOD</b>		<u>23,224</u>	<u>46,953</u>	<u>109,728</u>	<u>164,190</u>
<b>EARNINGS PER SHARE</b>					
- BASIC, FOR PROFIT FROM CONTINUING OPERATIONS		<u>1.69</u>	4.11	<u>9.54</u>	14.24
- BASIC, FOR PROFIT FROM DISCONTINUED OPERATIONS		<u>0.66</u>	0.59	<u>1.61</u>	2.37
- BASIC, FOR PROFIT FOR THE PERIOD		<u>2.35</u>	<u>4.70</u>	<u>11.15</u>	<u>16.62</u>

The Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.

**UNAUDITED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009**



<u>COMPANY</u>	Note	Individual Quarter		Cumulative Quarter	
		30.9.2009 RM'000	30.9.2008 RM'000	30.9.2009 RM'000	30.9.2008 RM'000
REVENUE		<u>199,844</u>	<u>24,618</u>	<u>237,441</u>	<u>70,076</u>
INTEREST INCOME	15	<u>10,935</u>	12,229	<u>34,964</u>	45,794
INTEREST EXPENSE	16	<u>(2,617)</u>	<u>(3,371)</u>	<u>(8,271)</u>	<u>(12,410)</u>
NET INTEREST INCOME		<u>8,318</u>	8,858	<u>26,693</u>	33,384
NET INCOME FROM ISLAMIC BANKING BUSINESS	26b	<u>3,155</u>	3,192	<u>9,381</u>	9,707
OTHER OPERATING INCOME	17	<u>187,889</u>	<u>14,061</u>	<u>203,890</u>	<u>26,796</u>
		<u>199,362</u>	26,111	<u>239,964</u>	69,887
EXPENDITURE	18	<u>(11,281)</u>	<u>3,290</u>	<u>(34,555)</u>	<u>(12,080)</u>
<b>PROFIT BEFORE ALLOWANCES FOR LOANS AND ADVANCES AND IMPAIRMENT LOSSES</b>		<u>188,081</u>	29,401	<u>205,409</u>	57,807
(ALLOWANCES) / WRITEBACK FOR LOSSES ON LOANS, ADVANCES AND FINANCING	19	<u>4,509</u>	1,253	<u>(2,512)</u>	648
<b>PROFIT BEFORE TAXATION</b>		<u>192,590</u>	30,654	<u>202,897</u>	58,455
TAX EXPENSE		<u>(47,644)</u>	(3,714)	<u>(50,432)</u>	(9,409)
ZAKAT		<u>-</u>	<u>(74)</u>	<u>-</u>	<u>(119)</u>
<b>PROFIT FOR THE PERIOD</b>		<u>144,946</u>	<u>26,866</u>	<u>152,465</u>	<u>48,927</u>

The Unaudited Condensed Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2009

Group	Share Capital	Non-Distributable				Distributable		Total	Minority Interest	Total Equity
		Share Premium	Securities Available-For-Sale Reserve	Capital Reserve	Exchange Fluctuation Reserve	Statutory Reserve	Retained Profits			
-----RM'000-----										
<b>At 1 January 2009</b>	<b>978,495</b>	<b>363,861</b>	<b>1,478</b>	<b>36,220</b>	<b>(4,876)</b>	<b>79,159</b>	<b>674,655</b>	<b>2,128,992</b>	<b>26,143</b>	<b>2,155,135</b>
Net profit for the financial period	-	-	-	-	-	-	109,112	109,112	616	109,728
Realised gain on disposal of securities available-for-sale	-	-	(12,385)	-	-	-	-	(12,385)	-	(12,385)
Unrealised gain on revaluation of securities available-for-sale	-	-	12,571	-	-	-	-	12,571	-	12,571
Deferred tax on revaluation of securities available-for-sale	-	-	51	-	-	-	-	51	-	51
Net gain not recognised in the income statement	-	-	237	-	-	-	-	237	-	237
Realisation of reserve arising from disposal of property	-	-	-	(39)	-	-	-	(39)	-	(39)
Currency translation differences	-	-	-	-	(261)	-	-	(261)	-	(261)
<b>At 30 September 2009</b>	<b>978,495</b>	<b>363,861</b>	<b>1,715</b>	<b>36,181</b>	<b>(5,137)</b>	<b>79,159</b>	<b>783,767</b>	<b>2,238,041</b>	<b>26,759</b>	<b>2,264,800</b>
At 1 January 2008	978,495	363,861	81	36,220	(5,090)	58,022	589,330	2,020,919	25,140	2,046,059
Net profit for the financial period	-	-	-	-	-	-	162,586	162,586	1,604	164,190
Dividend paid	-	-	-	-	-	-	(57,927)	(57,927)	-	(57,927)
Transfer within reserve	-	-	-	-	-	16,307	(16,307)	-	-	-
Realised gain on disposal of securities available-for-sale	-	-	(4,549)	-	-	-	-	(4,549)	-	(4,549)
Unrealised loss on revaluation of securities available-for-sale	-	-	(8,542)	-	-	-	-	(8,542)	-	(8,542)
Deferred tax on revaluation of securities available-for-sale	-	-	43	-	-	-	-	43	-	43
Net gain not recognised in the income statement	-	-	(13,048)	-	-	-	-	(13,048)	-	(13,048)
Currency translation differences	-	-	-	-	(54)	-	-	(54)	-	(54)
Deemed disposal of a subsidiary	-	-	-	-	-	-	-	-	(366)	(366)
At 30 September 2008	978,495	363,861	(12,967)	36,220	(5,144)	74,329	677,682	2,112,476	26,378	2,138,854

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.



UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2009

Company	Share Capital	Non-Distributable Share Premium	Distributable Retained Profits	Total Equity
	-RM'000-			
At 1 January 2009	978,495	363,861	470,510	1,812,866
Net profit for the financial period	-	-	152,465	152,465
<b>At 30 September 2009</b>	<b>978,495</b>	<b>363,861</b>	<b>622,975</b>	<b>1,965,331</b>
At 1 January 2008	978,495	363,861	527,628	1,869,984
Prior year adjustment in relation to pre-acquisition dividend received from subsidiary	-	-	(51,910)	(51,910)
At 1 January 2008 (restated)	978,495	363,861	475,718	1,818,074
Net profit for the financial period	-	-	48,927	48,927
Dividend paid	-	-	(57,927)	(57,927)
At 30 September 2008	978,495	363,861	466,718	1,809,074

The Unaudited Condensed Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.



**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

	Group		Company	
	30.9.2009 RM'000	30.9.2008 RM'000	30.9.2009 RM'000	30.9.2008 RM'000
<b>Profit before taxation:</b>				
<b>Continuing operations</b>	<b>112,739</b>	165,314	<b>202,897</b>	58,455
<b>Discontinued operations</b>	<b>19,489</b>	27,715	-	-
Adjustments for non-cash items	<b>(86,684)</b>	(97,859)	<b>8,706</b>	2,306
Operating profit before changes in working capital	<b>45,544</b>	95,170	<b>211,603</b>	60,761
Changes in working capital				
Net changes in operating assets	<b>14,549</b>	241,944	<b>232,005</b>	57,443
Net changes in operating liabilities	<b>(1,265,952)</b>	(1,690,814)	<b>4,104</b>	(200,277)
Tax expense paid	<b>(10,463)</b>	(4,340)	<b>(2,466)</b>	(1,456)
Dividend paid	-	(57,927)	-	(57,927)
Retirement benefits paid	<b>(1,712)</b>	(1,848)	<b>(1,505)</b>	(1,490)
Movements on exchange fluctuations	<b>(261)</b>	(54)	-	-
<b>Net cash (used in) / generated from operating activities</b>	<b>(1,218,295)</b>	(1,417,869)	<b>443,741</b>	(142,946)
<b>Net cash generated from / (used in) investing activities</b>	<b>551,813</b>	803,532	<b>(2,560)</b>	(1,929)
<b>Net cash used in financing activities</b>	-	(300)	-	(300)
Net (decrease) / increase in cash and cash equivalents	<b>(666,482)</b>	(614,637)	<b>441,181</b>	(145,175)
Cash and cash equivalents at beginning of the period	<b>2,429,769</b>	3,222,543	<b>661,139</b>	783,558
<b>Cash and cash equivalents at end of the period</b>	<b>1,763,287</b>	2,607,906	<b>1,102,320</b>	638,383

Cash and cash equivalents:

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

Continuing operations:				
Cash and short term funds (note)	<b>1,463,171</b>	2,320,544	<b>960,299</b>	603,133
Deposits and placements with banks and other financial institutions	<b>268,905</b>	190,672	<b>142,021</b>	35,250
Statutory deposits with Bank Negara Malaysia	<b>19,571</b>	96,690	-	-
	<b>1,751,647</b>	2,607,906	<b>1,102,320</b>	638,383
Discontinued operations:				
Cash and short term funds	<b>9,117</b>	-	-	-
Deposits and placements with banks and other financial institutions	<b>2,523</b>	-	-	-
	<b>11,640</b>	-	-	-
	<b>1,763,287</b>	2,607,906	<b>1,102,320</b>	638,383

Note :

- 1) Net of pledged deposits with a licensed bank for banking facilities granted to a subsidiary amounting to RM150,000.
- 2) Included in deposits and placement maturing within one month of the Group and the Company is an amount of RM428,677,000 (2008: RM266,922,000) which relates to cash available from Government Scheme Funds which has not been utilised.

The Unaudited Condensed Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached in the interim financial statements.

**Explanatory Notes Pursuant to Financial Reporting Standard 134 (“FRS 134”) and Revised Guidelines on Financial Reporting for Licensed Institutions (BNM/GP8) Issued by Bank Negara Malaysia**

**1. Basis of preparation**

The unaudited condensed interim financial statements has been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: securities held-for-trading, securities available-for-sale and derivative financial instruments.

The unaudited condensed interim financial statement has been prepared in accordance with FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”).

The unaudited 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 2008. The explanatory notes attached to the 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 2008.

The significant accounting policies and methods of computation adopted in the unaudited condensed interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2008.

**2. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the audited financial statements for the financial year ended 31 December 2008 was not subject to any qualification.

**3. Performance review**

The Group registered a pre-tax profit of RM132.228 million (as analysed in Note 21, including discontinued operations) for the period ended 30 September 2009, a decrease of 32% as compared to the previous corresponding period’s pre-tax profit of RM193.029 million. The decrease in earning is attributed to higher loan losses and higher impairment on securities.

**4. Current year prospects**

Based on recent economic data and the assessments made during Budget 2010, the Malaysian economy is on a recovery path, in line with regional peers. While domestic consumption has been partly boosted by the Government’s fiscal stimulus measures, consumer sentiment has also rebounded, in line with better income and employment prospects.

Malaysia’s gross domestic product (GDP) is expected to grow again in the fourth quarter of 2009, after what is likely to be three quarters in the negative territory. The official forecast for 2009 GDP growth has been upgraded from -4.5% to -3.0%. Growth would be driven by the services sector, especially financial and retail services. The recovery momentum is expected to continue in 2010, with growth officially projected to be in the range of 2% - 3%.

The Government is maintaining development spending at above RM50 billion, but has budgeted to reduce operating expenditure by RM22 billion or almost 14% with the planned reduction in public sector spending. This fiscal consolidation is expected to reduce the budget deficit to 5.6% of GDP in 2010 from 7.4% in 2009. Consequently, the driver of GDP growth is expected to revert to the private sector, as overall public sector contribution to GDP growth is forecast to contract by 3%.

The strong recovery in equity prices portends better corporate performance in the quarters to come. The earnings of corporations listed on Bursa Malaysia have surprised market participants, especially those in the banking, and property sectors. Stronger sentiment that prevailed in Bursa Malaysia is reflected by an increase in the number of initial public offerings.

On the back of broader economic recovery and a more buoyant equity market, the investment banking division sees the strongest outlook in more than a year. Opportunities lie in advisory activities for corporate actions, such as mergers and takeovers and initial public offerings, as well as in underwriting. However, the road ahead would be bumpy for fund-based activities. The treasury business may be dampened by the prospects of a general uptrend in interest rates. In the mean time, concerns over credit quality will continue to be at the forefront for debt market participants, and this may limit clients’ involvement especially in private debt securities origination.

With 2009 expected to be a challenging year and with the Government introducing financial stimulus packages for the economy, the Group, in its capacity as a development finance agency intends to fully engage and cooperate with the Government on its role for the onwards lending of new scheme funds under the new stimulus package, where credit risk is mitigated.

**4. Current year prospects (cont'd)**

Remedial steps to enhance the fund performance, improve client relationship management and opportunities for potential tie up with established foreign partners for business and product development are in progress for the asset management business.

The property business division will continue to focus its efforts to realise the value of the properties held. The development of fee-based income from project management skills and services are also being pursued as an alternative revenue source.

To facilitate the streamlining of the businesses of the Group to achieve the overall objective in becoming a financial services provider, the property business division and related activities will be realigned and distributed to Pemodalan Nasional Berhad, the ultimate holding company under the proposed MIDF Group Restructuring.

The challenging operating environment re-affirms the need for the continued focus on customer relationships, operational efficiencies, credit and cost management to provide the base for sustainable and quality growth for the Group.

**5. Assets of disposal group/classified as held for sale**

An analysis of the results of discontinued operations of disposal group is as follows:

Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
Revenue	21,432	26,606	57,478	73,807
Cost of Sales	(7,160)	(10,584)	(18,624)	(19,376)
	14,272	16,022	38,854	54,431
Operating income	1,074	472	2,610	1,194
	15,346	16,494	41,464	55,625
Staff cost	(2,485)	(2,536)	(7,415)	(7,149)
Depreciation	(786)	(1,226)	(2,609)	(4,822)
Operating expenses	(3,971)	(5,000)	(11,951)	(15,939)
Profit before tax of discontinued operations	8,104	7,732	19,489	27,715
Tax expense	(1,618)	(1,922)	(3,696)	(4,511)
Profit for the year from discontinued operation	6,486	5,810	15,793	23,204

The major classes of assets and liabilities classified as held-for-sale on the balance sheet are as follows:

	Group		Company	
	30.9.2009	31.12.2008	30.9.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>				
Cash and short-term funds	9,117	11,057	-	-
Deposits and placements with banks and other financial institutions	2,523	2,224	-	-
Other assets	18,767	28,264	-	-
Loans, advances and financing	2,160	2,703	-	-
Investment properties	50,209	53,794	-	-
Prepaid lease payments	14,724	15,076	-	-
Industrial estates - developed properties held-for-sale	201,536	208,384	-	-
Land held for property development	79,370	80,915	-	-
Property, plant and equipment				
- serviced residence property	107,668	108,352	-	-
- others	114,257	115,175	2,353	2,353
Deferred tax assets	311	-	-	-
Assets of disposal group classified as held-for-sale	600,642	625,944	2,353	2,353
<b>LIABILITIES</b>				
Other payables	21,495	36,494	-	-
Borrowings	58,238	44,363	-	-
Taxation	-	1,982	-	-
Employee benefits	3,527	3,325	-	-
Deferred tax liabilities	7,124	7,488	-	-
Liabilities directly associated with assets classified as held-for-sale	90,384	93,652	-	-

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

**6. Securities held-for-trading**

	Group		Company	
	30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
At fair value				
Quoted:				
Malaysian Government Securities	325,000	10,645	-	-
Bank Negara Malaysia Notes	24,974	-	-	-
Government Investment Issue	5,001	-	-	-
Unit trusts	2	117	2	2
Shares	1,277	1,204	416	371
Loan stocks	1	1	1	1
Redeemable Convertible Secured Notes	7,991	7,991	7,991	7,991
	<u>364,246</u>	<u>19,958</u>	<u>8,410</u>	<u>8,365</u>
Unquoted:				
Private Debts Securities	115,662	144,066	-	-
Loan stocks	3,533	5,374	-	-
Other Acceptance Discounted	322,641	106,261	-	-
	<u>441,836</u>	<u>255,701</u>	<u>-</u>	<u>-</u>
	<u>806,082</u>	<u>275,659</u>	<u>8,410</u>	<u>8,365</u>

**7. Securities available-for-sale**

	Group		Company	
	30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
At fair value				
Quoted:				
Malaysian Government Securities	9,369	229,074	-	-
Government Investment Issue	119,887	183,871	-	-
Bank Negara Malaysia Notes	12,285	-	-	-
Shares	15,319	7,147	1,234	1,234
	<u>156,860</u>	<u>420,092</u>	<u>1,234</u>	<u>1,234</u>
Unquoted:				
Khazanah Nasional Berhad bonds	14,908	126,915	-	-
Cagamas Berhad bonds	-	25,018	-	-
Negotiable instruments of deposit	-	59,590	-	-
Private debt securities	1,647,744	1,936,933	-	-
Corporate bonds	42,958	46,868	42,958	46,868
Shares	6,978	122,074	1,279	5,045
Others Acceptances Discounted	126,749	510,086	-	-
Loan stocks	2,786	2,786	2,786	2,786
Negotiable Instruments of Deposits	199,847	-	-	-
	<u>2,041,970</u>	<u>2,830,270</u>	<u>47,023</u>	<u>54,699</u>
	<u>2,198,830</u>	<u>3,250,362</u>	<u>48,257</u>	<u>55,933</u>

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**8. Securities held-to-maturity**

	Group	
	30.9.2009 RM'000	31.12.2008 RM'000
At amortised cost		
Unquoted:		
Negotiable Instruments of Deposits	100,000	-
Khazanah Nasional Berhad bonds	19,786	19,258
Shares	906	906
Private debt securities	85,603	140,564
	<u>206,295</u>	<u>160,728</u>
Less: Accumulated impairment losses	<u>(76,723)</u>	<u>(117,324)</u>
	<u>129,572</u>	<u>43,404</u>

**9. Loans, advances and financing**

	Group		Company	
	30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
Term loans				
- Syndicated term loan/financing	27,206	10,045	-	-
- Hire purchase receivables	108,786	144,404	77,798	101,881
- Lease receivables	7,538	9,618	5,213	7,759
- Other term loans/financing	579,627	639,682	479,299	582,819
Staff loans	10,143	12,955	3,426	4,472
Less: Staff loans classified as assets held-for-sale	(2,160)	(2,703)	-	-
	7,983	10,252	3,426	4,472
Revolving credits	24,665	21,881	-	409
Margin accounts	79,273	67,614	-	-
	835,078	903,496	565,736	697,340
Less: Unearned interest and income	(10,348)	(16,719)	(8,962)	(13,725)
	824,730	886,777	556,774	683,615
Less: Security deposits	(309)	(569)	-	-
Less: Allowance for bad and doubtful debts and financing:				
- General	(18,618)	(24,905)	(13,804)	(21,606)
- Specific	(169,425)	(172,645)	(122,954)	(125,509)
Total net loans, advances and financing	<u>636,378</u>	<u>688,658</u>	<u>420,016</u>	<u>536,500</u>

**a. By type of customer**

	Group		Company	
	30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
Domestic business enterprises				
- Small medium enterprises	506,457	510,963	313,665	393,826
- Others	229,184	276,572	225,028	266,852
Individuals	74,434	80,778	3,426	4,472
Foreign entities	14,655	18,464	14,655	18,465
Gross loans, advances and financing	<u>824,730</u>	<u>886,777</u>	<u>556,774</u>	<u>683,615</u>

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**9. Loans, advances and financing (cont'd)**

b. By interest/profit rate sensitivity

	Group		Company	
	30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
Fixed rate				
- Staff loans	7,983	10,252	3,426	4,472
- Hire purchase receivables	108,542	141,585	78,325	101,970
- Other fixed rate loan/financing	338,085	385,013	255,296	313,058
Variable rate				
- BLR plus	162,967	197,282	162,967	197,282
- Cost-plus	150,393	89,453	-	3,641
- Other variable rates	56,760	63,192	56,760	63,192
Gross loans, advances and financing	<u>824,730</u>	<u>886,777</u>	<u>556,774</u>	<u>683,615</u>

c. By economic sector

	Group		Company	
	30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
Agriculture, hunting, forestry & fishing	2,639	3,889	-	-
Mining and quarrying	31,090	2,387	1,324	2,135
Manufacturing	453,038	527,769	413,309	514,694
Construction	39,006	40,136	11,231	12,021
Purchase of landed property:				
- Residential	281	479	-	-
Wholesale & retail trade and restaurants & hotels	108,955	103,165	85,124	95,637
Transport, storage and communications	42,533	56,976	25,769	33,009
Finance, insurance and business services	29,730	31,599	10,261	11,885
Purchase of securities	79,273	67,614	-	-
Purchase of transport vehicles	24,153	33,235	-	-
Others	14,032	19,528	9,756	14,234
Gross loans, advances and financing	<u>824,730</u>	<u>886,777</u>	<u>556,774</u>	<u>683,615</u>

d. Movements in non-performing loans, advances and financing

	Group		Company	
	30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
At beginning of period/year	264,904	286,029	207,751	226,298
Non-performing during the period/year	56,760	31,801	54,028	29,803
Reclassified as performing	(5,810)	(15,722)	(3,263)	(13,720)
Amount recovered	(10,225)	(21,828)	(9,375)	(19,667)
Amount written off	(15,119)	(15,376)	(15,119)	(14,963)
At end of period/year	290,510	264,904	234,022	207,751
Less: Specific allowance	(166,199)	(169,974)	(119,728)	(122,838)
Net non-performing loans, advances and financing	<u>124,311</u>	<u>94,930</u>	<u>114,294</u>	<u>84,913</u>
Net NPL as % of gross loans, advances and financing less specific allowances	<u>18.97%</u>	<u>13.29%</u>	<u>26.35%</u>	<u>15.21%</u>
Performing loans with specific allowance provided				
Gross loan	6,218	2,963	6,218	2,963
Less: Specific allowance	(3,226)	(2,671)	(3,226)	(2,671)
Net	<u>2,992</u>	<u>292</u>	<u>2,992</u>	<u>292</u>

**9. Loans, advances and financing (cont'd)**

e. Movements in allowance for bad and doubtful debts

	Group		Company	
	30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
<b>General allowance</b>				
At beginning of period/year	24,905	32,354	21,606	27,422
Allowance made/(written back) during the period/year	1,515	(1,633)	-	-
Amount transferred to specific allowance	(7,802)	(5,816)	(7,802)	(5,816)
At end of period/year	<u>18,618</u>	<u>24,905</u>	<u>13,804</u>	<u>21,606</u>
As % of gross loans, advances and financing less specific allowance	<u>2.84%</u>	<u>3.49%</u>	<u>3.18%</u>	<u>3.87%</u>
<b>Specific allowance</b>				
At beginning of period/year	172,645	185,987	125,509	136,666
Allowance made during the year	17,039	11,837	16,786	9,627
Amount written back in respect of recoveries	(12,942)	(15,619)	(12,024)	(11,637)
Allowance transfer from general allowance	7,802	5,816	7,802	5,816
Amount written off	(15,119)	(15,376)	(15,119)	(14,963)
At end of period/year	<u>169,425</u>	<u>172,645</u>	<u>122,954</u>	<u>125,509</u>

f. Non-Performing Loan by economic sector

	Group		Company	
	30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
Manufacturing	170,003	147,205	157,524	134,426
Construction	22,782	24,134	9,659	10,521
Purchase of landed property - Residential	114	114	-	-
Wholesale & retail trade and restaurants & hotels	49,540	42,444	49,055	41,959
Transport, storage and communication	10,877	11,889	10,072	11,084
Finance, insurance and business services	17,466	20,187	2,942	5,639
Purchase of transport vehicles	14,255	14,133	-	-
Others	5,473	4,798	4,770	4,122
	<u>290,510</u>	<u>264,904</u>	<u>234,022</u>	<u>207,751</u>

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**10. Other assets**

	Group		Company	
	30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
Accrued interest, commitment charges, commissions, and fees receivable	28,466	16,945	1,015	830
Amount due from subsidiaries				
- current accounts	-	-	2,686	7,940
- loan accounts	-	-	342,977	401,393
Clients' and brokers' accounts	73,366	24,333	-	-
Less: Allowance for doubtful debts	(2,717)	(2,507)	-	-
	70,649	21,826	-	-
Trade receivables	47,105	56,349	-	-
Less: Allowance for doubtful debts	(30,564)	(28,866)	-	-
	16,541	27,483	-	-
Less: Transfer to assets held-for-sale	(12,898)	(23,315)	-	-
	3,643	4,168	-	-
Other receivables, deposits and prepayments	37,417	49,259	10,837	15,648
Less: Allowance for doubtful debts	(24,298)	(24,529)	-	-
	13,119	24,730	10,837	15,648
Less: Transfer to assets held-for-sale	(2,093)	(1,610)	-	-
	11,026	23,120	10,837	15,648
Industrial Estates - developed properties held-for-sale	201,536	208,384	-	-
Less: Transfer to assets held-for-sale	(201,536)	(208,384)	-	-
	-	-	-	-
	113,784	66,059	357,515	425,811
Tax recoverable	10,356	23,717	4,268	4,503
Less: Transfer to assets held-for-sale	(3,776)	(3,339)	-	-
	6,580	20,378	4,268	4,503
	120,364	86,437	361,783	430,314

**11. Deposits from customers**

	Group	
	30.9.2009 RM'000	31.12.2008 RM'000
(i) By type of deposit		
Deposits from customers		
- Call money	211,632	457,682
- Fixed deposits	1,340,958	1,993,222
	<u>1,552,590</u>	<u>2,450,904</u>
(ii) By type of custome		
Government and statutory bodies	70,500	22,252
Business enterprises	1,482,090	2,428,652
	<u>1,552,590</u>	<u>2,450,904</u>

**12. Deposits and placements of banks and financial institutions**

	Group	
	30.9.2009	31.12.2008
	RM'000	RM'000
Call deposits		
- Other financial institutions	135,752	255,674
Fixed deposits		
- Licensed Islamic banks	50,200	50,000
- Licensed Investment banks	30,000	-
- Other financial institutions	1,287,010	1,716,110
	<u>1,502,962</u>	<u>2,021,784</u>

**13. Borrowings**

	Group		Company	
	30.9.2009	31.12.2008	30.9.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
(a) Short Term				
Secured	25,050	24,675	-	-
Unsecured	60,557	60,958	52,557	59,658
	85,607	85,633	52,557	59,658
Less: Transfer to assets held-for-sale	(25,050)	(24,675)	-	-
	<u>60,557</u>	<u>60,958</u>	<u>52,557</u>	<u>59,658</u>
(b) Long Term				
Secured	33,188	19,688	-	-
Unsecured	317,944	359,705	317,944	359,705
Unsecured – Islamic operations	27,005	36,286	27,005	36,286
	378,137	415,679	344,949	395,991
Less: Transfer to assets held-for-sale	(33,188)	(19,688)	-	-
	<u>344,949</u>	<u>395,991</u>	<u>344,949</u>	<u>395,991</u>
Total borrowings	<u>405,506</u>	<u>456,949</u>	<u>397,506</u>	<u>455,649</u>

(c) Included in the borrowings are loans obtained from a Japanese financial institution, denominated in Yen, equivalent to RM96.627 million. The foreign exchange risk on the above loans is borne by the Government of Malaysia.

**14. Government Scheme Funds**

**14.1 Government Scheme Funds**

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
At 1 January	632,258	446,459
Add : Funds received during the year	269,592	185,799
	<u>901,850</u>	<u>632,258</u>
Less : Non-performing loans pending approval		
At 1 January	(18,291)	(11,882)
Addition	(5,192)	(10,033)
Reduction	5,307	3,624
At 30 September / 31 December	<u>(18,176)</u>	<u>(18,291)</u>
Gross available Funds at 30 September / 31 December	883,674	613,967
Less : Net loans disbursed under Government Scheme Funds	(454,997)	(357,664)
Net Government Scheme Funds Available	<u>428,677</u>	<u>256,303</u>

Gross available Government Scheme Funds comprises the following:

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Non-current		
Funds from Ministry of International Trade and Industry ("MITI")	60,822	60,822
Soft loan for Small and Medium Scale Enterprises ("SME's")	309,431	229,365
Loan from Malaysian Industrial Energy Efficiency Improvement Project ("MIEEIP")	13,199	13,326
Loan from Proqram Pembiayaan Wang Ehsan ("PPWE")	9,757	9,757
Soft loan for Automation and Modernisation	155,697	154,466
Soft loan for Automotive Development	273,692	143,190
Loan from Malaysia External Trade Development Corporation ("MATRADE")	11,069	3,041
Loan from Malaysian Industrial Development Authority ("MIDA")	50,007	-
	<u>883,674</u>	<u>613,967</u>

**14. Government Scheme Funds (cont'd)**

14.2 Loans, advances and financing under Government Scheme Funds

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Term loans		
- Hire purchase receivables	124,531	93,052
- Other term loans/financing	240,966	188,586
Other loans/financing	<u>129,354</u>	<u>114,784</u>
	494,851	396,422
Less : Unearned interest income	<u>(21,678)</u>	<u>(20,467)</u>
	473,173	375,955
Less: Allowance for bad and doubtful debts and financing:		
- Specific	<u>(18,176)</u>	<u>(18,291)</u>
Total net loans, advances and financing	<u><u>454,997</u></u>	<u><u>357,664</u></u>

14.2 (a) Loans, advances and financing under Government Scheme Funds

(i) By type of customer

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Domestic business enterprises		
- Small medium enterprises	309,117	251,196
- Others	162,573	122,676
Foreign entities	<u>1,483</u>	<u>2,083</u>
Gross loans, advances and financing	<u><u>473,173</u></u>	<u><u>375,955</u></u>

(ii) By interest/profit rate sensitivity

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	116,249	98,261
Other fixed rate loan/financing	<u>356,924</u>	<u>277,694</u>
Gross loans, advances and financing	<u><u>473,173</u></u>	<u><u>375,955</u></u>

(iii) By economic sector

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Mining and quarrying	885	1,276
Manufacturing	414,907	329,099
Construction	9,627	5,632
Wholesale & retail trade and restaurants & hotels	31,250	20,196
Transport, storage and communications	4,054	4,443
Finance, insurance and business services	4,911	6,759
Others	<u>7,539</u>	<u>8,550</u>
Gross loans, advances and financing	<u><u>473,173</u></u>	<u><u>375,955</u></u>

**14. Government Scheme Funds (cont'd)**

14.2 (b) Non-Performing Loans ("NPLs")

(i) Movements in non-performing loans, advances and financing

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
At 1 January	18,228	13,645
Non-performing during the year	10,144	9,447
Reclassified as performing	(1,529)	(1,410)
Amount recovered	(1,646)	(1,240)
Amount written off	(4,183)	(2,214)
At 31 December	21,014	18,228
Less: Specific allowance	(17,673)	(17,511)
Net non-performing loans, advances and financing	3,341	717
Net NPL as % of gross loans, advances and financing less specific allowances	0.73%	0.20%
Performing loans with specific allowance provided	693	985
Less: Specific allowance	(503)	(780)
Net	190	205

(ii) Movements in allowance for bad and doubtful debts

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
<b>Specific allowance</b>		
At 1 January	18,291	11,882
Allowance made during the year	5,192	10,033
Amount write back in respect of recoveries	(1,124)	(1,406)
Amount written off	(4,183)	(2,218)
At 31 December	18,176	18,291

(iii) Non-Performing Loan by economic sector

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Agriculture, hunting, forestry & fishing	236	236
Manufacturing	17,664	15,804
Wholesale & retail trade and restaurants & hotels	1,112	-
Finance, insurance and business services	1,765	1,951
Others	237	237
	21,014	18,228

**15. Interest income**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Loans, advances and financing				
- Interest income other than recoveries from NPL	7,147	9,974	21,804	34,622
- Recoveries from NPL	1,464	811	4,903	7,383
Recoveries from non performing securities	7,381	-	7,381	-
Income from Government Scheme Funds	3,716	2,081	8,121	4,917
Money at call and deposit placements with financial institutions	5,619	21,762	23,378	73,544
Securities available-for-sale	6,129	16,820	32,969	48,729
Securities held-for-trading	1,564	36	1,600	83
Securities held-to-maturity	1,435	98	2,934	917
Hire purchase and leasing operations	1,142	1,140	3,601	4,812
Accretion of discounts (net of amortisation of premium)	9,609	12,641	37,838	38,402
Interest suspended	-	-	(540)	(935)
	45,206	65,363	143,989	212,474

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**15. Interest income (cont'd)**

<u>Company</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income other than recoveries from NPL	2,552	5,886	12,194	21,528
- Recoveries from NPL	1,302	707	4,575	6,948
Income from Government Scheme Funds	3,716	2,081	8,121	4,917
Leasing operations	737	324	2,098	1,967
Loans to subsidiaries	2,628	3,231	7,976	10,434
	<u>10,935</u>	<u>12,229</u>	<u>34,964</u>	<u>45,794</u>

**16. Interest expense**

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	6,033	16,663	21,090	53,973
Deposits from customers	7,287	17,537	29,482	59,891
Short-term funds and bank overdrafts	55	42	182	273
Concessional funds	2,015	2,935	7,290	9,060
Commercial loans	602	410	927	1,560
Income securities	-	-	-	1,708
Miscellaneous	13	14	17	23
	<u>16,005</u>	<u>37,601</u>	<u>58,988</u>	<u>126,488</u>

<u>Company</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
Short-term funds and bank overdrafts	4	26	54	82
Concessional funds	2,011	2,935	7,290	9,060
Commercial loans	602	410	927	1,560
Income securities	-	-	-	1,708
	<u>2,617</u>	<u>3,371</u>	<u>8,271</u>	<u>12,410</u>

**17. Other operating income**

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
(a) Revenue income:				
Fee income derived from:				
- Capital market activities	1,853	2,156	9,584	8,987
- Management fees	777	1,421	2,298	4,702
- Net brokerage fees	4,077	2,475	8,823	9,511
Investment income derived from:				
- Net unrealised gain / (losses) on revaluation of securities held-for-trading	71	(630)	55	(413)
- Gain on sale of securities:				
- Available-for-sale	268	374	53,206	3,923
- Held-for-trading	252	61	1,424	2,952
- (Loss) / Gain on sale of trust units	(115)	-	9	(215)
Rental income on buildings	366	69	516	263
Income from factoring	240	254	699	803
Profit earned on Al-Bai Bithamin Ajil and Al-Ijarah	21	53	72	195
	<u>7,810</u>	<u>6,233</u>	<u>76,686</u>	<u>30,708</u>

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**17. Other operating income (cont'd)**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
(b) Other income:				
Total interest income on:				
- short-term placements, fixed deposits and share issue account	940	944	6,825	5,237
- promissory notes	191	78	460	347
Gain on disposal of:				
- Property, plant and equipment	257	49	492	262
Total dividends (gross) from:				
- Securities held-for-trading	26	52	26	429
- Securities available-for-sale	35	-	14,525	17,150
- Securities held-to-maturity	-	272	88	471
Interest on staff loans	55	58	165	264
Guarantee fee	369	164	640	473
Commitment fee	-	4	6	8
Rental of office premises	3	10	25	34
Recoveries from non performing loans	-	16,200	-	19,184
Proceed from surrendering of the discount houses licenses	-	-	-	17,500
Others	(76)	1,100	2,499	2,333
	<u>1,800</u>	<u>18,931</u>	<u>25,751</u>	<u>63,692</u>
Total non-interest income	<u>9,610</u>	<u>25,164</u>	<u>102,437</u>	<u>94,400</u>

**Company**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
(a) Revenue income:				
Fee income:				
- Management fees	4,149	2,045	9,496	7,098
Net unrealised gain / (loss) on revaluation of securities held-for-trading	29	(313)	44	12
Gain on sale of securities:				
- Available-for-sale	-	-	1,980	-
Gross dividend income:				
- Subsidiaries	181,576	7,465	181,576	7,465
	<u>185,754</u>	<u>9,197</u>	<u>193,096</u>	<u>14,575</u>
(b) Other income:				
Interest income on:				
- short-term placements, fixed deposits and share issue account	1,460	3,530	7,334	9,606
- promissory notes	191	78	460	347
Gain on disposal of:				
- Property, plant and equipment	21	(3)	109	35
Dividends (gross):				
- Securities held-for-trading	-	1	-	18
Interest on staff loans	36	50	120	169
Guarantee fee	(40)	164	231	473
Commitment fee	-	4	6	8
Rental of:				
- parking space	7	16	30	49
- office premises	3	182	25	433
Others	457	842	2,479	1,083
	<u>2,135</u>	<u>4,864</u>	<u>10,794</u>	<u>12,221</u>
Total non-interest income	<u>187,889</u>	<u>14,061</u>	<u>203,890</u>	<u>26,796</u>

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**18. Operating Expenses**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Personnel costs				
- Salaries and wages	8,404	8,696	25,772	25,552
- Allowance and bonuses	3,980	3,624	10,143	9,045
- Staff training	112	183	566	340
- Others	3,275	3,271	8,754	8,823
	<u>15,771</u>	<u>15,774</u>	<u>45,235</u>	<u>43,760</u>
Establishment costs				
- Depreciation	1,619	1,866	5,155	4,740
- Office rental	46	(5)	255	119
- Equipment rental	316	273	916	768
- Others	1,112	679	2,948	2,989
	<u>3,093</u>	<u>2,813</u>	<u>9,274</u>	<u>8,616</u>
Promotion and marketing-related expenses				
- Business promotion and advertisement	124	703	1,552	1,955
- Entertainment	110	45	215	118
	<u>234</u>	<u>748</u>	<u>1,767</u>	<u>2,073</u>
Administration and general expenses				
- Communication expenses	466	407	1,307	1,280
- Audit fees	87	138	342	291
- Directors fees and meeting allowances	239	244	663	765
- Management fees	56	136	149	143
- Securities Commission's levy	176	84	358	370
- Others	491	(155)	3,536	2,502
	<u>1,515</u>	<u>854</u>	<u>6,355</u>	<u>5,351</u>
	<u>20,612</u>	<u>20,189</u>	<u>62,631</u>	<u>59,800</u>
<b>Company</b>				
Personnel costs				
- Salaries and wages	4,209	4,760	13,254	14,223
- Allowance and bonuses	1,770	1,511	5,209	4,674
- Staff training	67	92	337	156
- Others	1,925	1,782	5,130	4,992
	<u>7,971</u>	<u>8,145</u>	<u>23,930</u>	<u>24,045</u>
Establishment costs				
- Depreciation	1,025	1,003	3,292	2,753
- Office rental	874	499	2,238	1,534
- Equipment rental	23	27	56	61
- Others	602	942	1,827	2,065
	<u>2,524</u>	<u>2,471</u>	<u>7,413</u>	<u>6,413</u>
Promotion and marketing-related expenses				
- Business promotion and advertisement	151	581	1,350	1,445
- Entertainment	1	5	7	10
	<u>152</u>	<u>586</u>	<u>1,357</u>	<u>1,455</u>
Administration and general expenses				
- Communication expenses	51	6	166	211
- Audit fees	10	34	72	85
- Directors fees and meeting allowances	51	121	325	418
- Others	522	(14,653)	1,292	(20,547)
	<u>634</u>	<u>(14,492)</u>	<u>1,855</u>	<u>(19,833)</u>
	<u>11,281</u>	<u>(3,290)</u>	<u>34,555</u>	<u>12,080</u>

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**19. Allowance for losses on loans and financing**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
<b>Group</b>				
Allowance for bad and doubtful debts				
(a) Specific allowance				
- made in the financial period	(7,578)	(5,432)	(17,039)	(10,753)
- written back	10,438	7,037	12,942	14,119
(b) General allowance				
- made in the financial period	(1,173)	-	(1,652)	(2,118)
- written back	137	-	137	-
Bad debts on loans and financing recovered	2,200	669	2,240	8,786
	<u>4,024</u>	<u>2,274</u>	<u>(3,372)</u>	<u>10,034</u>

**Company**

Allowance for bad and doubtful debts				
Specific allowance				
- made in the financial period	(7,816)	(4,888)	(16,786)	(9,627)
- written back	10,075	6,083	12,024	11,212
Bad debts on loans and financing recovered/(written off)	2,250	58	2,250	(937)
	<u>4,509</u>	<u>1,253</u>	<u>(2,512)</u>	<u>648</u>

**20. Impairment writeback/(losses) on securities (net)**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
Securities available-for-sale	(9,321)	(1,583)	(50,516)	(12,284)
Securities held-to-maturity	601	2,268	17,148	21,049
	<u>(8,720)</u>	<u>685</u>	<u>(33,368)</u>	<u>8,765</u>

**21. Segmental information**

Segmental information is presented in respect of the Group's business segments. No geographical segmental information is presented as the Group operates principally in Malaysia.

Inter-segment pricing is determined based on terms mutually agreed between the respective companies.

	Segment Revenue		Segment Revenue	
	Individual Quarter Ended	Cumulative Quarter Ended	Individual Quarter Ended	Cumulative Quarter Ended
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
Investment banking	49,095	71,375	169,755	237,867
Asset management	1,512	2,214	2,454	4,732
Development finance	12,833	12,188	37,735	45,065
Others	284	602	3,256	4,790
Investment holding	496	124	49,325	1,034
	<u>64,220</u>	<u>86,503</u>	<u>262,525</u>	<u>293,488</u>
Inter-segment elimination	258	(308)	(2,248)	(892)
	<u>64,478</u>	<u>86,195</u>	<u>260,277</u>	<u>292,596</u>
Discontinued operations	21,432	26,606	57,478	73,807
	<u>85,910</u>	<u>112,801</u>	<u>317,755</u>	<u>366,403</u>

**21. Segmental information (cont'd)**

	Segment Results		Segment Results	
	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
	RM'000	RM'000	RM'000	RM'000
Investment banking	13,167	18,856	39,362	84,552
Asset management	(515)	180	(1,831)	708
Development finance	10,981	8,724	21,601	29,712
Others	(325)	17,562	(779)	36,290
Investment holding	472	(779)	59,542	16,098
Consolidation adjustments	(1,802)	(2,276)	(6,260)	(3,434)
	<u>21,978</u>	<u>42,267</u>	<u>111,635</u>	<u>163,926</u>
Share of profit of associated companies	390	361	1,104	1,388
	<u>22,368</u>	<u>42,628</u>	<u>112,739</u>	<u>165,314</u>
Discontinued operations	8,104	7,732	19,489	27,715
	<u>30,472</u>	<u>50,360</u>	<u>132,228</u>	<u>193,029</u>

**22. Capital commitments**

	As at 30.9.2009 RM'000	As at 30.9.2008 RM'000
Authorised and contracted for	-	6,489
Authorised but not contracted for	13,979	12,687
	<u>13,979</u>	<u>19,176</u>

**23. Contingencies and commitments**

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 year are as follows:

Group	As at 30.9.2009			As at 31.12.2008		
	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
Guarantee facilities	22,143	22,143	22,143	34,803	34,803	34,803
Obligations under on-going underwriting agreement	314,138	157,069	62,604	425,929	212,965	63,308
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year #	341,420	68,284	61,731	530,145	106,029	89,139
- Maturity exceeding one year	30	15	7	34	17	7
Direct credit substitutes	133	133	133	133	133	133
Total	<u>677,864</u>	<u>247,644</u>	<u>146,618</u>	<u>991,044</u>	<u>353,947</u>	<u>187,390</u>
Company						
Guarantee facilities	22,143	22,143	22,143	34,803	34,803	34,803
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year #	249,616	49,923	49,923	324,705	64,941	64,941
Total	<u>271,759</u>	<u>72,066</u>	<u>72,066</u>	<u>359,508</u>	<u>99,744</u>	<u>99,744</u>

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

# Included in the irrevocable commitments to extend credit for maturity not exceeding one year for the Group and the Company is an amount of RM249,616,000 (2008: RM304,907,000) undisbursed loan commitments in respect of Government Scheme Funds.

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**24. Interest rate risk**

Group	Non trading book					Non- interest sensitive RM'000	Trading book RM'000	Effective interest	
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 to 5 years RM'000	> 5 years RM'000			Total RM'000	rate %
30.9.2009									
<b>Assets</b>									
Loans, advances and financing									
- performing	27,786	72,119	11,607	235,641	183,532	(18,618) *	-	512,067	7.24
- non-performing	-	-	-	-	-	124,311	-	124,311	-
Securities held-for-trading	-	-	-	-	-	-	806,082	806,082	-
Securities available-for-sale	523,352	275,726	204,126	730,325	200,637	264,664	-	2,198,830	4.77
Securities held-to-maturity	-	100,000	19,786	8,453	-	1,333	-	129,572	2.16
Deposits and placements with banks and other financial institutions	-	119,000	149,905	-	-	-	-	268,905	2.17
Cash and short term funds	1,338,242	-	-	-	-	125,079	-	1,463,321	2.09
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	19,571	-	19,571	-
Other non-interest sensitive balances	-	-	-	-	-	880,052	-	880,052	-
<b>Total assets</b>	<b>1,889,380</b>	<b>566,845</b>	<b>385,424</b>	<b>974,419</b>	<b>384,169</b>	<b>1,396,392</b>	<b>806,082</b>	<b>6,402,711</b>	
<b>Liabilities</b>									
Borrowings									
Government Scheme Funds	9,856	4,746	43,912	170,928	176,064	-	-	405,506	2.41
Deposits from customers	-	-	-	-	-	428,677	-	428,677	-
Deposits and placements of banks and financial institutions	1,210,393	185,852	156,343	-	-	2	-	1,552,590	1.96
Other non-interest sensitive balances	1,308,402	71,545	123,015	-	-	-	-	1,502,962	1.95
<b>Total liabilities</b>	<b>2,528,651</b>	<b>262,143</b>	<b>323,270</b>	<b>170,928</b>	<b>176,064</b>	<b>676,855</b>	<b>-</b>	<b>4,137,911</b>	
Shareholders' funds	-	-	-	-	-	2,238,041	-	2,238,041	
Minority interests	-	-	-	-	-	26,759	-	26,759	
	<b>2,528,651</b>	<b>262,143</b>	<b>323,270</b>	<b>170,928</b>	<b>176,064</b>	<b>2,941,655</b>	<b>-</b>	<b>6,402,711</b>	
On-balance sheet interest sensitivity gap	(639,271)	304,702	62,154	803,491	208,105	(1,545,263)	806,082		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	(19,688)	-	-	-	-	-		
<b>Total interest sensitivity gap</b>	<b>(639,271)</b>	<b>285,014</b>	<b>62,154</b>	<b>803,491</b>	<b>208,105</b>	<b>(1,545,263)</b>	<b>806,082</b>		

\* General allowance for bad and doubtful debts and financing

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**24. Interest rate risk (cont'd)**

Group	Non trading book					Non- interest sensitive RM'000	Trading book RM'000	Effective interest	
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 to 5 years RM'000	> 5 years RM'000			Total RM'000	rate %
<b>31.12.2008</b>									
<b>Assets</b>									
Loans, advances and financing									
- performing	72,211	36,529	16,713	282,273	210,907	(24,905) *	-	593,728	7.35
- non-performing	-	-	-	-	-	94,930	-	94,930	-
Securities held-for-trading	-	-	-	-	-	-	275,659	275,659	-
Securities available-for-sale	292,749	651,773	756,989	1,195,027	224,602	129,222	-	3,250,362	5.36
Securities held-to-maturity	-	-	3,931	27,580	-	11,893	-	43,404	3.08
Deposits and placements with banks and other financial institutions	2,580	525,236	2,905	-	-	4,853	-	535,574	3.32
Cash and short term funds	1,770,655	-	-	-	-	13,538	-	1,784,193	3.16
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	96,871	-	96,871	-
Other non-interest sensitive balances	-	-	-	-	-	883,926	-	883,926	-
<b>Total assets</b>	<b>2,138,195</b>	<b>1,213,538</b>	<b>780,538</b>	<b>1,504,880</b>	<b>435,509</b>	<b>1,210,328</b>	<b>275,659</b>	<b>7,558,647</b>	
<b>Liabilities</b>									
Borrowings	3,232	4,938	45,931	194,199	208,649	-	-	456,949	2.40
Government Scheme Funds	-	-	-	-	-	256,303	-	256,303	-
Deposits from customers	2,025,066	401,664	24,174	-	-	-	-	2,450,904	3.24
Deposits and placements of banks and financial institutions	1,889,051	107,396	25,337	-	-	-	-	2,021,784	3.20
Other non-interest sensitive balances	-	-	-	-	-	217,572	-	217,572	-
<b>Total liabilities</b>	<b>3,917,349</b>	<b>513,998</b>	<b>95,442</b>	<b>194,199</b>	<b>208,649</b>	<b>473,875</b>	<b>-</b>	<b>5,403,512</b>	
Shareholders' funds	-	-	-	-	-	2,128,992	-	2,128,992	
Minority interests	-	-	-	-	-	26,143	-	26,143	
	<b>3,917,349</b>	<b>513,998</b>	<b>95,442</b>	<b>194,199</b>	<b>208,649</b>	<b>2,629,010</b>	<b>-</b>	<b>7,558,647</b>	
On-balance sheet interest sensitivity gap	(1,779,154)	699,540	685,096	1,310,681	226,860	(1,418,682)	275,659		
Off-balance sheet interest sensitivity gap (interest rate swaps)	-	(25,313)	-	-	-	-	-		
<b>Total interest sensitivity gap</b>	<b>(1,779,154)</b>	<b>674,227</b>	<b>685,096</b>	<b>1,310,681</b>	<b>226,860</b>	<b>(1,418,682)</b>	<b>275,659</b>		

\* General allowance for bad and doubtful debts and financing

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**24. Interest rate risk (cont'd)**

Company	Non trading book					Non-interest sensitive RM'000	Trading book RM'000	Effective interest	
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 to 5 years RM'000	> 5 years RM'000			Total RM'000	rate %
30.9.2009									
<b>Assets</b>									
Loans, advances and financing									
- performing	159	1,271	9,535	168,460	140,101	(13,804) *	-	305,722	4.94
- non-performing	-	-	-	-	-	114,294	-	114,294	-
Deposits and placements with banks and other financial institutions									
	-	142,021	-	-	-	-	-	142,021	2.17
Cash and short term funds									
	856,868	-	-	-	-	103,431	-	960,299	2.08
Securities held-for-trading									
	-	-	-	-	-	-	8,410	8,410	-
Securities available-for-sale									
	-	-	2,786	42,958	-	2,513	-	48,257	3.68
Other non-interest sensitive balances									
	-	-	-	-	-	1,263,505	-	1,263,505	-
<b>Total assets</b>	<b>857,027</b>	<b>143,292</b>	<b>12,321</b>	<b>211,418</b>	<b>140,101</b>	<b>1,469,939</b>	<b>8,410</b>	<b>2,842,508</b>	
<b>Liabilities</b>									
Borrowings									
Government Scheme Funds	1,856	4,746	43,912	170,928	176,064	-	-	397,506	2.39
Other non-interest sensitive balances	-	-	-	-	-	428,677	-	428,677	-
	-	-	-	-	-	50,994	-	50,994	-
<b>Total liabilities</b>	<b>1,856</b>	<b>4,746</b>	<b>43,912</b>	<b>170,928</b>	<b>176,064</b>	<b>479,671</b>	<b>-</b>	<b>877,177</b>	
Shareholders' funds									
	-	-	-	-	-	1,965,331	-	1,965,331	
	<b>1,856</b>	<b>4,746</b>	<b>43,912</b>	<b>170,928</b>	<b>176,064</b>	<b>2,445,002</b>	<b>-</b>	<b>2,842,508</b>	
On-balance sheet interest sensitivity gap									
	855,171	138,546	(31,591)	40,490	(35,963)	(975,063)	8,410		
Off-balance sheet interest sensitivity gap (interest rate swaps)									
	-	-	-	-	-	-	-		
<b>Total interest sensitivity gap</b>	<b>855,171</b>	<b>138,546</b>	<b>(31,591)</b>	<b>40,490</b>	<b>(35,963)</b>	<b>(975,063)</b>	<b>8,410</b>		

\* General allowance for bad and doubtful debts and financing

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**24. Interest rate risk (cont'd)**

Company	Non trading book					Non-interest sensitive RM'000	Trading book RM'000	Effective interest	
	Up to 1 month RM'000	> 1 - 3 months RM'000	> 3 - 12 months RM'000	1 to 5 years RM'000	> 5 years RM'000			Total RM'000	rate %
31.12.2008									
<b>Assets</b>									
Loans, advances and financing									
- performing	246	1,947	14,038	250,525	206,437	(21,606) *	-	451,587	6.95
- non-performing	-	-	-	-	-	84,913	-	84,913	-
Deposits and placements with banks and other financial institutions									
	-	40,000	-	-	-	-	-	40,000	3.44
Cash and short term funds									
	612,111	-	-	-	-	9,028	-	621,139	3.25
Securities held-for-trading									
	-	-	-	-	-	-	8,365	8,365	-
Securities available-for-sale									
	-	-	3,631	46,022	-	6,280	-	55,933	2.12
Other non-interest sensitive balances									
	-	-	-	-	-	1,325,314	-	1,325,314	-
<b>Total assets</b>	<b>612,357</b>	<b>41,947</b>	<b>17,669</b>	<b>296,547</b>	<b>206,437</b>	<b>1,403,929</b>	<b>8,365</b>	<b>2,587,251</b>	
<b>Liabilities</b>									
Borrowings									
Government Scheme Funds	1,932	4,938	45,931	194,199	208,649	-	-	455,649	2.39
Other non-interest sensitive balances	-	-	-	-	-	256,303	-	256,303	-
<b>Total liabilities</b>	<b>1,932</b>	<b>4,938</b>	<b>45,931</b>	<b>194,199</b>	<b>208,649</b>	<b>318,736</b>	<b>-</b>	<b>774,385</b>	
Shareholders' funds									
	-	-	-	-	-	1,812,866	-	1,812,866	
	<b>1,932</b>	<b>4,938</b>	<b>45,931</b>	<b>194,199</b>	<b>208,649</b>	<b>2,131,602</b>	<b>-</b>	<b>2,587,251</b>	
On-balance sheet interest sensitivity gap									
	610,425	37,009	(28,262)	102,348	(2,212)	(727,673)	8,365		
Off-balance sheet interest sensitivity gap (interest rate swaps)									
	-	-	-	-	-	-	-		
<b>Total interest sensitivity gap</b>	<b>610,425</b>	<b>37,009</b>	<b>(28,262)</b>	<b>102,348</b>	<b>(2,212)</b>	<b>(727,673)</b>	<b>8,365</b>		

\* General allowance for bad and doubtful debts and financing

**25. Capital Adequacy**

The capital adequacy ratios in respect of the investment bank subsidiary are as follows:-

	30.9.2009 RM'000	31.12.2008 RM'000
<b>Tier-I capital</b>		
Paid-up share capital	155,000	155,000
Paid-up non-cumulative perpetual preference share	1,500	1,500
Share premium	362,611	362,611
Statutory reserve	112,087	112,087
Retained profit	95,871	95,871
	<u>727,069</u>	<u>727,069</u>
Less: Deferred tax assets	(32,455)	(42,314)
Total Tier-I capital	<u>694,614</u>	<u>684,755</u>
<b>Tier-II capital</b>		
General allowance for bad and doubtful debts	4,103	2,588
Total Tier-II capital	<u>4,103</u>	<u>2,588</u>
<b>Capital base</b>	<u>698,717</u>	<u>687,343</u>
Core capital ratio	40.31%	47.84%
Risk-weighted capital ratio	40.54%	48.02%

Breakdown of gross risk-weighted assets of the investment bank subsidiary in the various categories of risk-weights are as follows:

	30.9.2009		31.12.2008	
	Notional amount RM'000	Risk- weighted amount RM'000	Notional amount RM'000	Risk- weighted amount RM'000
0%	395,880	-	1,876,438	-
20%	1,856,533	371,307	2,363,128	472,626
35%	990	346	1,239	434
50%	583,268	291,634	915,141	457,569
75%	334	250	373	280
100%	370,880	370,880	217,853	217,853
150%	303,100	454,650	29,099	43,649
Total Risk	<u>3,510,985</u>	<u>1,489,067</u>	<u>5,403,271</u>	<u>1,192,411</u>
Risk Weighted Assets Equivalent for Market Risk	-	19,706	-	15,865
Risk Weighted Assets Equivalent for Operational Risk	-	214,608	-	223,034
	<u>3,510,985</u>	<u>1,723,381</u>	<u>5,403,271</u>	<u>1,431,310</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

26. **Operations of Islamic Banking**

26a. **Unaudited Balance Sheets as at 30 September 2009**

	Note	Group		Company	
		30.9.2009 RM'000	31.12.2008 RM'000	30.9.2009 RM'000	31.12.2008 RM'000
<b>ASSETS</b>					
Cash and short-term funds		38,033	94,326	37,899	8,672
Securities held-for-trading	26c	5,001	-	-	-
Securities available-for-sale	26d	699,959	869,715	-	-
Securities held-to-maturity	26e	19,786	19,258	-	-
Loans, advances and financing	26f	63,810	94,115	63,810	94,115
Other assets		3,257	2,616	223	-
Deferred tax asset		922	922	922	922
<b>TOTAL ASSETS</b>		<b>830,768</b>	<b>1,080,952</b>	<b>102,854</b>	<b>103,709</b>
<b>LIABILITIES</b>					
Deposits from customers	26g	198,573	403,495	-	-
Deposits and placement of banks and other financial institutions		404,509	462,646	-	-
Borrowings (unsecured)	13	27,005	36,286	27,005	36,286
Government Scheme Funds	26h(a)	15,155	8,645	15,155	8,645
Other liabilities		37,138	15,316	30,155	10,059
Taxation		6,061	6,061	6,061	6,061
Deferred tax liabilities		728	274	-	-
Amount due to Head Office		274	204	-	-
		<b>689,443</b>	<b>932,927</b>	<b>78,376</b>	<b>61,051</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>					
Funds allocated from Head Office		94,890	114,625	14,890	34,625
Reserves		46,435	33,400	9,588	8,033
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>141,325</b>	<b>148,025</b>	<b>24,478</b>	<b>42,658</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>830,768</b>	<b>1,080,952</b>	<b>102,854</b>	<b>103,709</b>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

26. **Operations of Islamic Banking (cont'd)**

26b. **Unaudited Income Statement for the period ended 30 September 2009**

<u>Group</u>	Individual Quarter Ended		Cumulative Quarter Ended	
	30.9.2009 RM'000	30.9.2008 RM'000	30.9.2009 RM'000	30.9.2008 RM'000
Income derived from investment of depositors funds and others	9,465	12,869	33,790	44,507
Income derived from Government Scheme Funds	1,854	1,690	5,430	3,744
Transfer from/(to) profit equalisation reserve (PER)	971	145	(2,901)	4,965
Total attributable income	12,290	14,704	36,319	53,216
Income attributable to depositors	(3,815)	(8,133)	(12,751)	(28,675)
Net income attributable to the reporting institutions	8,475	6,571	23,568	24,541
Other operating expenses	(360)	(335)	(1,455)	(1,763)
Operating profit	8,115	6,236	22,113	22,778
Allowance for impairment losses on securities	-	(650)	-	(5,605)
Allowance for losses on loans, advances and financing	(375)	(831)	(7,447)	(4,466)
Finance costs	(106)	(222)	(350)	(708)
Profit before taxation and zakat	7,634	4,533	14,316	11,999
Tax expenses	-	(1,090)	-	(1,758)
Zakat	(124)	(148)	(319)	(317)
Profit after taxation and zakat	7,510	3,295	13,997	9,924
 <u>Company</u>				
Income derived from investment of depositors funds and others	1,301	1,502	3,951	5,963
Income derived from Government Scheme Funds	1,854	1,690	5,430	3,744
	3,155	3,192	9,381	9,707
Income attributable to the reporting institution	3,155	3,192	9,381	9,707
Other operating expenses	(19)	(4)	(30)	(6)
Operating profit	3,136	3,188	9,351	9,701
Allowance for losses on loans, advances and financing	(375)	(831)	(7,447)	(4,466)
Finance costs	(106)	(222)	(350)	(708)
Profit before taxation	2,655	2,135	1,554	4,527
Tax expenses	-	(1,090)	-	(1,758)
Zakat	-	(74)	-	(119)
Profit after taxation and zakat	2,655	971	1,554	2,650

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

26. **Operations of Islamic Banking (cont'd)**

26c. **Securities held-for-trading**

	Group	
	30.9.2009	31.12.2008
	RM'000	RM'000
At fair value		
Quoted:		
Government Investment Issues	5,001	-

26d. **Securities available-for-sale**

	Group	
	30.9.2009	31.12.2008
	RM'000	RM'000
At fair value, or amortised cost less impairment losses for certain unquoted equity instruments		
Quoted:		
Government Investment Issue	119,887	158,490
Unquoted:		
Islamic Acceptances Bills	6,128	107,509
Khazanah Nasional Berhad bonds	14,908	126,915
Islamic Negotiable Certificate of Deposits	199,847	59,590
Cagamas Mudharabah Bonds	-	20,014
Islamic Private Debt Securities	359,189	397,197
	<u>580,072</u>	<u>711,225</u>
	<u>699,959</u>	<u>869,715</u>

26e. **Securities held-to-maturity**

	Group	
	30.9.2009	31.12.2008
	RM'000	RM'000
At amortised cost		
Unquoted:		
Khazanah Nasional Berhad bonds	19,786	19,258
Islamic Private Debt Securities	4,998	4,998
	<u>24,784</u>	<u>24,256</u>
Less: Accumulated impairment losses	<u>(4,998)</u>	<u>(4,998)</u>
	<u>19,786</u>	<u>19,258</u>

26f. **Loans, advances and financing**

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Term loan		
- Term financing	39,483	53,179
- Islamic hire purchase/leasing	57,425	72,185
	<u>96,908</u>	<u>125,364</u>
Less: Unearned income	<u>(8,060)</u>	<u>(11,695)</u>
	<u>88,848</u>	<u>113,669</u>
Less: Allowance for bad and doubtful debts and financing		
- General	(2,600)	(3,314)
- Specific	(22,438)	(16,240)
Total net loans, advances and financing	<u>63,810</u>	<u>94,115</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

26. **Operations of Islamic Banking (cont'd)**

26f. **Loans, advances and financing (cont'd)**

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
(i) By contract		
Bai Bithaman Ajil (deferred payment sales)	35,017	43,887
Murabahah Working Capital (cost plus)	203	3,646
Al-Ijarah Thumma Al-Bai (finance lease)	51,748	62,714
Al-Ijarah (operating lease)	1,880	3,422
	<u>88,848</u>	<u>113,669</u>

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
(ii) By type of customer		
Domestic business enterprises	88,848	113,669

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
(iii) By profit rate sensitivity		
Fixed rate		
Hire purchase receivables	53,628	66,137
Other fixed rate loan/financing	35,220	47,532
	<u>88,848</u>	<u>113,669</u>

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
(iv) By economic sector		
Mining and quarrying	1,158	1,869
Manufacturing	66,345	86,525
Construction	1,382	1,205
Wholesale & retail trade and restaurants & hotels	2,881	3,840
Transport, storage and communication	14,632	17,878
Finance, insurance and business services	-	24
Others	2,450	2,328
	<u>88,848</u>	<u>113,669</u>

Movements in non-performing loans, advances and financing

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
At beginning of period/year	17,418	15,534
Non-performing during the period/year	24,963	7,266
Reclassified as performing	(537)	(4,094)
Amount recovered	(2,968)	(1,288)
Amount written off	(1,963)	-
At end of period/year	36,913	17,418
Less: Specific allowance	(21,601)	(15,584)
Net non-performing loans, advances and financing	<u>15,312</u>	<u>1,834</u>
Net NPL as % of gross loans, advances and financing less specific allowances	<u>23.06%</u>	<u>1.88%</u>
Performing loans with specific allowance provided		
Performing loans	1,926	953
Less: Specific allowance	(837)	(656)
Net	<u>1,089</u>	<u>297</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

26. **Operations of Islamic Banking (cont'd)**

26f. **Loans, advances and financing (cont'd)**

Movements in allowance for bad and doubtful debts and financing

	Group and Company	
	30.9.2009 RM'000	31.12.2008 RM'000
<b>General allowance</b>		
At beginning of period/year	3,314	3,200
Allowance made during the year	1,554	6,900
Amount transferred to specific allowance	(2,268)	(6,786)
At end of period/year	<u>2,600</u>	<u>3,314</u>
As % of gross loans, advances and financing less specific allowance	<u>3.92%</u>	<u>3.40%</u>

**Specific allowance**

At beginning of period/year	16,240	11,232
Allowance made during the period/year	6,806	1,304
Allowance written back in respect of recoveries	(913)	(3,164)
Amount transferred from general allowance	2,268	6,786
Amount written off	(1,963)	-
Reclassified to Government Scheme Funds	-	82
At end of period/year	<u>22,438</u>	<u>16,240</u>

Non-Performing Loan by economic sector

	Group and Company	
	30.9.2009 RM'000	31.12.2008 RM'000
Manufacturing	27,484	7,213
Wholesale & retail trade and restaurants & hotels	534	301
Transport, storage and communication	8,296	9,249
Others	599	655
	<u>36,913</u>	<u>17,418</u>

26g. **Deposits from customers**

(i) By type of deposit

	Group	
	30.9.2009 RM'000	31.12.2008 RM'000
Mudharabah Fund		
- Fixed/investment deposits	6,328	389,249
- Others	192,245	14,246
	<u>198,573</u>	<u>403,495</u>

(ii) By type of customer

	Group	
	30.9.2009 RM'000	31.12.2008 RM'000
Business enterprises	<u>198,573</u>	<u>403,495</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

26. **Operations of Islamic Banking (cont'd)**

26h. **Government Scheme Funds**

(a) Government Scheme Funds

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Soft loan from SME*:		
At beginning of period/year	170,854	58,407
Add : Funds received during the year	<u>38,130</u>	<u>112,447</u>
	208,984	170,854
Less : Non-Performing loans pending approval		
At beginning of period/year	(4,682)	(1,341)
Addition	<u>(2,130)</u>	<u>(3,341)</u>
At end of period/year	<u>(6,812)</u>	<u>(4,682)</u>
Gross Available funds at end of period/year	202,172	166,172
Less: Net loan disbursed under Government Scheme Funds (Note 26h (b))	<u>(187,017)</u>	<u>(157,527)</u>
Net Government Scheme Funds available	<u>15,155</u>	<u>8,645</u>

Advances are made to the Group and Company by Small Medium Industries Development Economic Corporation ("SMIDEC") under the soft loan for financing to eligible Small and Medium Scale Enterprises ("SME's"). The advances are profit free with no fixed repayment terms.

(b) Loans, advances and financing under Government Scheme Funds

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Term loan		
- Term financing	114,284	101,953
- Islamic hire purchase/leasing	<u>100,310</u>	<u>80,037</u>
	214,594	181,990
Less: Unearned income	<u>(20,765)</u>	<u>(19,781)</u>
	193,829	162,209
Less: Allowance for bad and doubtful debts and financing loss		
- Specific	<u>(6,812)</u>	<u>(4,682)</u>
Total net loans, advances and financing	<u>187,017</u>	<u>157,527</u>

(i) By contract

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Bai Bithaman Ajil (deferred payment sales)	100,091	88,015
Murabahah Working Capital (cost plus)	798	1,522
Al-Ijarah Thumma Al-Bai (finance lease)	<u>92,940</u>	<u>72,672</u>
	<u>193,829</u>	<u>162,209</u>

(ii) By type of customer

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Domestic business enterprises	<u>193,829</u>	<u>162,209</u>

(iii) By profit rate sensitivity

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Fixed rate		
Hire purchase receivables	92,940	73,101
Other fixed rate loan/financing	<u>100,889</u>	<u>89,108</u>
	<u>193,829</u>	<u>162,209</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**

26. **Operations of Islamic Banking (cont'd)**

26g. **Government Scheme Funds (cont'd)**

(iv) By economic sector

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Manufacturing	177,374	148,541
Construction	3,541	3,773
Wholesale & retail trade and restaurants & hotels	8,603	5,759
Transport, storage and communication	1,473	1,600
Finance, insurance and business services	708	466
Mining and quarrying	236	-
Others	1,894	2,070
	<u>193,829</u>	<u>162,209</u>

(v) Movements in non-performing loans, advances and financing

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
At 1 January	5,201	1,395
Non-performing during the year	6,058	4,545
Reclassified as performing	-	(492)
Amount recovered	(813)	(247)
Amount written off	(432)	-
At 31 December	<u>10,014</u>	<u>5,201</u>
Less: Specific allowance	<u>(6,812)</u>	<u>(4,364)</u>
Net non-performing loans, advances and financing	<u>3,202</u>	<u>837</u>
Net NPL as % of gross loans, advances and financing less specific allowances	<u>1.71%</u>	<u>0.53%</u>
Performing loans with specific allowance provided		
Gross loan	-	408
Less: Specific allowance	-	(318)
Net	<u>-</u>	<u>90</u>

(vi) Movements in allowance for bad and doubtful debts

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
<b>Specific allowance</b>		
At 1 January	4,682	1,341
Allowance made during the year	2,562	4,248
Amount write back in respect of recoveries	-	(907)
Amount written off	(432)	-
At 31 December	<u>6,812</u>	<u>4,682</u>

(vii) Non-Performing Loan by economic sector

	Group and Company	
	30.9.2009	31.12.2008
	RM'000	RM'000
Manufacturing	8,952	4,728
Wholesale & retail trade and restaurants & hotels	589	-
Others	473	473
	<u>10,014</u>	<u>5,201</u>

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
CONDENSED INTERIM FINANCIAL STATEMENTS**

I, Foo Wei Hoong, the officer primarily responsible for the financial management of Malaysian Industrial Development Finance Berhad, do hereby state that, the unaudited interim financial statements for the nine months ended 30th September 2009, as set out on pages 1 to 33, 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 30th September 2009. The results and cash flows of the Group and the Company for the period ended on that date are in accordance with the applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board as modified by Bank Negara Malaysia Guidelines and the provisions of the Companies Act, 1965.

**FOO WEI HOONG**  
CHIEF FINANCIAL OFFICER

**30 October 2009**