

CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	Group		Company	
		31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
<b>ASSETS</b>					
Cash and short-term funds	10	842,553	591,733	646,149	529,900
Deposits and placements with licensed banks and other financial institutions	11	231,206	164,450	224,076	157,920
Securities held-for-trading	12	189,699	259,065	184,764	259,065
Securities available-for-sale	13	3,729,146	3,548,516	1,655	1,655
Derivative assets	14	423	528	-	-
Loans, advances and financing	15	873,028	980,908	156,938	249,793
Other assets	16	216,219	129,447	15,317	19,198
Statutory deposits with Bank Negara Malaysia		113,061	114,645	-	-
Investment in associate		3,542	3,182	2,560	2,560
Investment in subsidiaries		-	-	600,757	600,954
Investment properties		2,872	2,894	-	-
Property, plant and equipment		7,253	3,864	4,939	2,236
Intangible assets		3,208	2,935	-	-
Deferred tax assets		17,098	19,038	4,720	4,259
Goodwill		86,713	86,713	-	-
<b>TOTAL ASSETS</b>		<b>6,316,021</b>	<b>5,907,918</b>	<b>1,841,875</b>	<b>1,827,540</b>
<b>LIABILITIES</b>					
Deposits from customers	17	2,203,068	1,987,757	-	-
Deposits and placements of banks and other financial institutions	18	1,578,603	1,521,857	-	-
Derivative liabilities		-	-	-	-
Other liabilities		321,350	124,880	140,968	43,270
Borrowings	19	466,972	470,003	318,480	321,972
Provision for taxation and zakat		5,311	2,278	3,456	646
Employee benefits		11,435	11,403	8,259	8,299
<b>TOTAL LIABILITIES</b>		<b>4,586,739</b>	<b>4,118,178</b>	<b>471,163</b>	<b>374,187</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		1,263,001	1,323,460	904,642	987,283
		1,729,071	1,789,530	1,370,712	1,453,353
Non-controlling interests		211	210	-	-
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>1,729,282</b>	<b>1,789,740</b>	<b>1,370,712</b>	<b>1,453,353</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>6,316,021</b>	<b>5,907,918</b>	<b>1,841,875</b>	<b>1,827,540</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	27	<b>276,233</b>	<b>503,187</b>	<b>11,391</b>	<b>13,951</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>3.71</b>	<b>3.84</b>	<b>2.94</b>	<b>3.12</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 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

<b>Group</b>	<b>Note</b>	<b>Individual/Cumulative Quarter 3 Months Ended</b>	
		<b>31 March 2017 RM'000</b>	<b>31 March 2016 RM'000</b>
Operating revenue		<u>82,799</u>	<u>90,110</u>
Interest income	20	34,590	46,235
Interest expense	21	<u>(25,685)</u>	<u>(27,659)</u>
Net interest income		8,905	18,576
Net income from Islamic banking operations	33(b)	20,212	19,237
Non-interest income	22	<u>18,464</u>	<u>17,149</u>
		47,581	54,962
Operating expenses	23	<u>(26,511)</u>	<u>(27,461)</u>
<b>Operating profit</b>		<b>21,070</b>	<b>27,501</b>
Impairment losses written-back on loans, advances and financing	24	5,715	6,560
Impairment loss (made)/written back on securities (net)	25	(1,071)	2,202
Impairment loss (made)/written back on other assets		<u>(432)</u>	<u>28</u>
Profit before share of results in associates		25,282	36,291
Share of results in associates		360	367
<b>Profit before taxation and zakat</b>		<b>25,642</b>	<b>36,658</b>
Taxation		(5,593)	(9,092)
Zakat		<u>(377)</u>	<u>(328)</u>
<b>Profit for the financial period</b>		<b><u>19,672</u></b>	<b><u>27,238</u></b>
Attributable to:			
Shareholder of the Company		19,671	27,238
Non-controlling interests		1	-
<b>Profit for the financial period</b>		<b><u>19,672</u></b>	<b><u>27,238</u></b>
<b>Earnings per share (sen)</b>			
- Basic and diluted		<u>4.22</u>	<u>5.84</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 2016.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

<u>Group</u>	Individual/Cumulative Quarter	
	31 March 2017 RM'000	31 March 2016 RM'000
<b>Profit/(loss) for the financial period</b>	<b>19,672</b>	<b>27,238</b>
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to profit or loss:		
Net realised loss transferred to profit or loss on disposal of securities available-for-sale	(1,083)	(62)
Net unrealised gain on revaluation of securities available-for-sale	11,363	11,871
Total other comprehensive (loss)/gain for the financial period, net of tax	<u>10,280</u>	<u>11,809</u>
Items that not to be reclassified subsequently to profit or loss:		
Re-measurement gain on defined benefit plans	(15)	-
Total comprehensive income for the financial period	<u>29,937</u>	<u>39,047</u>
Total comprehensive income for the financial period attributable to:		
Shareholder of the Company	29,936	39,047
Non-controlling interests	1	-
	<u>29,937</u>	<u>39,047</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 2016.

CONDENSED STATEMENT OF PROFIT & LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

<u>Company</u>	Note	Individual/Cumulative Quarter 3 Months Ended	
		31 March 2017 RM'000	31 March 2016 RM'000
Operating revenue		<u>23,006</u>	<u>25,428</u>
Interest income	20	4,252	6,079
Interest expense	21	<u>(1,085)</u>	<u>(1,191)</u>
Net interest income		3,167	4,888
Net income from Islamic banking operations	33(b)	9,467	8,057
Non-interest income	22	<u>10,806</u>	<u>13,588</u>
		23,440	26,533
Operating expenses	23	<u>(13,689)</u>	<u>(13,713)</u>
<b>Operating profit</b>		<b>9,751</b>	<b>12,820</b>
Impairment losses written-back on loans, advances and financing	24	809	2,609
Impairment loss made on securities	25	<u>(252)</u>	-
Impairment loss made on other assets		<u>(198)</u>	<u>(83)</u>
<b>Profit before taxation and zakat</b>		<b>10,110</b>	<b>15,346</b>
Taxation		<u>(2,592)</u>	<u>(3,816)</u>
Zakat		<u>(159)</u>	<u>(87)</u>
<b>Profit for the financial period</b>		<b><u>7,359</u></b>	<b><u>11,443</u></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 2016.



CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

<u>Company</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000
Profit for the financial period	7,359	11,443
Other comprehensive income:		
Net loss on securities available-for-sale	-	-
Other comprehensive income/(loss) for the financial period, net of tax	-	-
Total comprehensive income for the financial period	7,359	11,443

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 2016.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

	Attributable to shareholder of the Company									
	Share Capital	Share Premium	Securities Available-For-Sale Reserve #	Non-Distributable Profit	Regulatory Reserve ^	Statutory Reserve *	Retained Profits	Total	Non-controlling interests	Total Equity
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2017	466,070	363,861	(42,535)	-	3,932	131,324	866,877	1,789,529	210	1,789,739
Defined benefit plan actuarial gains	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	10,280	-	-	-	(15)	10,265	-	10,265
Profit for the period	-	-	-	-	-	-	19,671	19,671	1	19,672
Total comprehensive income for the period	-	-	10,280	-	-	-	19,656	29,936	1	29,937
Transactions with owner	-	-	-	-	-	-	(90,000)	(90,000)	-	(90,000)
Dividends	-	-	-	-	-	-	-	(394)	-	(394)
Transfer to regulatory reserve	-	-	-	-	3,538	131,324	796,533	1,729,071	211	1,729,282
At 31 March 2017	466,070	363,861	(32,255)	-	3,538	131,324	796,533	1,729,071	211	1,729,282

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

^ Regulatory reserve is maintained by an investment bank subsidiary in compliance with the guidelines issued by BNM 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 and such reserve is not distributable as cash dividends.

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

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2016.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

Group	Attributable to shareholder of the Company										Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Securities Available-For- Sale Reserve # RM'000	Non-Distributable Profit Equalisation Reserve RM'000	Regulatory Reserve ^ RM'000	Statutory Reserve * RM'000	Retained Profits RM'000	Total RM'000	Non- controlling interests RM'000	Total Equity RM'000	
At 1 January 2016	466,070	363,861	(25,643)	-	1,458	131,324	857,125	1,794,195	208	1,794,403	
Other comprehensive income for the period	-	-	11,809	-	-	-	-	11,809	-	11,809	
Profit for the period	-	-	-	-	-	-	27,236	27,236	2	27,238	
Total comprehensive income for the period	-	-	11,809	-	-	-	27,236	39,045	2	39,047	
Transfer to regulatory reserve	-	-	-	-	2,417	-	(2,417)	-	-	-	
<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>210</b>	<b>1,833,450</b>	

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

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**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017**

<u>Company</u>	Attributable to shareholder of the Company			
	---- Non- Distributable ----		Distributable	
	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2017	466,070	363,861	623,422	1,453,353
Profit for the financial period	-	-	7,359	7,359
Comprehensive income for the financial period	-	-	7,359	7,359
<b>Transaction with owner</b>				
Dividends	-	-	(90,000)	(90,000)
<b>At 31 March 2017</b>	<b>466,070</b>	<b>363,861</b>	<b>540,781</b>	<b>1,370,712</b>

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

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



CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

	Group		Company	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
<b>Profit before taxation and zakat:</b>	<b>25,642</b>	<b>36,658</b>	<b>10,110</b>	15,346
Adjustments	(7,817)	(6,715)	(92)	(8,580)
Operating profit before changes in working capital	<b>17,825</b>	29,943	<b>10,018</b>	6,766
Changes in working capital:				
Net changes in operating assets	(66,496)	(131,085)	171,737	72,285
Net changes in operating liabilities	378,117	247,335	9,863	(15,563)
Tax expense paid	(4,243)	(7,647)	(2,566)	(2,727)
Retirement benefits paid	(465)	(465)	(244)	(465)
<b>Net cash generated from operating activities</b>	<b>324,738</b>	138,081	<b>188,808</b>	60,296
<b>Net cash used in generated from investing activities</b>	<b>(4,131)</b>	(62)	<b>(2,911)</b>	(68)
<b>Net cash generated used in generated financing activities</b>	<b>(3,031)</b>	(33,305)	<b>(3,492)</b>	(3,564)
Net increase / (decrease) in cash and cash equivalents	<b>317,576</b>	104,714	<b>182,405</b>	56,664
Cash and cash equivalents at beginning of the financial period	756,183	742,704	687,820	674,444
<b>Cash and cash equivalents at end of the financial period</b>	<b>1,073,759</b>	<b>847,418</b>	<b>870,225</b>	<b>731,108</b>

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

	Group		Company	
	31 March 2017 RM'000	31 March 2016 RM'000	31 March 2017 RM'000	31 March 2016 RM'000
Cash and short-term funds	<b>817,553</b>	663,380	<b>621,149</b>	553,080
Deposits and placements with banks and other financial institutions	<b>256,206</b>	184,038	<b>249,076</b>	178,028
	<b>1,073,759</b>	<b>847,418</b>	<b>870,225</b>	<b>731,108</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 2016.

**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, 2016 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 2016.

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 2016.

**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 December 2016.

**2.1 Adoption of Amendments and Annual Improvements to 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 2017.

- Amendments to MFRS 12 (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 107 Statement of Cash Flows - *Disclosure Initiative*
- Amendments to MFRS 112 Income Taxes - *Recognition of Deferred Tax Assets for Unrealised Losses*

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 financial statements, the following Standards and Amendments to 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
Amendments to MFRS 1 and MFRS 128 (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
MFRS 2 Share-based Payment - <i>Classification and Measurement of Share-Based Payment Transactions</i>	1 January 2018
MFRS 9 <i>Financial Instruments</i>	1 January 2018
Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts ( <i>Amendments to MFRS 4</i> )	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 140 - Transfer of Investment Property	1 January 2018
IC Int. 22 - <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
MFRS 16 <i>Leases</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

**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 2017.

**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 2017

**6. Debt and equity securities**

There were no changes in equity securities during the quarter ended 31 March 2017

**7. Dividend paid/payable**

A single tier interim dividend in respect of the financial year ended 31 December 2016 of 19.3104 sen on 466,069,913 Ordinary Share, amounting to a dividend payable of RM90,000,000 has been approved by the Board of Directors on 28 February 2017. On 31 March 2017, Bank Negara Malaysia ("BNM") approved this dividend.

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

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2016 was not qualified.

**9. Performance review**

The Group registered a pre-tax profit of RM25.6million for the period ended 31 March 2017, a decrease of 30.8% as compared to the previous corresponding period's pre-tax profit of RM37.0million. The lower pre-tax profit is attributable to lower interest income/profit income earned on loans and financing, and lower write-backs on recovery of loans and securities during the financial period.

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

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Cash and bank balances	68,206	40,255	12,925	3,724
Deposits and placements maturing within one month	774,347	551,478	633,224	526,176
	<u>842,553</u>	<u>591,733</u>	<u>646,149</u>	<u>529,900</u>

As at reporting date, the dealer's representatives' and clients' monies held in trust by the Group amounted to RM4,052,000 and RM3,078,000 (2016: RM1,183,000 and RM959,000) 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 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Deposits with licensed banks	222,206	155,450	215,076	148,920
Deposits with other financial institutions	9,000	9,000	9,000	9,000
	<u>231,206</u>	<u>164,450</u>	<u>224,076</u>	<u>157,920</u>

**12. Securities held-for-trading**

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
<b>At fair value</b>				
Unquoted securities in Malaysia:				
Corporate Bond and/or Sukuk	14,909	29,984	9,974	29,984
Islamic Commercial Papers	154,646	208,745	154,646	208,745
Shares	-	253	-	253
	<u>169,555</u>	<u>238,982</u>	<u>164,620</u>	<u>238,982</u>
Unit Trust	20,144	20,083	20,144	20,083
	<u>189,699</u>	<u>259,065</u>	<u>184,764</u>	<u>259,065</u>

**13. Securities available-for-sale**

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
<b>At fair value</b>				
Money market instruments:				
Malaysian Government Securities	473,474	471,465	-	-
Government Investment Issue	512,641	507,028	-	-
Negotiable Instruments of Deposit	297,517	248,925	-	-
	<u>1,283,632</u>	<u>1,227,418</u>	<u>-</u>	<u>-</u>
Quoted securities in Malaysia:				
Shares and Warrants	20,107	21,218	-	-
	<u>20,107</u>	<u>21,218</u>	<u>-</u>	<u>-</u>
Unquoted securities in Malaysia:				
Corporate Bond/Sukuk	2,413,325	2,288,050	7	7
Loan Stocks	6,527	6,275	1,348	1,348
	<u>2,419,852</u>	<u>2,294,325</u>	<u>1,355</u>	<u>1,355</u>
<b>At cost</b>				
Unquoted securities in Malaysia:				
Shares	5,555	5,555	300	300
	<u>5,555</u>	<u>5,555</u>	<u>300</u>	<u>300</u>
	<u>3,729,146</u>	<u>3,548,516</u>	<u>1,655</u>	<u>1,655</u>

**14. Derivative assets**

Group	Contract or underlying principal amount RM'000	Derivative assets RM'000
<b>31 March 2017</b>		
Interest rate related derivatives:		
- Interest rate swaps	320,000	423
	<u>320,000</u>	<u>423</u>
<b>31 December 2016</b>		
Interest rate related derivatives:		
- Interest rate swaps	320,000	528
	<u>320,000</u>	<u>528</u>

**15. Loans, advances and financing**

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Term loans				
Syndicated term loans/financing	275,673	282,629	-	-
Hire purchase receivables	10,252	10,275	1,378	1,383
Real estate financing	94,041	96,047	-	-
Murabahah financing	164,312	230,352	-	-
Lease receivables	1,568	1,568	-	-
Other term loans/financing	230,341	239,860	211,572	303,927
	<u>776,187</u>	<u>860,731</u>	<u>212,950</u>	<u>305,310</u>
Margin accounts	237,060	261,148	-	-
Staff loans	1,835	2,003	1,185	1,333
	<u>1,015,082</u>	<u>1,123,882</u>	<u>214,135</u>	<u>306,643</u>
Less: Unearned interest / income	(10,005)	(9,189)	(10,005)	(9,189)
Gross loans, advances and financing	<u>1,005,077</u>	<u>1,114,693</u>	<u>204,130</u>	<u>297,454</u>
Less: Impairment allowance				
- Collective impairment allowance	(8,021)	(7,601)	(4,816)	(4,755)
- Individual impairment allowance	(124,028)	(126,184)	(42,376)	(42,906)
Total net loans, advances and financing	<u>873,028</u>	<u>980,908</u>	<u>156,938</u>	<u>249,793</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**

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Domestic business enterprises				
- Small medium enterprises	520,970	504,177	155,696	249,506
- Others	241,291	244,468	47,250	46,615
Individuals	242,816	366,048	1,184	1,333
Gross loans, advances and financing	<u>1,005,077</u>	<u>1,114,693</u>	<u>204,130</u>	<u>297,454</u>

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

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Fixed rate				
- Staff loans	1,835	2,003	1,185	1,333
- Hire purchase receivables	10,252	10,275	1,378	1,383
- Other fixed rate loan/financing	398,101	508,958	93,732	91,967
Variable rate				
- BLR plus	26,509	27,260	26,509	27,260
- Cost plus	568,380	566,197	81,326	175,511
Gross loans, advances and financing	<u>1,005,077</u>	<u>1,114,693</u>	<u>204,130</u>	<u>297,454</u>

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

c. By economic sector

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Mining and quarrying	97,989	88,730	-	-
Manufacturing	127,723	129,209	54,823	55,695
Construction	138	117	-	-
Wholesale & retail trade and restaurants & hotels	73,351	51,008	41,530	39,778
Transport, storage and communications	2,346	3,066	2,346	2,398
Finance, insurance, real estate and business services	283,720	230,782	99,481	193,915
Purchase of transport vehicles	8,874	7,607	-	-
Others	410,936	604,174	5,950	5,668
Gross loans, advances and financing	<u>1,005,077</u>	<u>1,114,693</u>	<u>204,130</u>	<u>297,454</u>

d. By residual contractual maturity

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Within one year	548,031	658,920	74,317	77,800
One year to five years	422,737	434,427	106,911	198,429
After five years	34,309	21,346	22,902	21,225
Gross loans, advances and financing	<u>1,005,077</u>	<u>1,114,693</u>	<u>204,130</u>	<u>297,454</u>

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

(i) Movements in ILs

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
At 1 January	568,470	460,213	65,242	100,787
Classified as impaired/(performing) during the financial year	-	244,974	-	(28,706)
Amount recovered	(28,450)	(116,499)	(535)	(2,776)
Amount written off	(72)	(20,218)	(72)	(4,063)
At 31 March / 31 December	<u>539,948</u>	<u>568,470</u>	<u>64,635</u>	<u>65,242</u>
Less: Individual impairment allowance	<u>(124,028)</u>	<u>(126,184)</u>	<u>(42,376)</u>	<u>(42,906)</u>
Net ILs	<u>415,920</u>	<u>442,286</u>	<u>22,259</u>	<u>22,336</u>
Net ILs as % of gross loans, advances and financing less individual impairment allowance	<u>47.21%</u>	<u>44.74%</u>	<u>13.76%</u>	<u>8.77%</u>

(ii) ILs by economic sector

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Mining and quarrying	86,200	88,730	-	-
Manufacturing	122,322	123,489	49,422	49,975
Construction	-	117	-	-
Wholesale & retail trade and restaurants & hotels	23,774	24,197	12,946	12,968
Transport, storage and communication	9,092	886	218	218
Finance, insurance, real estate and business services	247,823	89,185	1,630	1,663
Purchase of transport vehicles	-	7,607	-	-
Others	50,737	234,259	419	419
	<u>539,948</u>	<u>568,470</u>	<u>64,635</u>	<u>65,242</u>

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

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

(iii) Movements in impairment provision

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
<b>Individual impairment allowance</b>				
At 1 January	126,184	138,736	42,906	40,550
Impairment made during the financial period/year	179	18,136	10	8,609
Amount written-back	(1,006)	(1,800)	(317)	(1,121)
Amount written off	(72)	(20,218)	(72)	(4,063)
Discount unwind	(1,257)	(8,670)	(151)	(1,069)
At 31 March / 31 December	<u>124,028</u>	<u>126,184</u>	<u>42,376</u>	<u>42,906</u>
	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
<b>Collective impairment allowance</b>				
At 1 January	7,601	12,011	4,755	5,039
Impairment made/(written back) during the financial period	420	(4,410)	61	(284)
At 31 March / 31 December	<u>8,021</u>	<u>7,601</u>	<u>4,816</u>	<u>4,755</u>
% of total loans, advances and financing less individual impairment allowance	<u>0.91%</u>	<u>0.77%</u>	<u>2.98%</u>	<u>1.87%</u>

16. Other assets

	Note	Group		Company	
		31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Interest/profit receivables		40,380	33,706	4,581	5,517
Amount due from brokers and clients	(b)	129,330	44,890	-	-
Less: Impairment allowance		-	-	-	-
		129,330	44,890	-	-
Deposits, prepayments and other receivables		26,469	21,853	9,347	8,468
Less: Individual impairment allowance		(8,904)	(4,515)	-	-
		17,565	17,338	9,347	8,468
Amount receivables from Danaharta		97,877	97,877	-	-
Less: Individual impairment allowance		(97,877)	(97,877)	-	-
		-	-	-	-
Amount due from subsidiaries	(a)	-	-	1,389	1,625
Less: Individual impairment allowance		-	-	-	-
		-	-	1,389	1,625
Amount due from related companies		-	-	-	-
Amount due from Government Scheme Fund		-	3,588	-	3,588
Tax recoverable		28,944	29,925	-	-
		<u>216,219</u>	<u>129,447</u>	<u>15,317</u>	<u>19,198</u>

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

- (a) Amount due from subsidiaries

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

- (b) Clients' accounts

<b>Group</b>	<b>Note</b>	<b>31 March 2017 RM'000</b>	<b>31 December 2016 RM'000</b>
Brokers		32,306	24,654
Amount due from clients		97,024	20,236
		<u>129,330</u>	<u>44,890</u>
Less: Individual impairment allowance	(i)	-	-
		<u>129,330</u>	<u>44,890</u>

This arose from trading of securities, through the investment bank subsidiary, which are not yet due for settlement as at the reporting date under the Rules of Bursa Malaysia Securities Berhad.

<b>Group</b>	<b>31 March 2017 RM'000</b>	<b>31 December 2016 RM'000</b>
(i) Movements in individual impairment allowance on amount from clients:		
At 1 January	-	(2,567)
Impairment (made) written off during the period / year	-	(1)
Amount written off	-	2,568
At 31 March / 31 December	<u>-</u>	<u>-</u>

**17. Deposits from customers**

	<b>Group</b>	
	<b>31 March 2017 RM'000</b>	<b>31 December 2016 RM'000</b>
<b>(i) By type of deposit</b>		
- Call deposits	22,100	31,072
- Fixed deposits	2,180,968	1,956,685
	<u>2,203,068</u>	<u>1,987,757</u>
<b>(ii) By type of customer</b>		
- Business enterprises	1,766,484	1,678,421
- Government and statutory bodies	434,068	306,847
- Individuals	2,516	2,489
	<u>2,203,068</u>	<u>1,987,757</u>
<b>(iii) The maturity structure of term deposits are as follows:</b>		
- Due within six months	2,062,195	1,955,495
- Six months to one year	107,873	32,262
- One year to two years	33,000	-
	<u>2,203,068</u>	<u>1,987,757</u>



18. Deposits and placements of banks and other financial institutions

	Group	
	31 March 2017 RM'000	31 December 2016 RM'000
(i) Call deposits		
- Other financial institutions	3,921	3,811
(ii) Fixed deposits		
- Licensed banks	-	12,300
- Licensed Islamic banks	-	-
- Other financial institutions	1,574,682	1,505,746
	<u>1,574,682</u>	<u>1,518,046</u>
	<u>1,578,603</u>	<u>1,521,857</u>

19. Borrowings

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
(a) Short Term:				
- Unsecured	10,040	11,805	10,040	11,805
	<u>10,040</u>	<u>11,805</u>	<u>10,040</u>	<u>11,805</u>
(b) Long Term:				
- Unsecured	148,440	310,167	148,440	310,167
- Unsecured - Islamic Operations	308,492	148,031	160,000	-
	<u>456,932</u>	<u>458,198</u>	<u>308,440</u>	<u>310,167</u>
Total borrowings	<u>466,972</u>	<u>470,003</u>	<u>318,480</u>	<u>321,972</u>

20. Interest income

	Individual	
	31 March 2017 RM'000	31 March 2016 RM'000
<b>Group</b>		
Loans, advances and financing		
- Interest income on non-impaired loans	6,684	10,022
- Interest income on impaired loans ("ILs")	3,482	8,021
Money at call and deposit placements with financial institutions	3,536	2,893
Securities held-for-trading ("HFT")	1	-
Securities available-for-sale ("AFS")		
- Interest income on non-impaired AFS	20,484	14,053
- Interest income on impaired AFS	631	117
Securities held-to-maturity ("HTM")		
- Interest income on non-impaired HTM	-	10,176
Accretion of discounts (net of amortisation of premium)	(285)	(99)
Derivative instruments	57	1,052
	<u>34,590</u>	<u>46,235</u>

20. Interest income (cont'd.)

<u>Company</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2017	31 March 2016
	RM'000	RM'000
Loans, advances and financing		
- Interest income on non-impaired loans	1,638	3,340
- Interest income on impaired loans ("ILs")	151	705
Money at call and deposit placements with financial institutions		
	2,463	2,034
	<u>4,252</u>	<u>6,079</u>

21. Interest expense

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2017	31 March 2016
	RM'000	RM'000
Deposits and placements of banks and other financial institutions	9,131	12,845
Deposits from customers	13,149	12,745
Borrowings	2,320	878
Concessionary funds	1,085	1,191
	<u>25,685</u>	<u>27,659</u>
 <u>Company</u>		
Concessionary funds	1,085	1,191
	<u>1,085</u>	<u>1,191</u>

22. Non-interest income

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2017	31 March 2016
	RM'000	RM'000
<b>Fee income:</b>		
Underwriting fees	158	1,033
Management fees	678	878
Corporate advisory fees	142	498
Brokerage fees	6,207	4,744
Income from Government Scheme Funds	2,625	2,878
Other fees	1,508	2,570
	<u>11,318</u>	<u>12,601</u>

22. Non-interest income (cont'd.)

	Individual/Cumulative Quarter	
	3 Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000
<b>Group</b>		
<b>Investment income:</b>		
Gain/(loss) on sale of securities:		
- Available-for-sale	20	51
Net unrealised gain on revaluation of securities held-for-trading	4,602	6,410
Net unrealised (loss)/gain on revaluation of derivative instruments	(104)	(2,498)
	<u>4,518</u>	<u>3,963</u>
<b>Gross dividend income:</b>		
Securities available-from-sale	987	-
<b>Other income:</b>		
Rental from:		
- Office premises	1,041	375
- Others	51	75
Others	549	135
	<u>1,641</u>	<u>585</u>
Total non-interest income	<u>18,464</u>	<u>17,149</u>
<b>Company</b>		
<b>Fee income:</b>		
Management fees	2,274	2,156
Income from Government Scheme Funds	2,625	2,878
	<u>4,899</u>	<u>5,034</u>
<b>Investment income:</b>		
Gain/(loss) on sale of securities held-for-trading	-	-
Net unrealised gain on revaluation of securities held-for-trading	4,600	6,410
	<u>4,600</u>	<u>6,410</u>
<b>Gross dividend income:</b>		
Subsidiaries	-	-
Associate	-	-
Securities available-for-sale	-	-
	<u>-</u>	<u>-</u>
<b>Other income:</b>		
Rental from:		
- Office premises	1,041	1,053
Others	266	1,091
	<u>1,307</u>	<u>2,144</u>
Total non-interest income	<u>10,806</u>	<u>13,588</u>

23. Operating expenses

#REF!

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000
	Staff costs	
Wages, salaries and bonuses	15,462	15,439
Employee benefits:		
Current period	257	268
Social security costs	88	68
Defined contribution plan	2,450	2,481
Other staff related expenses	964	1,345
	<u>19,221</u>	<u>19,601</u>
Establishment costs		
Depreciation	491	447
Office rental	1,966	1,972
Equipment rental	11	28
Others	1,993	1,570
	<u>4,461</u>	<u>4,017</u>
Promotion and marketing-related expenses		
Business promotion and advertisement	382	957
Entertainment	114	159
	<u>496</u>	<u>1,116</u>
General and administrative expenses		
Auditors' remuneration		
- Audit fees	123	134
Directors' fees and meeting allowances	415	479
Communication expenses	97	146
Professional fees	501	880
Securities Commission's levy	468	247
Others	729	841
	<u>2,333</u>	<u>2,727</u>
	<u>26,511</u>	<u>27,461</u>

<u>Company</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000
	Personnel costs	
Wages, salaries and bonuses	7,535	7,153
Employee benefits:		
Current period	204	194
Social security costs	50	39
Defined contribution plan	1,238	1,175
Other staff related expenses	834	764
	<u>9,861</u>	<u>9,325</u>
Establishment costs		
Depreciation	208	249
Office rental	1,957	1,943
Equipment rental	2	10
Others	597	555
	<u>2,764</u>	<u>2,757</u>
Promotion and marketing-related expenses		
Business promotion and advertisement	123	271
Entertainment	4	1
	<u>127</u>	<u>272</u>

23. Operating expenses (cont'd.)

#REF!

Company (cont'd.)

General and administrative expenses

Auditors' remuneration

- Audit fees

Directors' fees and meeting allowances

Communication expenses

Loss on disposal of property, plant  
and equipment

Building maintenance

Professional fees

GST expense

Others

Individual/Cumulative  
Quarter  
3 Months Ended  
31 March 31 March  
2017 2016  
RM'000 RM'000

	48	50
	242	257
	62	81
	-	-
	174	166
	318	624
	46	109
	47	72
	<u>937</u>	<u>1,359</u>
	<u>13,689</u>	<u>13,713</u>

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

Group

(a) Individual impairment allowances

- made in the financial period

- written-back

(b) Collective impairment allowances

- made in the financial period

- written-back

(c) Recoveries from impaired loans

Individual/Cumulative  
Quarter  
3 Months Ended  
31 March 31 March  
2017 2016  
RM'000 RM'000

	(179)	(1,680)
	1,006	1,716
	(582)	(115)
	162	4,968
	<u>5,309</u>	<u>1,671</u>
	<u>5,715</u>	<u>6,560</u>

Company

(a) Individual impairment allowances

- made in the financial period

- written-back

(b) Collective impairment allowances

- made in the financial period

- written-back

(c) Recoveries from impaired loans

Individual/Cumulative  
Quarter  
3 Months Ended  
31 March 31 March  
2017 2016  
RM'000 RM'000

	(10)	(27)
	317	701
	(160)	(167)
	99	1,913
	<u>563</u>	<u>189</u>
	<u>809</u>	<u>2,609</u>

25. Impairment losses written back/(made) on securities

<u>Group</u>	Individual/Cumulative Quarter	
	3 Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000
Securities available-for-sale (net)	(1,071)	2,202
	<u>(1,071)</u>	<u>2,202</u>
 <u>Company</u>		
Securities available-for-sale (net)	(252)	-
	<u>(252)</u>	<u>-</u>

26. 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:

	Individual/Cumulative Quarter	
	3 Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000
<b>Segment Revenue</b>		
Investment banking	56,561	58,236
Development finance	14,900	14,821
Asset management	1,210	965
Investment holding	11,154	14,319
Others	4,724	10,277
	<u>88,549</u>	<u>98,618</u>
Inter-segment elimination	(5,750)	(8,508)
	<u>82,799</u>	<u>90,110</u>
 <b>Segment Results</b>		
Investment banking	14,266	17,458
Development finance	9,246	10,969
Asset management	(162)	(220)
Investment holding	952	3,472
Others	801	4,612
	<u>25,282</u>	<u>36,291</u>
Share of results in associates	360	367
	<u>25,642</u>	<u>36,658</u>

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.

**27. 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:

<u>Group</u>	← As at 31.03.2017 →			← As at 31.12.2016 →		
	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
Obligations under underwriting agreement	-	-	-	10,000	5,000	5,000
Interest rate related contracts with an original maturity						
- Not exceeding one year				220,000	614	123
- Exceeding one year	100,000	1,296	259	100,000	1,341	268
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	151,397	30,279	30,279	115,289	23,058	23,056
- Maturity exceeding one year	11,391	5,696	5,696	43,951	21,975	21,975
Loan facility commitment approved that have yet been drawdown:						
Mezzanine - Real estate financing	-	-	-	502	100	100
Mezzanine - Short term financing	13,445	2,689	2,689	13,445	2,689	2,689
<b>Total</b>	<b>276,233</b>	<b>39,960</b>	<b>38,923</b>	<b>503,187</b>	<b>54,777</b>	<b>53,211</b>
 <u>Company</u>						
Irrevocable commitments to extend credit:						
- Maturity exceeding one year	11,391	5,696	5,696	13,951	6,975	6,975
<b>Total</b>	<b>11,391</b>	<b>5,696</b>	<b>5,696</b>	<b>13,951</b>	<b>6,975</b>	<b>6,975</b>

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

**28. 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.

	Group		Company	
	As at 31 March 2017 RM'000	As at 31 March 2016 RM'000	As at 31 March 2017 RM'000	As at 31 March 2016 RM'000
<b>Penultimate holding company</b>				
Income:				
Brokerage fees earned	2,486	10,065	-	-
Expenditures:				
Interest expense on deposits	-	80	-	-
Rental expense	1,861	1,861	1,861	1,861
<b>Subsidiaries</b>				
Income:				
Interest on loans	1,327	-	1,327	3,369
Rental of premises	1,238	-	666	966
Management fees	3,916	-	2,211	3,146
Dividend from subsidiaries	-	-	-	-
Expenditures:				
Other expenses	-	-	-	-
<b>Associates</b>				
Income:				
Management fees	-	1	-	1
Rental received	109	109	-	109
<b>Other related companies</b>				
Income:				
Interest income on securities	2,129	4,316	-	-
Interest income on loans and advances	-	-	-	-
Fee income	20	28	3	-
Management fees	3	15	3	15
Brokerage fees earned	744	216	-	-
Expenditures:				
Interest expense on deposits	1,489	1,030	-	-



28. 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:

	Group		Company	
	As at 31 March 2017 RM'000	As at 31 December 2016 RM'000	As at 31 March 2017 RM'000	As at 31 December 2016 RM'000
<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	81,327	-	81,327	291,965
Trade receivables	1,507	-	1,507	3,140
Amount due to:				
Rental deposit received	-	-	649	649
Other payables	577	-	577	307
<b>Associates</b>				
Amount due to:				
Rental deposit received	109	109	109	109
<b>Other related companies</b>				
Amount due from:				
Fee receivables	60	72	-	-
Trade receivables	554	553	1	1
Securities	169,674	336,166	-	-
Amount due to:				
Deposits from placements of banks and other financial institutions	182,959	182,769	-	-
Other payables	162	329	2	14

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

29. Credit exposures arising from credit transactions with connected parties

	Group	
	As at 31 March 2017	As at 31 December 2016
(i) Total credit exposures with connected parties	227,619	330,000
(ii) Percentage of total credit exposures to connected parties as proportion of total credit exposures	6.24%	8.65%
(iii) Percentage of total credit exposures to connected parties which is impaired or in default	Nil	Nil

30. Capital adequacy

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

	Group		Company	
	As at 31 March 2017 RM'000	As at 31 December 2016 RM'000	As at 31 March 2017 RM'000	As at 31 December 2016 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	(42,534)	(42,534)	-	-
Regulatory reserve	3,932	3,932	-	-
Retained profits	806,813	866,877	540,781	623,422
	<u>1,729,466</u>	<u>1,789,530</u>	<u>1,370,712</u>	<u>1,453,353</u>
Less: Regulatory adjustments	(120,597)	(121,884)	(614,141)	(613,857)
<b>Total CET1 Capital / Tier 1 Capital</b>	<u>1,608,869</u>	<u>1,667,646</u>	<u>756,571</u>	<u>839,496</u>
<b>Tier 2 Capital</b>				
Collective impairment allowance and regulatory reserve	8,021	5,956	856	1,074
<b>Total Tier 2 capital</b>	<u>8,021</u>	<u>5,956</u>	<u>856</u>	<u>1,074</u>
<b>Total Capital</b>	<u>1,616,890</u>	<u>1,673,602</u>	<u>757,427</u>	<u>840,570</u>
CET 1 Capital	60.824%	62.935%	129.995%	128.771%
Tier 1 Capital	60.824%	62.935%	129.995%	128.771%
Total Capital	61.127%	63.160%	130.142%	128.936%

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

	Group		Company	
	As at 31 March 2017 RM'000	As at 31 December 2016 RM'000	As at 31 March 2017 RM'000	As at 31 December 2016 RM'000
Total risk weighted assets for credit risk	2,185,889	2,176,711	357,561	417,923
Total risk weighted assets equivalent for market risk	76,105	93,952	51,106	62,752
Total risk weighted assets equivalent for operational risk	383,136	379,138	173,332	171,252
	<u>2,645,130</u>	<u>2,649,801</u>	<u>581,999</u>	<u>651,927</u>

**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 2017</b>				
<b>Financial assets</b>				
<b>Assets measured at fair value:</b>				
Securities held-for-trading				
Unquoted securities	-	189,699	-	189,699
Securities available-for-sale				
Money market instruments	-	1,283,632	-	1,283,632
Quoted securities	20,107	-	-	20,107
Unquoted securities	-	2,090,906	328,946	2,419,852
Derivative assets	-	423	-	423
	<u>20,107</u>	<u>3,564,660</u>	<u>328,946</u>	<u>3,913,713</u>
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- staff loans	-	1,181	-	1,181
Investment properties				
Residential properties	-	-	-	-
Office property	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liability for which fair values are disclosed:</b>				
Borrowings	-	318,480	-	318,480
	<u>-</u>	<u>318,480</u>	<u>-</u>	<u>318,480</u>

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 December 2016</b>				
<b>Financial assets</b>				
<b>Assets measured at fair value:</b>				
Securities held-for-trading				
Money market instruments	-	-	-	-
Unquoted securities	-	258,812	253	259,065
Securities available-for-sale				
Money market instruments	-	1,227,418	-	1,227,418
Quoted securities	21,218	-	-	21,218
Unquoted securities	-	1,969,562	6,282	1,975,844
Derivative assets	-	528	-	528
<b>Assets for which fair value are disclosed:</b>				
Securities held-to-maturity				
Money market instruments	-	-	-	-
Unquoted securities	-	-	-	-
Loans, advances and financing				
- staff loans	-	1,154	-	1,154
Investment properties				
Residential properties	-	-	6,508	6,508
Office property	-	-	1,301	1,301
<b>Liability for which fair values are disclosed:</b>				
Borrowings	-	470,003	-	470,003
<b>Company</b>				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>At 31 March 2017</b>				
<b>Assets measured at fair value:</b>				
Securities held-for-trading				
Unquoted securities	-	184,764	-	184,764
Securities available-for-sale				
Unquoted securities	-	-	1,355	1,355
	-	184,764	1,355	186,119
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- staff loans	-	915	-	915
<b>Liability for which fair values are disclosed:</b>				
Borrowings	-	318,480	-	318,480

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 December 2016</b>				
<b>Assets measured at fair value:</b>				
Securities held-for-trading				
Money market instruments				-
Unquoted securities	-	258,812	253	259,065
Securities available-for-sale				
Unquoted securities	-	-	1,355	1,355
	-	258,812	1,608	260,420
<b>Assets for which fair value are disclosed:</b>				
Loans, advances and financing				
- staff loans	-	1,029	-	1,029
<b>Liability for which fair values are disclosed:</b>				
Borrowings	-	321,972	-	321,972

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:

Group	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
<b>At 31 March 2017</b>			
Unquoted securities			
At 1 January 2017	253	11,601	11,854
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	631	631
Included within impairment written back on securities	-	(819)	(819)
Included within impairment loss on securities	(252)	-	(252)
	(252)	(188)	(440)
Settlements			-
At 31 March 2017	1	11,413	11,414
<b>At 31 December 2016</b>			
Unquoted securities			
At 1 January 2016	253	10,279	10,532
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	481	481
Included within net income from Islamic Banking Operation	-	690	-
Included within impairment loss on securities	-	151	151
	-	1,322	632
Settlements			-
At 31 December 2016	253	11,601	11,164

32. Fair value hierarchy (cont'd)

Company	Securities held-for- trading RM'000	Securities available- for-sale RM'000	Total RM'000
<b>At 31 March 2017</b>			
Unquoted securities			
At 1 January 2017	253	1,355	1,608
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	-	-
Included within impairment written back on securities	-	-	-
Included within impairment loss on securities	(252)	-	(252)
	(252)	-	(252)
Settlements			-
At 31 March 2017	<u>1</u>	<u>1,355</u>	<u>1,356</u>
<b>At 31 December 2016</b>			
Unquoted securities			
At 1 January 2016	253	3,157	3,410
Total gains/(losses) recognised in profit or loss:			
Included within interest income	-	36	36
Included within impairment loss on securities	-	23	23
	-	59	59
Settlements	-	(1,861)	(1,861)
At 31 December 2016	<u>253</u>	<u>1,355</u>	<u>1,608</u>

33. Operations of Islamic Banking Business

(a) CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	Group		Company	
		31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
<b>ASSETS</b>					
Cash and short-term funds	33 (f)	147,809	120,067	113,317	119,491
Deposits and placements with licensed banks and other financial institutions	33 (g)	59,600	43,600	59,600	43,600
Securities available-for-sale	33 (h)	1,634,025	1,478,943	-	-
Financing and advances	33 (i)	223,849	228,014	35,258	31,897
Other assets		32,091	33,730	17,496	20,134
Deferred tax assets		1,649	3,257	410	423
<b>TOTAL ASSETS</b>		<b>2,099,023</b>	<b>1,907,611</b>	<b>226,081</b>	<b>215,545</b>
<b>LIABILITIES</b>					
Deposits from customers	33 (j)	740,098	502,766	-	-
Deposits and placements of banks and other financial institutions	33 (k)	480,824	553,439	-	-
Borrowings	33 (l)	160,000	160,000	160,000	160,000
Other liabilities		62,893	49,977	25,648	21,169
Provision for taxation and zakat		5,201	10,809	680	522
Amount due to Head Office		194	302	194	302
<b>TOTAL LIABILITIES</b>		<b>1,449,210</b>	<b>1,277,293</b>	<b>186,522</b>	<b>181,993</b>
<b>ISLAMIC BANKING CAPITAL FUNDS</b>					
Funds allocated from Head Office		416,600	416,600	20,000	20,000
Reserves		233,213	213,718	19,559	13,552
<b>TOTAL ISLAMIC BANKING CAPITAL FUNDS</b>		<b>649,813</b>	<b>630,318</b>	<b>39,559</b>	<b>33,552</b>
<b>TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS</b>		<b>2,099,023</b>	<b>1,907,611</b>	<b>226,081</b>	<b>215,545</b>

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

(b) CONDENSED STATEMENT OF PROFIT & LOSS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

<u>Group</u>	Note	Individual/Cumulative Quarter 3 Months Ended	
		31 March 2017 RM'000	31 March 2016 RM'000
Income derived from investment of depositors funds and others		21,492	19,703
Income derived from Government Scheme Funds		8,253	7,102
<b>Total attributable income</b>		<b>29,745</b>	<b>26,805</b>
Income attributable to depositors		(9,533)	(7,568)
<b>Net income attributable to the reporting institution</b>		<b>20,212</b>	<b>19,237</b>
Other operating expenses		(4,423)	(4,417)
<b>Operating profit</b>		<b>15,789</b>	<b>14,820</b>
Impairment losses (made)/ written back on securities		(568)	594
Impairment losses written back on financing and advances	32 (o)	3,793	1,201
Impairment losses made on other assets		(414)	(24)
<b>Profit before taxation and zakat</b>		<b>18,600</b>	<b>16,591</b>
Taxation		(4,003)	(3,858)
Zakat		(377)	(328)
<b>Profit for the financial period</b>		<b>14,220</b>	<b>12,405</b>
 <u>Company</u>			
Income derived from investment of depositors funds and others		1,214	955
Income derived from Government Scheme Funds		8,253	7,102
<b>Income attributable to the reporting institution</b>		<b>9,467</b>	<b>8,057</b>
Other operating expenses		(3,580)	(3,510)
<b>Operating profit</b>		<b>5,887</b>	<b>4,547</b>
Impairment losses written back/(made) on financing and advances	33 (o)	1,745	(83)
Impairment losses made on other asset		-	(28)
<b>Profit before taxation and zakat</b>		<b>7,632</b>	<b>4,436</b>
Taxation		(1,466)	(1,050)
Zakat		(159)	(87)
<b>Profit for the financial period</b>		<b>6,007</b>	<b>3,299</b>



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

(c) CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

	Group		Company	
	Individual/Cumulative		Individual/Cumulative	
	Quarter		Quarter	
	3 Months Ended		3 Months Ended	
	31 March	31 March	31 March	31 March
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	14,220	12,405	6,007	3,299
Other comprehensive income/(loss): (loss)/income:				
<b>Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:</b> to profit or loss:				
Net loss on securities available-for-sale available-for-sale				
Cumulative gain transferred to profit and loss upon to profit or loss disposal	(1,063)	(11)	-	-
Fair value changes	6,873	2,749	-	-
Other comprehensive gain for the year, net of tax	5,810	2,738	-	-
Total comprehensive income for the period	20,030	15,143	6,007	3,299

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

(d) CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

Group	Non-distributable				Distributable	
	Islamic banking funds RM'000	Securities available-for-sale reserve RM'000	Profit equalisation reserve RM'000	Retained profits RM'000	Total RM'000	
At 1 January 2016	416,600	(5,639)	-	184,285	780,067	
Profit for the financial year				12,405	12,405	
Other comprehensive income		2,738			2,738	
Total comprehensive income for the financial year		2,738		12,405	15,143	
Allocation to Head Office					-	
At 31 March 2016	416,600	(2,901)		196,690	795,210	
At 1 January 2017	416,600	(8,255)		221,438	629,783	
Profit for the financial year				14,220	14,220	
Other comprehensive income		5,810			5,810	
Total comprehensive income for the financial year		5,810		14,220	20,030	
Allocation to Head Office						
At 31 March 2017	416,600	(2,445)		235,658	649,813	

33. Islamic banking business (cont'd.)

(d) CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017 (cont'd.)

Company	← Non-distributable →		Distributable
	Islamic banking funds RM'000	Retained profits RM'000	
At 1 January 2016	20,000	10,485	30,485
Total comprehensive income for the financial year Allocation to Head Office	-	3,299	3,299
At 31 March 2016	<u>20,000</u>	<u>13,784</u>	<u>33,784</u>
At 1 January 2017	20,000	13,552	33,552
Total comprehensive income for the financial year Allocation to Head Office	-	6,007	6,007
At 31 March 2017	<u>20,000</u>	<u>19,559</u>	<u>39,559</u>

33 Islamic banking business (cont'd.)

(e) CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017

	Group	
	Individual/Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2017	2016
	RM'000	RM'000
<b>Profit before taxation and zakat</b>	18,600	16,591
Adjustments for non-cash items	<u>(6,233)</u>	<u>(3,747)</u>
Operating profit before changes in working capital	12,367	12,844
Changes in working capital:		
Net changes in operating assets	(139,789)	(123,875)
Net changes in operating liabilities	<u>171,164</u>	<u>140,954</u>
<b>Net cash generated from operating activities</b>	<u>43,742</u>	<u>29,923</u>
<b>Net cash generated from financing activities</b>	-	-
<b>Net increase in cash and cash equivalents</b>	43,742	29,923
Cash and cash equivalents at beginning of the period	<u>163,667</u>	<u>152,300</u>
<b>Cash and cash equivalents at end of the period</b>	<u>207,409</u>	<u>182,223</u>

Cash and cash equivalents comprise:

	Group	
	Individual/Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2017	2016
	RM'000	RM'000
Cash and short-term funds	147,809	140,523
Deposits and placements	<u>59,600</u>	<u>41,700</u>
	<u>207,409</u>	<u>182,223</u>

33 Islamic banking business (cont'd.)

(e) CONDENSED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017 (cont'd.)

	Company	
	Individual/Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2017	2016
	RM'000	RM'000
Profit before taxation and zakat	7,632	4,436
Adjustments for non-cash items	(1,744)	111
Operating profit before changes in working capital	<u>5,888</u>	<u>4,547</u>
Changes in working capital:		
Net changes in operating assets	(591)	9,545
Net changes in operating liabilities	<u>4,529</u>	<u>(7,199)</u>
<b>Net cash generated from operating activities</b>	<b><u>9,826</u></b>	<b><u>6,893</u></b>
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,826</b>	<b>6,893</b>
Cash and cash equivalents at beginning of the period	<u>163,091</u>	<u>151,401</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u>172,917</u></b>	<b><u>158,294</u></b>

Cash and cash equivalents comprise:

	Company	
	Individual/Cumulative	
	Quarter	
	3 Months Ended	
	31 March	31 March
	2017	2016
	RM'000	RM'000
Cash and short-term funds	113,317	116,594
Deposits and placements	<u>59,600</u>	<u>41,700</u>
	<b><u>172,917</u></b>	<b><u>158,294</u></b>

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

(f) Cash and short-term funds

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Cash and bank balances	7,109	1,667	5,617	1,091
Deposits and placements maturing within one month	140,700	118,400	107,700	118,400
	<u>147,809</u>	<u>120,067</u>	<u>113,317</u>	<u>119,491</u>

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

	Group and Company	
	31 March 2017 RM'000	31 December 2016 RM'000
Deposits with licensed banks	59,600	41,700
	<u>59,600</u>	<u>41,700</u>

(h) Securities available-for-sale

	Group	
	31 March 2017 RM'000	31 December 2016 RM'000
<b>At fair value</b>		
Money market instruments:		
Government Investment Issue	506,750	501,129
Islamic Negotiable Instruments	297,517	248,925
Unquoted securities in Malaysia:		
Islamic Private Debt Securities	829,758	728,889
	<u>1,634,025</u>	<u>1,478,943</u>

(i) Financing and advances

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Term financing				
- Syndicated term financing	191,300	198,901	-	-
- Islamic hire purchase/leasing	555	590	555	590
- Other term financing	47,440	44,972	47,440	44,972
	<u>239,295</u>	<u>244,463</u>	<u>47,995</u>	<u>45,562</u>
Less: Unearned income	(9,983)	(9,167)	(9,983)	(9,167)
Gross financing and advances	<u>229,312</u>	<u>235,296</u>	<u>38,012</u>	<u>36,395</u>
Less: Impairment provision				
- Collective impairment provision	(4,417)	(4,546)	(1,708)	(1,762)
- Individual impairment provision	(1,046)	(2,736)	(1,046)	(2,736)
Total net financing and advances	<u>223,849</u>	<u>228,014</u>	<u>35,258</u>	<u>31,897</u>

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

(i) Financing and advances (cont'd)

(i) By contract

Group

31 March 2017

	Sale-based contract		Lease-based contract	Total financing and advances
	Comodity Murabahah	Bai Bithaman Ajil	Al-Ijarah Thumma Al-Bai	
	RM'000	RM'000	RM'000	RM'000
Syndicated term financing	191,300	-	-	191,300
Deferred payment sales	-	37,426	-	37,426
Finance lease	-	-	586	586
	<u>191,300</u>	<u>37,426</u>	<u>586</u>	<u>229,312</u>

31 December 2016

	Sale-based contract		Lease-based contract	Total financing and advances
	Comodity Murabahah	Bai Bithaman Ajil	Al-Ijarah Thumma Al-Bai	
	RM'000	RM'000	RM'000	RM'000
Syndicated term financing	198,901	-	-	198,901
Deferred payment sales	-	35,805	-	35,805
Finance lease	-	-	590	590
	<u>198,901</u>	<u>35,805</u>	<u>590</u>	<u>235,296</u>

Company

31 March 2017

	Sale-based contract	Lease-based contract	Total financing and advances
	Bai Bithaman Ajil	Al-Ijarah Thumma Al-Bai	
	RM'000	RM'000	RM'000
Deferred payment sales	37,426	-	37,426
Finance lease	-	586	586
	<u>37,426</u>	<u>586</u>	<u>38,012</u>

31 December 2016

	Sale-based contract	Lease-based contract	Total financing and advances
	Bai Bithaman Ajil	Al-Ijarah Thumma Al-Bai	
	RM'000	RM'000	RM'000
Deferred payment sales	35,805	-	35,805
Finance lease	-	590	590
	<u>35,805</u>	<u>590</u>	<u>36,395</u>

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

(i) Financing and advances (cont'd)

(ii) By contract

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Commodity Murabahah	191,300	198,901	-	-
Bai Bithaman Ajil (deferred payment sale)	37,426	35,805	37,426	35,805
Al-Ijarah Thumma Al-Bai (finance lease)	586	590	586	590
	<u>229,312</u>	<u>235,296</u>	<u>38,012</u>	<u>36,395</u>

(iii) By types of customer

Domestic business enterprises	<u>229,312</u>	<u>235,296</u>	<u>38,012</u>	<u>36,395</u>
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(iv) By profit rate sensitivity

Variable rate				
Cost-plus	191,300	198,901	-	-
Fixed rate				
Hire purchase receivables	586	590	586	590
Other fixed rate financing	37,426	35,805	37,426	35,805
	<u>229,312</u>	<u>235,296</u>	<u>38,012</u>	<u>36,395</u>

(v) By economic sector

Mining and quarrying	86,200	88,730	-	-
Manufacturing	1,158	1,202	1,158	1,202
Wholesale & retail trade and restaurants & hotels	16,362	14,462	16,362	14,462
Transport, storage and communications	548	504	548	504
Finance, insurance and business services	79,820	84,352	15,647	15,902
Education, health and other	40,927	41,721	-	-
Others	4,297	4,325	4,297	4,325
	<u>229,312</u>	<u>235,296</u>	<u>38,012</u>	<u>36,395</u>

(vi) By residual contractual maturity

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
Within one year	45,574	8,188	6,983	7,064
One year to five years	167,120	212,116	14,411	14,339
After five years	16,618	14,992	16,618	14,992
Gross loans, advances and financing	<u>229,312</u>	<u>235,296</u>	<u>38,012</u>	<u>36,395</u>

(vii) Impaired financing and advances by economic sector

	Group and Company	
	31 March 2017 RM'000	31 December 2016 RM'000
Manufacturing	368	373
Wholesale & retail trade and restaurants & hotels	1,961	1,954
Transport, storage and communications	218	218
Finance, insurance and business services	372	371
Others	417	418
	<u>3,336</u>	<u>3,334</u>



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

(i) Financing and advances (cont'd)

(viii) Movements in impaired financing and advances

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
At 1 January	3,334	6,850	3,334	6,850
Impaired during the financial period/year	-	-	-	-
Amount written off	-	(3,442)	-	(3,442)
Amount recovered	2	(74)	2	(74)
At 31 March / 31 December	3,336	3,334	3,336	3,334
Less: Individual impairment provision	(1,046)	(2,736)	(1,046)	(2,736)
Net impaired financing and advances	2,290	598	2,290	598
As % of gross financing and advances less individual impairment allowance	1.00%	0.26%	6.19%	1.78%

(ix) Movements in impairment allowance

	Group and Company	
	31 March 2017 RM'000	31 December 2016 RM'000
<b>Individual impairment allowance</b>		
At 1 January	2,736	2,251
Impairment made during the financial period/year	-	1,694
Impairment allowance written back during the financial period/year	(1,690)	(230)
Amount written off	-	(964)
Discount unwind	-	(15)
At 31 March / 31 December	1,046	2,736

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
<b>Collective impairment allowance</b>				
At 1 January	4,546	6,034	1,762	1,541
Impairment made/(written back) during the financial period/year	(129)	(1,488)	(54)	221
At 31 March / 31 December	4,417	4,546	1,708	1,762
As % of gross financing and advances less individual impairment allowance	1.94%	1.95%	4.62%	5.23%

(j) Deposits from customers

	Group	
	31 March 2017 RM'000	31 December 2016 RM'000
(i) <b>By type of deposits</b>		
<b>Commodity Murabahah</b>		
Term deposits	740,098	502,766
(ii) <b>By type of customers</b>		
<b>Commodity Murabahah</b>		
Business enterprises	538,030	413,833
Government and statutory bodies	202,068	88,933
	740,098	502,766

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

(j) Deposits from customers (cont'd.)

Group	
31 March 2017 RM'000	31 December 2016 RM'000

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

Due within six months	712,098	502,766
One to two years	28,000	-
	740,098	502,766

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

Group	
31 March 2017 RM'000	31 December 2016 RM'000

(i) By type of deposits

Commodity Murabahah Fund  
Term deposits

480,824	553,439
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(ii) By type of customers

Commodity Murabahah Fund

(i) Licensed Islamic banks  
Other financial institutions

-	-
480,824	553,439
480,824	553,439

(l) Borrowings

Group and Company	
31 March 2017 RM'000	31 December 2016 RM'000

Funds from MITI Soft Loans Scheme for Services Sector

160,000	160,000
160,000	160,000

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

Income derived from investment of general investment deposits:

Group

Individual/Cumulative  
Quarter  
3 Months Ended

Income derived from investment of:

(i) General investment deposits  
(ii) Other deposits

31 March 2017 RM'000	31 March 2016 RM'000
17,018	13,659
12,727	13,146
29,745	26,805

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

(m) Income derived from investment of depositors funds and others  
Company

Income derived from investment of:

- (i) General investment deposits  
(ii) Other deposits

Individual/Cumulative Quarter 3 Months Ended	
31 March 2017 RM'000	31 March 2016 RM'000
-	-
9,467	8,057
<u>9,467</u>	<u>8,057</u>

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

(i) General investment deposits

Group

**Finance income and hibah**

Money at call and deposit  
placements with financial  
institutions  
Securities available-for-sale  
- Profit on non-impaired securities  
- Profit on impaired securities  
Securities held-to-maturity  
  
Accretion of discounts less amortisation of premiums  
Total finance income and hibah

Individual/Cumulative Quarter 3 Months Ended	
31 March 2017 RM'000	31 March 2016 RM'000
436	300
12,469	2,715
690	-
-	8,668
<u>13,595</u>	<u>11,683</u>
2,360	1,965
<u>15,955</u>	<u>13,648</u>

**Other operating income**

Net gain/(loss) on sale of securities available-for-sale

1,063	11
<u>17,018</u>	<u>13,659</u>

(ii) Other deposits

Group

**Finance income and hibah**

Financing and advances  
- impaired  
- non-impaired  
Money at call and deposit  
placements with financial  
institutions

Individual/Cumulative Quarter 3 Months Ended	
31 March 2017 RM'000	31 March 2016 RM'000
-	4,795
2,346	306
314	260
<u>2,660</u>	<u>5,361</u>

**Other operating income**

Management fee from Government  
Scheme Funds  
Fee income  
Other income

8,253	7,102
1,600	493
214	190
<u>10,067</u>	<u>7,785</u>
<u>12,727</u>	<u>13,146</u>

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

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

Company

	Individual/Cumulative Quarter	
	3 Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000
<b>Finance income and hibah</b>		
Financing and advances		
- impaired	-	3
- non-impaired	354	306
Money at call and deposit placements with financial institutions	314	260
	<u>668</u>	<u>569</u>
<b>Other operating income</b>		
Management fee from Government Scheme Funds	8,253	7,102
Fee income	334	234
Other income	212	152
	<u>8,799</u>	<u>7,488</u>
	<u>9,467</u>	<u>8,057</u>

(n) Income attributable to depositors

	Group Individual/Cumulative Quarter	
	3 Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000
<b>Commodity Fund</b>		
Deposits from customers	(5,813)	(3,890)
Deposits and placements of banks and financial institutions	(3,720)	(3,678)
	<u>(9,533)</u>	<u>(7,568)</u>
	<u>(9,533)</u>	<u>(7,568)</u>

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

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

<u>Group</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000
Collective impairment allowance		
- Made in the financial year	-	(167)
- Written back in the financial period	129	1,284
Individual impairment allowance		
- Made in the financial year	-	(20)
- Written back in the financial period	1,690	96
Bad debts recovered on financing and advances	1,974	8
	<u>3,793</u>	<u>1,201</u>

<u>Company</u>	Individual/Cumulative Quarter 3 Months Ended	
	31 March 2017 RM'000	31 March 2016 RM'000
Collective impairment allowance		
- Made in the financial year	-	(167)
- Written back in the financial period	54	-
Individual impairment allowance		
- Made in the financial year	-	(20)
- Written back in the financial period	1,690	96
Bad debts recovered on financing and advances	1	8
	<u>1,745</u>	<u>(83)</u>

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

(p) Capital adequacy

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

	Group		Company	
	31 March 2017 RM'000	31 December 2016 RM'000	31 March 2017 RM'000	31 December 2016 RM'000
<b>Common Equity Tier 1 (CET1)</b>				
Paid-up share capital	416,600	416,600	20,000	20,000
Unrealised gain and loss of securities available-for-sale	(2,445)	(8,256)	-	-
Retained profits	227,445	221,974	19,559	13,552
	641,600	630,318	39,559	33,552
Less: Regulatory adjustments of CET1	(3,714)	(6,037)	(2,475)	(3,203)
<b>Total Tier-I capital</b>	<b>637,886</b>	<b>624,281</b>	<b>37,084</b>	<b>30,349</b>
Collective impairment allowance	1,228	1,298	357	411
	1,228	1,298	357	411
Total Tier-II capital				
<b>Total capital</b>	<b>639,114</b>	<b>625,579</b>	<b>37,441</b>	<b>30,760</b>
CET1 Capital	81.57%	82.95%	25.46%	21.54%
Tier 1 Capital	81.57%	82.95%	25.46%	21.54%
Total Capital	81.73%	83.12%	25.71%	21.83%

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

	Group		Company	
	As at 31 March 2017	As at 31 December 2016	As at 31 March 2017	As at 31 December 2016
Total risk weighted assets for credit risk	647,332	623,386	87,900	86,192
Total risk weighted assets equivalent for market risk	-	-	-	-
Total risk weighted assets equivalent for operational risk	134,680	129,242	57,755	54,706
	782,012	752,628	145,655	140,898

**MALAYSIAN INDUSTRIAL DEVELOPMENT FINANCE BERHAD (No. 3755-M)  
UNAUDITED 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 condensed interim financial statements for the three months ended 31st March 2017, as set out on pages 1 to 47, 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 31st March 2017. The results and cash flows of the Group and the Company for the period ended on that date are prepared in accordance with the MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Board 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, 2016 in Malaysia.



**FOO WEI HOONG  
HEAD - FINANCE AND INFORMATION TECHNOLOGY**

**28th April 2017**